

AM03

Notice of administrator's proposals



Companies House

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#139

1 Company details

Company number /

Company name in full

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

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name

Full forename(s)

Surname

① Other administrator
Use this section to tell us about
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5 Administrator's address

Building name/number

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AM03

Notice of Administrator's Proposals

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Statement of proposals



I attach a copy of the statement of proposals

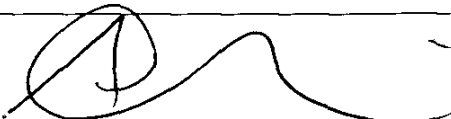
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AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Rachael Sherwood				
Company name	Smith & Williamson LLP				
Address	3rd Floor				
	9 Colmore Row				
Post town	Birmingham				
County/Region					
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Country					
DX					
Telephone	0121 710 5200				



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- ☐ You have attached the required documents.
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Albert Medical Devices Limited(in administration)

Joint administrators' Report and Statement of Proposals pursuant
to Paragraph 49 of Schedule B1 Insolvency Act 1986

11 September 2017



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1. Glossary

Abbreviation	Description
the Company	Albert Medical Devices Limited
the administrators / joint administrators	Andrew Stephen McGill and Gilbert John Lemon
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
Smart Storage	Smart Storage Limited
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service
FCA	Financial Conduct Authority
HCR	Harrison Clark Rickerbys Limited - solicitors
Currie & Co	David Currie & Co - real estate and asset consultants
HGF	HGF Limited - the Company's patent advisors
YX Partners	The QFCH

2. Introduction

We, Andrew Stephen McGill and Gilbert John Lemon, of Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ and licensed insolvency practitioners, were appointed administrators of the Company on 25 July 2017

This report sets out our proposals in respect of the administration of the Company.

Appendix I contains information in respect of the Company and the joint administrators that is required under the IR16.

We will deliver these proposals to the creditors on 19 September 2017.

3. Key points

- We were appointed joint administrators of the Company on 25 July 2017 by the Directors of the Company with the consent of the floating charge creditor.
- The objective of the administration is as in P3(1)(b) Sch B1, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).
- The administrators' strategy was to maximise realisations into the estate by achieving a sale of the Company's intellectual property, stock, machinery and tooling. A sales process has been followed and is currently ongoing in respect of these assets (see section 7.2 below). As the process is not yet complete, *details of offers received to date are commercially sensitive at this time.*
- The Administrators have realised the Company's cash at bank in the amount of £22,807.
- The Company had 3 employees at the date of Administration. All employees were made redundant by the Administrators on 25 July 2017.
- The Company has not continued to trade in Administration.
- Based on present information, we are not currently able to comment on whether there are likely to be sufficient funds to enable a distribution to any class of creditor, as the sales process in respect of the Company's primary assets is ongoing.
- If 10% or more by value of the Company's creditors wish us to call a meeting, details of the process are covered in section 16 below.
- At this point, approval of the proposals only is being sought and we will be seeking approval of the basis of our remuneration and disbursements as set out at section 14 and of the pre-appointment costs and expenses as set out in section 13 from the secured creditor in due course.
- We will also be seeking approval of our discharge from liability from the secured creditor in due course.
- Creditors with partly or wholly unsecured claims are invited to form a Creditors' Committee which, if formed, will need to comprise three to five members.

4. Background to the administration

The Company was incorporated on 7 February 2011 with the purpose of developing, manufacturing and distributing a pump-based urology product known at the 'Melio Leg Bag'. The Company obtained a portfolio of worldwide patents and intellectual property rights, and subsequently commenced manufacturing the product in China for sale in the US.

The Company was in the early stages of its life cycle and generated limited revenue by selling the product to several healthcare distributors in the US. It was funded predominantly through shareholder investment and monies invested by the secured creditor. At the date of administration, the Company's shareholders had invested in excess of £2.5m into the business.

A fundraising exercise was undertaken during the first half of 2017 with a view to obtaining further capital investment, however this proved unsuccessful.

When it became apparent that further funding was not forthcoming, the Board sought professional advice which culminated in the Company being placed into administration.

Andrew Stephen McGill and Gilbert John Lemon are both qualified insolvency practitioners and licensed by the Institute of Chartered Accountants in England & Wales. As proposed joint administrators, statements and consents to act were provided by both on 19 July 2017.

Notice of intention to appoint joint administrators was filed in the High Court of Justice, Chancery Division, Birmingham District Registry on 12 July 2017 by the directors. This was also served on the QFCH, YX Partners Limited, who raised no objections. The Joint Administrators were subsequently appointed on 25 July 2017.

The Company's three employees were made redundant by the Administrators on appointment.

5. Purpose of administration and strategy

The joint administrators must perform their functions with the objective of:

- rescuing the Company as a going concern; or
- achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- realising property in order to make a distribution to one or more secured or preferential creditors.

In this case, the second objective above is being pursued.

We do not believe that the first objective can be achieved in this instance as the Company's previous attempts to secure the investment required to continue as a going concern have been unsuccessful, largely due to the substantial capitalisation.

We believe that the second objective can be achieved on the basis that the realisations from the administration are likely to exceed what would have been achieved in liquidation, which will enhance the return to all creditors. Should the Company have been wound up, it is likely that the delay the officeholder would have encountered in securing the Company's stock, together with the consequential delay in the sales process, would have resulted in a significant erosion of the value of the Company's assets, thereby restricting final realisations to creditors.

The third objective may also be achieved in the event that there are sufficient funds to enable a distribution to the secured and/or preferential creditors.

Our role prior to appointment as joint administrators was to advise the Company, not the directors or any party considering acquisition of the business whether by means of a pre-packaged sale or otherwise. Once appointed, administrators are obliged to perform their functions in the interests of the Company's creditors as a whole. Where the objective of the administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty to avoid harming unnecessarily the interests of the creditors as a whole.

Section 7 provides details of the actions taken to date in pursuit of our strategy for the administration and Section 10 details our proposals to achieve the purpose of the administration and to bring it to a conclusion in due course.

6. Joint administrators' receipts and payments

A summary of our receipts and payments for the administration period from the date of our appointment to 11 September 2017 is attached at Appendix III. This shows funds in hand of £22,807.

7. Conduct of the administration

7.1 Strategy

The administrators sought to realise the following primary assets of the Company:

- All intellectual property held by the Company, comprising a portfolio of worldwide patents and trademarks (see section 7.3 below);
- All Melio Leg Bag stock (located in the North West of England) (see section 7.4 below); and
- All tooling and machinery (located in China) and all technical drawings and information required to recreate it (see section 7.5 below).

Following pre-administration discussions with the Directors it was established that the strategy most likely to achieve the best possible realisation from these assets was to run a structured sales process. Details of the sales process are set out in section 7.2 below.

7.2 Sales Process

The sales process commenced immediately upon appointment and followed the stages set out below.

7.2.1 Identification of potential interested parties

In conjunction with the Board and as a result of our own research into this highly specialist area, 28 potential interested parties were identified. Further interested parties were also sought by advertising the opportunity on the TP Deals system (an online business opportunities system run by Turner Parkinson LLP) and on the Currie & Co website, together with circulating the sales profile to the Partners and Associate Directors of Smith & Williamson LLP.

7.2.2 Sales Process

A structured sales process was used, which followed four stages:

1. A high-level "Sales Profile" document in respect of the assets was issued to all potential interested parties by email. This was also issued to all S&W Partners and Directors, to forward on to any contacts they believed may be interested.

2. Parties with an interest in purchasing the assets signed a non-disclosure agreement.
3. Access to a data room containing further details of the Company and the assets was provided to parties upon receipt of a signed non-disclosure agreement in order to enable them to carry out a due diligence exercise.
4. Full and final funded offers were initially requested by a deadline of 5pm on Friday 18 August 2017.

7.2.3 Expressions of interest received

In total, 7 parties expressed an interest in the assets and requested a non-disclosure agreement (NDA) to sign.

Signed NDAs were received from 6 parties. All were provided with access to a data room containing a full sales pack.

S&W engaged in regular email and telephone correspondence with all 6 interested parties throughout the due diligence phase of the sales process, and advised all of them that Trevor Wills (a Director of the Company and the inventor of the product) was available to discuss the business and product.

Two parties requested a telephone call with Trevor Wills, and calls were arranged.

7.2.4 Current status of the sales process

Prior to the initial offer deadline of 18 August 2017, several of the interested parties advised that they were interested in the product, but were unable to meet the deadline for submitting an offer. The administrators considered the position and concluded that it would be of potential benefit to the creditors to extend the sales process.

As such, the revised deadline for submission of best and final funded offers is now 29 September 2017. We remain in contact with several interested parties.

Given that the sales process is ongoing, we are not currently able to disclose any details of offers received to date.

7.3 Intellectual property

The Company holds a portfolio of UK, European and worldwide patents in respect of the Melio Leg Bag. In addition, the Melio brand is protected by a registered worldwide trademark. The Directors' SOA attributes a book value of £435,000 and an ETR value of £200,000 to these assets.

There are also a number of pending patent applications, many of which were put on hold prior to the administration. We have liaised with HGF, the Company's patent advisors, in order to preserve the Company's existing patents and manage the ongoing patent applications during the administration, where possible and where funds permit.

The Company's intellectual property is subject to the ongoing sales process outlined in section 7.2 above.

7.4 Stock

The Company's stock comprises a significant quantity of Melio Leg Bag components, some of which are ready for sale, whilst other components require sterilisation. The Directors' SOA discloses a book value of £125,819 and an ETR figure of £50,000.

All stock is subject to the ongoing sales process outlined in section 7.2 above.

A summary of the Company's stock is set out of the table below.

Stock type	Units ready for sale	Units requiring sterilisation
Controller units	1,959	Nil
Melio Leg Bags	1,980	13,019
Replenishment packs	1,748	Nil
Extension tubes	4,460	Nil
Instructions for use CDs	2,500	Nil

The stock is currently located in a storage unit owned by Smart Storage in Bromborough, Chester.

Prior to our appointment, we engaged Currie & Co to carry out a site visit to the storage unit and prepare a valuation of the stock. This was carried out by Rob McArdle of Currie & Co on 21 July 2017. Given that the sales process is ongoing, the administrators are not in a position to disclose the advised value of the stock at this time.

7.5 Plant and machinery

The Directors' SOA discloses plant and machinery with a book value of £77,577 and an ETR figure of £40,000.

This relates to various injection mould tools, two UV curing machines, two leak detectors and a selection of set up jigs required to produce the Melio Leg Bag components. All plant and machinery is located at the Hong Kong premises of the Company's Chinese manufacturer, HTI Limited.

The Company also has detailed technical drawings and 3D models which would enable a purchase to re-create these assets.

The plant and machinery and associated technical drawings and models are subject to the ongoing sales process outlined in section 7.2 above.

7.6 Cash at bank

The Company had two HSBC bank accounts: a GBP£ account and a USD\$ account.

A cheque for £22,807 was received in respect of the funds in these bank accounts, and was paid into the administration bank account.

7.7 Book debts

At the date of appointment the Company had a single book debtor with an outstanding book value of £1,326. The Directors' SOA anticipates that this is realisable in full.

We have written to the debtor to request payment of outstanding amount and continue to pursue it.

7.8 Motor vehicle

The Company owns a 2005 Volkswagen Golf 1.9 TDSI diesel five door hatchback (registration YT05 UHP). The vehicle is subject to a Statutory Off-Road Notification and we understand that it is in below average condition, and has covered c.130,000 miles.

The Directors' SOA provides an estimated to realise value of £500.

The administrators will seek to sell this vehicle in due course.

7.9 Security deposit

The Company has paid a security deposit of £1,104 to Smart Storage in respect of the storage unit at Bromborough which contains the stock outlined in section 7.4 above. We are not currently in a position to determine whether this asset is realisable, due to the ongoing sales process.

7.10 VAT refund

The Company's records show that the Company is entitled to a VAT refund of £2,413.52 in respect of a VAT return submitted in respect of the pre-appointment period.

This has not yet been received by the administrators.

7.11 Prepayments

The assets section of the Directors' SOA shows prepayments of £53,499. These prepayments relate to monies paid to the Company's manufacturing partner prior to the Company ceasing to trade.

The administrators, in conjunction with one of the Company's Directors, are currently carrying out a review of all invoices received from and payments made to the manufacturing partner in order to confirm the prepayments position. In the event that this exercise confirms that monies are due to the Company, the administrators will pursue this.

7.12 Other steps taken since appointment

We summarise below the other key matters that we have dealt with since our appointment. We have:

- Negotiated arrangements with Smart Storage regarding continued occupation of the storage unit located at Candy Park, New Chester Road, Bromborough, CH62 3PE;
- Engaged with the Company's former external management accountant to produce critical financial information for the joint administrators;
- Arranged the submission of staff claims to the RPS and resolved queries arising in relation to these claims;
- Organised the production and dispatch of P45s to former employees and relevant returns to HMRC;
- Isolated and recovered records of the Company where required for the purposes of the administration; and
- Commenced our investigation into the directors' conduct, as required by statute.

8. Financial position at the date of administration

8.1 Directors' SOA

Attached at Appendix III is a copy of the directors' SOA as at the date of our appointment as joint administrators on 25 July 2017. We received the SOA on 10 August 2017 and it has since been filed with the Registrar of Companies.

We have the following observations to make in relation to the directors' SOA:

- The statement of concurrence submitted by Dominique Valentiny is subject to a qualification that the balance owed to YX Partners is £487,497 rather than £435,000.

8.2 Charges and secured creditors

YX Partners holds a debenture containing fixed and floating charges over the Company's assets. At the date of the administration, the debt was estimated at £435,000.

8.3 Prescribed Part

Where a company has created a floating charge on or after 15 September 2003 Section 176A of the Insolvency Act 1986 makes provision for a share of the company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. The company's net property is the balance that remains after preferential creditors have been paid and which would then otherwise be available for satisfaction of the claims of any holder of a debenture secured by a floating charge. The funds are referred to as the Prescribed Part.

The amount of the Prescribed Part is calculated as follows:

- 50% of the net property up to £10,000, plus
- 20% of the net property over £10,000
- up to a maximum Prescribed Part of £600,000.

The Company granted a floating charge to YX Partners Limited on 28 June 2016. Accordingly, we are required to set aside a Prescribed Part fund for unsecured creditors out of the Company's net floating charge property.

We are presently unable to estimate the potential quantum of the prescribed part as this is entirely dependent on the outcome of the ongoing sales process, the attendant professional costs and the apportionment between fixed and floating charge assets of any offer.

Where there is a Prescribed Part distribution to be made, this will be distributed by the joint administrators in the administration.

8.4 Preferential creditors

The Company's preferential creditors are estimated to be £777, comprising arrears of wages and any element of a *Protective Award* that may relate to the four month period prior to insolvency (a maximum of £800 per employee) and all accrued but untaken holiday at that date.

8.5 Unsecured creditors

Unsecured creditors are estimated to be £109,141 in the directors' SOA, comprising £90,332 relating to commercial creditors (of which c.£42k is owed to connected parties) and £18,809 in respect of former employees' *unsecured creditor claims*.

9. Estimated outcome for creditors

We are currently unable to estimate the likely outcome for each class of creditors as this is entirely dependent on the outcome of the ongoing sales process, the attendant professional costs and the apportionment between fixed and floating charge assets of any offer.

10. Proposals for achieving the purpose of administration

Our proposals for achieving the purpose of administration for the Company are as follows:

- i. The administrators will continue to manage the affairs of the Company in order to achieve the purpose of the administration, namely with the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) pursuant to P3(1)(b) Sch B1.
- ii. If, having realised the assets of the Company, the joint administrators think that a distribution will be made to unsecured creditors, other than by way of any applicable Prescribed Part distribution, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made.
- iii. If the administrators consider it appropriate and cost effective to do so, they may make an application to court for permission to make any distribution to the unsecured creditors that is not from the Prescribed Part in the administration instead of moving the Company to CVL and then making a distribution. (Note: If permission is granted, subject to the need for further investigations as detailed in the next section, the Company will exit into dissolution once the distribution has been made and the administration concluded).
- iv. If the joint administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the Company.
- v. The joint administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 IA86, as they consider desirable or expedient to achieve the purpose of the administration.

- vi. The administrators propose asking creditors to consider establishing a creditors' committee. If such a committee is formed the creditors who become members of the committee will be responsible for sanctioning the basis of the joint administrators' remuneration and disbursements, any unpaid pre-administration costs and certain proposed acts on the part of the joint administrators. The committee will be able to make these decisions without the need to report back to a further meeting of creditors generally.

11. Exit route from administration

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administration by way of one of the following means:

- i) If, having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, it is proposed that the joint administrators will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.

Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the joint administrators prior to these proposals being approved. Where this occurs, the joint administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the joint administrators will automatically become the joint liquidators of the Company in the subsequent CVL.

- ii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- iii) Administrators have the power to bring claims against former officers of the company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

If a creditors' committee is established the joint administrators will consult with the members and agree the most appropriate exit route from administration.

12. Other matters relating to the conduct of the administration

The matters detailed below are not considered to be part of the proposals but are intended to provide creditors with information concerning the remaining statutory and other matters that must be dealt with in the administration.

- Submitting a confidential return or report on the conduct of the directors to the Department for Business, Energy & Industrial Strategy. This obligation arises under the Company Directors' Disqualification Act 1986. Creditors should note that the content of any submission is strictly confidential and under no circumstances will discussions be entered into regarding this;
- Agreeing and making payment of preferential claims, subject to availability of funds;
- Agreeing the claim of and making payment to the secured creditor, subject to availability of funds;
- Filing corporation tax returns and obtaining tax clearance in respect of the administration period;
- Paying all costs and expenses of the administration once any required approval has been obtained; and
- Further statutory reporting as required by IA86 and IR16. Pre-administration costs and expenses.

13. Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the joint administrators or another person qualified to act as an insolvency practitioner before the Company entered administration (but with a view to its doing so), and “unpaid pre-administration costs” are pre-administration costs which had not been paid when the Company entered administration.

Under the 2016 Rules, we are required to provide the following:

- Details of any agreement under which fees were charged and expenses incurred, including the parties to the agreement and the date on which the agreement was made
- Details of the work done for which the fees were charged and expenses incurred
- An explanation of why the work was done before the Company entered administration and how it would further the achievement of an objective in P3 Sch B1. Note that this must be in accordance with subparagraphs (2) and (4) of P3 Sch B1 re performing functions in the interests of creditors as a whole and not unnecessarily harming creditors’ interests as a whole.
- A statement of the amount of the pre-admin costs, setting out separately -
 - 1) The fees charged by the administrators
 - 2) The expenses incurred by the administrators
 - 3) The fees charged to the administrators’ knowledge by any other person qualified to act as an IP in relation to the company and, if more than one, by each separately, and
 - 4) The expenses incurred by those referred to in 3) above
- A statement of the amounts of pre-admin costs that have already been paid and set out in the same way as the bullet point above
- The identity of the party who made the payment and the quantum. If more than one party made any payments, these parties and payments need to be listed separately and
- A statement of the amount of unpaid pre-admin costs and set out in the same way as bullet point 4 above

The basis of our pre-administration costs was set out in our engagement letter with the Company dated 7 July 2017. Our costs were to be charged on a time cost basis.

Our engagement was to:

- Advise on the financial control of the Company up to the date that the Company entered Administration, which included advising on the protection of the Company’s business and assets;
- Prepare, in consultation with the board of directors, and solicitors, all necessary documentation for placing the Company into administration, including the necessary witness statements for consideration and execution, as appropriate, by the directors;
- Assist, in consultation with the directors, and solicitors, in making the necessary application to the court for placing the Company into administration.

Our total time costs in assisting the Company prior to our appointment as joint administrators are **£23,144**, a breakdown of which is given in Appendix IV. As at the date of this report none of these costs have been paid. Pre-appointment fees charged and expenses incurred by us are detailed below:

Charged by/service(s) provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP – services provided as outlined above	23,144	Nil	N/A	23,144
HCR– legal costs	7,921	Nil	N/A	7,921
HCR – legal expenses	85	Nil	N/A	85
Currie & Co – asset valuation & site visit	2,700	Nil	N/A	2,700

We are not aware of any fees or expenses incurred by any other person qualified to act as an insolvency practitioner with a view to the Company entering administration.

The payment of Smith & Williamson LLP's unpaid pre-administration costs set out above as an expense of the administration is subject to the approval of creditors, separately from the approval of the joint administrators' proposals. This approval will be the responsibility of the creditors' committee if one is appointed or alternatively by resolution of a virtual meeting of creditors, electronic or postal voting where there is no committee.

14. Joint administrators' remuneration

Insolvency Practitioners are required to provide stakeholders with details of the work they propose to do and the expenses that are likely to be incurred. Prior to drawing any fees, these details must be provided to creditors and approval given. Alternatively, creditors may form a committee and, if so, it is up to the majority of committee members to give consent.

Where it is proposed that fees are drawn from the insolvent estate on a time costs basis, a fees estimate will also need to be provided. Where it is unrealistic to estimate the work to be done at the outset, an estimate may be provided for a designated period or up to a particular milestone.

Creditors should be aware that the fees estimate is based on information available at present and may change due to unforeseen circumstances arising. If any original fees estimate is exceeded, a revised estimate will need to be provided and approval given before any fees may be drawn.

Some of the work required by Insolvency Practitioners is required by law and may not necessarily result in any financial benefit for creditors (or members). Examples of this work would include investigations required under the Company Directors' Disqualification Act 1986 or dealing with former employees' claims through the Redundancy Payments Service.

On some occasions, third parties may be instructed to provide expert advice on tax, legal or property matters to produce a financial benefit to creditors.

Each aspect of the work undertaken will require different levels of expertise and, therefore, cost. To make it clear, we have given the rates for each grade of staff with estimates of the total hours to be spent on each aspect in the table provided.

The basis of the joint administrators' remuneration may be fixed on one or more of the following bases and different bases may be fixed in respect of different things done by them:

- as a percentage of the value of the assets they have to deal with, or
- by reference to time properly spent by the joint administrators and their staff in attending to matters arising in the administration, or
- as a set amount.

In this case, the joint administrators are not seeking approval for the basis of their remuneration at this time, however a summary of time costs incurred to date, totalling **£39,165** is included at Appendix V. We will seek approval in due course in accordance with the procedure outlined below.

Where no creditors' committee is appointed, approval of the joint administrators' remuneration shall be fixed using the decision making process either at a virtual creditors' meeting or by electronic and/or postal voting. Where the joint administrators have concluded that the company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R18.18 IR16.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix VI.

15. Administration expenses

15.1 Subcontractors

We have not used any subcontractors during the administration to date.

15.2 Professional advisors

We have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Professional adviser/service	Basis of fee arrangement	Costs	Costs
		incurred	paid
		£	£
HCR (legal advice)	Hourly rate and disbursements	1,089	Nil
Currie & Co (asset valuation and disposal advice)	Hourly rate and disbursements	270	Nil
P D Jones Financials Limited (accounting advice and preparation of employee P45s)	Fixed fee	500	Nil
Total		1,859	Nil

15.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Smart Storage - rent	920	Nil	920
Statutory advertising	80	Nil	80
Joint Administrators' bonds	140	Nil	140
Postage	16	Nil	16
Category 2 disbursements (see next section)	Nil	Nil	Nil
Total	1,156	Nil	1,156

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

15.4 Category 2 disbursements

No Category 2 disbursements have been incurred during the period.

In accordance with SIP 9, Remuneration of Insolvency Office Holders, the joint administrators will be seeking approval to draw Category 2 disbursements in due course.

15.5 Policies regarding use of third parties and disbursement recovery

Details of Smith & Williamson's policies regarding the use of subcontractors and professional advisors and the recovery of disbursements are set out at Appendix VI.

16. Meeting of creditors

The joint administrators propose to seek approval of these proposals by deemed consent. Unless more than 10% in value of relevant creditors object to the decision to approve the proposals by deemed consent, approval of the proposals will take effect from **3 October 2017**. Relevant creditors are those creditors who would be entitled to vote in the event of an alternative decision procedure being used.

If any creditors object to the joint administrators seeking approval of the proposals by deemed consent, those creditors will have to have delivered a notice to this effect to the joint administrators, along with a proof in respect of their claim, by no later than **3 October 2017**, failing which their objection will be disregarded.

It is the joint administrators' responsibility to aggregate any objections to see if the threshold is met for the decision to approve the proposals by deemed consent is to be taken as having not been made.

In the event that the threshold is met, the deemed consent procedure will no longer apply and approval will be sought by means of an alternative decision procedure.

17. Next report and creditors' rights

The joint administrators are required to provide a progress report within one month of the end of the first six months of the administration or earlier if the administration has been finalised.

From receipt of the first progress report, creditors have rights under IR16 to request further information and to challenge the joint administrators' remuneration and/or expenses incurred. In summary:

- Within 21 days of the receipt of a progress report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the joint administrators provide further information about their remuneration or expenses which have been itemised in the report.
- Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of a progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the joint administrators, as set out in the report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Andrew Stephen McGill or Gilbert John Lemon in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

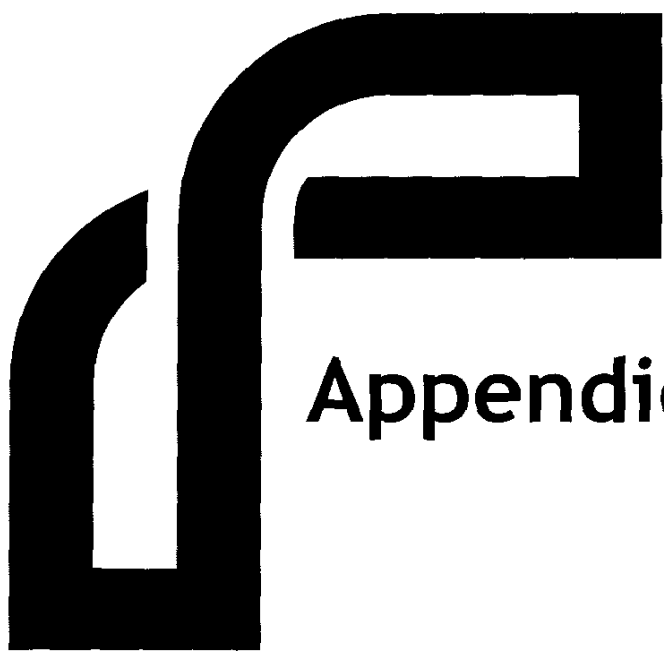
iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.



Andrew Stephen McGill and Gilbert John Lemon

Joint Administrators

Date: 11 September 2017



Appendices

I Statutory information

Relevant Court	High Court of Justice, Chancery Division, Birmingham District Registry
Court Reference	8180 of 2017
Trading Name(s)	N/A
Trading Addresses	131 Mount Pleasant, Liverpool Science Park, Merseyside, L3 5TF
Former Name(s)	Ellmath (194) Limited
Registered Office	131 Mount Pleasant, Liverpool Science Park, Merseyside, L3 5TF
Registered Number	07520002
Joint Administrators	<p>Andrew Stephen McGill and Gilbert John Lemon both of 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ</p> <p>(IP No(s) 9350 and 9573)</p> <p>In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.</p>
Date of Appointment	25 July 2017
Appointor	the Directors of the Company
Directors	<p>Douglas James Harper</p> <p>Kayar Srinivasan Raghavan</p> <p>Dominique Marie Valentiny</p> <p>Trevor Wills</p> <p>Christopher Young</p>
Shareholders	<p>Trevor Wills</p> <p>D Thompson</p> <p>E Lim</p> <p>O Bharji</p> <p>D Berry</p> <p>S Rawson</p> <p>A Hinchcliffe</p> <p>The Lord Stafford</p> <p>RA Labone Limited</p> <p>Roger Dale</p> <p>Robert Mason</p> <p>Thomas Fischer</p> <p>Thomas Fitzherbert</p> <p>Jonathan Hammond</p> <p>NWF (Biomedical) LP</p> <p>Ian Bayles</p> <p>Michael Davey</p>

Narendra Varsani
 Robert Curry
 Christopher Cobb
 Kamran Nadim
 Theodore Hornbein
 Frederick Streicher
 Timothy Lord
 Anthony Barfoot
 Mahendra Negi
 Jeremy Thomas
 Rick Parry
 David Auger
 Keith Ashworth
 Esther Streicher
 Heather Mattheson
 Gary Waller
 Deepak Mehta
 Michael Norris
 Medtechtomarket Consulting Limited
 Gwendoline Newbold
 Usha Raghavan
 Michael Mills
 Share Nominees Limited
 Angel Co Fund
 Lois Curry
 Graham Barker
 Gonzague Leruth
 Aditya Shankar
 John McFadzean
 Marc Valentiny
 Richard Bednarek
 Dermot Pearson

EC Regulations

The EC Regulation on Insolvency Proceedings 2000 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

II Receipts and payments account

Receipts and payments account to 11 September 2017

Albert Medical Devices Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 11/09/2017

S of A £		£	£
200,000.00 (435,000.00)	GENERAL FIXED CHARGE Intellectual Property Rights YX Partners	NIL NIL	NIL
40,000.00 500.00 50,000.00 1,325.52 2,413.52 20,112.86 2,726.43	ASSET REALISATIONS Tooling & Equipment Motor Vehicles Stock Book Debts VAT Refund Cash at Bank - GBP£ account Cash at Bank - USD\$ account	NIL NIL NIL NIL NIL 22,806.76 NIL	22,806.76
(777.09)	PREFERENTIAL CREDITORS Employees Wage Arrears	NIL	NIL
(90,332.08) (18,808.99)	UNSECURED CREDITORS Trade & Expense Creditors Employees	NIL NIL	NIL
(19,886.80) (2,848,592.00)	DISTRIBUTIONS Ordinary Shareholders Share Premium	NIL NIL	NIL
(3,096,318.53)			22,806.76
	REPRESENTED BY Clients Deposit (Int Bearing)		22,806.76
			22,806.76

Notes and further information required by SIP 7

- The joint administrators' remuneration has not yet been approved. Approval will be sought from the QFCH and preferential creditors in due course.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.

- Details of payments made to professional advisors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is *not recoverable* it is shown as *irrecoverable* VAT.

III Directors' Statement of Affairs as at 25 July 2017

R3.30 IR 2016

Statement of affairs

Name of Company
Albert Medical Devices Limited

Company number
07520002

In the
High Court of Justice, Chancery Division,
Birmingham District Registry
[full name of court]

Court case number
8180 of 2017

(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) Albert Medical Devices Limited, 131 Mount Pleasant,
Liverpool Science Park, Merseyside, L3 5TF

(b) Insert date

on the (b) 25 July 2017, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and
complete statement of the affairs of the above-named company as at (b) 25 July
2017 the date that the company entered administration.

Full name Christopher John Young

Signed



Dated 10th August 2017

A – Summary of Assets

List assets with brief description	Book value	Estimated to realise
	(£)	(£)
Assets subject to a fixed charge (see guidance)		
IPR	1,067,179.00	200,000.00
YX Partners fixed charge	(435,000.00)	(200,000.00)
	632,179.00	0.00
Fixed Charge Shortfall c/d to liabilities		(235,000.00)
Assets subject to a floating charge (see guidance)		
HSBC GBP account	20,112.86	20,112.86
HSBC USD account (\$3605.21)	2,726.43	2,726.43
Product Stocks	125,819.19	50,000.00
Debtors receivable (\$1752.89)	1,325.62	1,325.62
Plant & Machinery (tooling & equipment)	77,577.00	40,000.00
Motor Vehicle	1.00	500.00
Security deposit	1,104.00	0.00
VAT refund	2,413.52	2,413.52
Prepayments	53,493.58	0.00
Unpaid capital subscriptions	2,745.00	0.00
	287,318.20	117,078.43
Uncharged assets (see guidance)		
None		
	0.00	0.00
Estimated total assets available for preferential creditors	919,497.20	117,078.43

Signature W. Wang.

Date 10th August 2017

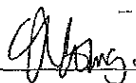
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A

A1 – Summary of Liabilities

	(£)	Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)		117,078.43
Liabilities		
Preferential creditors		
Employee salary	777.09	
Estimated deficiency/surplus as regards preferential creditors		116,301.34
Estimated prescribed part of net property where applicable (to carry forward)	26,260.27	
Estimated total assets available for floating charge holders		90,041.07
Debts secured by floating charges		
shortfall to YX Partners b/d	(235,000.00)	
Estimated deficiency/surplus of assets after floating charges		(144,958.93)
Estimated prescribed part of net property where applicable (brought down)	26,260.27	
Total assets available to unsecured creditors		26,260.27
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Unsecured non-preferential company creditor claims (13 claims)	90,332.08	
Unsecured non-preferential former employee & director claims (3 claims)	18,808.99	
Unsecured non-preferential consumer claims (0 claims)	0.00	
	109,141.07	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(82,880.80)
Shortfall to floating charge holders (brought down)		(144,958.93)
Estimated deficiency/surplus as regards creditors		(227,839.73)
Issued and called up capital	19,885.80	
Share Premium	2,848,592.00	
Estimated total deficiency/surplus as regards members		(3,096,318.53)

Signature



Date 10th August 2017

B - COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession. Please note that consumer creditors and employee / director details must be provided on separate schedules.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Compliance Solutions Life Sciences Ltd	SEE ATTACHED SCHEDULE	10,200.00			
D&R Strategic Solutions Ltd	SEE ATTACHED SCHEDULE	3,925.86			
Douglas J. Harper	SEE ATTACHED SCHEDULE	3,780.86			
Hanson Medical Systems	SEE ATTACHED SCHEDULE	4,028.20			
HGF Ltd	SEE ATTACHED SCHEDULE	16,546.34			
London Business Angels	SEE ATTACHED SCHEDULE	1,080.00			
Mark Cridland Transport Services	SEE ATTACHED SCHEDULE	275.00			
MDC Associates LLC	SEE ATTACHED SCHEDULE	6,787.04			
PD Jones Financials Ltd	SEE ATTACHED SCHEDULE	900.00			
Smart Storage Ltd	SEE ATTACHED SCHEDULE	1,104.00			
SPARK Impact Ltd	SEE ATTACHED SCHEDULE	32,592.30			
YX Partners Ltd	SEE ATTACHED SCHEDULE	9,000.00			
HMRC PAYE	SEE ATTACHED SCHEDULE	112.48			
		90,332.08			

Signature

Date 10th August 2017

SoA final

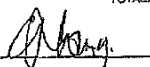
Albert Medical Devices Limited
B - Company Creditors

Key	Name	Address
CC00	Compliance Solutions Life Sciences Limited	116 Almond Road, Cumbemauld, G67 3LW
CD00	D&R Strategic Solutions Limited	C/O French Duncan Chartered Accountants, McFarlane Grey House, Castlecraig Business Park, Springbank Road, Stirling, FL7 7WT
CH00	DOUGLAS J HARPER	28 SHEPPARD ROAD, SAGAMORE BEACH, MA 02562, USA
CH01	HANSON MEDICAL SYSTEMS	1054 HOWELL BRANCH ROAD, SUITE 203, WINTER PARK, FLORIDA 32792
CH02	HGF Limited	1 City Walk, Leeds, LS11 9DX
CL00	London Business Angels	100 Pall Mall, St James, London, SW1Y 5NQ
CM00	Mark Cridland Transport Services	126 Winchester Avenue, Warrington, WA5 1XY
CM01	MDC ASSOCIATES LLC	180 CABOT STREET, BEVERLY, MA 01915
CP00	PD Jones Financials Limited	20-22 Wenlock Road, London, N1 7GU
CR00	Ryan-Kay Services UK Limited	Liverpool Science Park, 131 Mount Pleasant, Liverpool, L3 5TF
CS00	Smart Storage Limited	71-75 Shelton Street, London, WC2H 9JQ
CS01	SPARK Impact Limited	
CX00	YX Partners Limited	
13 Entries Totalling		

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value £	Details of Shares held
Trevor Wills		256500	2565.00	Ordinary shares
David Thompson		2850	28.50	Ordinary shares
Edwin Lim		2850	28.50	Ordinary shares
Orininder Bharti		2850	28.50	Ordinary shares
D Berry		2850	28.50	Ordinary shares
Susan Rawson		2850	28.50	Ordinary shares
A Hitchcliffe		34250	342.50	Ordinary shares
The Lord Stafford		33530	335.30	Ordinary shares
R.A. Labone & Co Ltd		53649	536.49	Ordinary shares
Roger Dale		11084	110.84	Ordinary shares
Robert Mason		28571	285.71	Ordinary shares
Thomas Fischer		9524	95.24	Ordinary shares
Tom Fitzherbert		20000	200.00	Ordinary shares
Jonathan Hammond		54645	546.45	Ordinary shares
NWE (Biomedical) LP		647932	6479.32	129586 Ordinary Shares, 518346 A Ordinary Shares
Dr Ian Bayles		5465	54.65	Ordinary shares
Michael Devey		15000	150.00	Ordinary shares
Narendra Varsani		5465	54.65	Ordinary shares
Lois Curry		1803	18.03	Ordinary shares
Robert Curry		5465	54.65	Ordinary shares
Chris Cobb		12445	124.45	Ordinary shares
Kamran Nadim		3009	30.09	Ordinary shares
Théo Hornbein		5465	54.65	Ordinary shares
Trustees of Fred Streicher Revocable Trust		2732	27.32	Ordinary shares
Tim Lord QC		65877	658.77	Ordinary shares
Anthony Barfoot		10929	109.29	Ordinary shares
Mahendra Negi		10930	109.30	Ordinary shares
Jeremy Thomas		22000	220.00	Ordinary shares
Rick Parry		13660	136.60	Ordinary shares
Dave Auger		3388	33.88	Ordinary shares
Keth Ashworth		27323	273.23	Ordinary shares
Trustees of Esther Streicher Revocable Trust		2732	27.32	Ordinary shares
Heather Matheson		5465	54.65	Ordinary shares
Gary Waller		7650	76.50	Ordinary shares
Deepak Mehta		4098	40.98	Ordinary shares
Michael Morris		12935	129.35	Ordinary shares
Medtech to Market Ltd (MP)		99250	992.50	Ordinary shares
Michael Mills		13661	136.61	Ordinary shares
Gwendoline May Newbold		5786	57.86	Ordinary shares
Usha Raghavan		26044	260.44	Ordinary shares
Graham Barker		6830	68.30	Ordinary shares
Aditya Shankar		8197	81.97	Ordinary shares
Gonzague Leruth		5500	55.00	Ordinary shares
Marc Valentini		218580	2185.80	A Ordinary shares
John McFadden		3147	31.47	Ordinary shares
Richard Bednarek		15000	150.00	Ordinary shares
Dermot Peterson		5464	54.64	Ordinary shares
LBA EIS Fund		24550	245.50	Ordinary shares
Angel Co-Fund		174863	1748.63	163159 Ordinary Shares, 11704 A Ordinary Shares
TOTALS		1988580	19886.80	

Signature



Date 10th August 2017

Schedule of Shareholder addresses

Name	Address 1	Address 2	Address 3	Address 4	Address 5
Mr David Auger	Highview	Hilista Lane	Hayes	Kent	BR2 7AP
Mr Keith Ashworth	Ludgate House	2 St Marys Close	Loughton	Essex	IG10 1BA
Angal Co Fund	Foundry House		3 Mill Sands	Sheffield	S3 8NH
Mr Ominder Bhatj	6 Glasdale Road		Hill Green	Birmingham	B28 8PX
D Berry					
Mr Ian Bayles	Old School Surgery	Church Street	Seaford	East Sussex	BN25 1HH
Mr Anthony Barfoot	6 Kings Meadow	Kennington	Ashford	Kent	TN25 4PS
Mr Graham Barker	The Old Bakery		4 Stepney Green	London	E1 3JU
Mr Richard Bednarek					
Mr Robert Curry	101 Drewstead Road		London		SW18 1AD
Mr Christopher Cobb	1 Houston Place		Esher	Surrey	KT10 8JU
Lois Curry	101 Drewstead Road		London		SW18 1AD
Mr Roger Dale	16 Woodfields Drive		Lichfield	Staffordshire	WS14 9HH
Mr Michael Davey	225 Shaen Lane		East Sheen	London	SW14 8LE
Mr Thomas Fischer	Ashcroft	Vicarage Lane	Ruddington	Nottinghamshire	NG11 6NB
Mr Thomas Fitzherbert	9 Trinity Crescent		Tooling	London	SW17 7AF
Mr Alex Hinchcliffe	Maitplan Ltd	214 Sheffield Road	Woodhouse Mill	Sheffield	S13 9ZD
Mr Jonathan Hammond	Galley Cottage	Blackden Lane	Goostrey	Cheshire	CW4 8DQ
Mr THEODORE HORNBEIN	YIN XIAO LU 35-4-2801		SHANGHAI	CHINA	201204
Mr Edwin Lim	2 Checkstone Avenue		Whitwood	Stafford	WF10 5EN
The Lord Stafford	Swynerton Estate Office	Swynerton	Stone	Staffordshire	ST15 0QE
Mr Timothy Lord	146 Court Lane		London		SE21 7EB
Gonzague Lenth	7 Homdon House		33 Station Road	West Horden	CM13 3TL
Mr Robert Mason					
Heather Matheson	Friarywest	Carmelite Way	Maldon	Essex	CM9 5FJ
Mr Deepak Mehta	30 Basing Hill		London		NW11 8TH
Viedetechmarket Consulting Limited	Crewe Lane Farm	Crewe Lane South	Crewe by Farnon	Cheshire	CH3 6PH
Mr Michael Mills	The Beaches	Plough Lane	Christleton	Cheshire	CH3 7BA
Mr John McFadden	Flat 17	82 The Promenade	Southport	Merseyside	PR9 0HZ
NVIF (biomedical) LP	C/O SPARK Impact Limited		131 Mount Pleasant	Liverpool	L3 5TF
Kamran Nadim	2 Highworth		Horsham	West Sussex	RH13 9FU
Nizhendra Negi	15 Hussain Close		Harrow		HA1 3TH
Mr Michael Norris	20 Finch Mill Avenue	Appley Bridge	Wigan	Lancashire	WN6 9DF
Ms Gwendoline Newbold	c/o Christopher David Auger	Hales	BROMLEY	Kent	BR2 7AP
Mr Rick Parry	Bramley	Brown Heath Road	Christleton	Cheshire	CH3 7PN

IV Time analysis for the pre-appointment period

From 25 May 2017 to 25 July 2017

Albert Medical Devices Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 25 July 2017

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	0.00	0.00	3.65	4.70	0.00	8.35	1,909.00	228.62
Initial meetings	0.00	0.00	7.05	0.00	0.00	7.05	2,101.75	298.12
Company searches and background checks	0.00	0.00	0.75	0.80	0.00	1.55	345.75	223.06
General advisory work insolvent	0.00	0.00	9.50	3.70	0.00	13.20	3,351.00	253.86
Appointment formalities	2.40	0.00	0.00	0.70	0.00	3.10	986.50	318.23
Creditors' (inc EE's) queries	0.00	0.00	0.25	0.00	0.00	0.25	77.50	310.00
Interested parties	0.00	0.00	2.50	14.90	0.00	17.40	3,382.50	194.40
Job planning	0.00	0.00	13.60	13.80	0.00	27.40	6,543.75	238.82
File and information management	0.00	0.00	0.00	22.85	0.00	22.85	3,903.75	170.84
Asset protection	0.00	0.00	1.75	0.00	0.00	1.75	542.50	310.00
Total	2.40	0.00	39.05	61.45	0.00	102.90	23,144.00	224.92

Explanation of major work activities undertaken

- Completion of anti-money laundering, conflict and ethics checks;
- Completion of Company searches and background checks;
- Advising the Board in the period prior to administration;
- Liaising with HCR in respect of appointment formalities;
- Preparation for the structured sales process, including identification of interested parties (see section 7 of the report); and
- Compiling company information required for the administration and sales process.

V Time analysis for the period

From 25 July 2017 to 11 September 2017

Albert Medical Devices Limited Breakdown of time spent by Smith & Williamson LLP employees for the period ended 10 September 2017

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0.00	0.00	3.45	7.10	0.00	10.55	2,312.00	219.15
Initial post-appointment notification letters, including creditors	0.00	0.00	3.95	20.10	0.00	24.05	4,541.00	188.81
Cashiering general, including bonding	0.00	0.00	0.00	0.70	0.00	0.70	164.50	235.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	2.80	0.00	0.00	2.20	0.00	5.00	1,393.00	278.60
Protection of company records (incl electronic)	0.00	0.00	0.85	0.00	0.00	0.85	263.50	310.00
Insurance & general asset protection	0.00	0.00	0.75	1.85	0.00	2.60	556.25	213.94
Filing, file and information management	0.00	0.00	0.00	2.25	0.00	2.25	393.75	175.00
Agents and advisers, general	0.00	0.00	0.00	1.60	0.00	1.60	280.00	175.00
Other	0.00	0.00	2.85	1.40	0.00	4.25	1,128.50	265.53
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.60	0.00	0.00	0.60	186.00	310.00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.00	0.00	2.55	0.00	0.00	2.55	790.50	310.00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.00	0.00	1.35	0.00	0.00	1.35	418.50	310.00
Stock	0.00	0.00	0.20	0.70	0.00	0.90	184.50	205.00
Other chattel assets	0.00	0.00	2.65	0.75	0.00	3.40	952.75	280.22
Sale of business as a whole, including liaison with legal advisers agents etc	0.50	0.00	26.65	68.90	0.00	93.05	19,979.00	214.71
Cash at Bank	0.00	0.00	3.55	1.80	0.00	5.35	1,415.50	264.58
Liaising with agents (general)	0.00	0.00	0.00	0.75	0.00	0.75	131.25	175.00
Creditors								
Floating charge creditors	0.00	0.00	1.15	0.00	0.00	1.15	356.50	310.00
HP & lease creditors	0.00	0.00	0.45	0.00	0.00	0.45	139.50	310.00
RPO and ERA claims & tribunals	0.00	0.00	0.00	3.25	0.00	3.25	536.25	165.00
Employees & pension (other) (Incl Jobcentre/CSA etc)	0.00	0.00	0.85	0.40	0.00	1.25	333.50	266.80
Crown (not RPO etc)	0.00	0.00	0.20	0.00	0.00	0.20	62.00	310.00
Unsecured creditors	0.00	0.00	0.80	9.05	0.00	9.85	1,831.75	185.96
Other	0.00	0.00	0.00	3.25	0.00	3.25	536.25	165.00
Case-Specific 1, Shareholders								
Shareholder general communications	0.00	0.00	0.50	0.00	0.00	0.50	155.00	310.00
Other	0.00	0.00	0.00	0.75	0.00	0.75	123.75	165.00
Total	3.30	0.00	53.35	123.80	0.00	180.45	39,165.00	217.04

Explanation of major work activities undertaken

Administration and planning

The following activities have been undertaken:

- Initial notification of appointment to creditors;
- Statutory duties associated with the appointment;
- Opening and maintaining bank accounts;
- Arranging insurance of the Company's assets;
- Identification of physical and electronic records to be retained; and

- Statutory reporting to creditors.

Investigations

The time spent includes the following matters:

- Issuing conduct questionnaires to Directors; and
- Complying with SIP2 & SIP4 obligations.

Realisation of assets

Please refer to section 7 of the report, but in summary the time spent includes:

- Identifying and securing assets;
- Identifying and liaising with interested parties in respect of the Company's assets;
- Preparing and circulating a sales pack and further information required by interested parties;
- Liaising with Currie & Co in relation to the Company's stock;
- Reviewing Company records and liaising with the Board regarding the reconciliation exercise in respect of pre-payments made to the Company's manufacturing partner (see section 7); and
- Liaising with the Company's bank in order to realise the Company's cash at bank.

Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Dealing with creditor queries arising in respect of the ongoing strategy;
- Notifying HMRC of the administration;
- Writing to employees regarding redundancy and potential claims from the Redundancy Payments Office; and
- Assisting creditors with any claim queries.

Shareholders

The time spent relates to:

- Dealing with shareholder queries.

VI Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing,

room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the joint administrators' remuneration was approved.

The rates applicable to this appointment are set out below. There have been no changes to the charge out rates during the period of this report.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2017	London office £/hr	Regional offices £/hr
Partner / Director	435-500	350-375
Associate Director	390-410	295-310
Managers	250-350	190-310
Other professional staff	160-305	120-180
Support & secretarial staff	80-170	60-135

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

VII Notice of a Decision being sought by the Deemed Consent Procedure

Albert Medical Devices Limited- In Administration (the 'Company')
Registered Number - 07520002

This notice is given pursuant to Part 15 of the Insolvency (England and Wales) Rules 2016 (the Rules).

Court details	
Court Name	High Court of Justice, Chancery Division, Birmingham District Registry
Court Number	8180 of 2017

Office Holder details	
Joint Administrators' Names	Andrew Stephen McGill and Gilbert John Lemon
Administrators' Firm Name	Smith & Williamson LLP
Date of Appointment of Administrators	25 July 2017

THE PROPOSED DECISION

The following decision is proposed by the joint administrators (the **Convener**) to be made by the deemed consent procedure:

1. That the joint administrators' proposals for achieving the purpose of the Administration, as set out in the joint administrator's report and statement of proposals, be approved.

In the absence of 10% in value of the Company's creditors (the **Threshold**) objecting to the Proposed Decision by no later than **3 October 2017 (the Decision Date)**, creditors will be treated as having made the Proposed Decision.

Procedure for objecting

In order to object to the Proposed Decision, a creditor must have delivered a notice in writing of their objection, together with a proof of debt in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their objection will be disregarded.

It is the Convener's responsibility to aggregate any objections to determine if the Threshold is met for the Proposed Decision to be taken as not having been made. A creditor may appeal the decision of the Convener on the aggregation of objections. However, such an appeal may not be made later than 21 days after the Decision Date.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by an alternative decision procedure.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof in respect of their claim by no later than the Decision Date if they wish to object to the Proposed Decision.

Creditors who have opted out from receiving notices

Any creditor who has opted out of receiving notices but still wishes to object to the Proposed Decision is entitled to do so. However, they must have delivered a notice in writing of their objection, together with a proof in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their objection will be disregarded.

Request for a physical meeting

Creditors who meet certain thresholds prescribed by the Insolvency (England & Wales) Rules 2016, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decision. However, such a request must be made in writing to the Convener within 5 business days from 27 September 2017. As there will be costs applicable to such requests, any creditor making a request for a physical meeting will be obliged to pay a deposit of £5,000 plus VAT. Please therefore ensure a cheque for £6,000 made payable to 'ALBERT MEDICAL DEVICES LIMITED- in administration' is enclosed with your request and proof of debt.

In the event that a physical meeting is convened and, subject to the availability of funds in the estate, the joint administrators will seek approval to pay the costs of the meeting from the estate by way of a Decision at the meeting. If approval is granted, any deposits received will be refunded.

Contact details

The Convener's postal address is at Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ. Any person who requires further information may contact the Convener by telephone on 0121 710 5200 or alternatively by e-mail at joph.young@smithandwilliamson.com.

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton.

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