

# Liquidator's Progress Report

# S.192

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

To the Registrar of Companies

Company Number

08104544

Name of Company

Mass Medical Solutions Limited ✓

I / We

Michael Chamberlain, Resolution House, 12 Mill Hill, Leeds, LS1 5DQ

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

The Progress Report covers the period from 25/08/2015 to 24/08/2016

Signed

*M Chamberlain*

Date

20/10/16

Chamberlain & Co  
Resolution House  
12 Mill Hill  
Leeds  
LS1 5DQ

Ref 10103/SA/DR

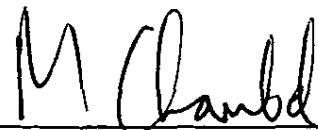
THURSDAY



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COMPANIES HOUSE

**Mass Medical Solutions Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

| Statement of Affairs |                               | From 25/08/2015<br>To 24/08/2016 |
|----------------------|-------------------------------|----------------------------------|
|                      | <b>ASSET REALISATIONS</b>     |                                  |
| 195,699 00           | Book Debts                    | 373,000 00                       |
| 13,000 00            | Cash at Bank                  | 13,307 68                        |
|                      | Bank Interest Gross           | 59 15                            |
|                      |                               | <u>386,366 83</u>                |
|                      | <b>COST OF REALISATIONS</b>   |                                  |
|                      | Specific Bond                 | 1,040 00                         |
|                      | Preparation of S of A         | 5,000 00                         |
|                      | Liquidator's Remuneration     | 29,000 00                        |
|                      | Legal Fees                    | 250 00                           |
|                      | Statutory Advertising         | 271 60                           |
|                      |                               | <u>(35,561 60)</u>               |
|                      | <b>PREFERENTIAL CREDITORS</b> |                                  |
| NIL                  | Employees - Holiday Pay       | <u>NIL</u>                       |
|                      |                               | NIL                              |
|                      | <b>UNSECURED CREDITORS</b>    |                                  |
| (486,712 20)         | Trade & Expense               | 51,647 48                        |
| NIL                  | Employees - Redundancy        | NIL                              |
| (23,424 00)          | HM Revenue & Customs - VAT    | NIL                              |
| (27,408 00)          | H M Revenue & Customs - CT    | NIL                              |
|                      |                               | <u>(51,647 48)</u>               |
|                      | <b>DISTRIBUTIONS</b>          |                                  |
| (100 00)             | Ordinary Shareholders         | <u>NIL</u>                       |
|                      |                               | NIL                              |
| <u>(328,945.20)</u>  |                               | <u><u>299,157.75</u></u>         |
|                      | <b>REPRESENTED BY</b>         |                                  |
|                      | Current A/c                   | 299,157 75                       |
|                      |                               | <u><u>299,157.75</u></u>         |



Michael Chamberlain  
Liquidator

**MASS MEDICAL SOLUTIONS LIMITED  
(IN LIQUIDATION)**

**Progress Report  
pursuant to Section 104A of the Insolvency Act 1986**

**Chamberlain & Co  
18 October 2016**

# **MASS MEDICAL SOLUTIONS LIMITED IN LIQUIDATION PROGRESS REPORT ON THE OUTCOME OF THE LIQUIDATION**

## **INTRODUCTION**

Michael Chamberlain was appointed Liquidator of Mass Medical Solutions Limited ("the Company") on 25 August 2015 by the Company's members and creditors pursuant to Section 100 of the Insolvency Act 1986 ("The Act")

Michael Chamberlain is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales

The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings will be the main proceedings as defined by Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom

In accordance with Rule 4.49C of the Insolvency Rules 1986 ("The Rules"), I now set out my progress report on the conduct of the Liquidation

## **RECEIPTS AND PAYMENTS ACCOUNT**

An abstract of the Liquidator's receipts and payments for the period 25 August 2015 to 24 August 2016 is attached at Appendix 2

All transactions are shown net of VAT

## **ASSET REALISATION**

### **Cash at Bank**

The director's statement of affairs indicated that the Company's cash at bank was estimated to realise £13,000. I subsequently received £13,307.68 from HSBC Bank plc on 1 September 2015.

### **Book Debts**

The director's statement of affairs indicated that the Company's debtors with a book value of £704,660 were estimated to realise £195,699. The Company had received legal advice and assistance from Parry & Co Solicitors ("Parry") on a number of matters prior to my appointment and given their knowledge of the Company's working methods I considered that it would be beneficial to seek their assistance with the collection of the debts. The former director of the company also agreed to assist with the collection of debts where necessary.

Upon my appointment I requested that Parry undertake a full review of the ledger in order that I may determine the actual amount outstanding. The review revealed that the outstanding gross book debts amounted to £1,173,896 from 6 separate firms of solicitors. This amount included partially settled claims, discontinued claims and claims where the claimant did not pursue their claim and repayment on these matters would be written off.

The review also revealed that several solicitors disputed the amount due to the company and in view of the nature of the dispute and ongoing litigation I have not disclosed details of the individual solicitors concerned.

### **Solicitor 1**

The review determined that a gross balance of £718,799 was due from this practice. The Solicitor had prior to my appointment offered £48,000 in full and final settlement of the claim on the basis that they considered this was the balance outstanding due to the potential write offs details above. The offer was rejected and Parry provided evidence that this Solicitor had received settlement on a significant number of individual claims and therefore payments were due. The Solicitor had made a number of payments on account amounting to £155,000, however Parry considered that a substantial amount remained outstanding despite the potential write offs and therefore it would be beneficial to commence legal proceedings to enforce the debt. After further communication an offer of settlement subject to a confidentiality agreement was received amounting to £230,000. Following discussions with the Company's former director and advice received from Parry the offer was accepted. I received a further payment of £218,000 from Parry giving total realisations from this solicitor of £378,000. Parry's have retained a balance of £12,000 to fund ongoing litigation.

### **Solicitor 2**

The review revealed that the Company was owed £19,008 for the provision of medical reports. The Solicitor is disputing the whole amount outstanding on the basis that it has not received settlement in relation to the claims they are acting upon. The matter is ongoing.

### **Solicitor 3**

The review revealed that Company is owed approximately £385,000 in relation to approximately 2,500 outstanding claims. The Solicitor has disputed the amount outstanding. Parry considered that they have sufficient documentation to evidence that the solicitor has received settlement in relation to a number of files and therefore legal proceedings should be instigated to enforce the debt. The matter is ongoing. The solicitor has made payments on account of £8,400 and Parry has retained these monies to fund the ongoing litigation.

### **Solicitor 4**

The review revealed that the Company is owed £11,112. To date Parry has received £2,400 in partial settlement of the claims. The Solicitor continues to act on the claims and it is anticipated that the balance will be settled in full in due course.

### **Solicitor 5**

The review revealed that the Company is owed £38,545. The debt was disputed in its entirety by the Solicitor. Parry determined that they could evidence that the Solicitor had received payments in settlement of a number of matters and therefore legal proceedings should be commenced. The matter was scheduled to be heard on 3 October 2016. The Solicitor continued to dispute the balance outstanding and as part of his defence provided evidence to Parry which detailed the current status of each matter they acted upon. Parry with the assistance of the Company's former general manager reviewed the information and determined that whilst the Solicitor did have grounds to dispute a proportion of the claim the claim should be continued. Parry continued to seek to negotiate settlement of the claim and received an offer of £10,000 in settlement. Parry considered that this be rejected and recommended that the matter proceed to trial. Immediately prior to the hearing on 3 October 2016 an offer of £26,000 was received which Parry considered should be accepted. The funds are due to be received shortly.

## **Solicitor 6**

The review revealed that the Company is owed £1,440 To date the sum of £540 has been received by Parry and the balance is anticipated in due course These funds have been retained to fund ongoing litigation

## **Parry & Co solicitors**

As detailed above, Parry acted upon a number of matters that the company had provided their services The initial review revealed that the amounts due in relation to these claims could amount to £120,000 Upon further examination it was determined that the total amount that could be collected would be approximately £40 000 if all claims proved to be successful To date Parry's have received settlement of £10,313 and these funds are held in their clients account to fund current and future litigation

Gross interest of £59 15 has been earned on funds held on deposit during the period of my administration

## **INVESTIGATIONS**

I can confirm that I have complied with my obligations in relation to my investigations into the affairs of the Company and have submitted my report in accordance with the requirements of the Company Directors Disqualification Act 1986 The contents of this report are confidential.

The Company's bank statements indicated a number of payments to associated companies and the investigation into these payments are ongoing It was determined that some payments related to the payment for services rendered such as accountancy fees, management charges and rental payments I have agreed that the investigation into other payments be deferred until the debt collection process is complete

## **REMUNERATION**

As agreed at the meetings of members and creditors, I have drawn a fee of £5,000 00 plus VAT on account for assisting the director in preparing the statement of affairs and convening the meetings of members and creditors necessary to place the Company into liquidation

It was proposed and agreed at a meeting of creditors held on 25 August 2015 that the Liquidator would be remunerated on a time cost basis in accordance with Rule 4 127 (2) (B) of the Insolvency Rules 1986 at the higher complex rates

In accordance with the revised Statement of Insolvency Practice 9 which came into force on 1 November 2011, a summary of time costs incurred for the period 25 August 2015 to 24 August 2016 is appended to this report These costs were approximately £37,750 at an average hourly rate of £230 In common with all professional firms our scale rates increase from time to time over the period of administration of each insolvency case I have drawn £29,000 on account of my remuneration A schedule of my firm's chargeout rates and charging policy is attached at Appendix 3

My disbursements total £1 311 60 which have been drawn and comprise the following.

| Disbursement                              | Payee         | Amount (£) |
|---|---------------|------------|
| Specific Bond                             | Marsh Limited | 1,040 00   |
| Statutory advertising<br>– London Gazette | TMP Reynell   | 271 60     |

All disbursements have been recharged to the liquidation at cost

I should advise you that in accordance with Rule 4 131 of The Rules, creditors have the right to request that the liquidator provides further information about his remuneration and expenses incurred during the administration of the liquidation. The request must be made in writing, within 21 days of receipt of this report, and can be made by a secured creditor or an unsecured creditor with the concurrence of at least 10% in value of unsecured creditors or with the permission of the court. Furthermore, creditors have the right to challenge the liquidator's remuneration and expenses by application to the court within 8 weeks of receiving this report.

#### **OTHER PAYMENTS**

I have paid the sum of £250 plus VAT to Needle Partners Ltd ("Needles") in respect of their advice provided in respect of the settlement agreement detailed above. The basis of the fee arrangement being on an hourly basis.

I have instructed Parry to assist with the collection of the Company's book debts. The basis of their fee is set at 15% of recoveries from book debts. I have yet to receive a request for a payment on account of their fees. Disbursements of £23,550 relating to Counsel and Court fees in relation to the litigation detailed above have been settled from funds held by Parry.

I consider Needle and Parry to be firms of repute with the appropriate expertise in their respective fields. My experience of working with these firms indicates that their internal delegation results in charges which are cost-effective for this kind of work.

All other payments have been made in accordance with the rules and regulations generally as to the payment of costs and expenses of winding up.

#### **PRESCRIBED PART**

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to Section 176A of The Act. The prescribed part applies to floating charges created on or after 15 September 2003.

As there is no floating charge holder of this Company, the prescribed part does not apply.

#### **CREDITORS' CLAIMS**

No claims have been received from preferential creditors.

I have received 81 non-preferential claims totalling £344,316 53 which have been agreed and a first interim dividend of 15p in the £ was paid to these creditors on 8 June 2016. I

have received claims from 6 non-preferential creditors amounting to £378,062.17 and the agreement of these claims is ongoing. The dividend to these creditors has been provided for in the funds received to date. It is anticipated that a further dividend will be paid shortly once these creditors have been admitted for dividend purposes.

## **OTHER MATTERS**

I should inform creditors that the liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. A copy of the code is available at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>

I shall report to you further once I am in a position to conclude my administration of this liquidation, or if earlier, the next anniversary. If in the meantime you require any further information please do not hesitate to contact me.

A handwritten signature in black ink, appearing to read 'M Chamberlain', with a stylized, flowing script.

M Chamberlain  
Liquidator



## APPENDIX 1


The liquidator appends below the following additional information required under Rule 4.49C of the Insolvency Rules 1986

### **Statutory Information**

|                              |   |
|------------------------------|---|
| <b>Company Name:</b>         | Mass Medical Solutions Limited  |
| <b>Company Number:</b>       | 08104544  |
| <b>Registered Office:</b>    | c/o Chamberlain & Co, Resolution House, 12 Mill Hill,<br>Leeds, LS1 5DQ previously 2 <sup>nd</sup> Floor Edward Pavilion,<br>Albert Dock, Liverpool, L3 4AF |
| <b>Liquidator:</b>           | Michael Chamberlain   |
| <b>Liquidator's Address:</b> | Resolution House<br>12 Mill Hill<br>Leeds<br>LS1 5DQ  |
| <b>Date of Appointment:</b>  | 25 August 2015  |

**Mass Medical Solutions Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

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|                      | <b>REPRESENTED BY</b>         |                                  |
|                      | Current A/c                   | 299,157 75                       |
|                      |                               | <u><u>299,157.75</u></u>         |

  
 Michael Chamberlain  
 Liquidator

Mass Medical Solutions Limited Mass

HOURS

| Classification Of<br>work Function | Partner | Manager   | Other Senior<br>Professional | Assistants &<br>Support Staff | Total Hours | Time Cost<br>£   | Average<br>Hourly Rate £ |
|------------------------------------|---------|-----------|------------------------------|-------------------------------|-------------|------------------|--------------------------|
| Administration & Planning          | 0 00    | 14 55     | 0 00                         | 7 20                          | 21 75       | 2,826 25         | 129 94                   |
| Investigations                     | 0 00    | 18 30     | 0 00                         | 0 00                          | 18 30       | 4,452 50         | 243 31                   |
| Realisation of Assets              | 0 00    | 41 60     | 0 00                         | 0 00                          | 41 60       | 10,498 00        | 252 36                   |
| Trading                            | 0 00    | 0 10      | 0 00                         | 0 00                          | 0 10        | 24 50            | 245 00                   |
| Creditors                          | 1 50    | 81 10     | 0 00                         | 0 00                          | 82 60       | 19,949 50        | 241 52                   |
| Total Time Cost                    | 465 00  | 36,928 75 | 0 00                         | 357 00                        |             | 37,750 75        |                          |
| Total Hours                        | 1 50    | 155 65    | 0 00                         | 7 20                          | 164 35      |                  |                          |
| Average Rate                       | 310 00  | 237 26    | 0 00                         | 49 58                         |             |                  |                          |
| <b>Total Fees Claimed</b>          |         |           |                              |                               |             | <b>29,000 00</b> |                          |

## Statement of Liquidator's Remuneration Pursuant to Statement of Insolvency Practice No.9

### Charging and Disbursement Policy

#### Liquidator's charging policy for fees

The Insolvency Rules 1986 provide that the Liquidator's remuneration may be fixed on the basis of time properly spent by the Liquidator and his staff in attending to matters arising in the Liquidation.

The Liquidator has engaged managers and other staff to work on the Liquidation. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by cashiers dealing with the company's bank accounts and statutory compliance diaries, and other support services and filing clerks. Work carried out by all staff is subject to the overall supervision of the Liquidator.

All time spent by staff working directly on case-related matters is charged to a time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The basis of charging is in six minutes units. The hourly rate for each category of staff over the duration of the liquidation is shown below.

|                              | £ per hour<br>Standard<br>rates | £ per hour<br>Complex<br>rates * | £ per hour<br>Standard<br>rates | £ per hour<br>Complex<br>rates * |
|------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| Grade                        | 01/09/14                        | 01/09/14                         | 01/09/15                        | 01/09/15                         |
| Directors                    | 295-325                         | 442 50-487 50                    | 295-345                         | 442 50-517 50                    |
| Managers                     | 205-245                         | 307 50-367 50                    | 205-255                         | 307 50-382 50                    |
| Other Senior Professionals   | 105-170                         | 157 50-255 00                    | 105-180                         | 157 50-270 00                    |
| Assistants and Support Staff | 30-95                           | 45 00-142 50                     | 30-100                          | 45 00-150 50                     |

\* In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the secured creditors, creditors' committee or the creditors generally, that their remuneration on such time as is agreed shall be charged at the above higher hourly complex rate.

A copy of the R3 (Association of Business Recovery Professionals) creditors' guide to Liquidator's fees may be obtained by contacting David Render at the above address or at [www.r3.org.uk](http://www.r3.org.uk)

#### Liquidator's charging policy for disbursements

Statement of Insolvency Practice No 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No 9, it is my firm's policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. I am prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No 9 provides that such disbursements are subject to approval as if they were remuneration. It is not my firm's current policy to charge Category 2 disbursements. However were this to change, I would seek approval for Category 2 disbursements before they are drawn in line with the Statement.