

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



ACO
ABJCCWKY
21/12/2022
COMPANIES HOUSE #7

1 Company details

Company number 09369013
Company name in full Macrophage Pharma Limited

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

2 Administrator's name

Full forename(s) Stephen Robert
Surname Cork

3 Administrator's address

Building name/number 6 Snow Hill
Street
Post town London
County/Region
Postcode EC1A 2AY
Country

4 Administrator's name

Full forename(s) Anthony Malcolm
Surname Cork

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

5 Administrator's address

Building name/number 6 Snow Hill
Street
Post town London
County/Region
Postcode EC1A 2AY
Country

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

AM03

Notice of Administrator's Proposals

6 Statement of proposals

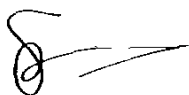


I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature



Signature date

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2 3

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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 **Darren Habgood**

Company name **Cork Gully LLP**

Address **6 Snow Hill**

Post town **London**

County/Region

Postcode **E C 1 A 2 A Y**

Country

DX

Telephone **02072682150**



Checklist

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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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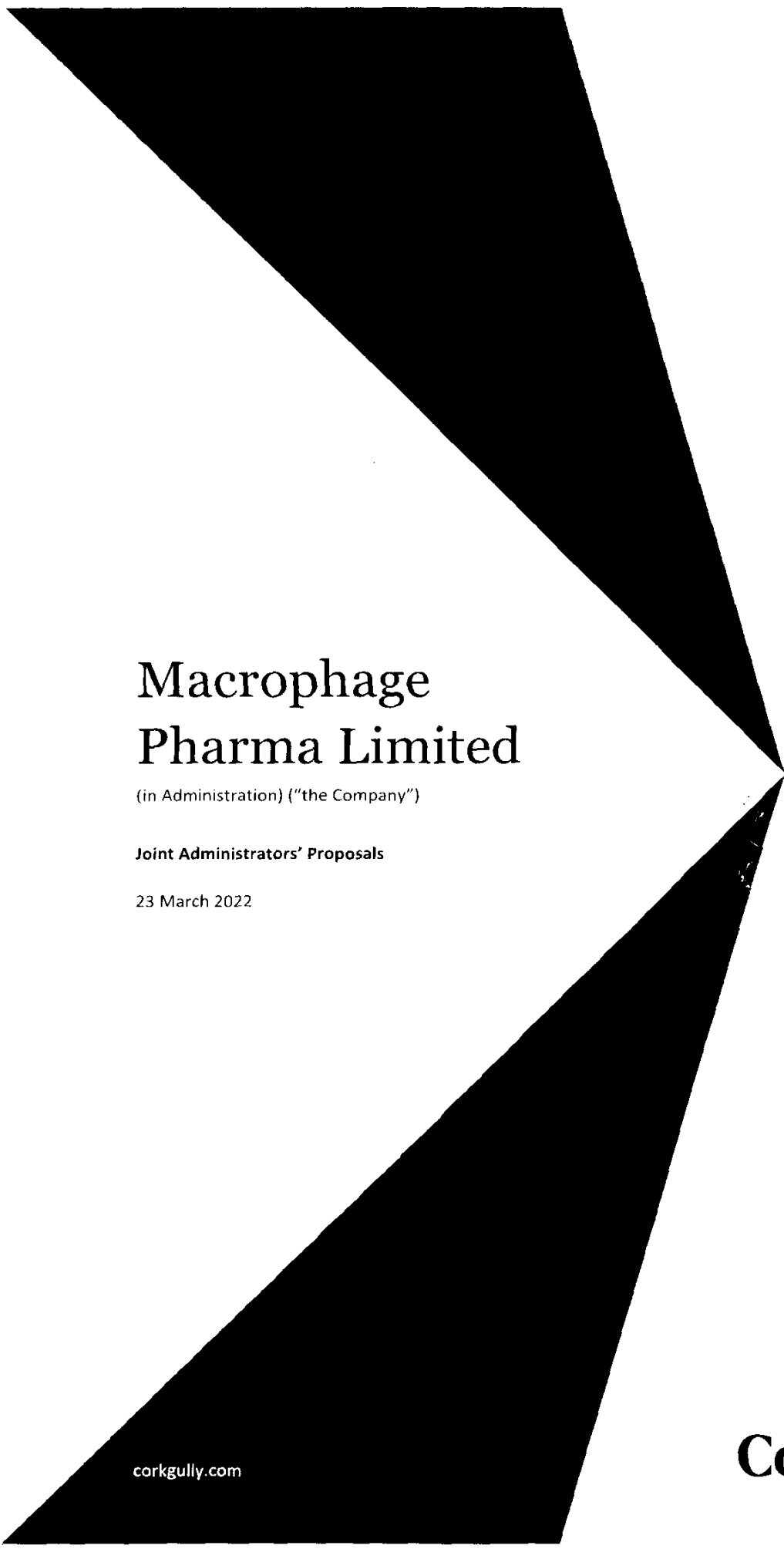
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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Macrophage Pharma Limited

(in Administration) ("the Company")

Joint Administrators' Proposals

23 March 2022

corkgully.com

Cork Gully

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Joint Administrators' Proposals

Joint Administrators' Proposals

This report is addressed to the creditors and members of the Company and incorporates the Joint Administrators' proposals. The proposals were issued and deemed to be delivered to all known creditors on 23 March 2022.

All known creditors have been informed that future documentation relating to the Administration would be placed on the Cork Gully LLP ("Cork Gully") website without further notice to creditors. However, should you require a hard copy please contact our office and it will be sent to you.

Stephen Robert Cork and Anthony Malcolm Cork of Cork Gully LLP were appointed Joint Administrators of the Company on 9 February 2022 and these are the Joint Administrators' statutory proposals relating to the Company. The Joint Administrators were appointed by the directors of the Company.

1. Statutory Information

The statutory information relating to the Company is attached at Appendix I.

2. Circumstances Leading to the Appointment of the Joint Administrators

2.1. Company Background

Incorporated on 29 December 2014, the Company undertook drug discovery research for the ultimate treatment of human diseases with a focus on cancer in the first instance.

As at the date of Administration, the Company had:

- six employees (including two of the directors); and
- four directors, one of whom has since resigned.

The Company's registered address was 30 Broad Street, Great Cambourne, Cambridge, CB23 6HJ and it had an office located at Gainsborough House, 59-60 Thames Street, Windsor, Berkshire, SL4 1TX. The Company has five shareholders and issued share capital of £18,564,625.

In common with the vast majority of biotech research and development companies, from inception the Company relied on multiple rounds of venture financing from investors to fund its operations and develop its technology and products. The Company anticipated that it would take many years before the realisation of significant commercial value. Accordingly, the Company anticipated losses and had not expected to register

revenue during its formative years whilst the research and development process was ongoing.

The challenge for the Board of Directors (the "Board") and management was balancing the probability of achieving future commercialisation against the recurring need for additional capital.

The Company's original research project in cancer therapy showed promising results on preclinical testing however, for a majority of the Board, the project did not meet the criteria for full clinical development and was discontinued internally and offered to potential third parties for ongoing development.

In 2019, following the appointment of a new Chief Executive Officer ("CEO") and a Chief Scientific Officer ("CSO"), the Company developed a new business strategy which focused on new therapeutic targets in regulated cell death, potentially applicable to a range of diseases. To fund ongoing operations, and to develop the new technology to produce patentable novel drug candidates, the Company sought funding from external equity investment and approached third-party pharmaceutical partners with a view to raising licence revenue.

Whilst limited funding options were forthcoming from external investment, in July 2020, the Company was able to continue operations and development plans with funding under a convertible loan agreement ("CLA") from the three existing investors and the UK FF Nominees Limited ("the Future Fund"). It was anticipated that the CLA would convert to equity within three years of the date of the agreement, a time period within which the Company would aim to obtain further external equity investment and secure pharmaceutical partnerships.

In March 2021, the CEO resigned which triggered a series of meetings in which the future viability of the Company was assessed. The current CSO was appointed as the replacement CEO. At this time, the existing investors were reluctant to provide further funding in the absence of a positive outcome from at least one of the two pharmaceutical partnerships that were then under negotiation.

In late 2021, one of the two identified pharmaceutical partnerships had issued draft terms of a development agreement, though no formal commitment was made. The other pharmaceutical partnership was not progressed.

Despite the interest from one potential pharmaceutical partner, the Board was not sufficiently assured that any such funding would materialise in the near-term and may

not provide sufficient capital to continue to fund existing operations at the requisite level.

The absence of such funding left the Board with no option other than to consider options to wind down the business. The Company's situation was further complicated by the resignation of the replacement CEO in late 2021.

In early 2022, in an effort to wind down the Company in a solvent manner, the Board approached the convertible loan note holders to assess their appetite for conversion of the existing debt to equity. However, the majority loan note holder was not amenable to converting their debt to equity. Accordingly, a solvent liquidation was not a viable option.

Despite the Board's best efforts, no financial solution was identified and, taking into account professional advice provided by Cork Gully, it was determined that Administration was the best option available. This would potentially allow the sale of the Company's business and assets which, if achieved, would result in a better outcome for creditors than an insolvent liquidation. Even if a sale of business couldn't be achieved, there remained the prospect of a partial sale of the Company's research and development assets.

Accordingly, on 9 February 2022, Anthony Malcolm Cork and I were appointed Joint Administrators of the Company by the directors. We took responsibility for the management of the affairs, business and property of the Company from the Board. The appointment permitted the Joint Administrators to take any actions required, either jointly or independently, and I have been the Administrator primarily involved in dealing with the Company's affairs.

2.2. Summary of Financial Accounts

The Company had no trading income and the Company's December 2021 management accounts indicated a net loss of £3.9m for year ended 31 March 2020, £3.7m for the year ended 31 March 2021, and a projected net loss of £3.1m for year ended 31 March 2022.

2.3. Reason for Insolvency

The Joint Administrators understand from the management team that the key factor leading to the Company being placed into Administration was the inability to raise further investment by way of external investment or pharmaceutical partnership.

As detailed in section 4.8, the Joint Administrators have been assessing the commercial benefits of a sale of the business and assets and have concluded that, if achieved, it will provide the best outcome for creditors and other stakeholders.

2.4. Pre-appointment considerations

Cork Gully were introduced to the Board on 1 November 2021 by Bradshaw Daniel Limited ("Bradshaw Daniel"). Bradshaw Daniel had been asked by the Board to facilitate introductions to various Insolvency Practitioners.

Bradshaw Daniel is an accountancy practice, engaged by the Board to provide accountancy services. Margaret Daniel's of Bradshaw Daniel was the Company's Chief Financial Officer ("CFO").

On 10 January 2022, the Board engaged Cork Gully as a corporate advisor. In relation to this initial engagement, Cork Gully provided advice to the Board about the Company's duties and responsibilities to creditors, as well as the options available in the circumstances.

Cork Gully received remuneration from the Company in the amount of £49,021 (plus VAT) in relation to this engagement.

A further engagement letter dated 7 February 2022 was issued when Cork Gully were instructed to provide advice and support to prepare for the Company's Administration, and for Stephen Robert Cork and Anthony Malcolm Cork to act as the proposed Joint Administrators.

Time costs in the pre-appointment period in relation to the second engagement amount to £33,427.80 (plus VAT). Further information, alongside a request for approval of outstanding pre-administration costs, can be found in section 8.

Cork Gully did not advise the individual directors on their personal financial affairs and the impact of the insolvency of the Company. The directors were told they should obtain separate independent advice as to their personal positions.

Whilst not formally in office at this time, Cork Gully were mindful of their obligation to act in accordance with the Insolvency Code of Ethics. We considered the various threats to their objectivity arising from this prior engagement with the Company and concluded that those threats were of an acceptable level and we could still act objectively and be appointed Joint Administrators of the Company.

3. Objectives of the Administration and the Joint Administrators' Strategy for Achieving them

The Joint Administrators are officers of the Court, and must perform their duties in the interests of the creditors, as a whole. We must achieve one of the three objectives set out in the insolvency legislation, namely to:

- a) rescue the Company as a going concern; or
- b) achieve 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
- c) realise property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators have a wide range of powers, as set out in insolvency legislation, and must perform their functions as efficiently as is reasonably practicable.

The Joint Administrators are required to act in the interests of the creditors of the Company as a whole, unless the third objective, c, is being pursued. In that instance, the Joint Administrators must ensure they do not unnecessarily harm the interests of the creditors of the Company as a whole.

In the case of the Company, objective a) could not be achieved as:

- no purchaser for the shares of the Company; or
- further investment into the Company.

could be found with the Company's current level of debt. Whilst a Company Voluntary Arrangement ("CVA") was considered, the nature of the Company's trading, and its financial circumstances, meant that there was insufficient time to implement a CVA and that the terms of any CVA were unlikely to be acceptable to creditors.

Given the situation, and in particular the level of the Company's debt and its ongoing funding requirements, the Joint Administrators concluded that it is not possible to rescue the Company as a going concern.

The Joint Administrators considered the possibility of achieving statutory objective b), 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). This objective may be achieved by the exploring a sale of the Company's business and / or assets, specifically, the Company's research and development ("R&D") assets.

The Joint Administrators are still in the process of determining whether objective b) can be met.

3.1. Option 1

It is currently uncertain whether a sale of the Company's business and / or assets can be achieved. Given the nature of the industry, the Joint Administrators are considering whether there's a commercial benefit to be obtained by extending the time period in which potential interested parties may submit an offer.

Should a sale of the Company's business and / or assets be achieved, the Joint Administrators will achieve objective b).

3.2. Option 2

Should the Joint Administrators conclude that the costs to pursue a successful sale of the business and / or assets outweigh the benefits, the Joint Administrators will work to achieve objective c).

In this instance the Administration will be brought to an end, prior to which it's expected that the preferential creditors of the Company will be paid in full. It is intended that the Company should then be placed into Creditors' Voluntary Liquidation ("CVL") to facilitate a distribution to unsecured creditors.

Insolvency legislation provides that an Administration will last 12 months, although that may be extended by the Court or creditors. Whilst it's our intention to conclude the Administration within 12 months, if this isn't possible we'll seek a decision from creditors, or apply to Court, for an extension.

4. Actions of the Joint Administrators following appointment

A summary of the main tasks performed by the Joint Administrators since our appointment are as follows.

4.1. Initial Actions

The Joint Administrators took steps to discharge their legal duties by filing statutory notices at Companies House, advertising our appointment in the London Gazette and notifying creditors.

We have obtained insurance cover for the Administration period and put in place statutory general and specific bonding for Joint Administrators.

In addition, the Joint Administrators have liaised with the Company's IT contractors and Intellectual Property lawyers to ensure there's no disruption whilst the Company's business and assets are being marketed for sale.

Two staff have been retained to assist the Joint Administrators achieve their statutory objectives, as outlined in section 3. All other remaining employees were dismissed immediately upon the Company being placed into Administration.

4.2. Property

Following the Joint Administrators appointment, the Company vacated its offices and returned the keys to the managing agents. Since Administration the Company has not occupied the premises.

4.3. Creditors

Immediately upon appointment, the Joint Administrators liaised with key stakeholders to determine the most

appropriate strategy for the sale of the Company's business and assets.

We also entered into discussions with the Company's key suppliers. So far all key suppliers have been supportive of option 1, and have provided their assurances that they will continue to support the Company whilst seeking a sale of its business and assets. These creditors have agreed to place all avoidable invoicing on hold until such time that a purchaser can be identified. It's anticipated that in the event of a sale of the business and / or assets, such costs will need to be considered by the potential purchaser. These suppliers include the main contracts for research and development, as well as product development.

By taking this approach, the Joint Administrators have successfully reduced the Company's pre-appointment cash requirement by c.£150,000 per calendar month.

4.4. Employees

As mentioned above, two staff have been retained to assist with the Administration, and all other employees were dismissed.

The Joint Administrators engaged Evolve IS ("Evolve"), a specialist third party contractor, to deal with employee matters. As part of their instruction, Evolve notified employees of the Company of their termination of employment with effect from 9 February 2022.

The Joint Administrators and Evolve have addressed enquiries from the former employees and continue to assist them to lodge their statutory claims with the Redundancy Payments Service. We have also provided P45's and addressed various pension matters.

The Joint Administrators have also continued to engage the Company's contracted R&D Project Management Consultant. We have agreed to continue to pay this contractor for ongoing assistance to manage and maintain the data room and assist with the sales process.

4.5. Cash at Bank

The Joint Administrators notified the Company's former bankers, Barclays Bank plc, of the Administration and requested a transfer of funds to the Company's Administration bank account. On 23 February 2022, £2,046,381.89 was received from Barclays in this regard.

4.6. Other Debtors/Prepayments

The Joint Administrators have provided notice of our appointment to all known parties who hold either prepayments or refunds due to the Company. We have started to receive refunds from some of those contacted, and to date have received £2,416.97.

4.7. Chattel Assets

The Joint Administrators engaged Williams & Partners Ltd ("WPL") to undertake a valuation of the Company's Chattel Assets. These assets included the IT equipment (including laptops) and various items of furniture.

WPL completed the valuation based upon their own skill and expertise taking into account all the information that was available to them. WPL concluded that, on a forced sale basis, these assets would be valued between £nil and £705. As these assets would realise less than the cost of selling them, we have ensured all sensitive data has been erased and they've been disposed of.

4.8. Potential Sale of the Business and / or Assets

The Joint Administrators have contacted 77 potentially interested parties in relation to a sale of the Company's business and / or assets. These parties were identified from a list provided by the Company's Board, investors as well as from the Joint Administrators own market research.

Standard non-disclosure agreements are in place with five of these parties and further information has been provided to them. Four further parties have also received a non-confidential sales information pack.

The Joint Administrators have held direct discussions with most of the interested parties, and have facilitated discussions with former employees, namely the Chief Technical Officer ("CTO").

The remaining 58 have been sent reminders to submit any expressions of interest in a timely manner should they wish to continue to participate in the process. Due to the current commercial sensitivities, no further commentary will be provided at this time.

If none of the current interested parties progress their interest within a reasonable timeframe, the Joint Administrators will be unable to justify the costs of continuing with the marketing activity. In that event the remaining employee contracts will be terminated and key stakeholders will be notified. We will then proceed to achieve statutory objective c (option 2 outlined above).

In the event that any creditors or members have an interest in making an offer, you should contact the Joint Administrators by 5pm (UK time) on 1 April 2022 by email to either stephanielarivee@corkgully.com or darrenhabgood@corkgully.com.

4.9. Investigation/Regulatory

The Joint Administrators have commenced their investigations and enquiries into the Company's business and affairs prior to Administration, in accordance with Statement of Insolvency Practice 2. We have also asked all the directors of the Company, both current and those who

resigned within the last three years', to complete a questionnaire.

The information gathered will assist our obligation to provide a statutory report on the conduct of the directors, in accordance with the Company Directors Disqualification Act (1986) ("CDDA"). We will also consider whether there are any further recoveries that may be pursued for the benefit of creditors.

In the event that any creditors or members wish to bring any specific matters to our attention that may require investigation, they should contact the Joint Administrators by writing to Macrophage Pharma Limited (in Administration), c/o Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY or alternately by email to darrenhabgood@corkgully.com.

5. Estimated Financial Position of the Company

The Board prepared a summary of the Company's estimated financial position as at 9 February 2022, which is known as a Statement of Affairs. I attach a copy of the Statement of Affairs ("SoA") at Appendix II of this report.

Assets

5.1. Cash at Bank

The Company held a number of accounts in various currencies and the Joint Administrators have realised £2,046,381.89 from its accounts at Barclays Bank. The SoA figure showed a balance due from the cash at bank of £2,047,142.73. The difference between the cash at bank received and the amount stated in the SoA is due to charges and currency exchange fees upon conversion to GBP.

5.2. Other Debtors/Prepayments

As mentioned at section 4.6. the Company had prepaid for various services and policies. The SoA assigned an unknown value to these amounts, although it's anticipated that funds of £13,986.80 may be received in this regard. To date, £2,416.97 has been recovered.

5.3. Chattel Assets

The SoA provided no value for various IT equipment and furniture. As mentioned at section 4.7, a forced sale valuation of these assets was obtained, which concluded that the value of the assets, at a maximum of £705, would be exceeded by the costs of sale. Accordingly, these assets have been disposed of.

5.4. Intellectual Property Assets

As discussed in this report, the Joint Administrators continue to assess the commercial benefit of pursuing a sale of the Company's business and / or assets. We are

currently undergoing a sales process and continue to liaise with key stakeholders in this regard. The estimated value of these assets remains uncertain.

Liabilities

5.5. Preferential creditors

5.5.1. Primary Preferential Creditors

The primary preferential creditor claims consist of employee claims for arrears of wages and holiday pay for the period 1 February 2022 to 9 February 2022. The SoA estimates employee preferential claims of £12,289.58. We have yet to receive any employees' preferential claims, but it's anticipated these will be paid in full.

Employee address details were not given in the SoA provided to the Joint Administrators.

5.5.2. Secondary Preferential Creditors

Any amounts owed to HM Revenue & Customs ("HMRC") in relation to VAT, PAYE and employees' National Insurance Contributions rank as a Secondary Preferential creditor claims. These are paid in priority to the Prescribed Part and a secured creditor's floating charge, but after primary preferential creditors.

According to the SoA approximately £12,476.81 is owed to HMRC for PAYE and employees' National Insurance Contributions for the period ending 31 January 2022. Whilst the Joint Administrators have not received confirmation that this amount is outstanding, it is anticipated that there will be sufficient funds to pay the secondary preferential creditor in full from the funds currently held in the Administration.

5.6. Prescribed part

There are provisions in insolvency legislation that require an Administrator to set aside a prescribed part of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003.

As the Company has no outstanding floating charges registered at Companies House, the prescribed part provisions will not apply.

5.7. Unsecured creditors

At the date of Administration, the Company's records detailed 23 unsecured creditors with an estimated amount owed of £9,812,212.13. The Joint Administrators have received unsecured claims totaling £6,623,301.68 from eight creditors.

The Joint Administrators do not have the power to declare and pay a dividend to unsecured creditors without obtaining a Court order to do so. Therefore the Joint Administrators do not intend to review or agree unsecured

creditor claims. However, on the conclusion of the Administration it's the Joint Administrators intention to place the Company into CVL and pay a dividend to unsecured creditors.

Given the ongoing marketing of the business and assets, the timing and quantum of an unsecured dividend is not yet known.

6. Joint Administrators' Receipts and Payments Account

A summary of the Joint Administrators receipts and payments from 9 February 2022 to date is at Appendix IV.

Receipts

6.1. Cash at Bank

All of the cash held in the Company's Barclays Bank accounts has been collected and deposited into an estate bank account. Total monies received in this regard amount to £2,046,381.89.

6.2. Miscellaneous Refunds

To date, the Joint Administrators have received £2,416.97 of refunds relating to prepaid services.

6.3. Bank Interest Gross

Total bank interest of £6.68 has been received to date.

Payments

6.4. Evolve

The Joint Administrators instructed Evolve to assist in dealing with all employee matters during the Administration. To date they have been paid £500 (plus VAT) by way of a fixed fee. Further work is being carried out by Evolve, which are discussed in more detail below.

6.5. Professional Fees

The Joint Administrators have continued to contract the Company's R&D Management Consultant. An amount of £5,500 has been paid to Nuvo Pharma Ltd for these services. This payment was considered necessary to ensure that the Company's information was accurate and reliable.

6.6. Wages and Salaries

Two employees were retained to support the sales process. To date £13,409.13 has been paid to these employees for their February 2022 wages. Further wages will be paid to these employees for work completed during March 2022, and until such time that the marketing activities have concluded.

Any tax and pension liabilities relating to the employees' contracts will also be paid to HMRC and the pension scheme.

6.7. Employee Expenses

The Joint Administrators agreed that the employees work related expenses would continue to be met. To date, £94.64 has been reimbursed to the employees for expenses incurred.

6.8. IT Costs

For the continued maintenance of the Company's website whilst the Joint Administrators pursue a sale, Jack Logic plc have been paid £290.

6.9. Statutory Advertising

The Joint Administrators appointment has been advertised in the Gazette at a cost of £186.48.

6.10. PAYE and NI

As mentioned in section 6.6. any employee tax liabilities will be paid accordingly. To date £8,716.20 has been paid to HMRC.

6.11. Storage Costs

JG Collections Services have been paid £399 for the transport and storage of Company records.

6.12. Valuation costs

WPL have been paid £250 for the work valuing the chattel assets of the Company.

7. Proposed future actions of the Administrators to achieve the objective of the Administration and anticipated exit

The Joint Administrators' proposed actions will differ depending on whether a sale of the Company's business and / or assets is achieved.

The actions that the Joint Administrators anticipate undertaking in either scenario are as below:

- a) Complying with our statutory duties as Joint Administrators, including an investigation into the Company's affairs and the conduct of the directors prior to Administration;
- b) Reporting to the Committee, in the event that one is formed, and complying with statutory reporting requirements;
- c) Resolving any taxation/VAT issues and submitting post-appointment returns;
- d) Paying a dividend to preferential creditors; and
- e) Converting the Administration into CVL upon completion.

In the event that option 1 is pursued our actions will include:

- f) Liaising with key stakeholders to support a strategy for the sale of the Company's business and assets;
- g) Continuing to market business and / or assets for sale, and liaising with potential purchasers; and
- h) Reviewing and executing sale agreement(s) to complete a sale of the business and / or assets.

In the event that option 2 is the most appropriate course of action we will:

- i) Ensure the business is wound down, liaising with key stakeholders to achieve the best outcome.

It is anticipated there will be sufficient funds available to pay a dividend to unsecured creditors once the Administration is finalised and the Company is placed into liquidation, though the timing and quantum is not yet known.

Upon completion of the above work, or to the extent that this work can be carried out effectively in liquidation, it is proposed that a Notice of Move from Administration to Liquidation be filed with the Registrar of Companies. The Joint Administrators propose they be appointed Joint Liquidators, although creditors are able to nominate a different person as liquidator if they so wish, as detailed further in section 11.

8. Pre-administration costs

Statute requires the Joint Administrators to seek separate and specific approval for pre-appointment costs outstanding, in accordance with Rule 3.52 of the Insolvency Rules 1986. We are therefore seeking creditors approval in this regard.

If a Creditors' Committee is appointed, it will be for the Committee to approve payment of the outstanding pre-administration costs. If a Committee is not appointed, the Joint Administrators will seek a decision from the creditors at the same time as seeking their approval of these proposals (see section 12).

The costs incurred prior to the Administration are as follows:

8.1. Cork Gully LLP's time costs

Cork Gully LLP was initially instructed to provide professional advice to the Company, for which it was paid £49,021.00 (plus VAT).

A second engagement was entered into once the Company, acting by the Board, determined that Administration was unavoidable. Cork Gully provided advice and assistance to prepare for Administration. The Board approved remuneration on a time costs basis. Cork Gully LLP's Fee Practice Recovery Policy, including charge out rates, can be found at

<https://www.corkgully.com/files/7016/1616/8151/practicefeerecoverypolicy.pdf>.

The following work was undertaken prior to Administration:

- Advising the Board as to the options available to the Company and the appropriate actions to take;
- Reviewing and considering the financial position of the Company up to the date that the Company entered into Administration;
- Advising on the protection of the Company's business and planning a sale of its business and assets;
- Advising on the timing of the appointment of Administrators;
- Liaising with the Company to ensure the data room contained adequate, appropriate and sufficient information to assist interested parties;
- Attending numerous Board meetings upon request; and
- Assisting the Board take the appropriate steps to place the Company into Administration.

Attached at Appendix IV is a schedule summarising the time spent by Cork Gully LLP in the period prior to the Administration.

The pre-administration time costs outstanding, for which the Joint Administrators are seeking creditors approval, are £33,427.80.

8.2. Expenses

The following expenses were also incurred pre-administration:

| Disbursement (excluding VAT) | (£) |
|------------------------------|---------------|
| Court fee | 54.00 |
| Swear fee | 250.01 |
| Dropbox Subscription | 60.00 |
| Total | 364.01 |

The Joint Administrators are also seeking creditors approval to recover these pre-administration expenses of £364.01.

9. Joint Administrators' Remuneration and Expenses

Insolvency legislation allows different fee bases to be used for different tasks within the same appointment. The fee bases, or combination of bases, set for a particular

appointment is/are subject to approval, either by a committee, if one is appointed, or the creditors or the Court.

The alternate bases by which an office holder may charge his fees are either of, or a combination of, the following:

- by reference to the time spent on attending to particular matters; or
- a fixed fee; or
- as a percentage of realisations/distributions.

Those responsible for approving an office holder's remuneration and the remuneration of their associates must be provided with sufficient information to make an informed judgement about the reasonableness of the office holder's requests. This report is therefore written to comply with this requirement.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at:

<http://www.creditorinsolvencyguide.co.uk/>.

Details about how an administrator's fees may be approved is available in a Guidance Note issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>. There are different versions of these Guidance Notes, and in this case please refer to the April 2021 version.

Please note that we have also provided further details in our practice fee recovery sheet which can be found at <https://www.corkgully.com/files/9016/4269/1970/practicefeerecoverypolicy.pdf>.

Fee Basis

Given the aforementioned uncertainty of achieving a successful sale of the Company's business and / or assets, the Joint Administrators intend to seek different fee resolutions for the differing scenarios. Below are the fee resolutions that will be sought (with estimates) dependent upon whether a sale is achieved.

9.1. No sale of the business and / or assets

Should there be no successful sale of the Company's business and / or assets, the Joint Administrators will seek to be remunerated on a fixed fee basis of £164,500 (plus disbursements and VAT). This includes remuneration for work undertaken in the subsequent CVL.

The Joint Administrators consider that the work outlined below, after taking into account the nature and value of

the assets involved, would equate to a greater or similar value if a time cost basis were approved. We believe this fixed fee is a fair and reasonable reflection of the work that it's anticipated will be necessarily and properly undertaken.

The proposed fixed fee anticipates that the following work will be undertaken:

Administration:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case, including undertaking periodic reviews of the progress of the case and overseeing work undertaken by case administrators;
- Maintaining the case on the practice's electronic case management system and entering data;
- Issuing statutory notifications to creditors and others as required on appointment as office holder, including advertising the office holder's appointment;
- Maintaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate);
- Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court;
- Dealing with all routine correspondence and emails relating to the case;
- Opening, maintaining and managing the office holder's estate bank account and cashbook, including undertaking regular reconciliations of the estate bank account;
- Preparing, reviewing and issuing six monthly progress reports to creditors and members and filing them at Companies House;
- Preparing and filing VAT and Corporation Tax returns; and
- Preparing, reviewing and issuing a final report to creditors and members and Notice of Move from Administration to CVL at Companies House together with the final account of the conduct of the Administration.

Realisation of assets:

- Collecting the outstanding prepayments;
- Reviewing the Company's records to identify potential additional assets to be realised for the benefit of creditors;

- Continued management of the Company Data Room for potential interested parties;
- Liaising with interested in relation to the sale of the business and/or assets, including the completion of non-disclosure agreements; and
- Continued management of the business and remaining employees and contractor until such time that their services are no longer required. Which includes payment for services.

Creditors:

- Correspondence, emails and telephone calls with creditors, including receipt of their claims, including engagement with HMRC and the Redundancy Payments Service;
- Maintaining up to date creditor information on the case management system; and
- Adjudicating and agreeing preferential creditor claims and paying a dividend to preferential creditors.

Investigations:

- Recovering the books and records of the Company;
- Preparing and submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act; and
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Creditors Voluntary Liquidation:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case, including undertaking periodic reviews of progress and overseeing work done on the case;
- Setting up the case on the practice's electronic case management system and entering data;
- Issuing statutory notifications to creditors and others required on appointment as liquidators;
- Maintaining the liquidators specific penalty bond;
- Preparing, reviewing and issuing statutory reports to the creditors and members, and filing the same at Companies House;
- Dealing with all routine correspondence and emails relating to the case as well as correspondence with creditors about their claims;
- Opening, maintaining and managing the office holder's estate bank account and cashbook, including

undertaking regular reconciliations of the bank account;

- Preparing and filing VAT and Corporation Tax returns and seeking closure clearance from HMRC and other relevant parties;
- Adjudicating and agreeing unsecured creditor claims and paying a dividend to unsecured creditors; and
- Preparing, reviewing and issuing final reports to creditors and members.

The work for which fee approval is being sought includes the work that will need to be undertaken should the Joint Administrators be appointed Liquidators following conversion to CVL.

Creditors should note that there are certain tasks that the Joint Administrators have to carry out on every case which don't provide any direct benefit for creditors. This work is required by statute, best practice, or are necessary for the orderly conduct of the proceedings.

In the event:

- The known asset realisations become protracted; or
- Our work leads to further areas of investigation and/or the identification of potential asset recoveries and any associated action, such as legal proceedings;
- Or other facts or circumstances arise which aren't presently known

it may be necessary to seek creditor approval for an increase of our fixed fee.

9.2. Successful sale of business and / or assets

Should a successful sale of the Company's business and / or assets be achieved, then the Joint Administrators will seek to be remunerated on both fixed fee and a percentage of realisations basis.

The fixed fee estimate, as outlined above, of £164,500 will remain the same for work rendered on the whole of the Administration and CVL.

In addition to this, the Joint Administrators propose to seek creditor approval to be paid 15% of gross asset recoveries from any sale of the business and / or assets achieved, capped at an additional fee of £250,000 (plus disbursements, plus VAT). For the avoidance of doubt this does not include other assets realised such as cash at bank or prepayments.

The Joint Administrators suggest that 15% of the gross sales consideration is reasonable in the circumstances and is reflective of the work that will need to be undertaken by to conduct and conclude a sales process. Creditors should note that the Joint Administrators' will spend time managing the business whilst the sales process is ongoing.

If the value of the sale is less than anticipated the Joint Administrators will also have taken on a financial risk in committing to the work required. We feel it's fair and reasonable that the Joint Administrators are remunerated on this basis as it provides an incentive to achieve the best possible sale outcome, which will benefit creditors similarly.

To achieve a sale of the Company's business and / or assets, the Joint Administrators believe the following work will be undertaken, in addition to the work listed above:

- Oversight and evaluation of information requests from various interested parties, including continued monitoring of enquires and the data room, as well provision of information to comply with their due diligence requests, which must be tailored to each individual interested party;
- Evaluation of offers for the sale of the business and / or assets which may result in extensive negotiations, exclusivity periods and any necessary agreements;
- Drafting, negotiating terms and entering into contracts for the sale of the business and / or assets;
- Ensuring the safe collection and handover of Company assets, including ensuring sensitive data is not compromised, nor results of the various activities undertaken; and
- Ensuring any statutory obligations are met in relation to the disposal and storage of relevant assets.

Joint Administrators' Expenses

When requesting the basis of our fee authority, we are required to estimate the anticipated expenses likely to be incurred in administering the estate. Such expenses are categorised as either Category 1 or Category 2 expenses.

Category 1 expenses

Category 1 expenses are directly referable to an invoice from a third party which is either in the name of the estate or Cork Gully LLP. In the case of the latter, the invoices make reference to, and can therefore be directly attributed to, the estate. These disbursements are recoverable in full from the estate without prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party.

Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

The following schedule outlines the Category 1 expenses incurred to date and the anticipated additional expense to be incurred in the administration and subsequent CVL:

| Expense | Expenses to date (£) | Estimated expenses (£) |
|-----------------------|----------------------|------------------------|
| Statutory Bonding | - | 1,370.00 |
| Statutory Advertising | 186.48 | 179.82 |
| Asset Insurance | - | 1,000.00 |
| Postage | - | 100.00 |
| Storage | 399.00 | 1,000.00 |
| Total | 585.48 | 3,649.82 |

These expenses are a necessary expense of administering the estate. Please note the above amounts are exclusive of VAT.

It should be noted that there may be additional expenditure incurred in relation to the sale process. This includes, but isn't limited to, amounts payable to legal advisors to draft sale documentation and other possible marketing costs.

Category 2 Expenses

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third- party invoice and/or they may include a profit element. These disbursements are only recoverable from the estate with the approval of creditors. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Cork Gully LLP will not seek to charge or recover any category 2 disbursements incurred in respect of work undertaken on this assignment.

Agents and Professional Advisors

The following professional advisors have been instructed, or are anticipated to be instructed, during the course of the Administration:

Legal Advisers

If the sale of the Company's business and / or assets is successful legal advice will be required to draft sale contracts, novate existing contracts and other further work as may be necessary. Although hard to quantify at this time, the Joint Administrators estimate that costs for legal fees may equate to £5,000 – £20,000 (plus disbursements, plus VAT).

Employment Specialists

Evolve have been instructed to assist with the handling of employee claims, pensions and communications with the

redundancy payments office. To date they have been paid a fixed fee of £500, plus VAT, in relation to the handling of employee claims. It's expected that a further £500, plus VAT, will be paid in relation to dealing with employee pensions and the scheme trustee.

Tax Agents

Whilst a tax agent has not yet been engaged, it is anticipated that they will be in due course. An agent will prepare the Company's Tax returns if a sale is successful. A reasonable expectation for the cost of this work is £4,500 (plus VAT).

Employee/Contractor Costs to continue

At the date of these proposals, two employees and one contractor have been retained to assist with the sale of the business and/or assets. Their contracts will be maintained until either a sale is concluded or the Joint Administrators resolve that a sale is unlikely.

This incurs a monthly recurring expense of c.£25,000. Additional expenses will also be incurred to ensure relevant tax and pension filings are made in respect of the employees, which are not expected to exceed £150 (plus disbursements and VAT) per month.

Expenses and professional advisor's fees do not have to be approved, but when reporting to any committee and the creditors during the course of the Administration, and subsequent Liquidation, the actual expenses incurred will be compared with the original estimate and an explanation of any material differences will be provided.

The choice of professionals engaged is based on our perception of their experience and ability to perform the work given the complexity and nature of the assignment. The Joint Administrators also consider that the basis on which they will charge fees represents value for money.

10. Joint Administrators' Investigations

Further to section 4.9, the Joint Administrators have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. The Joint Administrators are also required to investigate the affairs of the Company in order to consider whether any civil proceedings should be taken on its behalf.

The Joint Administrators should be pleased to receive any information you may have that you consider will assist them in this duty. The Joint Administrators would stress that this request for information forms part of their normal investigation procedure.

11. Joint Administrators' Proposals

In order to achieve the objective set out at section 3, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration.
- Pay a dividend to the preferential creditors of the Company;
- Enter into a sale of the business and/or assets of the Company should a suitable offer be received from an interested party;
- Continue to assess the commerciality of maintaining a sales process for a particular length of time;
- Investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
- Do all such things and generally exercise all their powers as Joint Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration.

Whether a sale of the Company's business and / or assets is achieved, or not, the Administration will likely end by placing the Company into CVL. It is proposed that Stephen Robert Cork and Anthony Malcolm Cork are appointed Joint Liquidators of the Company and that they be authorised to act either jointly or separately in undertaking their duties as Joint Liquidators.

Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered, but before they are approved. Information about the approval of the proposals is set out at section 12.

In the event that the Administration is not able to be exited by Creditors Voluntary Liquidation, and the Joint Administrators don't consider it appropriate to extend the Administration, the Administration will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.

The Joint Administrators are seeking approval from creditors that they will be discharged from liability in relation to the Administration of the Company upon filing of their final report with the Registrar of Companies.

12. Approval of Proposals

The Joint Administrators are seeking decisions by correspondence (see Appendix V) from creditors:

- i. To approve these proposals;
- ii. To approve the pre-administration costs;
- iii. To fix the basis of the Joint Administrators remuneration;
- iv. Consider whether a creditors committee should be formed; and
- v. To approve the Joint Administrators' discharge from liability upon filing the Joint Administrators' final report at Companies House.

Please note creditors will have the opportunity to vote on the Joint Administrators' remuneration for both scenarios, as outlined in section 9.

If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form (see Appendix V) to the Joint Administrators by no later than 23.59 on 8 April 2022, the decision date.

If a creditor has not already submitted proof of their debt, they should complete the enclosed form (see Appendix VI) and return it to this office, together with the relevant supporting documentation.

A creditor's vote will not count unless they have lodged proof of their debt by no later than 23.59 on 8 April 2022.

Creditors are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' Committee (see Appendix VII) and further instructions are enclosed.

To enable creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee (see Appendix VII), further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>.

Please note that the Joint Administrators must receive at least one vote by the decision date or the decisions will not be made. The Joint Administrators would therefore urge creditors to respond promptly. Should no creditors respond the Joint Administrators will need to apply to Court for approval of our proposals.

Should any creditor, or group of creditors, wish to request a physical meeting of creditors, they must do so within five business days of the delivery of these proposals.

Such requests must be supported by proof of their debt, if not already lodged. The Joint Administrators will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

13. EC Regulation on Insolvency Proceedings

The Joint Administrators consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. The Joint Administrators also consider that they are "main" proceedings since the Company's registered office in the United Kingdom.

14. Further information

To comply with the Provision of Services Regulations, some general information about Cork Gully LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.corkgully.com/files/6316/1720/7390/provisionofservicesregulationssummary.pdf>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Darren Habgood by email at darrenhabgood@corkgully.com, or by phone on 020 7268 2150.

For and on behalf of the Company



Stephen Robert Cork
Joint Administrator

Anthony Cork and Stephen Cork were appointed Joint Administrators of the Company on 16 December 2021. The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability. Anthony Cork and Stephen Cork are authorised to act as an Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales. The Joint Administrators' proposals report has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Appendix I – Statutory Information

| | |
|------------------------------------|--|
| Company name: | Macrophage Pharma Limited |
| Previous name: | Macrophage Therapeutics Limited |
| Trading name: | Macrophage Pharma Limited |
| Company number: | 09369013 |
| Date of incorporation: | 29 December 2014 |
| Trading address: | Gainsborough House, 59-60 Thames Street, Windsor, Berkshire, SL4 1TX |
| Current registered office: | c/o Cork Gully LLP, 6 Snow Hill, London EC1A 2AY |
| Former registered office: | 30 Broad Street, Great Cambourne, Cambridge, Cambridgeshire, CB23 6HJ |
| Principal trading activity: | Research and experimental development on biotechnology |
| Appointment Details | |
| Administrators | Stephen Robert Cork (IP No. 8627) and Anthony Malcolm Cork (IP No. 9401) |
| Administrators' address | 6 Snow Hill, London EC1A 2AY |
| Date of appointment | 9 February 2022 |
| Court name and reference: | High Court of Justice, Business and Property Courts of England and Wales Court Reference No. CR-2022-000357 |
| Appointment made by: | Directors |
| Actions of Administrators: | Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone. |

| Directors: | Appointed | Resigned | Shareholding (personal) |
|--------------------|-------------------|------------------|--------------------------------|
| Mark Krul | 29 November 2016 | - | - |
| Venkateshwar Reddy | 1 June 2021 | - | - |
| Cheryl Kimberlin | 20 September 2021 | - | - |
| Michael Moore | 1 March 2018 | 22 February 2022 | - |

Share Capital

| | | |
|--|---------------------------|-------------------------------------|
| Authorised (as advised by the Company) | 867,580 shares at c.0.05p | Total called up capital £18,564,625 |
|--|---------------------------|-------------------------------------|

Charges - At the time of appointment, there were no unsatisfied charges registered at Companies House

Appendix II – Directors' Statement of Affairs

Rule 3.30 Insolvency (England and Wales) Rules 2016

Statement of affairs

| | |
|--|--|
| Name of Company Macrophage Pharma Limited | Company number 09369013 |
| In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) | Court case number CR-2022-000367 |

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

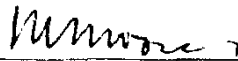
Statement as to the affairs of (a) Macrophage Pharma Limited ("the Company") of C/O Cork
Gully LLP, 8 Snow Hill, London, EC1A 2AY
on the (b) 9 February 2022, the date that the company entered administration

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) 9 February 2022 the date that
the company entered administration. I understand that proceedings for contempt of court
may be brought against anyone who makes, or causes to be made, a false statement in a
document verified by a statement of truth without an honest belief in its truth.

Full name **Michael Moore**

Signed



Date

22/02/2022

Assets

Assets subject to floating charge.

Uncharged assets:

IP Assets
Equipment and Furniture
Other Debtors/Prepayments
Bank and Credit card

| Book Value £ | Estimated to Realise £ |
|---|---|
| 1,587 58 6,636 54 88,897 50 2,047,142 73 | unknown unknown unknown 2,047,142 73 |
| 2,144,064.35 | 2,047,142.73 |

Estimated total assets available for preferential creditors


Signature M. M. M. M. M. Date 22/02/2022

Appendix II – Directors' Statement of Affairs (cont)

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|-----------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 2,047,142.73 |
| Liabilities | | |
| Ordinary Preferential creditors - Employees | (12,289.58) | (12,289.58) |
| Estimated deficiency/surplus as regards ordinary preferential creditors | | 2,034,853.15 |
| Secondary Preferential creditors:- HMRC | (12,478.81) | (12,478.81) |
| Estimated deficiency/surplus as regards secondary preferential creditors | £ | 2,022,376.34 |
| Estimated prescribed part of net property where applicable (to carry forward) | 0 | 0 |
| Estimated total assets available for floating charge holders | £ | 2,022,376.34 |
| Debts secured by floating charges | 0 | 0 |
| Estimated deficiency/surplus of assets after floating charges | £ | 2,022,376.34 |
| Estimated prescribed part of net property where applicable (brought down) | 0 | 0 |
| Total assets available to unsecured creditors | £ | 2,022,376.34 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | 0 | 0 |
| Consumer creditors for pre-paid goods or services | (9,812,213.13) | (9,812,212.13) |
| Employees | (41,804.21) | (41,804.21) |
| Shortfall to floating charge holders (brought down) | 0 | 0 |
| Estimated deficiency/surplus as regards creditors | | (7,831,640.00) |
| Issued and called up capital | (18,564,825.00) | (18,564,825.00) |
| Estimated total deficiency/surplus as regards members | | (26,396,265.00) |

Signature



Date

22/02/2022

Appendix II – Directors' Statement of Affairs (cont)

B Company Creditors

Note You must include all creditors and identify creditors under hire-purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession.

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|---|---|------------------|--|---------------------|---------------------|
| Aungene Pharmaceutical Services Ltd | 39-40, KIAOB Industrial Area, Bangalore, 560100, India | £183,031.13 | N/A | | |
| Cambridge University Technical Services Ltd | University of Cambridge, Hauser Forum, 3 Charles Babbege Road, Cambridge, CB3 0GT | £240.00 | N/A | | |
| CEM Analytical Services (CEMAS) | Imperial House, Oaklands Business Centre, Oaklands Park, Wokingham, Berks, RG41 2FD | £180.00 | N/A | | |
| Charles River UK Ltd | Manston Road, Margate, Kent, CT9 4LT | £14,344.80 | N/A | | |
| Domainex | Chesterford Research Park, Little Chesterford, Saffron Walden, CB10 1XL | £360.00 | N/A | | |
| Ecovis Comark | Avenida da Liberdade, 69 - 3C, 1250-140 Lisboa Portugal | £104.05 | N/A | | |
| JA Kemp LLP | 80 Turnmill Street, London, EC1M 5QU | £16,960.78 | N/A | | |
| Jack Logic Ltd | 10 Powell Lane, Barton Seagrave, Kettering, Northamptonshire, NN15 6UA | £102.00 | N/A | | |
| Jane Pitt - expenses | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £49.78 | N/A | | |

Appendix II – Directors' Statement of Affairs (cont)

| | | | | | |
|--|---|---------------|-----|--|--|
| Nuvo Pharma Ltd | 29 Shiplake Bottom, Henley on Thames, RG9 5HH | £3,282.45 | N/A | | |
| Onit Services Ltd | Unit 6, Chess Business Park, Moor Road, Chessham, Buckinghamshire HP5 1SD | £572.05 | N/A | | |
| Regus (IW Group Services (UK) Ltd | 1 Burwood Place, London, W2 2UT | £3,879.80 | N/A | | |
| Royance Stability Storage Ltd | Borlase Road, Motherwell, North Lanarkshire ML1 5UH | £306.00 | N/A | | |
| Vankateshwar Reddy - expenses | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £728.28 | N/A | | |
| Windsor Accountancy Ltd | St Stephens House, Arthur Road, Windsor, Berkshire, SL4 1RU | £220.80 | N/A | | |
| Royal London – employee pension contributions | Royal London House, Alderley Park, Congleton Road, Nether Alderley, Macclesfield, SK10 4EL | £20.31 | N/A | | |
| Parmenion Capital – employee pension contributions | Aurora, Counterslip, Bristol, BS1 6BX | £1,333.65 | N/A | | |
| Vankateshwar Reddy – Portuguese salary | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £5,030.73 | N/A | | |
| Vankateshwar Reddy – Portuguese taxes | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £3,493.13 | N/A | | |
| The Future Fund | Level 37, 25 Canada Square, London E14 5LQ | £4,789,986.30 | N/A | | |
| CRT Pioneer Fund LP | 4 Clarendon Court, Lower Kings Road, Berkhamstead HP4 2AF | £1,596,328.77 | N/A | | |
| Agila Oncology Fund II Cooperative U.A. | Professor Bronkhorstlaan, 10 Building 92 3723MB, Bithoven, The Netherlands | £1,596,328.77 | N/A | | |
| Merck Ventures BV | Gustav Mahlerplein 102, Toyo Ito Building, 20 th Floor, 1082MA, Amsterdam, Netherlands | £1,596,328.77 | N/A | | |

Signature

M. M. M.

Date

22/01/2022

Appendix II – Directors' Statement of Affairs (cont)

D Employee Creditors

Note You must include all employees who owed monies by the company in respect of unpaid wages, holiday pay, pay in lieu of notice etc

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|------------------------------|--|------------------|--|---------------------|---------------------|
| | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £3,269.87 | | | |
| | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £17,856.63 | | | |
| | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £4,715.39 | | | |
| | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £9,119.15 | | | |
| | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £12,325.64 | | | |
| | c/o Cork Gully, 6 Snow Hill, London EC1A 2AY | £5,808.11 | | | |

Signature M. M. M. M. M. Date 22/04/2022

Appendix II – Directors' Statement of Affairs (cont)

E
Shareholders

Note: You must include all shareholders of the company

| Name of shareholder | Address (with postcode) | Type of share held | Nominal value of share £/p | Number of shares held | Amount per share called up £/p | Total amount called up £ |
|------------------------------|---|---------------------|-------------------------------|-----------------------|-----------------------------------|-----------------------------|
| Citrona Therapeutics Limited | Crown House, 27 Old Gloucester Street, London WC1N 3AX | Non Voting Ordinary | 0.001 | 25,000 | 0.001 | £25.00 |
| CRT Pioneer GP Limited | 4 Clandge Court, Lower Kings Road, Berkhamstead HP4 2AF | Ordinary A | 0.001 | 166,001 | 25.00 | £4,150,025.00 |
| CRT Pioneer GP Limited | 4 Clandge Court, Lower Kings Road, Berkhamstead HP4 2AF | Ordinary 1p | 0.001 | 100,000 | 0.001 | £100.00 |
| CRT Pioneer GP Limited | 4 Clandge Court, Lower Kings Road, Berkhamstead HP4 2AF | Ordinary 1p | 0.001 | 20,800 | 25.00 | £520,000.00 |
| Novo Holdings A/S | Tuborg Havnevej 19, DK-2900 Hellerup, Denmark | Ordinary A | 0.001 | 170,445 | 25.00 | £4,261,125.00 |
| Aglais Oncology Fund II | Professor Bronkhorstlaan, 10 Building 92 3723MB, Bilthoven, The Netherlands | Ordinary A | 0.001 | 192,667 | 25.00 | £4,816,675.00 |
| Coöperatieve U.A. | Gustav Mahlerplein 102, Toyo Ito Building, 20 th Floor, 1082MA, Amsterdam, Netherlands | Ordinary A | 0.001 | 192,667 | 25.00 | £4,816,675.00 |
| Merck Ventures B.V. | | | | | | |

Signature *W. W. W.* Date 22/04/2022

Appendix III – Joint Administrators' Summary of Receipts & Payments

Summary of Receipts & Payments 9 February 2022 to 23 March 2022

| RECEIPTS | Total |
|---------------------------|---------------------|
| Cash at Bank | 2,046,381.89 |
| Refunds of prepayments | 2,416.97 |
| Bank Interest Gross | 6.68 |
| | 2,048,805.54 |
| PAYMENTS | |
| ERA Agents | (500.00) |
| Employee Expenses | (94.64) |
| Professional Fees | (5,500.00) |
| Valuers Fees | (250.00) |
| IT Costs | (290.00) |
| Storage Costs | (399.00) |
| Statutory Advertising | (186.48) |
| Wages and Salaries | (13,409.13) |
| PAYE and NI | (8,716.02) |
| | (29,345.27) |
| BALANCE | 2,019,460.27 |
| BALANCE MADE UP OF | |
| Cash at Bank | 2,019,135.17 |
| VAT Receivable | 325.10 |

Note:

Funds are held in an interest-bearing account in the name of the Company.

Appendix IV – Pre-Appointment Time Costs

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Total Hours | Time Cost | Average Hourly Rate |
|---------------------------------------|--------------|--------------|-------------------------------|---------------|------------------|---------------------|
| Job Planning and Review | 6.50 | 5.80 | 10.30 | 22.60 | 10,211.30 | 451.83 |
| Initial meeting & general advisory | 15.00 | 12.10 | 1.70 | 28.80 | 17,664.20 | 613.34 |
| Internal strategy & planning meetings | 37.60 | 42.30 | 7.20 | 87.10 | 51,189.40 | 587.71 |
| Preparation of appointment documents | 1.40 | 3.00 | 1.90 | 6.30 | 3,383.90 | 537.13 |
| Total Hours | 60.50 | 63.20 | 21.10 | 144.80 | 82,448.80 | 569.40 |

Appendix V - Notice of Voting on Decision by Correspondence

Macrophage Pharma Limited – In Administration (“the Company”)

Company Number – 09369013

In the High Court of Justice, Business and Property Courts of England and Wales: CR-2022-000357

NOTICE IS GIVEN by Anthony Malcolm Cork and Stephen Robert Cork to the creditors of Macrophage Pharma Limited that set out below are decisions for your consideration under paragraph 51 of Schedule B1 of the Insolvency Act 1986.

Please complete the voting section below indicating whether you are in favour or against the following decision under rule 15.8 of The Insolvency (England and Wales) Rules 2016 (“the Rules”).

Please complete the voting section below indicating whether you are in favour or against the following decisions:

- 1) That a creditors committee be established.
- 2) That the Administrators' proposals be approved.
- 3) That the unpaid pre-administration costs, comprising Cork Gully's time costs of £33,427.80, plus VAT, and expenses of £364.01, as set out in the Joint Administrators' proposals, be approved.
- 4) That the Joint Administrators' remuneration be approved as a fixed fee of £164,500, plus VAT and disbursements, and that this fee be drawn from the funds available in the Administration.
- 5) That, in addition to item 4, if a sale of the business and / or assets is successful, the Joint Administrators' receive remuneration of 15% of the gross value of the sale consideration, capped at an additional fee of £250,000 (plus disbursements, plus VAT).
- 6) That the Joint Administrators are discharged from liability, in accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986, upon filing the Administrators' final report at Companies House.

The final date for votes is 8 April 2022, the decision date.

- 1) In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY by no later than 23.59 hours on 8 April 2022. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
- 2) Creditors must lodge proof of their debt (if not already lodged) at the offices of Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY
- 3) Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
- 4) Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.
- 5) Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where “creditors” means “all creditors.”
- 6) Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of 8 April 2022, the Decision Date.

Creditors requiring further information regarding the above, should either contact me at 6 Snow Hill, London, EC1A 2AY, or contact Darren Habgood by email at darrenhabgood@corkgully.com, or by phone on 020 7268 2150.

23 March 2022

Stephen Robert Cork
Joint Administrator

Appendix V – Notice of Voting on Decision by Correspondence

Macrophage Pharma Limited – In Administration (“the Company”)

Company Number – 09369013

In the High Court of Justice, Business and Property Courts of England and Wales: CR-2022-000357

Voting on Decisions

- | | | |
|----|---|-----------------------|
| 1) | That a creditors committee be established. | *For / Against |
| 2) | That the Joint Administrators' proposals be approved. | *For / Against |
| 3) | That the unpaid pre-administration costs, comprising Cork Gully's time costs of £33,427.80, plus VAT, and expenses of £364.01, as set out in the Joint Administrators' proposals, be approved. | *For / Against |
| 4) | That the Joint Administrators' remuneration be approved as a fixed fee of £164,500, plus VAT and disbursements, and that this fee be drawn from the funds available in the Administration. | *For / Against |
| 5) | That, in addition to item 4, if a sale of the business and / or assets is successful, the Joint Administrators' receive remuneration of 15% of the gross value of the sale consideration, capped at an additional fee of £250,000 (plus disbursements, plus VAT). | *For / Against |
| 6) | That the Joint Administrators are discharged from liability, in accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986, upon filing their final report at Companies House | *For / Against |

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of Creditor: _____

Signature of Creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Dated _____

Appendix VI – Statement of Claim

| | |
|----------------------------------|--|
| Company Name | Macrophage Pharma Limited (In Administration) |
| Relevant Date for Claims | 9 February 2022 |
| Company Number | 09369013 |
| Registered Office | c/o Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY |
| Creditor Name | |
| Creditor Contact Details: | Address: |
| | |
| | Email: |
| Amount Claimed | £ |

Evidence of your claim must be attached to this form which may include copy invoices, statements, contracts or any other such documentation necessary to prove your claim.

Signed: _____ Date _____
Signature of Creditor or person authorised to act on his behalf

Name: _____
Please write in block letters

Position with or in
relation to Creditor: _____
e.g. director/solicitor/partner

Please complete and return to: Darren Habgood, Cork Gully LLP
6 Snow Hill, London
EC1A 2AY

Appendix VII – Notice of Invitation to Form a Creditor's Committee

Macrophage Pharma Limited – In Administration ("the Company")

Company Number – 09369013

In the High Court of Justice, Business and Property Courts of England and Wales: CR-2022-000357

NOTICE IS GIVEN by Anthony Malcolm Cork and Stephen Robert Cork to the creditors of Macrophage Pharma Limited of an invitation to establish a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine by correspondence, at the same time, whether a Creditors' Committee should be established. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.

Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.

The specified date for receipt of nominations for creditors to act as a member of the Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016 is 8 April 2022, the Decision Date.

Please complete the form sent with this notice, and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to Cork Gully LLP of 6 Snow Hill, London, EC1A 2AY so that it is received by no later than 23.59 hours on 8 April 2022, the decision date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at: <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>.

The final date for votes to establish a committee is 8 April 2022, the decision date.

- 1) In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY by no later than 23.59 hours on 8 April 2022. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
- 2) Creditors must lodge proof of their debt (if not already lodged) at the offices of Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY by no later than 23.59 on 8 April 2022 without which their vote will be invalid.
- 3) Creditors with small debts, that is claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
- 4) Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
- 5) Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
- 6) Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of 8 April 2022 the Decision Date.

Creditors requiring further information regarding the above, should either contact me at 6 Snow Hill, London, EC1A 2AY, or contact Darren Habgood by telephone on 020 7268 2150, or by email at darrenhabgood@corkgully.com.

23 March 2022

Stephen Robert Cork
Joint Administrator

Appendix VII - Notice of Invitation to Form a Creditor's Committee

Macrophage Pharma Limited – In Administration ("the Company")

Company Number ~ 09369013

In the High Court of Justice, Business and Property Courts of England and Wales: CR-2022-000357

Decision

1) That a creditors committee be established

***For / Against**

Please note that if creditors vote to establish a Committee, then unless at least 3 nominations for creditors to act as Committee members are received at the same time, it will be necessary to convene a further decision procedure to decide which creditors are to act as Committee members. That will involve incurring additional costs, so if you intend to vote to establish a Committee, please also nominate either yourself or another creditor to act as a Committee member.

I wish to nominate the following creditor to act as a member of the committee:

Name of nominated Creditor: _____

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of Creditor: _____

Signature of Creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Dated _____

Note: The completed form should be delivered to Anthony Malcolm Cork and Stephen Robert Cork either by posting it to Cork Gully LLP of 6 Snow Hill, London, EC1A 2AY, or by emailing it to darrenhabgood@corkgully.com.

Cork Gully

Stephen Cork

Joint Administrator

Cork Gully LLP

6 Snow Hill, London, EC1A 2AY

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liamjones@corkgully.com

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