

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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20/12/2019

#239

COMPANIES HOUSE

1 Company details

Company number 0 9 4 9 3 7 4 3

Company name in full Photofile Medical Limited

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

2 Administrator's name

Full forename(s) Paul

Surname Wood

3 Administrator's address

Building name/number St James Court

Street St James Parade

Post town Bristol

County/Region

Postcode B S 1 3 L H

Country

4 Administrator's name ①

Full forename(s) Simon Robert

Surname Haskew

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

5 Administrator's address ②

Building name/number St James Court

Street St James Parade

Post town Bristol

County/Region

Postcode B S 1 3 L H

Country

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

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6 Period of progress report

From date	^d 3	^d 1	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9	
To date	^d 3	^d 0	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X  X								
Signature date	^d 2	^d 0	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9	

AM10

Notice of administrator's progress report



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	Clive Hobbs
Company name	Begbies Traynor (Central) LLP
Address	St James Court St James Parade
Post town	Bristol
County/Region	
Postcode	B S 1 3 L H
Country	
DX	bristol@begbies-traynor.com
Telephone	0117 937 7130



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Paul Wood and Simon Robert Haskew were appointed joint administrators on 31 May 2019

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.

Photofile Medical Limited (In Administration)

Progress report of the joint administrators

Period: 31 May 2019 to 30 November 2019

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Photofile Medical Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 31 May 2019
"the administrators" "we" "our" and "us"	Paul Wood of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Photofile Medical Limited
Trading name(s):	As above
Date of Incorporation.	17 March 2015
Company registered number:	09493743
Company registered office:	St James Court, St James Parade, Bristol, BS1 3LH

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Paul Wood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH and Simon Robert Haskew, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, St James Court, St James Parade, Bristol, BS1 3LH
Date of administrators' appointment:	31 May 2019
Date of administrators' resignation:	Not applicable
Court:	High Court of Justice, Business and Property Courts in Bristol, Insolvency and Companies List
Court Case Number:	CR2019-BRS000088
Person(s) making appointment / application:	the Director
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 31 May 2019 to 30 November 2019

Receipts

Book Debts

According to the information provided by the Company following our appointment, the Company's book debts amounted to £275,824, in which it was estimated to realise £227,545.

It should be noted that the book debts relate to 513 invoices, each of which is only payable on a successful outcome of the case to which it relates. Should the case fail then a credit note has to be raised and the debt written off. It is estimated that it may take 2 or more years to collect out the ledger in full.

There is also an associated company with a similar business model named Photofile Limited ("PL"), of which the director's spouse is sole director and shareholder. PL went into administration on 8 May 2019 and Paul Wood and Simon Haskew were appointed joint administrators.

Both Companies have common debtors and payments are often made to the wrong company in error. Given this, the fact that both Companies are in administration and that each invoice is usually paid separately either by cheque or by BACS which may have gone to either of the company's bank accounts or the administration bank account have made this a highly intensive task to administer.

Given the complex nature of the business, Ross Aldridge has been instructed to collect the book debts on our behalf and for an agreed fee of 15% of sums realised.

To date, book debt realisations paid into the administration account amount to £48,808.90. Further realisations amounting to £33,433.98 have been paid into the administration account of Photofile Limited. Total collections to date, therefore, amount to £82,242.88.

We are also currently holding £28,702.60 in our suspense account, made up of £25,540.60 which belongs to PL and £3,162 of receipts not yet allocated.

Cash at Bank

Cash at bank in the sum of £81,111.75 has been realised in the period.

Bank Interest Gross

Gross interest of £30.81 has been received in the period.

Payments

Administrators' Fees - Pre-Appointment

As detailed in our proposals and at Section 6 in this report, the administrators' pre appointment fees of £3,294.50 have been settled in the period.

Legal Fees – Pre Appointment

As detailed in our proposals and at Section 6 in this report, Osborne Clarke incurred pre-appointment legal fees of £1,231.75, which have been settled in the period.

Administrators' Fees and Expense

To date, administrators' fees totalling £24,021 have been paid together with expenses of £407.06. Further information is provided in Section 7 of this report.

Statement of Affairs Fee

Hazelwoods, accountants experienced in insolvency matters, assisted the director in preparing a Statement of Affairs as at the date of our appointment. They have not yet been paid.

Employee Claims & Pension Advice

As mentioned in our Statement of Proposals, Insol Group Limited were instructed to assist with the Company's pensions. To date, Insol Group Limited has submitted their invoice for £300 and has been paid in full.

The Company's accountants, First Accountancy, have been paid £134 for finalising the Company's payroll.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

General case administration and planning

Although there is no direct financial benefit to the administration, the administrators are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors. The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the liquidation, which ensures that the joint liquidators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. Administrators have certain statutory obligations and duties to fulfil whilst in office such as:

- Banking, producing receipts and payments accounts and completing monthly bank reconciliations;
- Notifying various bodies of our appointment, including creditors, Companies House, and advertising our appointment in the London Gazette.
- Corresponding with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings
- Producing proposals within eight weeks of appointment;
- Filing company information with the Registrar of Companies such as notice of administrators' appointment, progress reports and extension documents;
- Ensuring that the case is adequately bonded;
- Producing progress and final reports and distributing to creditors.

Whilst there is no financial benefit to creditors in carrying out these tasks, these are a requirement of The Insolvency Act 1986 and best practice as mentioned above.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

Dealing with all creditors' claims (including employees), correspondence and distributions

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

We have dealt with all creditor claims received to date and have dealt with all matters raised by creditors during the period.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

Secured creditors

There are no outstanding charges registered at Companies House.

Preferential creditors

Following our appointment, it was confirmed that all employees had left the Company and had been paid all their entitlements prior to the administration. Consequently, we are not aware of any preferential claims.

Unsecured creditors

To date, unsecured claims totalling £75,912 have been received including £10,714 owed to the director following settlement of a sums owed to Henry Howard Finance under a personal guarantee and a further £18,825 for work completed prior to the administration. Projected total claims per the directors' statement of affairs are estimated at £616,720.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

There are no secured creditors

Preferential creditors

As advised above, we are not aware of any preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

To the best of the our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be sufficient funds available to enable a substantial dividend to be paid to the unsecured creditors.

The joint administrators, therefore, intend to convert the administration to a creditors' voluntary liquidation within the next two months, so that the adjudication process can be commenced and an interim distribution made to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 22 July 2019 the following amounts in respect of unpaid pre-administration costs were approved by decision of creditors sought via a Decision Procedure:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	3,294.50	658.90	3,953.40
Legal costs	Osborne Clarke Partners LLP	1,231.75	246.35	1,478.10
TOTAL PRE- ADMINISTRATION COSTS		4,526.25	905.25	5,431.50

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed remunerated on a mixed basis, being 25% of the value of the assets realised and a fixed fee of £50,000.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which were attached at Appendix 2 of our proposals.

We have realised the following assets in relation to which approval has been obtained that a percentage of the sums realised be taken as remuneration:

Description of asset	Value of assets realised in period of this progress report	25% remuneration agreed	Total fees drawn to date	Fees not drawn to date
Book Debts	82,243	20,560	-	20,560

We have drawn the sum of £24,021 against the set fee of £50,000 that has been approved.

Disbursements

We have also drawn disbursements in the sum of £407.06 to date.

Why have subcontractors been used?

As outlined in our proposals:

- Osborne Clarke LLP have been instructed to provide post appointment legal advice;
- Hazelwoods, accountants experienced in insolvency matters, were instructed to assist the director in preparing a Statement of Affairs at the date of our appointment;
- Insol Group Limited who have been instructed to assist with the Company's pension scheme;
- The Company's accountants, First Accountancy, finalised the payroll for tax purposes; and
- Ross Aldridge has been instructed to assist with the collection of the book debts.

Category 2 Disbursements

No Category 2 disbursements or disbursements that should be treated as Category 2 disbursements have been drawn during the period of this report.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £49,349. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

The assets that remain to be realised in the administration are the book debts. As outlined in Section 4, it may take 2 or more years to collect out the book debt ledger.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

Compliance with the Insolvency Act, Rules and best practice

We will continue to complete the compliance requirements as detailed in Section 4 in order to progress the administration.

Investigations

If you have any information that you feel the joint administrators should be made aware of in relation to the above, please contact us in writing.

Realisation of assets

We will continue to take all necessary steps in order to realise the assets of the Company.

Dealing with all creditors' claims (including employees), correspondence and distributions

We shall continue to answer any queries raised by the creditors.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

The Administrators are required to deal with post-appointment taxation matters, and this includes submission of Corporation Tax ("CT") and VAT returns to HM Revenue and Customs ("HMRC"). The timely submission of such returns prevents incurring penalties and allows the administrators to reclaim any funds due. We will submit CT and VAT returns as required.

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the director. We have complied with our duties in this respect.

Investigations completed

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Connected party transactions

We have not been made aware of any assets that may have been acquired by a connected party of the company.

Proposed exit route from administration

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with the consent of creditors.

There are several possible exit routes from administration. Based on current information, the administrators consider the following exit routes may be appropriate.

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part¹.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator(s).

Consequently, as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies within the next two months. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation.

As outlined in our proposals which were approved on 16 July 2019, the joint liquidators for the purpose of the winding up shall be the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged

¹ Insolvency Act 1986, Sch B1, para 83(1)

or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'P D Wood', with a stylized, cursive script.

P D Wood
Joint Administrator

Dated. 20 December 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 31 May 2019 to 30 November 2019

RECEIPTS	Statement of Affairs (£)	Total (£)
Book Debts	275,975.00	48,808.90
Work in Progress	15,000.00	0.00
Cash at Bank	88,849.00	81,111.75
Suspense Account		28,702.60
Bank Interest Gross		30.81
		<hr/>
		158,654.06
		<hr/>
PAYMENTS		
Administrators' pre appointment fees		3,294.50
Legal Fees - pre appointment		1,231.75
Administrators' Fees		24,021.00
Administrators' Expenses		407.06
Employee Matters & Pension Advice		434.00
Trade Creditors	(537,482.00)	0.00
Directors	(29,238.00)	0.00
HM Revenue & Customs	(50,000.00)	0.00
Ordinary Shareholders	(1.00)	0.00
		<hr/>
		29,388.31
		<hr/>
Net Receipts/(Payments)		129,265.75
		<hr/>

MADE UP AS FOLLOWS

Metro Bank Account	123,388.09
VAT Receivable / (Payable)	5,877.66
	<hr/>
	129,265.75
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STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory advertising	The Stationery Office	87.06	87.06	-
Bond	Marsh Limited	320.00	320.00	-
Employee Matters & Pensions Advice	Insol Group Limited	300.00	300.00	-
Employee Matters & Pensions Advice	First Accountancy Solutions	134.00	134.00	-
Book debt collection fees (15% of £82,242.88)	Ross Aldridge	12,336.43	-	12,336.43
TOTALS		13,177.49	841.06	12,336.43
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
None				