

# AM03

## Notice of administrator's proposals



Companies House

THURSDAY



A22 \*A8906G6X\* #232  
04/07/2019  
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

Full forename(s) Simon Robert

Surname Haskew

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

### 5 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

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

AM03  
Notice of Administrator's Proposals

6		Statement of proposals	
	<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature		
Signature date	<div><div><sup>d</sup>0</div><div><sup>d</sup>3</div></div> <div><div><sup>m</sup>0</div><div><sup>m</sup>7</div></div> <div><div><sup>y</sup>2</div><div><sup>y</sup>0</div><div><sup>y</sup>1</div><div><sup>y</sup>9</div></div>		

# 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	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 and dated 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

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.

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## Photofile Medical Limited (In Administration)

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Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

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## **Important Notice**

This statement of proposals 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. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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## **Contents**

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Circumstances giving rise to our appointment
- ☐ Statement of affairs
- ☐ The administration period
- ☐ Estimated outcome for creditors
- ☐ Proposals for achieving the purpose of the administration
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Other information to assist creditors
- ☐ Conclusion
- ☐ Appendices
  - 1. Account of receipts and payments
  - 2. Director's statement of affairs
  - 3. Remuneration and expenses

# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Photofile Medical Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 31 May 2019
"the administrators", "we", "our", "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 Act

## 2. STATUTORY INFORMATION

Name of Company	Photofile Medical Limited				
Trading name(s):	None				
Date of Incorporation:	17 March 2015				
Company registered number:	09493743				
Company registered office:	St James Court, St James Parade, Bristol, BS1 3LH				
Former registered office:	1st Floor, Globe House, Love Lane, Cirencester, Gloucestershire, England, GL7 1YG				
Trading address:	1st Floor, Globe House, Love Lane, Cirencester, GL7 1YG				
Principal business activities:	69102 - Solicitors				
Directors and details of shares held in the Company (if any):	<table><tr><th>Name</th><th>Shareholding</th></tr><tr><td>Ross Peter Aldridge</td><td>1</td></tr></table>	Name	Shareholding	Ross Peter Aldridge	1
Name	Shareholding				
Ross Peter Aldridge	1				
Auditors:	First B2b Solutions				
Share capital:	1 ordinary share of £1				
Shareholders:	Ross Peter Aldridge				

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	31 May 2019
Date of resignation:	Not applicable
Court:	High Court of Justice, Business and Property Courts in Bristol, Insolvency and Companies List (CHD)
Court Case Number:	CR-2019-BRS-000088 of 2019
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.

## STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- “3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
  - (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), or
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
  - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
  - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.”

## 4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was incorporated on 17 March 2015 and commenced to trade in the provision of medical reports for solicitors.

The Company was heavily reliant on finance from Photofile Limited, in which the Director's wife was sole director and shareholder, to provide the very favourable terms to its solicitor clients, which included

- Deferred terms of payment of a minimum of 18 months
- The write off of all or part of the company's fee if the solicitor's case failed.

The Director met with Begbies Traynor (Central) LLP on 24 April 2019 to discuss the Company's options. It was concluded that Administration would be the best possible outcome for creditors and Paul Wood and Simon Haskew were appointed Joint Administrators of Photofile Limited on 8 May 2019 resulting in the Photofile Medical Limited being unable to continue trading.

Paul Wood and Simon Haskew were subsequently appointed Joint Administrators of the Company on 31 May 2019.



## 5. STATEMENT OF AFFAIRS

The Directors have not yet prepared a statement of affairs of the Company. Therefore, we attach a draft statement of affairs of the Company as at 31 May 2019 which is attached at Appendix 2. This has not as yet been approved by the director and awaits amendments. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement.

## 6. THE ADMINISTRATION PERIOD

### ***Receipts and Payments***

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration to 3 July 2019.

To date, we have realised cash at bank of £88,849 and book debts totalling £9,451 have been collected. We have been advised that further sums have been banked directly into the company's account and we are awaiting bank statements in order to reconcile and arrange for transfer to the administration account.

### ***Work undertaken by the Administrators and their staff***

Following our appointment, we have carried out the following:

- Notified all known creditors of the administration;
- Complied with statutory requirements by notifying the Registrar of Companies and advertising the appointment of administrators' in the London Gazette;
- Opened a dedicated administration bank account;
- Notified the Company's bank, requested transfer of the balance of the current account to the administration account and requested the account remain open to receipts to assist with debtor collections;
- Notified employees of our appointment and instructed ERA Solutions to assist with employee claims;
- Instructed Insol Group Limited to deal with the Company's pension scheme;
- Instructed Ross Aldridge to collect the Company's book debts;
- Instructed Credet Limited to review the debtor position and monitor debt collection;
- Communicated with the Company's debtors in relation to how set-off will work;
- Commenced preliminary investigations into the Company's affairs;
- Commenced preliminary investigations into the actions of the director;
- Communicated with the Company's creditors. We have also answered any questions which have been raised by the creditors; and
- Preparation of these proposals.

## 7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the attached statement of affairs) are as follows:

### **Secured creditors**

There are no outstanding charges registered at Companies House, thus no Secured Creditors.

### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay are currently estimated at £4,000.

### **Unsecured creditors**

Claims of unsecured creditors were estimated at £425,376. This includes £10,714 owed to the Director following settlement of a sums owed to Henry Howard Finance under a personal guarantee.

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

### **Secured creditors**

There are no secured creditors.

### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay are currently estimated at £4,000. We consider that there will be sufficient funds to enable preferential creditors to be paid in full.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply 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 we anticipate that there will be sufficient funds available to enable a substantial dividend to be paid to the unsecured creditors.

### **Effect of administration on limitation periods under the Limitation Act 1980**

As explained in our initial correspondence confirming our appointment as administrators, 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.

## 8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

In order to achieve the first purpose of an administration, the administrators must be able to rescue the Company as a going concern. However, this was not achievable as the Company had significant unsecured creditor liabilities and therefore, a restructuring of these creditors would have been required to meet the first objective of an administration. Based on the available financial information, there was insufficient value placed on the Company's assets in order to affect a restructuring of the Company's considerable debt and the administrators concluded that the first option was not possible to achieve.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are:

- The recovery of the book debts over the next 24 months;
- Investigate the Company's affairs to establish any causes of action, and reporting on the conduct of the directors;
- Ensuring that any unresolved issues concerning the Company's affairs are concluded;
- Obtaining the necessary clearances to conclude the administration.

We propose to finalise distributions to the preferential creditors and subsequently move the Company to Creditors Voluntary Liquidation to enable a distribution to the unsecured creditors.

### ***Exit 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 route may be appropriate.

### **Creditors Voluntary Liquidation**

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 part<sup>1</sup>.

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<sup>1</sup> Insolvency Act 1986, Sch B1, para 83(1)

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.

Consequently, as soon 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. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, 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. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

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.

#### ***Extending the administration***

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the realisation of assets as specified at section 8 above. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may, therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

## **9. PRE-ADMINISTRATION COSTS**

In the period before the Company entered administration, we carried out work ("the Work") consisting of providing advice to the Company about the options available to it including:

- advice about alternative insolvency options
- highlighting the duties of the directors
- dealing with all procedural steps culminating with the appointment of administrators

The Work was carried out before the Company entered administration, pursuant to an agreement dated 25 April 2019 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because it was necessary to review the Company's financial position and consider insolvency options available to it, before an insolvency process commenced. For these reasons we consider that the Work has furthered the achievement of the objective of administration being pursued, namely realising property in order to make a distribution to one or more secured or preferential creditors.

The pre-administration costs are broken down as follows:

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	1,250.00	250.00	1,500.00
<b>TOTAL PRE-ADMINISTRATION COSTS</b>		<b>4,544.50</b>	<b>908.90</b>	<b>5,453.40</b>

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by the unsecured creditors. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

## 10. REMUNERATION AND DISBURSEMENTS

### *Remuneration*

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules as a percentage of the value of the assets which are realised at 35% of realisations and a set amount of £50,000 as detailed in Appendix 3.

It is for the creditors' committee to approve the basis of our remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. We intend to deal with this by seeking decisions of creditors via correspondence.

### *Disbursements*

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

### **Estimate of expenses**

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

### **Expenditure incurred to date**

To date, we have incurred post appointment costs as detailed at Appendix 3.

- Osborne Clarke LLP have been instructed to provide post appointment legal advice;
- ERA Solutions limited have been instructed to assist with employee claims;
- Insol Group Limited who have been instructed to assist with the Company's pension scheme; and
- Ross Aldridge has been instructed to assist with the collection of the book debts.

## **11. OTHER INFORMATION TO ASSIST CREDITORS**

### **Report on the conduct of directors**

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

### **Connected party transactions**

We have not been made aware of any sales of the Company's assets to connected parties.

### **Deemed delivery**

These proposals will be deemed to have been delivered on 5 July 2019.

### **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.

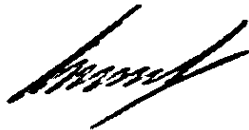
## 12. CONCLUSION

We presently consider that the Company has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and we are therefore required to seek a decision from the Company's creditors as to whether they approve our proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of our proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve our proposals.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.

The administrators are also seeking the approval of creditors to the basis of our remuneration via correspondence. The voting form enclosed allows you to indicate whether you wish to vote in favour of our fees as set out our fees estimate at Appendix 3.



**P D Wood**  
Joint Administrator

Date: 3 July 2019

# ACCOUNT OF RECEIPTS AND PAYMENTS

## 31 May 2019 to 3 July 2019

Statement of Affairs £		From 31/05/2019 To 03/07/2019 £
	<b>ASSET REALISATIONS</b>	
270,612.12	Book Debts	9,451.00
	Cash at Bank	88,849.18
		<u>98,300.18</u>
	<b>PREFERENTIAL CREDITORS</b>	
(4,000.00)	RPO re Arrears/Holiday Pay	<u>NIL</u>
		NIL
	<b>UNSECURED CREDITORS</b>	
(425,376.35)	Trade Creditors	<u>NIL</u>
		NIL
	<b>DISTRIBUTIONS</b>	
(1.00)	Ordinary Shareholders	<u>NIL</u>
		NIL
<u>(158,765.23)</u>		<u>98,300.18</u>
	<b>REPRESENTED BY</b>	
	Bank 1 Current	98,300.18
		<u>98,300.18</u>



# DIRECTOR'S STATEMENT OF AFFAIRS AS AT 31 MAY 2019

	Book Value £	Estimated to Realise £	Note
<b>ASSETS</b>			
Book Debts	360,816	<u>270,612</u>	(1)
		270,612	
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
RPO re Arrears/Holiday Pay		<u>(4,000)</u>	(2)
		266,612	
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>		<u>NIL</u>	
		266,612	
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>	
		266,612	
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>		<u>NIL</u>	
		266,612	
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>	
		266,612	
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		(425,376)	(3)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(158,764)</u>	
Issued and called up capital		(1)	
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<u><u>(158,765)</u></u>	(4)

**Photofile Medical Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Alex Dixon Photography	Studio 1, Holmlea, Slades Road, Bolster Moor, Huddersfield, HD7 4NE	180.00
CA01	Amanda Morgan Photography	70 Alder Drive, Timperley, Altrincham, Cheshire, WA15 7YG	433.20
CA02	Andrew Davis Photography	5B Penybont Road, Pencoed, CF35 5PY	270.70
CA03	Dr Charles Ayekoloye	Ayekoloye Ltd, 76 Countess Park, Croxtet, L11 4UH	100.00
CA04	Dr Kashif Aziz	1 Court Drive, Sutton, Surrey, SM1 3RG	96.00
CA05	Mr R Aldridge		10,714.08
CC00	Celine Barsley Photography	16 Ethronvil Road, Bexley Heath, Kent, DA7 4BB	60.00
CC01	Chelsea & Westminster Hospital	Chelsea and Westminster Hospital, NHS Foundation Trust, Unit G2, Harbour Yard, Chelsea Harbour, London, SW10 0XD	360.00
CD00	Mr Drew Photography	Unit 2a, Old Mill Complex, Brown Street, Dundee, DD1 5EG	240.00
CE00	Elite Photography	149 Berecroft, Harlow, Essex, CM18 7SE	130.00
CF00	Dr David A. Francis	Consultant Neurologist, Spire Little Aston Hospital, Little Aston Hall Drive, Sutton Coldfield, B74 3UP	1,000.00
CF01	Dr Richard Fotiadis	Podalirius Ltd, Manse Secretarial Services, 2 The Manse, The Mall, Brading, Isle of Wight, PO36 0BT	108.00
CG00	Dr Donald Grant - Total Health	Trewarren, Llanddewi Rhydderch, Monmouthshire, NP7 9UT	360.00
CG01	Gareth Angel Photography	Flat 8, 16 Crescent Road, Bournemouth, BH2 5SS	437.00
CG02	Gosport War Memorial Hospital MIU - Medical R	Health Records Medico Legal Department, Unit 2/3 Mitchell Way, Airport Service Road, Portsmouth, PO3 5PR	450.00
CG03	Mr Nicholas Gillham	NRG Orthopaedic Services, Hempton House, Snakehill Lane, Hempton, Banbury, OX15 0QL	360.00
CH00	HM Revenue & Customs	Enforcement and Insolvency Service (EIS), Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	50,000.00
CH01	Henry Howard Finance Group	Unit 5 Langstone Business Village, Langstone, Newport, Gwent, NP18 2LH	0.00
CH02	HK Associates LLP	Ground Floor, Festival House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3S	3,932.00
CH03	Mr K Hariharan - Consultant Orthopaedic Surgeon	26 Birch Grove, Henllys, Cwmbran, NP44 6EP	400.00
CI00	IQED	3rd Floor, Helmont House, Churchill Way, Cardiff, CF10 2HE	14,350.00
CI01	Mr Sikandar Iqbal	Medico-Legal Consultants Ltd, 8 Windlesham Mews, Hampton Hill, Middlesex, TW12 1RU	360.00
CJ00	JMS Photography	234 Derby Road, Sandiacre, Nottingham, NG10 5HE	162.00
CJ01	John Cooper Photography	Unit 2, Kelvin Trading Estate, Eastvale Place, Glasgow, G3 8QG	362.60
CK00	Dr Akhtar M Khan	Key House, 7 Christie Way, Christie Fields, Manchester, M21 7QY	120.00

**Photofile Medical Limited**  
**B - Company Creditors**

Key	Name	Address	£
CK01	Dr Kaleem Ahmed Khan	GRIP Technologies Ltd, 113 Westmead Road, Sutton, SM1 4JE	228.00
CK02	Dr Rohit Kotnis	Rutherford Medical Partnerships Ltd, Old Barn, Sandpit Farm, Marton Road, Long Itchington, CV47 9QA	120.00
CK03	Kidatu Ltd	Building 52 Wrest Park, Silsoe, Bedfordshire, MK45 4HS	34.91
CK04	Mr Jagdish M Kumar	12 Mead Rise, Edgbaston, Birmingham, B15 3SD	360.00
CK05	Mr Nigel Kiely	Rapid Response Reporting Ltd, Unit 5, Caban, Brynrefall, Caernarfon, Gwynedd, LL55 3NR	300.00
CL00	Dr Colin Long	Spire Cardiff Hospital, Glamorgan House, Croescadarn Road, Cardiff, CF23 8XL	500.00
CL01	Mr James A Lewis	James A Lewis Ltd, 31 Juntion Terrace, Cardiff, CF15 8ED	250.00
CM00	Dr Anthony G Martin	Bridgend Clinic, The Princess of Wales Hospital, Coity Road, Bridgend, CF31 1RQ	150.00
CM01	Dr V Madan	Everything Skin Limited, 15 Essex Avenue, Didsbury, M20 6AN	96.00
CM02	Martin Stenbridge Photography	6 Stanford Hall Crescent, Ramsbottom, Bury, Lancashire, BL0 9FD	570.00
CM03	Medicase Ltd	Regus Malthouse Avenue, Cardiff Gate Business Par, Cardiff, CF23 8RU	26,814.00
CM04	Mr Asif Malik	2 Nottingham Road, Bottesford, Nottingham, NG13 0AP	60.00
CM05	Cardiff Sports Orthopedics (Mr Dai Morgan)	Spire Cardiff Hospital, Croescadarn Road, Pentwyn, Cardiff, CF23 8XL	120.00
CN00	NEST		0.00
CN01	New Look Studio	32 Argyll Road, Stockton on Tees, Cleveland, TS20 2XQ	320.00
CN02	NHS Lothian Photography	Accounts Receivable, Waverley Gate - 2nd Floor, 2-4 Waterloo Place, Edinburgh, EH1 3EG	144.00
CN03	Nick Williams Photography	41 Mary Street, Boveytracey, Devon, TQ13 9HQ	270.00
CP00	Mr John M Porter	Consultant Plastic Surgeon, The Droitwich Spa Hospital, St Andrew's Road, Droitwich Spa, Worcestershire, WR9 8DN	540.00
CP01	Mr Richard M Pearcy	Nuffield Health, Derriford Road, Plymouth, PL6 8BG	1,125.00
CP02	Philip Chambers Photography	17 Brockenhurst Close, Woking, Surrey, GU21 4DS	730.00
CP03	Phoenix Photographic Ltd	31A High Street, Rayleigh, Essex, SS6 7EW	50.00
CP04	Photo Classic	7d Printfiled Walk, Woodside, Aberdeen, AB24 4AW	70.00
CP05	Photo Memories	165 High Street, Gillingham, Kent, ME7 1AQ	60.00
CR00	Renshaw UK	Renshaw Barns, Upper Woodford, Nr Salisbury, Wiltshire, SP4 6FA	0.00
CR01	Dr Ihsan Rashid	10 Effingham Close, Sutton, SM2 6AG	390.00
CR02	Mr Richard Roach	c/o Connie Farr, Nuffield Health Shrewsbury Hospital, Longden Road, Shrewsbury, Shropshire, SY3 9DP	1,500.00
CR03	Richard Thomas Photography	40 London Road, The Mews House, Holmes Chapel, Crewe, Cheshire, CW4 7AJ	650.00

**Photofile Medical Limited**  
**B - Company Creditors**

Key	Name	Address	£
CS00	Dr Julian Sweetman	37 Partridge Road, Cardiff, CF24 3QW	216.00
CS01	Mr Keshav Singhal	Rhiwau, Old Port Road, Wenvoe, Cardiff, CF5 6AL	600.00
CS02	Sandy Fea Photography	55 Bellfield Road, North Kessock, Inverness, IV1 3XX	119.20
CS03	Photofile Limited	c/o Begbies Traynor, St James Court, St James Parade, Bristol, BS1 3LH	289,366.16
CS04	Squire & Squire Photography	1 Market Place, Warwick, CV34 4SA	483.50
CT00	Mr Robert Turner	The Apley Clinic, The Princess Royal Hospital, Apley Castle, Telford, TF1 6TF	325.00
CT01	The Independent Physiotherapy Service (TIPS)	Oaktree House, Oaktree Court, Mulberry Drive, Cardiff Gate Business Park, Cardiff, CF23 8RS	12,400.00
CT02	Tim Sweed Photography	21 The Oval, Tickhill, Doncaster, South Yorkshire, DN11 9HF	65.00
CW00	Mr Chris Wong	The Glen, Spire Bristol Hospital, Redland Hill, 6360 Durdham Down, Bristol, BS6 6UT	800.00
CW01	Mr Mark Williams	Derriford Hospital, Derriford Road, Plymouth, PL6 8DH	420.00
CW02	Wye Media	Singleton Court, Wonastow Road, Monmouth, Monmouthshire, NP25 5JA	144.00
EE00	Harriet Evans		0.00
RA00	Mr Ross Peter Aldridge		0.00
RA01	Mr Ross Peter Aldridge		0.00
<b>66 Entries Totalling</b>			<b>425,376.35</b>

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# DIRECTOR'S STATEMENT OF AFFAIRS

## Notes to the Director's Statement of Affairs

1. The book debts have been reviewed by Credebt Limited, with an estimated collectable value of £270,612
2. The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.
3. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
4. The estimated total deficiency is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

## REMUNERATION AND EXPENSES

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Pre-administration Time Costs Summary
- ☐ Details of how the Administrators are proposing to be remunerated
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at [www.begbies-traynor.com/creditorsguides](http://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.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a mixed basis. We propose that our remuneration be fixed on a mixed basis, being 35% of the value of the assets realised and a fixed fee of £50,000. Best practice guidance<sup>2</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>3</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

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<sup>2</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>3</sup> Ibid 1

## **PRE ADMINISTRATION TIME COSTS SUMMARY**

CASE NAME: Photofile Medical Limited

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Paul Wood AND Simon Robert Haskew

DATE OF APPOINTMENT: 31 May 2019

### **1 CASE OVERVIEW**

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

#### **1.2 Time costs information**

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

We are seeking to recover £3,294.50 plus VAT.

#### **1.3 Overview of work undertaken prior to appointment**

As set out at Section 9 of the Proposals, the work we carried out in the period before the Company entered administration was as follows:

- Provided advice to the Company about the options available to it, including advice about the alternative insolvency options of voluntary arrangement, voluntary liquidation and administration;
- Provided advice to the director on the conduct of the Company's affairs during the intervening period before the appointment of administrators;
- Provided guidance in relation to protecting the interests of creditors pending the appointment of administrators;
- Dealt with procedural steps culminating with the appointment of administrators; and
- Liaised with solicitors to prepare the Notice of Appointment.

#### **1.4 Complexity of work undertaken prior to appointment**

The main reasons of complexity relate to the strategy with regards the collection of book debts.



#### **1.5 Exceptional responsibilities**

There have been no exceptional responsibilities falling on the office holders in this case.

#### **1.6 The proposed Administrators' effectiveness**

The work that we have carried out derives from the duties and responsibilities placed on us by insolvency law and by required professional practices. We consider that we have carried out our duties diligently and with all reasonable due care and attention.

#### **1.7 The views of the creditors**

No views have been expressed by the unsecured creditors thus far.

#### **1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment**

The Administrators are seeking a resolution in relation to their pre-administration costs as follows: that the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

#### **1.9 Other professionals employed & their costs**

Osborne Clarke LLP who specialise in insolvency, were engaged to provide pre-appointment advice and prepare the sale agreement, their costs of £1,250 plus VAT remain unpaid.

Professional costs are reviewed and analysed before payment is approved.



## PHOTOFILE MEDICAL LIMITED

### THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a mixed basis, being 35% of the value of the assets realised and a fixed fee of £50,000. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Where a percentage or set amount is sought for a particular area of work, this is detailed in the relevant column of our fees estimate for the administration as set out in the table below.

Details of the work that the administrators and their staff propose to undertake	%age of realisations
General case administration and planning	Part of fixed fee of £50,000
Compliance with the Insolvency Act, Rules and best practice	Part of fixed fee of £50,000
Investigations	Part of fixed fee of £50,000
Realisation of assets, including any proceedings against the directors	35%
Dealing with all creditors' claims (including employees), correspondence and distributions	Part of fixed fee of £50,000
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel	Part of fixed fee of £50,000

In relation to those elements of the work that we intend to undertake on a percentage basis and as a set amount, these bases are expected to produce fair and reasonable reflection of the work as this will ensure a better return for the creditors than if we were to be remunerated on a time cost basis alone.

The above structure ensures that we attempt to maximise recoveries for creditors. It also ensures that, regardless of how successful we are, our fees are limited to 35% meaning that creditors will receive a dividend.

The complexity of the debtor collection over two years will take a lot of time. We believe the proposed fee structure will ensure that we are efficient collecting the assets for the benefit of creditors.

For the avoidance of any doubt, the details above relate to the period of administration only, they do not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 3 July 2019

**PHOTOFILE MEDICAL LIMITED**

**DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION**

<b>No.</b>	<b>Type of expense</b>	<b>Description</b>	<b>Estimate £</b>
1.	Advertisements	Statutory Advertising Costs	87
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	320
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity	200
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	300
5.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	7,500
6.	Debt Collection costs	15% of realisations	40,592
7.	Employee & pension matters	The fees of third party advisers in relation dealing with the employee claims and pension matter	350

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.