

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

01879793

Name of Company

Campdale Pharmaceuticals Ltd

I / We

Edward T Kerr, Pannell House, 159 Charles Street, Leicester, LE1 1LD

Malcolm Cohen, 55 Baker Street, London, W1U 7EU

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

The Progress Report covers the period from 03/03/2016 to 02/03/2017

Signed



Date

4/4/17

BDO LLP
Pannell House
159 Charles Street
Leicester
LE1 1LD

Ref: 00263564/ETK/MAC/HLR/CB/RH/KB

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COMPANIES HOUSE

Campdale Pharmaceuticals Ltd
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 03/03/2016 To 02/03/2017
	ASSET REALISATIONS	
	Rates refund	1,200.00
NIL	Book Debts	NIL
18,000.00	Unlisted Investment	994.18
250,000.00	Deferred consideration	250,000.00
20,558.20	Tax Refund	NIL
4,499.26	VAT Bad Debt Relief Claim	NIL
28,927.98	Cash at Bank	18,296.48
3,868,751.98	Directors Loan Account	3,868,751.98
	Bank Interest Gross	22.19
		<u>4,139,264.83</u>
	COST OF REALISATIONS	
	Specific Bond	200.00
	Liquidator's Fees	10,000.00
	Legal Fees	600.00
	Statutory Advertising	253.80
	Bank Charges	0.35
		<u>(11,054.15)</u>
	UNSECURED CREDITORS	
(10,000.00)	Trade & Expense Creditors Provision	NIL
(6,000.00)	Provision for professional fees	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(10,000.00)	Ordinary Shareholders	4,118,751.98
		<u>(4,118,751.98)</u>
<u>4,164,737.42</u>		<u><u>9,458.70</u></u>
	REPRESENTED BY	
	Vat Input	2,090.76
	Bank 1 Current	19,792.50
	Trade Creditors	(12,544.56)
	Vat Control Account	333.62
	Suspense account	(213.62)
		<u>9,458.70</u>



Edward T Kerr
Joint Liquidator



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Pannell House
159 Charles Street
Leicester
LE1 1LD

TO THE MEMBERS

5 April 2017

Our ref: ETK/HLR/00263564

Please ask for Helen Robinson
Telephone: 0116 250 4418
Email: helen.l.robinson@bdo.co.uk

Dear Sirs

Campdale Pharmaceuticals Limited in Members Voluntary Liquidation ("The Company")

Registered Address: BDO LLP, Pannell House, 159 Charles Street, Leicester, LE1 1LD

Registered number: 01879793

Joint Liquidators: Edward Terence Kerr (appointed 3.3.16) and Malcolm Cohen (appointed 25.8.16)

Retired Liquidator: Christopher Kim Rayment appointed 3.3.16 and retired 25.8.16

Joint Liquidator Address: BDO LLP, Pannell House, 159 Charles Street, Leicester, LE1 1LD

Date of Liquidation: 3 March 2017

We enclose for your information the first progress report for the period to 2 March 2017, in accordance with Section 92A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986.

General overview

The majority of the assets of the Company have been realised however, there are several refunds due from HM Revenue and Customs ("HMRC") which have not yet been received and we are still waiting for clearances from all departments of HMRC.

In addition, the Company Pension Scheme is in the process of being wound up and we are trying to trace the members so that their benefits can be assigned to them.

Once these outstanding matters in the liquidation have been dealt with, a final distribution will be made to the shareholder. The final report, convening the final meeting, will then be presented. Once the final meeting has been held, the Company will be dissolved 3 months thereafter.

Progress of the Liquidation

The Company was placed into Members Voluntary Liquidation to achieve an orderly wind down of the Company and distribution of the assets.

Following the passing of resolutions at the meeting of the members held on 3 March 2016, the Company was subsequently placed into member's voluntary liquidation with myself and Christopher Kim Rayment of BDO LLP being appointed Joint Liquidators. Resolutions were also passed to enable the assets of the Company to be distributed in specie to the members.

On 25 August 2016, an Order was made by the High Court of Justice, Chancery Division, Companies Court in London, No. CR-2016-004976 removing Christopher Kim Rayment as Joint Liquidator following his retirement from BDO LLP.

Details of the authorising bodies of the Insolvency appointment takers of BDO LLP are available at www.bdo.co.uk/services/business-restructuring/authorising-bodies-of-insolvency-appointment-takers.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.



5 April 2017

The Court Order also provided for Malcolm Cohen of BDO LLP, 55 Baker Street, London, W1U 7EU to be appointed as Joint Liquidator of the Company in place of Christopher Kim Rayment.

Receipts and Payments Account

We enclose a Receipts and Payments account to 2 March 2017 which shows the amounts realised and paid out as at that date, together with the amounts on the Statement of Assets and Liabilities included in the Declaration of Solvency sworn by the director. The balance in hand at 2 March 2017 amounts to £9,459.

Asset realisations

Rates Refund

A refund has been received from North West Leicestershire Council in the sum of £1,200, which was not included on the Declaration of Solvency.

Unlisted Investment

At the date of liquidation, the Company had an investment in India, which was included in the Declaration of Solvency at £18,000. In the period of this report, an amount of £994 has been received in respect of this investment. It is not known at the current time as to the level of any further realisations from this investment.

Deferred Consideration

At the date of liquidation there was an amount of £250,000 due to the Company in respect of deferred consideration from the sale of the business. This amount has been received in the period covered by this report.

Tax Refund

The Declaration of Solvency included an amount of £20,558 due to the Company in respect of a tax refund from HMRC. This amount is still outstanding as HMRC will not release these funds until the PAYE position is concluded. HMRC have advised that the final PAYE return is outstanding, and require this to be submitted to enable the Company's tax affairs to be dealt with. However, as the return will be a nil return, HMRC are considering whether they can bypass the return to enable matters to be concluded.

VAT Claims

A VAT bad debt relief claim has been made to HMRC in the sum of £4,499 in respect of unpaid pre-liquidation sales invoices. HMRC have been provided with copies of the invoices to enable the claim to be reviewed further. We have chased HMRC for an update, but have not received a response from them.

In addition, a vat reclaim has been made to HMRC in respect of the invoices received by the Company in the period up to the date of liquidation in the sum of £213. This is shown in the suspense account on the attached Receipts and Payments account. To date, HMRC have not provided any comments in relation to this claim.

5 April 2017

Cash at Bank

The Declaration of Solvency included an amount of £28,927 in respect of the cash held in the Company's bank account. Following the closure of the bank account, an amount of £18,296 was received.

Directors Loan Account

The Declaration of Solvency included an amount of £3,868,751.98 due to the Company from the director, Mr Hindocha. This was realised by way of a distribution in specie to Mr Hindocha, the sole shareholder on 5 April 2016.

Bank Interest

Net bank interest, of £22 has been received in the period of this report.

Costs incurred other than Liquidators' expenses

The costs incurred in the liquidation are as detailed on the attached Receipts and Payments account. We comment specifically on the following:

- Legal fees of £600 were paid to Shakespeares Martineau for preparing a Deed of Adherence in relation to the terms of the sale of the business.
- A small charge of 35 pence has been incurred as bank charges in relation to the distribution to the shareholder.

Pension Scheme

The Company operated a Pension Scheme and we have been advised that there are two members of the Scheme. We are attempting to trace these members in order that the benefits can be assigned to them to enable the Scheme to be wound up.

Creditor Claims**Secured Creditors**

There were no secured creditors at the date of the liquidation.

Preferential Creditors

As the Company did not have any employees at the date of liquidation, there are no preferential creditors.

Unsecured Creditors

The Declaration of Solvency included a provision for £10,000 for trade and expense creditors and £6,000 as a provision for professional fees.

We are awaiting clearances from HMRC for Corporation Tax, PAYE and VAT.

5 April 2017

An advertisement for claims was placed in the London Gazette but no claims have been received.

Distributions

The issued share capital of the Company comprises 10,000 ordinary shares which are all owned by Mr Hindocha.

A distribution in specie of £3,868,752 was made on 5 April 2016 to Mr Hindocha in respect of his directors loan account. This equates to a distribution of £3,868.75 per share.

A cash distribution totalling £250,000 was paid to Mr Hindocha on 16 March 2016, equating to a distribution of £25 per share.

A final distribution will be made to the shareholders once the clearances have been received from HMRC and the various tax refunds received.

Joint Liquidators' Remuneration

Our fee for carrying out this assignment as a whole was agreed by the director in the engagement letter dated 26 June 2015 and confirmed at the shareholders meeting on 3 March 2016, to be based on time costs.

Time costs incurred in the period covered by this report to 2 March 2017 for dealing with the assignment as a whole, amounts to £11,253 representing 42.8 hours at an average hourly rate of £262. A fee of £10,000 has been drawn in the period of this report.

A detailed analysis of the time costs incurred is enclosed, together with the summary of BDO LLP policies in respect of fees and expenses.

These amounts are derived from BDO LLP normal rates for time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff have dealt with a specific area of the liquidation due to their specialist skills in that area. BDO LLP's scale rates may increase from time to time over the period of an assignment.

All staff who have worked on this matter, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements incurred in the period but not yet charged to the estate are detailed below:-

5 April 2017

	Cat 1 Disb
	£
Specific Bond	200
Statutory Advertising	254
	<hr/>
	454

No category 2 disbursements have been charged in this matter.

Other Matters

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to us but are not satisfied with the response from us then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

Ethics

As Joint Liquidators, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this liquidation. A copy of the code is at:

<http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

Members' rights

We provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of members to request further information and/or challenge the remuneration or expenses within the liquidation.

We trust the above provides you with sufficient information but if you have any queries, please do not hesitate to contact Helen Robinson of this office.

Yours faithfully



Edward T Kerr
Joint Liquidator

Edward Terence Kerr and Malcolm Cohen are authorised by the Institute of Chartered Accountants in England and Wales to act as Insolvency Practitioners

Enc

1. An abstract of the Joint Liquidators receipts and payments account for the period of the report to 2 March 2017.
2. Analysis of the time charged to the liquidation estate in the period of this report to 2 March 2017.

3. Summary of the policies of BDO LLP in respect of fees and expenses for work in relation to the Liquidator.
4. An extract from the Insolvency Rules 1986 re Members Rights.

Campdale Pharmaceuticals Ltd
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Declaration of Solvency		From 03/03/2016 To 02/03/2017	From 03/03/2016 To 02/03/2017
	ASSET REALISATIONS		
	Rates refund	1,200.00	1,200.00
NIL	Book Debts	NIL	NIL
18,000.00	Unlisted Investment	994.18	994.18
250,000.00	Deferred consideration	250,000.00	250,000.00
20,558.20	Tax Refund	NIL	NIL
4,499.26	VAT Bad Debt Relief Claim	NIL	NIL
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	Bank Interest Gross	22.19	22.19
		<u>4,139,264.83</u>	<u>4,139,264.83</u>
	COST OF REALISATIONS		
	Specific Bond	200.00	200.00
	Liquidator's Fees	10,000.00	10,000.00
	Legal Fees	600.00	600.00
	Statutory Advertising	253.80	253.80
	Bank Charges	0.35	0.35
		<u>(11,054.15)</u>	<u>(11,054.15)</u>
	UNSECURED CREDITORS		
(10,000.00)	Trade & Expense Creditors Provision	NIL	NIL
(6,000.00)	Provision for professional fees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(10,000.00)	Ordinary Shareholders	<u>4,118,751.98</u>	<u>4,118,751.98</u>
		<u>(4,118,751.98)</u>	<u>(4,118,751.98)</u>
<u>4,164,737.42</u>		<u><u>9,458.70</u></u>	<u><u>9,458.70</u></u>
	REPRESENTED BY		
	Vat Input		2,090.76
	Bank 1 Current		19,792.50
	Trade Creditors		(12,544.56)
	Vat Control Account		333.62
	Suspense account		(213.62)
			<u><u>9,458.70</u></u>



Edward T Kerr
Joint Liquidator

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR				OTHER STAFF		GRAND TOTAL		AV RT
							ADMINISTRATOR								
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A. Pre Appointment Matters			12.45	3,519.55			0.35	19.95					12.80	3,539.50	276.52
C. Planning and Strategy			3.70	1,099.50									3.70	1,099.50	297.16
D. General Administration	0.60	305.40	5.90	1,685.30			4.00	402.90	0.55	38.65			14.30	3,082.25	215.54
E. Assets Realisation/Dealing			5.40	1,585.50									5.40	1,585.50	293.61
G. Employee Matters			4.25	1,271.25									4.25	1,271.25	299.12
H. Creditor Claims			0.35	102.75									0.35	102.75	293.57
J. Distribution and Closure			2.00	572.25									2.00	572.25	286.13
	0.60	305.40	34.05	9,836.10	0.00	0.00	4.35	422.85	0.55	38.65			42.80	11,253.00	
								Net Total							



Campdale Pharmaceuticals Limited - Members Voluntary Liquidation

In accordance with best practice we provide below details of the policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within our firm, who may be involved in working on the insolvency, follows: This in no way implies that staff at all such grades will work on the case.

GRADE	£
Partner	285
Director/Senior Manager/Manager	210
Assistant Manager/Senior Executive	140
Administration Assistant/Support Staff	90

The rates charged by BDO LLP are reviewed periodically and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where officeholders' remuneration is approved on a time cost basis, the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy of BDO LLP is to recharge this expense on the basis of a figure based upon the number of creditors with whom we have to communicate and report during the insolvency. This is the method of calculation that was historically provided under statutory orders for the Official Receiver.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of members in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

Rule 4.148C Members' claim that remuneration is excessive

(1) Members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or any member with the permission of the court, may apply to the court for one or more of the orders in paragraph (6) on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.148A, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

- (2) Application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4.142) after receipt by the applicant of the report or account which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").
- (3) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days' notice but which is without notice to any other party.
- (4) If the application is not dismissed under paragraph (3), the court must fix a venue for it to be heard and give notice to the applicant accordingly.
- (5) The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it.
- (6) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge;
 - (b) an order fixing the basis of remuneration at a reduced rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.
- (7) Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation.