

# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



A19 \*A8KQFTHV\* 20/12/2019 #131  
COMPANIES HOUSE

### 1 Company details

Company number 0 1 9 6 3 8 2 0

Company name in full Nestor Primecare Services Limited

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

### 2 Administrator's name

Full forename(s) Zelf

Surname Hussain

### 3 Administrator's address

Building name/number 7

Street More London Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) David Matthew

Surname Hammond

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

### 5 Administrator's address ②

Building name/number 19

Street Cornwall Street

Post town Birmingham

County/Region


Postcode B 3 2 D T

Country United Kingdom

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

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>															
From date	d	3	d	0	m	0	m	5	y	2	y	0	y	1	y	9
To date	d	2	d	9	m	1	m	1	y	2	y	0	y	1	y	9
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
<b>8</b>	<b>Sign and date</b>															
Administrator's signature	Signature X  X															
Signature date	d	1	d	8	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 James Moran

Company name PricewaterhouseCoopers LLP

Address Central Square

29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country United Kingdom

DX

Telephone 0113 289 4067



### 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

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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)

# Joint administrators' progress report from 30 May 2019 to 29 November 2019 and statement of proposed revision to proposals

**Nestor Primecare Services Limited**  
(in administration)

High Court of Justice, Business and Property Court in  
Leeds, Company and Insolvency List (ChD)  
Case no. 1219 of 2018

18 December 2019

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
<b>Administrators/we/us/our</b>	Zelf Hussain and Anthony Steven Barrell until 10 May 2019. Anthony Steven Barrell was replaced by David Matthew Hammond from 10 May 2019
<b>Bank/RBSIF</b>	RBS Invoice Finance Limited, the secured creditor
<b>Company</b>	Nestor Primecare Services Limited (in administration) – formerly trading as Allied Healthcare
<b>CVL</b>	Creditors' voluntary liquidation
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>HMRC</b>	HM Revenue & Customs
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>IA86</b>	Insolvency Act 1986
<b>LtO</b>	Licence to Occupy
<b>prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>Purchaser / CRG</b>	Allied Health-Services Limited and Allied Health Support Limited, which are under the control of Health Care Resourcing Group Limited (more widely known as CRG)
<b>RPS</b>	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Sch.B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>secured creditors</b>	Creditors with security in respect of their debt, in accordance with Section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
<b>SIP 9</b>	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
<b>unsecured creditors</b>	Creditors who are neither secured nor preferential

# Key messages

## Why we've sent you this report

We're writing to update you on the progress of the administration of the Company for the six-month period from 30 May 2019 to 29 November 2019. You may wish to read this report in conjunction with our previous report dated 25 June 2019 and our statement of proposals dated 6 December 2018, as the contents of those reports are not repeated here unless considered necessary or beneficial for the purposes of this update.

You can still view these earlier reports on our website at [www.pwc.co.uk/alliedhealthcare](http://www.pwc.co.uk/alliedhealthcare). Please get in touch with James Moran, on 0113 289 4067 or at [james.moran@pwc.com](mailto:james.moran@pwc.com) if you need any of the passwords to access them.

In our last report, we explained that progress in collecting debts owed to the Company had exceeded expectations and as a result, that a small dividend may now be available for unsecured creditors. Whilst there remains a degree of uncertainty, we are proceeding on the basis that a dividend will be available and therefore we are working towards bringing the administration to an end and moving the Company into liquidation in the near future.

Together with an update on the progress of the administration, this report contains a few matters which require the consent of creditors before we can move the Company into liquidation. We explain in this report what consents we are seeking and the reasons for seeking such approval. Once the deadline for creditors to respond has passed, we anticipate moving the Company into creditors voluntary liquidation shortly thereafter, at which time we will provide our final report on the administration, our appointment as joint administrators will end and we will be appointed as joint liquidators.

## How much creditors may receive

The following table summarises the possible outcome for creditors\*, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
<b>Secured creditors</b>	100	100
<b>Preferential creditors</b>	N/A	N/A
<b>Unsecured creditors</b>	up to 2	Uncertain

*\*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

### Secured creditor

We think the secured creditor will be fully repaid its initial lending of £2.1m from the proceeds of realising the Company's assets, over which it has fixed and floating charge security. Full repayment of the funding provided for the November 2018 employee arrears (see below), is also expected. We are currently awaiting confirmation from the secured creditor that they have been fully repaid.

### Preferential creditors

As previously disclosed in our proposals and first progress report, on our appointment all employees transferred to the Purchaser as a result of the immediate sale of the business. In addition, employee arrears for November 2018 were discharged by the Company (funded by the secured creditor) as part of the transaction and for the purpose of supporting the continuity of the business, thereby preserving value in the book debts and work-in-progress. The transfer of the employees and the payment of these commitments has discharged liabilities that would otherwise be preferential claims and therefore we are not anticipating (nor have we received) any preferential claims against the Company.

### Unsecured creditors

Based on what we currently know, we think that we will be able to pay a small dividend to the Company's unsecured creditors. The amount of any dividend and when it will be paid are dependent on future realisations, costs of the liquidation and dividend process, and the total amount of claims received. It will also depend on the timing and level of dividend to creditors from the separate CVA process as explained next.

As advised in our proposals, a CVA of the Company (approved on 17 May 2018) was terminated on 30 November 2018 due to the Company entering into administration. At that point, the Supervisors of the CVA became trustees for the assets of the CVA which are held in trust for the benefit of the CVA creditors. The Joint Supervisors' Report to Creditors on the Termination of the Arrangement has been issued to creditors of the CVA.

That report shows that the CVA creditors may receive a dividend of between 2 and 3 pence in the pound. However, the report also states the final quantum and timing of the dividend will depend on the outcome of the UNISON appeal against the MENCAP decision in respect of sleep-in payments for employees, which could affect the level of claims. The appeal decision is not expected before July 2020.

Once the trustees of the CVA trust fund have made a final distribution to the CVA creditors, any residual amounts owed to those creditors will rank as unsecured claims in the administration and subsequent liquidation. Therefore, it is prudent to assume that we will not make a distribution to creditors in the administration until the final CVA dividend has been paid. However, we shall explore any cost effective options to make an interim distribution whilst awaiting the outcome of the CVA trust fund once the Company has moved into liquidation.

## **What you need to do**

### **Voting on our remuneration proposal and other matters**

As explained above, we are seeking the consent of creditors on four matters in the administration, mainly regarding the basis of our remuneration for certain additional aspects of our work. A notice of a decision procedure and voting form are enclosed and we invite creditors to complete and return the form to us by 23:59 hours on 13 January 2020. Further details are set out in this report and on the notice itself.

### **Submitting a proof of debt**

If you haven't already done so, please send your claim to us at our Leeds office. Claims will be held on file pending commencement of the adjudication process which will be once the Company has moved into liquidation. Please note that acknowledgement of claims will not be issued. A claim form can be downloaded from our website at [www.pwc.co.uk/alliedhealthcare](http://www.pwc.co.uk/alliedhealthcare) or you can get one by telephoning James Moran on 0113 289 4067.

We may decide that some or all creditors who are owed £1,000 or less by the Company won't be required to submit a proof of debt in order to receive the anticipated dividend payment.

A creditor who we decide is not required to submit a proof of debt will be notified (when we deliver notice of our intention to pay a dividend) of the amount we'll treat as their admitted debt for the purpose of the dividend, unless the creditor advises us that the amount is incorrect (in which case a proof of debt will be required) or not owed.

Please note that should you wish to vote in relation to any decision procedure during the administration or any subsequent liquidation or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

# Recap on the administration

As explained in our earlier reports, immediately following our appointment as joint administrators, we concluded a sale of the business and assets to the Purchaser. We refer you to those reports for information on the sale.

Despite the immediate sale, there remained a significant amount of work to do in the administration. In broad terms, this was expected to include:

- The recovery of other assets (principally the deferred consideration in respect of debtor receipts and opening bank balances);
- Post-sale matters connected to the transfer of the business and assets, including contract novations and payment of the November employee arrears and other costs referred to earlier;
- Managing the large property portfolio, including the calculation and receipt of licence fees, payments to landlords, related accounting matters and the formal transfer of leases;

In addition, we would also be fulfilling our statutory duties as joint administrators, including responsibility for the Company's VAT and tax affairs; and winding down the Company's affairs generally, with a view to its dissolution in due course.

In our first progress report, we updated creditors on the progress of the administration. In particular, we explained that deferred consideration receipts had exceeded previous expectations, such that the secured creditor was expected to be repaid in full and a dividend for unsecured creditors may be possible.

We also reported on the progress made by the Purchaser in its negotiations with landlords for the transfer of leases. Whilst progress had been made, there remained 47 leasehold properties still to deal with at that time and we agreed to extend the Purchaser's licence to occupy the properties for three months to July 2019.

Our previous report also detailed other aspects of the administration, including the realisation of other assets, how we had been managing the Company's affairs and the costs of the administration to that date. These are not repeated again here, however we have set out below the key outstanding matters in the administration at that time:

- Continuing to provide reasonable assistance to the Purchaser in the orderly transfer of the business and assets;
- Managing the Company's leasehold property portfolio;
- Monitoring and reconciling the deferred consideration in respect of debtor payments;
- Agreeing creditor claims and distributing any surplus funds (potentially through a CVL process);
- Fulfilling our statutory obligations as joint administrators; and
- Dealing with other areas of the Company's affairs (including tax and VAT).

The remainder of this report provides an update on the progress of the above matters and the administration generally, for the six months ended 29 November 2019.

# Progress since we last reported

## Leasehold properties

As we anticipated, the continued process of administering the property portfolio has been a significant area of work in this period. Specifically, our work again includes:

- The calculation and demand of monthly licence fees;
- The calculation and processing of payments to landlords;
- Dealing with Purchaser and landlord queries;
- Agreeing and arranging a further extension of the LTO;
- Offering vacated properties for surrender back to landlords;
- Overseeing the property assignment process to the Purchaser; and
- Dealing with more complex VAT accounting matters as a result of opted-to-tax properties and the Purchaser's indemnity against missing VAT invoices.

We previously reported that a three-month extension to the Purchaser's licence to occupy the properties had been agreed and at the time of our previous report, some 47 properties were still occupied under licence.

By the end of July 2019, the Purchaser had been unable to deal with all the remaining properties and therefore (after some negotiation) we agreed a further two-month extension to 30 September 2019 and the administration received £15k on account of our anticipated additional costs.

Whilst progress in dealing with the properties is still being made, since the expiry of the latest licence, the Purchaser has not responded to requests to formalise its current occupation nor addressed the matter of our ongoing costs.

We have sought legal advice and written to the Purchaser to explain our current position and will continue to take all necessary steps to protect the Company's position for the benefit of its creditors.

At the time of this report, there are still 12 properties to be transferred (or vacated). In circumstances where any properties have not been transferred by the time the Company enters liquidation, we will take steps (as joint liquidators) to disclaim the Company's interest in those leases, at the earliest opportunity.

As our work in administering the property portfolio has been for the principal benefit of the Purchaser, we are expecting to recover further contributions from the Purchaser towards the incremental and additional costs arising as a result of its occupation in the properties. In our remuneration update later in this report, we are seeking the creditors' consent to the manner in which we draw these contributions as remuneration for our work.

## Book debts and deferred consideration

Debts owed to the Company by its customers were acquired (and are being collected) by the Purchaser; a strategy which is expected to maximise recoveries for creditors. The deferred consideration payable by the Purchaser is calculated with reference to the level of book debt recoveries, meaning the amount collected will directly impact the outcome for creditors.

We have supported the Purchaser in the collection of disputed amounts. We have also monitored the process to ensure that the strategy has remained appropriate and that amounts being received have been accurately reconciled and apportioned between the Company and the Purchaser. The level of complexity in this task has been much higher than anticipated due to significant 'mixing' of pre and post administration cash receipts within and across a number of bank accounts.

Book debts of £484k have been collected during this second six months of the administration giving £97k of deferred consideration. In total, £16.8m of book debts have been collected, generating a total of £8.9m in deferred consideration. The debts received in this period have largely been received directly into an account held with the secured creditor with allocations made to the Purchaser as appropriate. Other bank accounts have been closed as appropriate during the period. The deferred consideration will be utilised to settle the outstanding debt to the secured creditor and to repay the funds it advanced to cover the employee costs as part of the sale. The transactions in relation to the book debts and deferred consideration do not therefore form part of our receipts and payments account.

As previously reported, the level of book debt realisations have exceeded the expectations we set out in our proposals, and we are now reasonably confident that the secured creditor will recover its debt in full, with sufficient residual funds (after costs), becoming available to enable a small dividend to be paid to unsecured creditors in due course.

## Employees

As we've previously said, all employees were transferred under TUPE to the Purchaser as part of the sale.

We have reviewed a number of employee claims which have been made against the Company, liaising with the employment tribunal where relevant and liaising with the Purchaser where the claims are captured under the TUPE transfer to the Purchaser.

## Realisation of other assets

### Tax Losses

During the period, we received offers from four group companies to purchase certain of the Company's available tax losses. The total consideration for the surrender of tax losses was agreed at £34.5k and reflects the limited value the losses had to any other party.

Our work comprised drafting, negotiating and agreeing four separate deeds for the surrender and receipt of the sale proceeds. In addition, our internal tax specialists have advised on the quantification of the losses, prepared and submitted the necessary returns and other documentation to HMRC and provided technical advice. Time costs incurred in this work totalled £18.5k.

This work was not envisaged at the time of issuing our Remuneration Report dated 20 February 2019 and therefore no provision was made in our fees estimate. However, we have a duty to recover the Company's assets on behalf of creditors where there is a potential financial benefit for creditors and therefore we believe it was appropriate to have undertaken the work as a financial benefit has been achieved.

Later in this report, we explain that we are seeking the consent of creditors to draw a (discounted) fixed fee of £12k in relation to this work.

### Bank Interest

We've received bank interest of £3,176 during the period covered by this report.

### Rates refunds

As we've said previously, we instructed CAPA to identify and recover any pre-appointment rates refunds that may be due to the Company in respect of changes to rateable values and prepayments. During the period, refunds of £4,764 have been recovered by CAPA and paid to the administration.

### Pre-appointment debt

In addition to our book debt work detailed above, we have also monitored and realised sums due in relation to a pre-appointment debt which was not included in the SPA with the Purchaser. During the period, we have received £26,717 in relation to this debt.

### Sundry receipts

During the period we have also received sundry receipts totalling £9,834. We are in the process of investigating these receipts, but where they are confirmed as received in error, the funds will be returned to sender.

## Managing the Company's affairs

### VAT

In managing the Company's VAT affairs, we have spent time in the following areas:

- Preparing and submitting the Company's second VAT return for the period ended 30 June 2019;
- Preparing and submitting the Company's third VAT return for the period ended 30 September 2019;
- Related work and advice on accounting for transactions connected to the property portfolio; and
- Undertaking an exercise to identify the VAT amounts that were irrecoverable due to insufficient or incorrectly addressed landlord invoices.

Given the large number of receipts and payments related to leasehold properties, the different VAT treatments therein and indemnity for irrecoverable VAT (relating to missing or incorrectly addressed invoices), dealing with the Company's VAT affairs has been a significant area of our work during the administration.

#### **Tax**

Our specialist tax team have assisted in dealing with the realisation of the Company's tax losses, referred to above. As part of their work in dealing with the sale of the tax losses, our tax team have also prepared and submitted the first post-appointment tax return. This was for a one-day period (30 November 2018) when the business and assets were sold.

#### **Creditor enquiries**

We continue to receive a number and variety of enquiries from the Company's creditors. We respond to these in the most appropriate manner, mindful that a dividend is expected to be available and agreement of creditor claims will be necessary.

We have also corresponded with the secured creditor, to provide updates as appropriate in the circumstances of the case.

### **Extension of the period of the administration**

As we are now progressing on the assumption that a small dividend will be available to the unsecured creditors of the Company, we are working towards moving the Company into CVL as soon as possible. It will be for the joint liquidators to agree the claims of unsecured creditors and distribute any surplus funds, however as we said earlier, the timing of this is dependent on the UNISON appeal against the MENCAP decision next year, followed by distribution of the CVA trust funds.

Due to the ongoing negotiations with the Purchaser in relation its continued occupation of properties, as well as our work in relation to the book debts and deferred consideration, it was necessary to seek an extension to the period of the administration beyond its initial statutory period of one year. In the circumstances of this case, it was for the secured creditor to consent to this extension and such consent was obtained on 15 October 2019. As a result, the administration was extended to 29 November 2020. This maximum possible 12-month extension was precautionary only, since we expect the Company to move into CVL in the near future.

### **Investigations and actions**

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

### **Our receipts and payments account**

We set out in Appendix A an account of our receipts and payments in the administration from 30 May 2019 to 29 November 2019.

### **Our expenses**

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

### **Our fees**

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case. Both the secured creditor and unsecured creditors have previously approved the basis of our fees and the fees estimate set out in our Remuneration Report in 6 March 2019.

Since issuing our Remuneration Report, we have performed work that was not envisaged at that time, specifically in relation to the sale of tax losses (as explained earlier) and additional work in managing the property portfolio and debtor collection account, the costs of which we believe are payable by the Purchaser.

In Appendix C we set out our proposals for the manner in which we may draw remuneration for these additional areas of work. With regards to the property and collection account work, even though creditors' consent is required in accordance with insolvency legislation, as any remuneration drawn will be paid in full by the Purchaser, there is no financial impact on the creditors.

Once consent of the creditors has been obtained, we will then be able to move the Company to liquidation. The fee structure agreed with creditors will continue to apply in the liquidation, such that we will need to report to the creditors at the appropriate time once the Company is in liquidation, with a further proposal on our remuneration for dealing with matters arising in the liquidation, since these were also not envisaged at the time of issuing our Remuneration Report.

## Pre-administration costs

We refer you to our proposals for details of the work performed that gave rise to pre-administration costs. At the time of our appointment, an amount of £63,162 remained unpaid.

On 11 March 2019, the secured creditor agreed that these costs could be paid as an expense of the administration. Similar to our remuneration for acting as joint administrators, we subsequently asked the unsecured creditors to ratify the decision of the secured creditor. The unsecured creditors gave their consent through a decision procedure which ended on 12 July 2019.

The amount of £63,162 plus VAT has been drawn in accordance with the approvals given.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning James Moran on 0113 289 4067.

## What we still need to do

As our current focus is on moving the Company to liquidation, the priority area of work since 29 November 2019 (being the end of the period covered by this report) has been the preparation of this report to creditors, including the consents required from creditors.

We expect other key areas of work, before the Company moves into liquidation, to include:

- Ongoing liaison with the Purchaser on the transfer of leasehold properties, reconciliations of the debtor account (including recovery of any further deferred consideration due) and contributions to costs;
- Property and VAT account reconciliations (as we move closer to concluding the above matters) and any necessary true-up transactions with the Purchaser; and
- Complying with our statutory duties as administrators, dealing with the Company's VAT and tax affairs and other incidental tasks associated with achieving the purpose of the administration and subsequently bringing it to an end.

# Statement of proposed revision to our proposals

We previously reported that our statement of proposals were treated as approved on 20 December 2018. A summary of our proposals for achieving the purpose of administration is set out below:

- a) The purpose of the administration was to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration). We believed this would be achieved as a result of the successful sale of the business and collection of deferred consideration.
- b) We did not seek a decision from the creditors to approve our proposals because we thought the Company didn't have enough assets to pay a dividend to unsecured creditors. So, our proposals would be treated as approved unless enough creditors asked us to seek a decision to approve them.
- c) A creditors' committee would be established to help the administrators discharge their duties if sufficient creditors were willing to act on it.
- d) In addition to our duties to look at the actions of anybody who had been a director of the Company in the three years before our appointment, we also considered whether any action should be taken against anyone to recover or contribute to the Company's assets.
- e) If there weren't enough funds to pay a dividend to unsecured creditors, we said once we'd finished our work we'd file a notice with the Registrar of Companies and the Company would be dissolved three months later. But if we thought that there were matters that should be investigated in a liquidation rather than in the administration, we may instead have applied for a court order ending the administration and for the Company to be wound up.
- f) We also said that in the unlikely event that a dividend other than a prescribed part is available for distribution, once we've finished our work, we'll put the Company into creditors' voluntary liquidation so that the liquidator can pay the dividend. If that happened, we proposed that Anthony Steven Barrell and Zelf Hussain be appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors could, before the proposals were approved, have nominated a different person or persons as liquidator(s), in accordance with Paragraph 83(7)(a) of Sch B1 IA86 and Rule 3.60(6) IR16.

As we now believe a small dividend for unsecured creditors is likely to be available, we believe it is appropriate to move the Company to liquidation, rather than remain in administration and apply to Court for permission to distribute any available funds. As any dividend is not likely to be available for a considerable time, we believe moving the Company to liquidation is the most cost effective option. This will avoid the need to seek any further extensions to the administration period from the Court and will reduce costs due to progress reports only being due annually in a CVL.

As summarised above, our approved proposals set out that, should the Company move to liquidation, Anthony Steven Barrell and Zelf Hussain would be appointed liquidators. However, as confirmed in our previous report, Anthony Steven Barrell is no longer with the firm and he was replaced as joint administrator on 10 May 2019 by David Matthew Hammond.

In this report we are therefore seeking the consent of creditors to modify our proposals as set out below. Specifically, we are proposing that the following paragraph in our proposals (A), is replaced with the subsequent paragraph (B).

## **A - Distribution other than a prescribed part**

In the unlikely event that a dividend other than a prescribed part is available for distribution, once we've finished our work, we'll put the Company into creditors' voluntary liquidation so that the liquidator can pay the dividend. If this happens, we propose that Anthony Steven Barrell and Zelf Hussain are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with Paragraph 83(7)(a) of Sch B1 IA86 and Rule 3.60(6) IR16.

#### **B - Distribution other than a prescribed part**

In the unlikely event that a dividend other than a prescribed part is available for distribution, once we've finished our work, we'll put the Company into creditors' voluntary liquidation so that the liquidator can pay the dividend. If this happens, we propose that Zelf Hussain and David Matthew Hammond are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with Paragraph 83(7)(a) of Sch B1 IA86 and Rule 3.60(6) IR16.

Creditors can confirm their approval (or otherwise) to the above modification on the enclosed voting form. We do not consider that the proposed amendment to our proposals will have an impact on any creditor. Further information required under Rule 3.42 IR16 in relation to this statement of revision to our proposals can be found at Appendix D

### **Next steps**

We expect to send our next report to creditors in the near future when we move the Company to liquidation. If for any reason, we are unable to end the administration as soon as expected, our next report will be in about six months time.

If you have any questions, please get in touch with James Moran on 0113 289 4067.

Yours faithfully

For and on behalf of the Company



Zelf Hussain  
Joint administrator

*Zelf Hussain and David Matthew Hammond have been appointed as joint administrators of Nestor Primecare Services Limited to manage its affairs, business and property as its agents without personal liability. They are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The joint administrators are bound by the Insolvency Code of Ethics which can be found at:  
<https://tiny.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

*The joint administrators may act as controllers of personal data, as defined by UK data protection law, depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PWC.co.uk website or by contacting the joint administrators.*

Notes:  
All transactions exclude VAT where applicable unless marked by \*  
The funding from the secured creditor is repayable

# Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and include our fees, but exclude distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £
Agent's fees and disbursements (CAPA)*	1,856.57	1,387.74	3,244.31	Uncertain*	Uncertain*
Bank Charges	165.00	-	165.00	60.00	225.00
Subcontractor costs and expenses	247,403.29	-	247,403.29	-	246,403.29
Employee related costs	117,912.54	9,212.58	127,125.12	-	127,125.12
Wages and salaries	2,780,124.65	-	2,780,124.65	-	2,780,124.65
PAYE, National Insurance and Pensions	810,611.41	(4,524.70)	806,086.71	-	808,086.71
Insurance	17,672.00	3,808.00	21,480.00	3,808.00	25,288.00
Intercompany administrative fees	31,250.00	-	31,250.00	-	31,250.00
Legal fees and expenses (Pinsents)	60,874.08	81,639.57	142,513.65	20,000.00	162,513.65
Office holders' Disbursements	5,516.60	4,395.19	9,911.79	1,000.00	10,911.79
Office holders' fees	915,467.00	341,619.00	1,257,086.00	39,996.89	1,297,082.89
Pre-administration costs	63,162.00	-	63,162.00	-	63,162.00
Statutory advertisement	75.00	77.00	152.00	-	152.00
Irrecoverable VAT	212,893.54	2,830.15	215,723.69	Uncertain**	Uncertain**
Sundry property expenses	150.00	-	150.00	-	150.00
<b>Total expenses</b>	<b>6,265,133.68</b>	<b>440,444.53</b>	<b>6,705,578.21</b>	<b>64,864.89</b>	<b>6,770,443.10</b>

\*Costs are dependant on the level of recoveries made, with CAPA to receive an agreed percentage of this total.

\*\*The level of future irrecoverable VAT is uncertain due to the VAT recoverability position of the Company.

# Appendix C: Remuneration update

## Basis of fees approved

We set out in the timeline below a summary of how our remuneration has been approved to date.

6 December 2018	In our proposals we stated that because we thought the Company wouldn't have enough assets to pay a dividend to unsecured creditors, approval for the basis of our fees would only be required from the secured creditor.
6 March 2019	Our Remuneration Report was issued on 6 March 2019 and can be found on our website at <a href="http://www.pwc.co.uk/alliedhealthcare">www.pwc.co.uk/alliedhealthcare</a> . This had to be made available to all creditors prior to the secured creditor approving the basis of our fees. The Remuneration Report showed expected time costs of £1.108m (our "fees estimate") for dealing with known and expected matters in the administration.
11 March 2019	The secured creditor agreed to the time cost basis of our fees and the fees estimate, subject to us also obtaining consent of the unsecured creditors in respect of time costs incurred after this date. Fees for time incurred to 11 March 2019 were drawn on 25 June 2019 in the sum of £716,434.50 (plus VAT).
25 June 2019	<p>In our first progress report, we asked creditors to ratify the above fee basis, specifically that our remuneration would be based on time costs incurred and be subject to the fees estimate (cap) of £1.108m. The creditors' decision deadline ended on 16 July 2019 and the decision was duly approved by the requisite majority of creditors.</p> <p>The purpose of seeking consent from the unsecured creditors was to acknowledge and protect their potential economic interest in the administration, in the increasingly likely circumstances that the secured creditor would be repaid in full and a small dividend for unsecured creditors could be available.</p>

As we are proceeding on the basis that a dividend for unsecured creditors will be available, all future consents required in relation to remuneration will be put to the unsecured creditors and (until it no longer becomes necessary) the secured creditor.

## Further remuneration proposal

As explained earlier, since issuing our Remuneration Report, we have performed work that was not envisaged at that time, specifically in relation to (1) the sale of tax losses and (2) additional work in managing the property portfolio and debt collection accounts, the costs of which we believe are payable by the Purchaser. Therefore we are now seeking consent from creditors to two further resolutions in respect of our remuneration. These are:

1. THAT the Administrators' fees for work performed in the sale of the tax losses be determined as a set fee of £12,000 plus VAT. Proceeds from the sale were £34,390, therefore our work has generated a financial benefit for creditors.
2. THAT the Administrators' fees for Property and Debtor Work (as defined on the enclosed voting form) be determined as a percentage of realisations – specifically, 100% of the VAT exclusive amount invoiced by the Company and received from the Purchaser of the business and assets; plus VAT. These fees will not impact the creditors, as the Company will invoice the Purchaser for our time in assisting them and we will draw only the amount received as administrators' fees.

The above mechanisms (a set fee and a percentage of realisations fee) were chosen in order to avoid interfering with the time cost fees estimate previously given to creditors, particularly given the indeterminate amount of work involved in the ongoing management of the property portfolio.

In summary, we are proposing that our remuneration for acting as joint administrators until the end of the administration will be as follows:

<b>Fee basis</b>	<b>Amount £'000</b>
<b>Set fee for the sale of tax losses</b>	12
<b>Percentage of realisations fee for Property and Debtor Work (funded by the Purchaser)*</b>	154
<b>Time costs for all other work (as previously approved by creditors)</b>	1,108
<b>Total fees</b>	<b>1,277</b>

*\* this is an estimate only, pending a final assessment of the costs and receiving payment from the Purchaser. Any changes to this figure will not affect the other fee amounts.*

We invite creditors to complete and return the enclosed form to indicate their approval (or otherwise) to each of the resolutions proposed.

We set out later in this Appendix, details of our work in the second six months of the administration, anticipated future work, disbursements, subcontracted work and payments to associates.

#### **Liquidators' remuneration**

The fees estimate set out in our Remuneration Report dated 6 March 2019 and the additional work set out above, do not include any provisions or estimates for acting as joint liquidators or for dealing with matters arising in the liquidation. This is because:

- we did not initially envisage any dividend for unsecured creditors and therefore any need for a liquidation process; and
- as the outcome has now changed, we are intending to put a further proposal to creditors regarding the joint liquidators' remuneration at the appropriate future time (once the Company is in liquidation).

In preparing such a proposal, we will need to liaise with the trustee of the CVA fund to understand the anticipated timing of a distribution to creditors from the CVA fund and understand the manner in which the trustee will agree creditors' claims, in order that we can avoid any duplication of work and therefore costs.

The fee bases approved by creditors in the administration will carry forward into the liquidation. Therefore, in accordance with insolvency legislation, the agreement of the liquidators' remuneration is likely to include seeking approval to exceed the fees estimate set out above.

## Our hours and average rates in the period

As shown in the table below, in the period we incurred 1,044 hours in dealing with the matters explained in this report, at an average hourly rate of £327, giving a cost of £342k. Please note that this represents all our work and therefore includes the time incurred in the sale of the tax loss and dealing with the property portfolio (and other amounts believed to be recoverable from the Purchaser). If creditors consent to the resolutions set out above, that time will be duly excluded from our future analyses of time costs, which will show only the work for which we are being remunerated on a time cost basis.

Therefore the table below does not necessarily reflect how much we will eventually draw as fees for this period.

HOURS								Average Hourly Rate (£)		
Work Type Group	Grade (group)						Grand Total	Total Cost (£)		
	Partner	Director	Senior Manager	Manager	Senior Associate	Associate			Support	
Accounting & Treasury	0.25		0.45	13.15	11.55	42.00	72.35	20,528	283.73	
Assets			1.50	140.90	162.15	163.35	467.90	134,631	287.73	
Creditors			9.35	13.00	0.70	23.80	46.85	14,523	309.78	
Employees & Pensions		0.75	3.75	3.55	8.10	0.10	0.75	17.00	8,771	515.94
Secured Creditors				0.50			0.50	191	382.00	
Statutory & Compliance			8.20	46.55	3.10	35.50	93.35	29,470	315.69	
Strategy & Planning	17.50		7.60	46.55	24.35	49.00	0.20	166.20	62,648	376.94
Tax & VAT	1.50	2.50	21.65	15.15	79.00	56.00	4.45	180.25	70,867	393.16
Grand Total	19.25	3.25	52.20	304.35	289.40	370.55	5.40	1,044.40	342,619	327.10

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

The following table shows the cumulative hours and cost for the period to 29 November 2019, together with future and total cost estimates. It then compares the estimated final outcome against the fees estimate approved by creditors. Please note that this only relates to the administration process and does not include any estimate for the costs of dealing with the subsequent liquidation.

Work Type Group	Total Hrs	Total Cost (£)	Estimated Future Hrs	Estimate Future cost (£)	Total Estimated hrs	Total Estimated (£)	Fee Estimate (£)	Variance (£)
Accounting & Treasury	584.95	161,603	6.60	2,007.40	591.55	163,610.40	111,183	(52,427)
Assets	1,853.65	505,137	33.95	10,816.42	1,887.60	515,953.42	406,838	(109,115)
Creditors	262.10	68,488	9.30	2,934.87	271.40	71,422.87	62,842	(8,581)
Employees & Pensions	134.80	51,642	-	-	134.80	51,642.00	83,786	32,144
Investigations	45.70	12,614	-	-	45.70	12,614.00	35,659	23,045
Secured Creditors	76.45	33,883	3.50	1,088.79	79.95	34,971.79	42,489	7,517
Statutory & Compliance	338.95	113,176	36.35	11,098.25	375.30	124,274.25	181,006	56,732
Strategy & Planning	424.85	172,201	14.80	4,983.28	439.65	177,184.28	98,901	(78,283)
Tax & VAT	340.15	138,342	24.75	7,067.88	364.90	145,409.88	85,027	(60,383)
<b>Total</b>	<b>4,061.60</b>	<b>1,257,086</b>	<b>129.25</b>	<b>39,996.89</b>	<b>4,190.85</b>	<b>1,297,082.89</b>	<b>1,107,731</b>	<b>(189,352)</b>

As shown in the above table, we think that our time costs will exceed our initial estimate. This is principally in this period due to the additional work we have undertaken in relation to the sale of the tax losses and work done for the Purchaser. If creditors approve the resolutions discussed in this report, this additional work will be excluded from our future time cost reports and any comparison with the fees estimate.

However we expect that, once this additional work is excluded, our time costs will still exceed the fees estimate. The key reasons for this are detailed in our previous report, which covered the period in which the greatest proportion of our work was completed.

The extent to which we exceed the fees estimate will (in part) also be determined by the costs incurred from 30 November 2019 until the administration ends.

We are not seeking further approval to exceed the fees estimate as this time. As mentioned above, a request to exceed the fees estimate (which carries over into the liquidation) is likely to be necessary in the subsequent liquidation as part of determining how the joint liquidators will be remunerated.

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration. We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Business Restructuring Services		Specialist teams	
	Up to 30 June 2019 £/hour	From 1 July 2019 £/hour	Up to 30 June 2019 £/hour	From 1 July 2019 £/hour
<b>Partner</b>	890	910	1,315	1,520
<b>Director</b>	540	595	1,210	1,465
<b>Senior Manager</b>	465	515	1,230	1,290
<b>Manager</b>	365	405	735	775
<b>Senior Associate/Consultant</b>	275	310	545	575
<b>Associate/Assistant Consultant</b>	180	210	270	305
<b>Support Staff</b>	95	120	160	250

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

## Payments to associates

We have not made any payments to associates in the period covered by this report.

## Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff during the period. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	General description	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>	Accounting and treasury	<ul style="list-style-type: none"> <li>Processed receipts, payments and journals.</li> <li>Conducted regular bank reconciliations.</li> <li>Monitored incoming receipts to make corresponding payments to Purchaser.</li> <li>Maintained detailed schedules for monthly rental payments and other transactions.</li> <li>Set up new payees, and independently verified the payment details with them.</li> <li>Liaised with the Purchaser regarding payment details for various landlords.</li> <li>Corresponded with bank regarding specific transfers.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory obligations.</li> <li>To ensure secure stewardship of funds.</li> <li>To facilitate the payment of rent to landlords.</li> </ul>

Area of work	General description	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Assets</b>	Property	<ul style="list-style-type: none"> <li>Validated LtO fee paid for each property and calculated additional amounts due.</li> <li>Issued invoices for LtO fees.</li> <li>Paid rent to landlords.</li> <li>Liaised with the Purchaser regarding rent payment queries.</li> <li>Liaised with landlords and responded to queries.</li> <li>Sought legal advice on property matters.</li> <li>Liaised with landlords in relation to lease assignments and surrender of leases.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with the terms of the LtO.</li> <li>To enable the Company to comply with lease obligations whilst the Purchaser negotiates the transfer of the leases (or vacation of properties).</li> </ul>
	Debtors/deferred consideration	<ul style="list-style-type: none"> <li>Secured and reconciled funds received across various bank accounts.</li> <li>Reviewed and assessed debtor ledgers.</li> <li>Reviewed allocation of receipts to customer accounts.</li> <li>Liaised with Purchaser accounts team regarding disputed accounts.</li> <li>Liaised with secured creditor regarding debtor ledgers.</li> <li>Reviewed and approved credit notes and adjustments to invoices.</li> <li>Liaised with Purchaser to bring the reconciliation exercise to a conclusion.</li> </ul>	<ul style="list-style-type: none"> <li>This represents the key area of recoveries for creditors and our work has a direct financial benefit for the administration.</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Liaised with insurers regarding ongoing insurance requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute.</li> </ul>
	Third party assets	<ul style="list-style-type: none"> <li>Ensured the Purchaser complied with its obligations to third parties under the SPA.</li> </ul>	<ul style="list-style-type: none"> <li>To support third parties in the recovery or transfer of their assets and mitigate any related claims against the Company.</li> </ul>
<b>Creditors</b>	Creditor enquiries	<ul style="list-style-type: none"> <li>Maintained and updated our dedicated website.</li> <li>Received and followed up creditor enquiries via telephone, email and post.</li> <li>Reviewed and prepared correspondence to creditors and their representatives.</li> </ul>	<ul style="list-style-type: none"> <li>Update creditors and keep them informed of case progression.</li> <li>Preparation for return of funds for creditors.</li> </ul>
	Unsecured claims	<ul style="list-style-type: none"> <li>Received proofs of debt and maintained up to date register of claims received and creditor contact details.</li> <li>Liaised with CVA supervisor regarding residual CVA claims.</li> </ul>	<ul style="list-style-type: none"> <li>Preparation for return of funds for creditors.</li> </ul>
<b>Employees and pensions</b>	Communications with employees	<ul style="list-style-type: none"> <li>Received and followed up employee enquiries via telephone, post and email.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory obligations.</li> </ul>
	Other employee matters	<ul style="list-style-type: none"> <li>Reviewed correspondence from the Employment Tribunal and Claimants representatives.</li> </ul>	<ul style="list-style-type: none"> <li>Managing the Company's affairs and provision of information for tribunal matters.</li> </ul>
	Pensions	<ul style="list-style-type: none"> <li>Dealt with general pension scheme issues.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory obligations.</li> </ul>
<b>Secured creditors</b>	Secured creditors	<ul style="list-style-type: none"> <li>Prepared regular reports to secured creditor.</li> <li>Responded to secured creditor's queries.</li> <li>Made distributions in accordance with security entitlements.</li> <li>Liaised with secured creditor to provide ad-hoc informal updates as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>To keep the secured creditor apprised of the position regarding recovery of its debt.</li> </ul>
<b>Statutory and compliance</b>	Case reviews	<ul style="list-style-type: none"> <li>Conducted six-monthly case review.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory obligations.</li> </ul>
	Progress reports	<ul style="list-style-type: none"> <li>Prepared and issued joint administrators' first progress report.</li> <li>Commenced drafting the joint administrators' second progress report.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and regulatory obligations.</li> </ul>

Area of work	General description	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
	Other statutory and compliance	<ul style="list-style-type: none"> <li>Filed documents with Registrar.</li> <li>Updated checklists and diary management system.</li> <li>Sought and obtained approval for the administration extension from the secured creditors.</li> </ul>	<ul style="list-style-type: none"> <li>For the effective project management of the administration and retention of records.</li> </ul>
<b>Strategy and planning</b>	Strategy and planning	<ul style="list-style-type: none"> <li>Held regular team meetings and discussed status and progress of administration and potential exit routes.</li> <li>Conducted regular reviews of the file to assess case strategy and progress</li> </ul>	<ul style="list-style-type: none"> <li>To ensure orderly management and progression of the case and comply with statutory obligations.</li> </ul>
<b>Tax and VAT</b>	Tax	<ul style="list-style-type: none"> <li>Prepared and submitted first post appointment tax return for the Company.</li> <li>Liaised with HMRC.</li> <li>Liaised with group company regarding the sale of the Company's available tax losses.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute.</li> </ul>
	VAT	<ul style="list-style-type: none"> <li>Prepared detailed schedules of VAT invoices and dealt with extensive correspondence with Purchaser regarding obtaining rental invoices to be included in VAT returns.</li> <li>Prepared and submitted second and third VAT return.</li> <li>Liaised with HMRC.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and regulatory obligations.</li> </ul>

## Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	General description	Work undertaken	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>	Accounting and treasury	<ul style="list-style-type: none"> <li>Process receipts, payments and journals.</li> <li>Conduct regular bank reconciliations.</li> <li>Carry out independent verification of new payees and set up on systems.</li> <li>Manage the investment of funds.</li> <li>Close the bank account.</li> </ul>	<ul style="list-style-type: none"> <li>2,007</li> </ul>	<ul style="list-style-type: none"> <li>Comply with statutory obligations.</li> <li>Secure stewardship of funds.</li> </ul>
<b>Assets</b>			<ul style="list-style-type: none"> <li>10,816</li> </ul>	
	Property	<ul style="list-style-type: none"> <li>Maintain rent control schedule.</li> <li>Liaise with landlords in relations to surrenders and assignment of remaining leases where applicable.</li> <li>Liaise with the Purchaser regarding surrenders, assignments and any other matters.</li> <li>Liaise with landlords and respond to queries.</li> </ul>		<ul style="list-style-type: none"> <li>Ongoing compliance with lease obligations. No additional financial benefit for creditors. Costs to be claimed from the Purchaser.</li> </ul>
	Debtors/deferred consideration	<ul style="list-style-type: none"> <li>Secure and reconcile funds received across various bank accounts until agreement reached.</li> <li>Review the allocation of receipts to customer accounts.</li> <li>Liaise with the Purchaser's accounts team regarding disputed amounts.</li> <li>Liaise with the secured creditor regarding the debtor ledgers.</li> <li>Review and approve credit notes and adjustments to invoices.</li> <li>Agree mechanism with Purchaser for receipt of future consideration and close the RBSIF account.</li> </ul>		<ul style="list-style-type: none"> <li>Financial benefit for creditors in respect of amounts recovered from debtors. Proportion of costs to be claimed from Purchaser.</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Maintain adequate insurance cover whilst property leases are still held by the Company.</li> <li>Correspond with insurer regarding ongoing insurance requirements.</li> </ul>		<ul style="list-style-type: none"> <li>Managing insurable assets and risks is a statutory requirement.</li> </ul>

Area of work	General description	Work undertaken	Estimated cost £	What if any financial benefit the work provided to creditors OR whether it was required by statute
	Third party assets	<ul style="list-style-type: none"> <li>Ensure that the Purchaser is complying with its obligations to third parties under the SPA.</li> </ul>		<ul style="list-style-type: none"> <li>To mitigate claims against the Company.</li> </ul>
<b>Creditors</b>			• 2,935	
	Creditor enquiries	<ul style="list-style-type: none"> <li>Maintain and update dedicated website.</li> <li>Deal with creditor enquiries via telephone, email and post.</li> <li>Prepare and review correspondence to creditors and their representatives.</li> </ul>		<ul style="list-style-type: none"> <li>Update creditors and keep them informed of case progression.</li> </ul>
	Unsecured claims	<ul style="list-style-type: none"> <li>Maintain an up to date register of claims received and creditor contact details.</li> <li>Liaise with CVA fund Trustee regarding residual CVA claims.</li> </ul>		<ul style="list-style-type: none"> <li>Efficient management of claims received.</li> <li>Preparation for return of funds for creditors.</li> </ul>
<b>Secured creditor</b>	Secured creditor	<ul style="list-style-type: none"> <li>Prepare reports for the secured creditor.</li> <li>Respond to queries from the secured creditor.</li> <li>Make distributions in accordance with security entitlements.</li> </ul>	• 1,089	<ul style="list-style-type: none"> <li>To keep the secured creditor apprised of the position regarding recovery of its debt.</li> </ul>
<b>Statutory and compliance</b>	Statutory and compliance	<ul style="list-style-type: none"> <li>Finalise and issue this second progress report.</li> <li>Prepare and issue final report.</li> <li>Conduct regular case reviews.</li> <li>Update diary management system.</li> <li>Move the Company into a CVL process.</li> <li>Maintain case files.</li> <li>File documents and emails.</li> <li>Complete closure checklists.</li> <li>Withdraw undertakings and obtain clearance from third parties.</li> <li>Close systems of record and send job files to storage.</li> </ul>	• 11,098	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations place on the administrators.</li> </ul>
<b>Strategy and planning</b>	Strategy and planning	<ul style="list-style-type: none"> <li>Monitor costs and prepare further budgets as required.</li> <li>Hold team meetings to discuss the status and progress of the administration and plan future strategy.</li> </ul>	• 4,983	<ul style="list-style-type: none"> <li>To ensure orderly management and progression of the case</li> </ul>
<b>Tax and VAT</b>	Tax and VAT	<ul style="list-style-type: none"> <li>Prepare and submit tax computations and returns.</li> <li>Review potential for and recover any further tax assets.</li> <li>Liaise with HMRC regarding move to CVL.</li> <li>Prepare and submit quarterly VAT returns</li> </ul>	• 7,068	<ul style="list-style-type: none"> <li>Required by statute</li> <li>Ensures any available tax recoveries are made for the insolvent estate</li> </ul>

## Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by the secured creditor where required. The following disbursements arose in the period of this report.

Category	Description	Costs incurred £
2	<b>Photocopying</b> – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	78.49
2	<b>Mileage</b> – At a maximum of 73 pence per mile (up to 2,000cc) or 91 pence per mile (over 2,000cc)	Nil
1	<b>Insurance</b>	231.26
1	<b>Couriers &amp; Postage</b>	3,771.89
1	<b>Rail fare</b>	258.55
1	<b>Taxi Fare</b>	55.00
	<b>Total</b>	<b>4,395.19</b>

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

We have not subcontracted any work in the period covered by this report, except for the recovery of rates refunds as noted below.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
<b>Legal services, including:</b> <ul style="list-style-type: none"> <li>• Appointment related matters;</li> <li>• Advice on ROT claims;</li> <li>• Property;</li> <li>• Sale of tax losses; and</li> <li>• Sale of business contracts.</li> </ul>	• Pinsent Mason	• industry knowledge	• Time costs and disbursements
<b>Agents - rates refund</b>	• CAPA	• industry knowledge	• Percentage of realisations
<b>Insurance related matters</b>	• JLT	• industry knowledge	• Fixed Fee

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. All invoices are reviewed before being approved for payment. We are satisfied that the level of legal and professional costs is appropriate.

# Appendix D: Other information

<b>Court details for the administration:</b>	In the High Court of Justice, Business and Property Court in Leeds, Company and Insolvency List (ChD) Court reference: 1219 of 2018
<b>Company's registered name:</b>	Nestor Primecare Services Limited
<b>Trading name:</b>	Allied Healthcare
<b>Company directors</b>	Carl Michael Brown Narinder Singh Dr Caspar Freidrich Trautwein
<b>Company secretary</b>	David Collison
<b>Shareholdings held by the directors and secretary</b>	Not applicable
<b>Appointer's/applicants names and addresses</b>	The directors of Nestor Primecare Services Limited, Cavendish House, Lakhpur Court, Staffordshire Technology Park, Stafford, England, ST18 0FX
<b>Registered number:</b>	01963820
<b>Registered address:</b>	Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the joint administrators' appointment:</b>	30 November 2018
<b>Joint administrators' names, addresses and contact details:</b>	Anthony Steven Barrell of PricewaterhouseCoopers LLP, Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT until 10 May 2019.  Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and David Matthew Hammond of PricewaterhouseCoopers LLP, 19 Cornwall Street, Birmingham, B3 2DT from 10 May 2019.  Contact: Harpreet Panesar on 0113 289 4729
<b>Extension(s) to the initial period of appointment:</b>	On 15 October 2019, the secured creditor consented to a 12-month extension to the period of the administration. Unless further extended by the Court, the administration will now end no later than 29 November 2020.

# Notice to creditors seeking decisions by correspondence

In accordance with rules 3.24, 15.8 and 18.16 of the Insolvency (England and Wales) Rules 2016 and para 98 of Sch B1 to the Insolvency Act 1986

Name of Company  
Nestor Primecare Services Limited

Company Number  
01963820

In the  
High Court of Justice Business and Property Court  
in Leeds Company & Insolvency List (ChD)  
(full name of court)

Court case number  
1219 of 2018

(a) Insert full names of  
administrators

We (a) Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London, Riverside London, SE1 2RT and David Matthew Hammond, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Joint Administrators of the Company give notice to creditors that we are seeking a decision by correspondence on the following resolution(s)

(b) Insert resolutions

- (1) THAT the Administrators' fees for work performed in the sale of the tax losses be determined as a set fee of £12,000 plus VAT.
- (2) THAT the Administrators' fees for Property and Debtor Work (as defined on the following page ) be determined as a percentage of realisations – specifically, 100% of the VAT exclusive amount invoiced by the Company and received from the Purchaser\* of the business and assets; plus VAT.
- (3) THAT if the Company moves to CVL, Zelf Hussain and David Matthew Hammond are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or both of them.
- (4) THAT the Administrators be discharged from liability in respect of any action of theirs as administrators immediately after their appointment as administrators ceases to have effect.

We therefore invite you to vote on the above. To submit your vote please indicate below whether you are voting for or against each resolution and whether or not you want a committee to be established and return this notice to us by post at the address below, to be received by us by 23.59 hrs on (c) **13 January 2020** (the decision date).

In order to be entitled to vote we must receive from you by 23.59 hrs on the decision date, a proof in respect of your claim in accordance with the Insolvency (England and Wales) Rules 2016 (IR16), failing which your vote will be disregarded. A proof of debt form which you can use is attached.

If your debt is treated as a small debt in accordance with rule 14.31(1) IR16 (creditors with claims of £1,000 or less), you must still deliver a proof to us by 23.59 hrs on the decision date if you wish to vote.

If you have opted out from receiving notices you may nevertheless vote if you provide a proof as set out above.

Creditors who meet one of the thresholds in section 246ZE of the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the matter(s) set out above. The relevant thresholds are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

If you wish to nominate any creditor(s) to be members of a creditors' committee if creditors decide that a committee should be established, you must deliver your nomination to us by the decision date. A nomination can only be accepted if we are satisfied as to the creditor's eligibility under rule 17.4 IR16.

A creditor may appeal a decision in accordance with rule 15.35 IR16 by applying to court not later than 21 days after the decision date.

Signed   
Joint Administrator

Dated 18 December 2019

Administrators' postal address: Central Square, 8th Floor, 29 Central Square, Leeds LS1 4DL

Administrators' contact telephone number: 0113 289 4729

**Property and Debtor Work** is defined as work performed by the Administrators and their staff, invoiced by the Company in administration and paid by the Purchaser, for the sole purpose of assisting the Purchaser, including (but not limited to):

- Extending the licence to occupy;
- Managing the property portfolio (including payments to landlords);
- Dealing with landlord queries;
- Facilitating the transfer of properties to the Purchaser;
- Other incremental work or tasks arising as a direct result of the Purchaser's occupation of the leasehold properties and/or extending the licence to occupy;
- Monitoring and reconciling customer receipts into the Company's pre-administration bank accounts, including liaison with the bank and the Purchaser; and accounting receipts, payments and journals; and
- Any other amounts invoiced by the Company to the Purchaser for work done at the request (or for the benefit) of the Purchaser.

The above resolutions on Administrators' remuneration are supplemental to and do not replace any of the previous resolutions agreed by the secured creditor or unsecured creditors, in relation to:

1. Administrators' fees on a time cost basis (subject to the fees estimate);
2. Administrators' disbursements;
3. Pre-administration costs; and
4. Discharge from liability.

In accordance with rules 3.42, 15.9 and 18.16 of the Insolvency (England and Wales) Rules 2016 and para 98 of Sch B1 to the Insolvency Act 1986

Name of Company	Company Number
Nestor Primecare Services Limited	01963820
In the High Court of justice Business and Property Court in Leeds Company & Insolvency List (ChD)	Court case number 1219 of 2018

**To be completed by creditor and returned to the postal address above if you wish to vote**

I/We

\_\_\_\_\_

Company number (if creditor is a company)

\_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_

vote as follows:

	Delete as applicable *
<b>Resolution (1)</b>  THAT the Administrators' fees for work performed in the sale of the tax losses be determined as a set fee of £12,000 plus VAT.	<b>* for / against</b>
<b>Resolution (2)</b>  THAT the Administrators' fees for Property and Debtor Work (as defined on the next page) be determined as a percentage of realisations – specifically, 100% of the VAT exclusive amount invoiced by the Company and received from the Purchaser* of the business and assets; plus VAT.	<b>* for / against</b>
<b>Resolution (3)</b>  THAT if the Company moves to CVL, Zelf Hussain and David Matthew Hammond are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or both of them.	<b>* for / against</b>
<b>Resolution (4)</b>  THAT the Administrators be discharged from liability in respect of any action of theirs as administrators immediately after their appointment as administrators ceases to have effect.	<b>* for / against</b>

Insert creditor's name and address, and registered number if a company

**Committee member:**

I/we nominate [creditor to insert name of creditor\*]  
\_\_\_\_\_ to be a member of the committee if one is  
established.

\* If you wish to nominate a creditor to be a member of a committee if one is established, please insert  
here the name of that creditor. A creditor can nominate themselves or another creditor. If the creditor is  
a company you must insert the company's name

**Committee member's consent to act and representative:**

I/we consent to act as a member of the committee and authorise [insert  
representative's name here\*]  
\_\_\_\_\_ to represent me/us on  
the committee with authority to act generally.

\* A creditor which is a company or other body corporate must be represented by an individual. A  
creditor who is an individual can be represented by another individual but does not need to be. If you  
don't insert the name of a representative, the nominated creditor can still be represented on any  
committee, but may need to provide a letter of authority to the representative before they can act. A  
representative may be authorised to act either generally or specifically. If you wish to authorise your  
representative to act specifically, please amend the authority above and state in what respect they are  
authorised to act.

I/we enclose my/our proof of debt (if not previously submitted)

*Signature of creditor or person authorised to act on behalf of the creditor:*

\_\_\_\_\_  
Name in block capitals:

\_\_\_\_\_  
Position with or relation to the creditor (e.g. director, company secretary, solicitor):

\_\_\_\_\_  
Date:

**Property and Debtor Work** is defined as work performed by the Administrators  
and their staff, invoiced by the Company in administration and paid by the  
Purchaser, for the sole purpose of assisting the Purchaser, including (but not  
limited to):

- Extending the licence to occupy;
- Managing the property portfolio (including payments to landlords);
- Dealing with landlord queries;
- Facilitating the transfer of properties to the Purchaser;
- Other incremental work or tasks arising as a direct result of the Purchaser's  
occupation of the leasehold properties and/or extending the licence to  
occupy;

- Monitoring and reconciling customer receipts into the Company's pre-administration bank accounts, including liaison with the bank and the Purchaser; and accounting receipts, payments and journals; and
- Any other amounts invoiced by the Company to the Purchaser for work done at the request (or for the benefit) of the Purchaser.

The above resolutions on Administrators' remuneration are supplemental to and do not replace any of the previous resolutions agreed by the secured creditor or unsecured creditors, in relation to:

1. Administrators' fees on a time cost basis (subject to the fees estimate);
2. Administrators' disbursements;
3. Pre-administration costs; and
4. Discharge from liability.

**Nestor Primecare Services Limited - in administration ("the Company")**  
**Proof of debt**

**Please complete and return this form with supporting documentation as soon as possible to: Nestor Primecare Services Limited – in administration, c/o PricewaterhouseCoopers LLP, 8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom.**

**Creditors whose claims are secured or preferential (in part or in whole) should provide details of their claim to the above address. However, they need not use this claim form.**

1) Name of creditor	
2) Address of creditor for correspondence	
3) Registered number (if creditor is a company)	
4) Total amount of your claim (including VAT) and outstanding uncapitalised interest at the date the administration commenced*	£
5) Total value (including VAT) of any monies owed by you to the company in administration	£
6) Total amount of any payments received by you in relation to the claim after the administrators' appointment	£
7) If the amount in 4) includes outstanding uncapitalised interest, please state amount	£
8) Particulars of how and when the debt was incurred (please attach a continuation sheet if more space is needed)	
9) Particulars of any security held, the value of the security and the date it was given	
10) Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
11) Details of any documents by reference to which the debt can be substantiated	
12) Particular matters relating to the company's purchase of goods and services from you or any other matters that you feel should be reviewed (please provide on a separate sheet if needed)	
Signature of creditor or person authorised to act on behalf of the creditor	
Name in block capitals	
Position with or relation to the creditor (e.g. director, company secretary, solicitor)	
Address of person signing (if different from 2 above)	
Date	

*For office holder's use only*

<i>If applicable</i> Admitted to vote for: £	<i>If applicable</i> Admitted for dividend for: £
Date	Date
Signed	Signed
Name	Name

\* You must deduct any trade or other discounts which would have been available to the company but for its administration, except any discount for immediate, early or cash settlement