

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

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 Liquidator's name

Full forename(s)	Zelf
Surname	Hussain

3 Liquidator'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 Liquidator's name ①

Full forename(s)	David Matthew
Surname	Hammond

① **Other liquidator**
Use this section to tell us about
another liquidator.

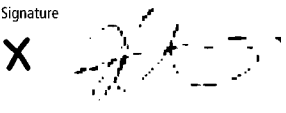
5 Liquidator's address ②

Building name/number	One
Street	Chamberlain Square
Post town	Birmingham
County/Region	
Postcode	B 3 3 A X
Country	United Kingdom

② **Other liquidator**
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	1	d	4	m	0	m	4	y	2	y	0	y	2	y	0
To date	d	1	d	3	m	0	m	4	y	2	y	0	y	2	y	1
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	1	d	0	m	0	m	6	y	2	y	0	y	2	y	1

**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 Katharyn Froggett

Company name PricewaterhouseCoopers LLP

Address Central Square

29 Wellington Street

Post town Leeds

County/Region

Postcode

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Country United Kingdom

DX

Telephone 0113 289 4000

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Joint liquidators' progress report from 14 April 2020 to 13 April 2021

10 June 2021

Nestor Primecare Services Limited - In liquidation

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

Company	Nestor Primecare Services Limited
Liquidators	Zelf Hussain and David Matthew Hammond
Firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
CVL	Creditors' voluntary liquidation
HMRC	HM Revenue and Customs
Prescribed part	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
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Preferential creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Bank / RBSIF	RBS Invoice Finance Limited, the secured creditor
Former Administrators	Zelf Hussain and Anthony Steven Barrell until 10 May 2019. Anthony Steven Barrell was replaced by David Matthew Hammond from 10 May 2019
Purchaser / CRG	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)
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Zelf Hussain and David Matthew Hammond as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Former Joint Administrators' previous reports issued to the Company's creditors, which can be found at . Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain and David Matthew Hammond have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators 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 Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Why we've sent you this report

I'm writing to update you on the progress of the liquidation of Nestor Primecare Services Limited. You can still view our earlier reports prepared by the Former Joint Administrators on our website at www.pwc.co.uk/alliedhealthcare.

How much creditors have received

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

Secured creditor(s)	100
Preferential creditors	Not applicable
Unsecured creditors	Up to 2

What you need to do

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. 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](#) or you can get one by telephoning Katharyn Froggett on 0113 289 4000.

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 during the liquidation process) 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 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.

As part of our first communication with you during the liquidation, we are required to inform you about your right to opt out of receiving further documents relating to these proceedings. Appendix E contains further details on this right and how you may elect to opt out.

This is our first progress report to members and creditors in the liquidation.

On 30 November 2018, Antony Steven Barrell and I, of PricewaterhouseCoopers LLP, were appointed joint administrators of the Company. Anthony Steven Barrell subsequently left the firm and was replaced by David Matthew Hammond on 10 May 2019. The administration ended on 14 April 2020, when the Company went into CVL and we were appointed as Liquidators.

At the end of the previous administration the key outstanding matters were as follows:

- Investigate and resolve claims received from the Purchaser in connection with the transfer of the business and apportionment of costs;
- Liaise with the secured creditor for the release of surplus funds to the Company;
- Close the debt collection account, undertake a final reconciliation and liaise with the Purchaser regarding future book debt collections and receipt of any deferred consideration due to the Company;
- Disclaim any remaining property leases and undertake a final reconciliation of the LtO funding position;
- Connected to the LtO outcome, undertake a review to ensure VAT has been accounted for correctly;
- Liaise with the CVA Trustee regarding the claims of unsecured creditors, in order to avoid any unnecessary duplication of work by the joint liquidators, thus maximising efficiency and reducing costs for the benefit of creditors in the liquidation;
- Agree the claims of the unsecured creditors and pay the dividend; and
- Fulfil our ongoing statutory and regulatory obligations as joint liquidators.

Since our appointment as liquidators, we have been mainly:

- Working towards completing the reconciliation of the book debt account and liaising with the Bank to arrange the transfer of the residual deferred consideration due to the Company;
- Liaising with the Purchaser in order to conclude the property position and reconcile the LtO funding position;
- Awaiting the outcome of the Unison appeal against the MENCAP ruling and then liaising with the CVA Supervisor to understand his strategy and timing for the dividend from the CVA, as this will have an impact on the level of claims in the CVL; and
- Continuing to fulfil our statutory and regulatory obligations as joint liquidations.

Information relating to the administration for the period after the administrators' final report

We are required to disclose any matters that occurred between the date of our final administration progress report (19 March 2020) and the registration of the notice moving the Company into CVL at Companies House on 14 April 2020.

We can confirm that there are no matters to disclose and there were no receipts or payments made during this period.

Secured creditors

The Bank's lending to the Company as at the date of the prior administration was in the region of £2.1m and is secured by a debenture dated 30 November 2015. This security gives the Bank fixed and floating charges over all the Company's assets. The Bank has already been fully repaid for its original lending and for the funding provided for the November 2018 employee arrears. However, the Bank will not release the funds without an indemnity or insurance cover due to some legacy issues. This is a matter for the Bank and as such we are unable to provide details here.

Preferential creditors (mainly employees)

On the appointment of the former Joint Administrators, all employees transferred to the Purchaser as a result of the immediate sale of 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 have been preferential claims and therefore we are not anticipating (nor have we received) any preferential claims against the Company.

Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. This prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

Based on what we currently know and due to a good outcome on the recovery of debts, 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 the secured creditor releasing the surplus funds, costs of the liquidation and the total amount of claims received. It will also depend on the timing and level of dividend paid to creditors from the separate CVA process.

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 that 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.

We understand that the case has now been decided and the trustees are in the process of adjudicating claims with a view to issuing a notice of intended dividend over the coming months. Once the trustees of the CVA trust fund have declared and paid a final distribution to the CVA creditors, any residual amounts owed to those creditors will rank as unsecured claims in the liquidation.

There is nothing for creditors to do at the moment other than ensure you have submitted a claim if you have one. Once we're in a position to proceed with a dividend we will make contact with any creditor of whom we're aware and who has not yet submitted a claim. It is likely that, for those creditors who will receive a dividend from the CVA, we will need a revised claim taking into account the amount received from the CVA but we will write to those creditors when we are in a position to do so, giving appropriate information and instructions.

Leasehold properties

The Company operated from 117 leasehold properties (representing 84 branches) including a leasehold head office in Stafford.

On our appointment as former Joint Administrators, an LtO for all of the leasehold properties was granted to the Purchaser for an initial period of five months. Details of extensions to the LtO and our work dealing with the Purchaser in relation to the properties were provided in our previous reports and are not repeated here.

Since the expiry of the LtO, the Purchaser continued in occupation of a number of properties and has been making payments directly to the landlords. We have requested that the Purchaser obtains confirmation from each of the respective landlords that the payments have been accepted as payment by the Company under any obligations it may have under the leases. However the Purchaser has so far not undertaken this exercise.

We are continuing to liaise with the Purchaser to obtain confirmation on the position of the remaining properties in the portfolio in order to finalise and agree the property position, including confirming that there are no outstanding liabilities that would need to be paid as an expense of the administration/liquidation. Linked to this, we have continued with reconciling our account with the Purchaser in respect of licence fees received, payments to landlords and any surplus funds that may be returned to the Purchaser. The outcome of this exercise will be dependent upon receiving the necessary confirmations from landlords and the Purchaser with regard to the status of each lease. In view of this, we have not yet returned any unused LtO funds to the Purchaser.

CAPA continues to be engaged for the recovery of any business rates due back to the Company.

Book debts and deferred consideration

In an attempt to maximise recoveries for creditors, debts owed to the Company by its customers were acquired (and are being collected) by the Purchaser. 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.

At the end of the administration, book debts of £17m had been collected. The amount currently recovered in total is £17.2m, generating £8.9m in deferred consideration with allocations made to the Purchaser as appropriate.

As mentioned above, the Bank will not yet release the funds due to some legacy issues over which it requires continued security. The account is however blocked to new receipts now as very few, low value debtor funds were being received. The majority of receipts were from some of the Purchasers' own customers that continued to pay into that account, resulting in it being necessary for us to periodically reconcile the account and pass funds to the Purchaser. This exercise became no longer cost effective and beneficial to the liquidation so we requested the bank to block the account to new receipts.

We are liaising with the Bank with a view to facilitating the release of the funds and subsequent closure of the account in the most cost effective manner, for the benefit of the liquidation estate. We are aware the Bank is currently investigating what insurance cover is available that would enable it to release the funds to the liquidation estate. Any cost incurred by the Bank in doing this would be deducted from the amount available to creditors. We understand that such insurance is bespoke and tailored to suit the specific circumstances, as such the costs are likely to be high. This will have a knock on effect as to the amount of funds available for distribution to creditors.

At the moment the Bank and insurers are still gathering information, so the likely cost is not certain although recent correspondence has shown it could be in the region of £300k or more. The alternative to this course of action would be to keep the liquidation open until the bank no longer considers there's a risk, which we understand would not be until late 2024. This option will only be considered once the costs of the insurance is known and only implemented if the Bank agrees and the creditors agree to fund the liquidation for an extended period.

The transactions in relation to the book debts and deferred consideration do not therefore form part of our receipts and payments account. Once the surplus funds are received from the secured creditor, they will form part of the receipts and payments account in the liquidation.

During the period we have been approached by a company specialising in pursuing interest on late payment of debts. We are currently looking into whether it would be beneficial to engage this company to review the debts prior to the administration.

Connected party transactions

There have been no disposals of assets to a connected party during the period of this report.

Other issues

Since we last wrote to creditors, we've received a number of requests from the Purchaser for funds of c£120k they claim are due to them as part of the SPA, but which were unexpected at this late stage. We have been investigating these matters, with the support of our solicitors who worked on the SPA, and we're continuing to liaise with the Purchaser to obtain further information. We will provide a further update in our next report to creditors.

Statutory and compliance

We have dealt with the following matters during the period of this report:

- Sending the initial statutory notifications required upon our appointment as liquidators;
- Drafting and submitting quarterly VAT returns to HMRC; and
- Drafting and submitting the corporation tax return to HMRC.

Investigations and actions

As Administrators, we reviewed the Company's affairs and took into account any points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

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 liquidation from 14 April 2020 to 13 April 2021.

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.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, disbursements and other related matters.

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 our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

You can also get a copy free of charge by telephoning Katharyn Froggett on 0113 289 4000.

What we still need to do

Before we can bring the liquidation to an end, we still need to:

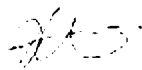
- Maintain communications with the Bank, as it seeks the insurance it requires to enable the release of its charge over the residual deferred consideration and release these funds to the liquidation estate;
- Liaise with the Purchaser to finalise the position with regards to the remaining property portfolio;
- Deal with the surrender of or (where appropriate) disclaim the remaining leases;
- Complete the LtO funding reconciliation and agree the position with the Purchaser;
- Obtain creditors' agreement to the quantum of the liquidators' fees;
- Finalise the Company's tax and VAT affairs, obtain tax and other appropriate clearances;
- Following receipt of funds from the Bank and receipt of information on claims and the dividend payment in the CVA, agree unsecured claims and pay a dividend to unsecured creditors;
- Deal with any unclaimed dividends, then prepare the case for closure and issue the final report to creditors,

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you've got any questions, please get in touch with Katharyn Froggett on katharyn.v.froggett@pwc.com.

Yours faithfully



.....
Zelf Hussain
Joint liquidator

Appendices

Statement of Affairs (£)		14 April 2020 to 13 April 2021 (£)
Floating charge receipts		
-	Bank interest	131.64
-	Business rates refunds	11,319.17
-	Prior appointee balance	304,002.07
-	Rental income from the administration	167,915.24
-	Funding from secured creditor	469,878.60
-	Third party funds from the administration	661,258.94
-	Total floating charge receipts	1,614,505.66
Floating charge payments		
	Agents' fees	(1,587.67)
	Bank charges	(90.00)
	Insurance relating to the administration	(6,653.54)
	Insurance relating to the liquidation	(4,770.46)
	Office holders' fees relating to the administration	(457,315.50)
	Legal fees & expenses relating to the administration	(4,501.00)
	Legal fees & expenses relating to the liquidation	(3,018.75)
	Rent relating to the administration	(6,684.00)
	Statutory advertising	(83.00)
	Total floating charge payments	(484,703.92)
Distributions		
(2,044,821)	Secured creditor	-
(5,175,128)	Preferential creditors	-
(58,451,946)	Unsecured creditors	-
VAT		
	Irrecoverable VAT	(79,114.12)
	VAT control account	(718.41)
	VAT payable from the administration	(21,487.28)
(65,671,895)	Balance held in interest bearing current account	1,028,481.93
	Held within Barclays Bank Plc	199,991.60
	Held within HSBC Bank Plc	828,490.33
		1,028,481.93

Notes

1. All transactions exclude VAT where applicable unless marked by *
2. The directors prepared the statement of affairs for the purpose of the administration so the estimated to realise values for assets are not listed here as all assets were realised during the administration. Please refer to earlier reports which are available to download at www.pwc.co.uk/alliedhealthcare
3. We have drawn a further £457K of fees relating to the administration during the period of this report in accordance with the approval obtained and we are awaiting the outcome of negotiations with the Purchaser regarding the outstanding balance.

4. Whilst the transactions shown in the receipts and payments account above were all paid during the liquidation period, we have separated out above the payments that relate to the administration.

Expenses are amounts properly payable by us as liquidators from the estate, but exclude our fees and distributions to creditors. They include disbursements, which are expenses met and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates communication facilities).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the unsecured creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as liquidators or our associates, together with details of the Category 1 disbursements that have been incurred by PwC and will be recharged to the case:

2	PwC	Photocopying – at 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	-
2	PwC	Mileage – At a maximum of 73 pence per mile (up to 2,000cc) or 91 pence per mile (over 2,000cc)	-
1	PwC	All other disbursements reimbursed at cost:	
		Postage	30.24
Total			30.24

The expense policy set out above has been approved by the secured creditors and general body of unsecured creditors during the administration. The basis of this approval carries over to the liquidation.

The table below provides details of the expenses incurred in the liquidation. 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.

Agent's fees and disbursements (CAPA)	1,715	Note 1	Note 1
Bank charges	90	100	190

Insurance	4,770	6,000	10,770
Legal fees and expenses (Pinsents)	3,018	5,000	8,018
Office holders' disbursements	30	100	130
Statutory advertisement	83	166	249
Irrecoverable VAT	79,114	Note 3	Note 3
Total	88,820	See notes	See notes

Notes:

1. Agents fees payable to CAPA are based on a percentage of business rates recoveries made for the benefit of the liquidation. Future amounts may be payable if more recoveries are made.
2. The irrecoverable VAT position will be dependent on the final position with regard to the property portfolio. Until the property workstream is complete, we are unable to estimate irrecoverable VAT with any accuracy. As the irrecoverable VAT incurred is linked to the property portfolio, it predominantly relates to the administration.
3. An updated remuneration report for the liquidation has not yet been provided to creditors so a comparison to the expenses estimate is not provided here.
4. The table excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

During the administration, the secured creditor fixed the basis of the administrators' fees on a combination of bases, as set out below:

Fee basis	Amount £'000
Set fee for the sale of tax losses	12
Percentage of realisations fee for Property and Debtor Work connected with the Purchaser and to be agreed with/funded by the Purchaser*	154
Time costs for all other work	1,108
Total fees	1,277

Given the unsecured creditors also have an interest in the level of our fees, we also sought and obtained their approval to the above.

The fee basis agreed in the administration continues to apply in the liquidation. The time cost charges incurred in the period covered by this report are £211,797.

We explained in the final report of the administration that we had exceeded the initial fee estimate put to creditors in relation to the administration and that we intended to put a further proposal to creditors regarding the joint liquidators' remuneration at the appropriate time. We'll 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, although we will not be seeking any uplift to the fees for time incurred during the administration.

A summary of the fee position at the end of the administration is provided below:

Aspect of assignment	Total hours	Total cost £	Initial fee estimate £	Variance £
Accounting and treasury	607	160.991	111.183	49.808
Assets	1,949	527.196	406.838	120.358
Creditors	270	69.340	62.842	6.498
Employees and pensions	140	47.720	83.786	(36.066)
Investigations	46	12.614	35.659	(23.045)
Secured creditors	88	38.612	42.489	(3.877)
Statutory and compliance	713	270.816	181.006	89.810
Strategy and planning	170	53.157	98.901	(45.744)
Tax and VAT	405	162.454	85.027	77.427
Total	4,388	1,342,900	1,107,731	235,169

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

Our hours and average rates

The below table shows the time costs incurred during the period of this report.

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Accounting and treasury	-	-	-	3.05	11.05	16.70	-	30.80	8,840.98	287.04
Assets	-	-	1.70	58.60	39.95	55.50	-	155.75	55,073.25	353.60
Creditors	-	-	2.60	25.45	0.95	11.00	-	40.00	16,328.06	408.20
Employees and pensions	-	-	2.35	3.55	1.70	1.40	-	9.00	4,576.11	508.46
Secured creditors	-	-	1.35	32.45	-	-	-	33.80	15,878.00	469.76
Statutory and compliance	0.25	-	2.10	39.50	24.50	66.55	1.45	134.35	44,160.48	328.70
Strategy and planning	10.80	-	3.55	42.35	1.00	32.45	-	90.15	38,151.75	423.20
Tax and VAT	1.00	1.50	5.10	10.70	16.45	25.55	1.60	61.90	28,788.08	465.07
Total	12.05	1.50	18.75	215.65	95.60	209.15	3.05	555.75	211,796.71	381.10

Details of the time costs incurred during the prior administration can be found in previous reports which are available to download at www.pwc.co.uk/alliedhealthcare

As explained above, we have exceeded the fee estimate provided for the administration and intend to put a further proposal to creditors regarding the joint liquidators' remuneration in due course, which will include a fee estimate for the liquidation.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. 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 liquidation (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. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (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 liquidation.

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.

Partner	910	955	1,520	1,600
Director	595	720	1,465	1,465
Senior Manager	515	585	1,290	1,290
Manager	405	475	775	815
Senior Associate/Consultant	310	390	575	605
Associate/Assistant Consultant	210	245	305	325
Support Staff	120	125	250	230

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

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Accounting and treasury	Accounting and treasury	<ul style="list-style-type: none"> • Processed receipts, payments and journals. • Conducted regular bank reconciliations. • Monitored incoming receipts to make corresponding payments to the Purchaser. • Set up new payees and independently verified the payment details with them. • Corresponded with the bank regarding specific transfers. 	<ul style="list-style-type: none"> • To comply with statutory obligations. • To ensure secure stewardship of funds.
Assets	Property	<ul style="list-style-type: none"> • Calculated costs and issued invoice for property related work recharged to Purchaser. • Made payments to landlords. • Liaised with the Purchaser regarding rent payment queries. • Liaised with landlords and responded to queries. • Sought legal advice on property matters. • Liaised with landlords in relation to lease assignments and surrender of leases. • Commenced the reconciliation of the LtO funds held 	<ul style="list-style-type: none"> • This work is connected to the transfer of the business and property to the Purchaser, on terms agreed in the SPA and LtOs.
	Debtors/deferred consideration	<ul style="list-style-type: none"> • Secured and reconciled funds received across various bank accounts. • Reviewed and assessed debtor ledgers. • Reviewed allocation of receipts to customer accounts. • Liaised with Purchaser's accounts team regarding disputed accounts. • Liaised with secured creditor regarding debtor ledgers. • Reviewed and approved credit notes and adjustments to invoices. • Liaised with Purchaser with a view to bringing the reconciliation exercise to a conclusion. 	<ul style="list-style-type: none"> • This represents the key area of recoveries for creditors and our work has a direct financial benefit for the administration.
	Insurance	<ul style="list-style-type: none"> • Liaised with insurers regarding ongoing insurance requirements. 	<ul style="list-style-type: none"> • Required by statute.
Creditors	Creditor enquiries	<ul style="list-style-type: none"> • Maintained and updated our dedicated website. • Received and followed up creditor enquiries via telephone, email and post. • Reviewed and prepared correspondence to creditors and 	<ul style="list-style-type: none"> • Update creditors and keep them informed of case progression. • Preparation for return of funds for creditors.

		their representatives.	
	Unsecured claims	<ul style="list-style-type: none"> Received proofs of debt and maintained up to date register of claims received and creditor contact details. 	<ul style="list-style-type: none"> Preparation for return of funds for creditors.
Employees and pensions	Communications with employees	<ul style="list-style-type: none"> Received and followed up employee enquiries via email. 	<ul style="list-style-type: none"> To comply with statutory obligations.
	Other employee matters	<ul style="list-style-type: none"> Reviewed correspondence from the Employment Tribunal and Claimants representatives. 	<ul style="list-style-type: none"> Managing the Company's affairs and provision of information for tribunal matters
	Pensions	<ul style="list-style-type: none"> Dealt with pre-appointment pensions queries. 	<ul style="list-style-type: none"> To comply with statutory obligations.
Secured creditors	Secured creditors	<ul style="list-style-type: none"> Responded to secured creditor's queries. Liaised with secured creditor to provide ad-hoc informal updates as necessary. Liaised with the Bank in relation to the debt collection account. Liaised with the Bank regarding indemnity/insurance requirements and transfer of residual deferred consideration into the liquidation estate account. 	<ul style="list-style-type: none"> To keep the secured creditor appraised of the position regarding recovery of its debt.
Statutory and compliance	Investigations	<ul style="list-style-type: none"> Exploring whether there was anything further to report in line with our duties under the CDDA 	<ul style="list-style-type: none"> To comply with statutory obligations.
	Other statutory and compliance	<ul style="list-style-type: none"> Prepared and sent the initial notifications required upon our appointment as liquidators; Filed documents with the Registrar. Dealt with multiple data subject access requests. Updated checklists and diary management system. 	<ul style="list-style-type: none"> To comply with statutory and regulatory obligations.
Strategy and planning	Strategy and planning	<ul style="list-style-type: none"> Held regular team meetings and discussed status and progress of liquidation. Conducted regular reviews of the file to assess case strategy and progress. 	<ul style="list-style-type: none"> To ensure orderly management and progression of the case and comply with statutory obligations.
Tax and VAT	Tax	<ul style="list-style-type: none"> Prepared and submitted the computations for the tax year ending 2019 and 2020 to HMRC. Liaised with HMRC. 	<ul style="list-style-type: none"> Required by statute.
	VAT	<ul style="list-style-type: none"> Reconciled the VAT position for the liquidation period Prepared and submitted quarterly VAT returns. Liaised with HMRC. 	<ul style="list-style-type: none"> To comply with statutory and regulatory obligations.

Our future work

We still need to do the following work in the liquidation. We intend to prepare to put a further proposal to creditors regarding the joint liquidators' remuneration in due course which will include a fee estimate for the liquidation on our estimate of the costs that will be incurred in relation to these future areas of work.

Accounting and treasury	<ul style="list-style-type: none"> • Performing ad-hoc bank reconciliations. • Dealing with receipts, payments and journals. • Correspondence with the bank regarding specific transfers. • Completion of reconciliation of the amounts held on behalf of the Purchaser. • Closing the liquidation bank accounts at the appropriate time. 	<ul style="list-style-type: none"> • To comply with statutory obligations. • To ensure secure stewardship of funds.
Assets	<ul style="list-style-type: none"> • Liaising with the Purchaser to finalise the position with the remaining leases. • Agreeing surrenders or (where necessary) disclaiming the remaining leases. • Writing out to landlords to confirm no outstanding liabilities. • Finalising the reconciliation of the LTO funding in conjunction with the Purchaser. 	<ul style="list-style-type: none"> • This work is connected to the transfer of the business and property to the Purchaser, on terms agreed in the SPA and LTOs.
Creditors	<ul style="list-style-type: none"> • Liaison with the CVA Supervisor regarding the status of their dividend process • Agree strategy with regard to adjudicating unsecured claims. • Review claims received and agree for dividend purpose, writing out to creditors for updated claims where necessary. • Draft and send notice of intended dividend. • Declare and pay the first and final dividend to unsecured creditors based on the available funds. • Deal with any uncashed dividend cheques including liaison with the Insolvency Service as required. • Responding to ad-hoc creditor queries. 	<ul style="list-style-type: none"> • Preparation for return of funds for creditors. • Update creditors and keep them informed of case progression.
Employees and pensions	<ul style="list-style-type: none"> • Deal with future correspondence from the Employment Tribunal and Claims representatives. • Deal with future correspondence from former employees regarding pre-appointment pensions. 	<ul style="list-style-type: none"> • To comply with statutory obligations
Secured creditors	<ul style="list-style-type: none"> • Liaising with the Bank regarding release of the residual deferred consideration; 	<ul style="list-style-type: none"> • To facilitate the release of funds into the liquidation estate.
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and distributing our first annual report to creditors; • Preparing and distributing our final report to creditors; • Dealing with ad hoc third party information requests; • Complying with requirements to file documents at Companies House; • Seeking approval of our fees for the liquidation. • Maintaining case files. 	<ul style="list-style-type: none"> • To comply with statutory obligations.
Strategy and planning	<ul style="list-style-type: none"> • Ongoing team meetings to progress the remaining matters • Review the progress of the liquidation strategy and amend as appropriate 	<ul style="list-style-type: none"> • To ensure orderly management and progression of the case and comply with statutory obligations.
Tax and VAT	<ul style="list-style-type: none"> • Preparing and submitting quarterly VAT returns until such a time that we are able to deregister 	<ul style="list-style-type: none"> • To comply with statutory obligations.

	<ul style="list-style-type: none"> • Undertaking a final VAT reconciliation • Preparing and submitting a final corporation tax return and requesting clearance from HMRC. 	
Closure	<ul style="list-style-type: none"> • Obtaining clearances required from third parties. • Preparing and issuing the final report to creditors. • Closing down internal systems. 	<ul style="list-style-type: none"> • To facilitate the orderly wind down of the liquidation • To comply with statutory obligations.

Our relationships

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

Details of subcontracted work

We have not subcontracted any work during the period of this report.

Legal and other professional firms

We instructed the following professionals on this case:

Legal services, including:	Pinsent Mason LLP	Industry knowledge	Time costs and disbursements
<ul style="list-style-type: none"> • Appointment related matters; • Advice on ROT claims; • Property; • Sale of tax losses; and • Sale of business contracts. 			
Agents - rates refunds	CAPA	Industry knowledge	Percentage of realisations
Insurance related matters	Marsh (formerly known as JLT)	Industry knowledge	Fixed fee

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- review amounts charged against the description of work undertaken and the circumstances of the case;
- seek further breakdown of costs and detail of work undertaken where necessary;
- comparisons with upfront budgets;
- review of disbursements claimed;
- ongoing dialogues with regards to the work being performed.

We are satisfied that the amounts incurred to date are reasonable in the circumstances of the case.

Company's registered name:	Nestor Primecare Services Limited
Trading name:	Allied Healthcare
Registered number:	01963820
Registered address:	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the Liquidators' appointment:	14 April 2020
Liquidators' names, addresses and contact details:	<p>Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham, B3 3AX</p> <p>Contact: Katharyn Froggett on 0113 289 4000</p>

As part of our first communication with you, we are required to inform you about your right to elect to opt out of receiving further documents relating to these proceedings as follows:

You have the right to elect to opt out of receiving further documents about these proceedings unless:

- (a) the Insolvency Act 1986 requires a document to be delivered to all creditors without expressly excluding opted-out creditors;
- (b) it is a notice relating to a change in the office-holder or the office-holder's contact details, or;
- (c) it is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Any election to opt out will not affect a creditor's entitlement to receive dividends, should any be paid to creditors. Similarly, unless IR16 provide to the contrary, opting-out will not affect any right the creditor may have to vote in a decision procedure or participate in a deemed consent procedure in these proceedings, although the creditor will not receive notice of it.

If a creditor opts out, they will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the same company.

A creditor can opt out at any time by delivering written notice to the office holder at the postal address noted in the covering correspondence or by e-mail to: uk_insolvencydocsrequests@pwc.com. The notice must be authenticated in accordance with rule 1.5 IR16 and dated by the creditor. A creditor will be treated as an opted-out creditor as soon as reasonably practicable after delivery of the creditor's election to opt out.

An election to opt out can be revoked at any time by delivering a further notice to the office-holder in writing, authenticated and dated by the creditor. A creditor ceases to be an opted-out creditor from the date the notice is received by the office holder.

Should you have any questions on this process, please use the contact details in the covering correspondence.