

AM03

Notice of administrator's proposals



Companies House

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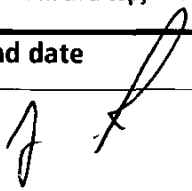
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1	Company details	
Company number	0 2 9 1 6 0 3 7	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Age Concern Newcastle upon Tyne	
2	Administrator's name	
Full forename(s)	Karen	
Surname	Spears	
3	Administrator's address	
Building name/number	9th Floor, 25 Farringdon Street	
Street		
Post town	London	
County/Region		
Postcode	E C 4 A 4 A B	
Country		
4	Administrator's name	
Full forename(s)	Steven Philip	1 Other administrator Use this section to tell us about another administrator.
Surname	Ross	
5	Administrator's address	
Building name/number	1 St James' Gate	2 Other administrator Use this section to tell us about another administrator.
Street		
Post town	Newcastle upon Tyne	
County/Region		
Postcode	N E 1 4 A D	
Country		

AM03

Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div>d 2 2</div> <div>m 0 5</div> <div>y 2 0 1 8</div>	

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Steven Philip Ross
Company name	RSM Restructuring Advisory LLP
Address	1 St James' Gate
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 4 A D
Country	
DX	
Telephone	0191 255 7000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

In the matter of

**Age Concern Newcastle upon Tyne In Administration (Trading as Age UK Newcastle)
(‘the Company’)**

In the Newcastle upon Tyne District Registry No 0154 of 2018

Joint Administrators’ proposals and report dated 27 April 2018

Date of delivery of Proposals: 22 May 2018

**Steven Philip Ross and Karen Spears
Joint Administrators
Appointed 27 March 2018**

**RSM Restructuring Advisory LLP
1 St James’ Gate
Newcastle upon Tyne NE1 4AD
0191 255 7000
restructuring.newcastle@rsmuk.com**

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1 Purpose of report

The Joint Administrators are pleased to present their Proposals and Report pursuant to Paragraph 49, Schedule B1 to the Insolvency Act 1986 and other relevant legislation.

This proposal has been prepared solely to comply with the statutory requirements of Paragraph 49, Schedule B1 to the Insolvency Act 1986. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

RSM Restructuring Advisory LLP ("RSM") was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

2 Events leading up to the administration

2.1 Brief background

Age Concern Newcastle Upon Tyne ("Age UK Newcastle") was incorporated on 6 April 1994. As a charitable organisation its vision was "To live in a society in which all older people are respected, valued and able to live the life they choose" and their mission "To work with and for older people in Newcastle upon Tyne, adding life to years as well as years to life".

In recent years it has faced significant challenges presented by an ageing population and central government cut backs to local authority funding, despite the ever increasing demand for their services to improve the lives for older people.

The financial results for the 1 April 2017 to 30 November 2017, showed a deficit for the year to date of £145,431 and seemed to confirm a continuing trend of increasing deficits. Based on these results it was agreed that professional advice should be sought.

Crondall Consulting Limited ("CCL") were instructed by the board of Trustees ("the Board") on 15 January 2018 to assess the current financial position and difficulties faced by the charity and the options available. CCL's support to Age UK Newcastle was funded by Age UK. The following key issues were identified:

- The management accounts to November 2017 show a deficit for the year to date of £145k;
- The estimated outcome for 2017/2018 indicated a deficit of £140k;
- Creditor and crown debt was beginning to accrue;
- Additional cash would be required from March 2018 onwards;
- The Charity could not trade at a surplus in the future without a significant debt forgiveness and an injection of cash to alleviate immediate creditor pressure.

Key Creditors

- Newcastle City Council ("NCC") have an outstanding loan for £290k plus £43k of accrued interest. NCC have offered a repayment deferment until 2021.
- Tyne & Wear Pension ("T&W") – have an estimated pension deficit of £47k relating to payments due to NCC. It had initially been agreed with NCC that these arrears would be cleared during the financial year 2017 to 2018.
- NCC had signed a subsumption agreement which, guarantees the pension deficit liabilities of Age UK Newcastle.
- Age UK had provided a loan to Age UK Newcastle in 2014. Their estimated indebtedness is £131k including interest.

It was clear during CCL's review that the Charity was unable to continue to trade in its own right and CCL suggested three possible options:

- Complete a solvent merger;

- Complete a an insolvent merger or part merger;
- No merger.

In light of the current position CCL recommended that the Board seek advice from an Insolvency Practitioner who specialises in the insolvency of charities and suggested RSM.

RSM were requested to attend a meeting with the Board on 31 January 2018 to advise them of their options, duties and responsibilities whilst they explored the possibility of a solvent merger with another 'like-minded' charitable organisation. Over the next two weeks, Age UK Newcastle, supported by CCL, approached a number of potential merger partners and entered discussions with Age UK and NCC in respect of potential loan forgiveness. The issue for all parties was the Defined Benefit Pension Deficit liability.

A further meeting took place on 19 February 2018 with one of the Trustees, NCC and with Age UK. The outcome was that NCC and Age UK would review their positions and revert on a potential CVA. After due consideration, Age UK concluded that they could not support a Solvent Merger for a number of reasons, primarily the Pension Deficit liability.

Following on from this, RSM were engaged with the client and a number of meetings were held with the Trustees and Chief Executive. Given the level of debt, it was not possible to conclude a solvent merger, and as a result, it became clear that an insolvent solution would be necessary.

The option of a Company Voluntary Arrangement (CVA") was considered in order to provide time for the transfer of the domiciliary care part of the business but there was insufficient funding available for this to be a viable option.

A voluntary liquidation was not appropriate as this would involve the business ceasing to trade and given the nature of the business and the care provided, this would have caused significant disruption which would have:

- risked a disruption to continuity of care / safeguarding;
- impacted on the debtor realisations; and
- created a reputational risk for Age Concern UK.

Following discussions with the trustees and the customers (NCC and the Newcastle Gateshead Care Commissioning Group) it was concluded that a Pre Pack Administration was the most appropriate route forward as this provided a transfer of the business in a controlled way over to another care provider who sits on the customers' framework agreement. Such a sale would ensure continuity of care, ongoing employment for a considerable number of individuals and also maximise realisations for goodwill, work in progress and debtors, whilst also reducing potential employee claims.

During March, the Trustees and the Chief Executive liaised with Age UK National and other local organisations and were successful in transferring all of the charitable aspects of the business to ensure ongoing support either locally or via national support telephone lines.

Unfortunately, despite the best efforts of the Chief Executive and the Trustees, it was necessary to make 12 employees redundant.

RSM have assisted with this process and have also been involved in the marketing of the domiciliary care business.

Following negotiations a sale was agreed with an unconnected party on 27 March 2018 and the Charity was placed into Administration on the same date.

Steven Philip Ross and Karen Spears of RSM Restructuring Advisory LLP were appointed Joint Administrators.

2.2 Company's trading history

Relevant extracts from the Company's audited financial statements are summarised below.

GROUP INCOME AND EXPENDITURE ACCOUNT	YEAR ENDED 31 MARCH 2016	YEAR ENDED 31 MARCH 2015	YEAR ENDED 31 MARCH 2014
	£	£	£
Income and endowments from:			
Donations and legacies	353,152	368,545	351,267
Charitable activities	1,674,176	2,360,543	2,451,587
Other trading activities	2,880	8,114	41,555
Other income	5	18,664	89
Investment income	0	0	1,333
Total income	2,030,213	2,755,866	2,845,831
Expenditure on:			
Raising funds	43,218	73,906	115,553
Charitable activities	2,060,954	2,926,517	3,094,846
Governance costs	0	0	33,293
Exceptional items	(96,814)	(251,234)	290,580
Total expenditure	2,007,358	2,749,189	3,534,372
Net income / (expenditure)	22,855	6,677	(688,541)
COMPANY BALANCE SHEET			
Fixed Assets			
Tangible assets	11,239	23,954	26,687
Investments	13	13	13
Current Assets	174,502	288,372	411,225
Current creditors	(376,599)	(275,236)	(344,099)
Net Current Assets / (Liabilities)	(202,097)	13,136	67,126
Net Assets / (Liabilities)	(485,991)	(508,841)	(236,819)
RESERVES			
General reserves	(492,719)	(515,569)	(245,047)
Welfare fund	6,728	6,728	8,228
	(485,991)	(508,841)	(236,819)

3 Estimated statement of financial position

Estimated statement of financial position

The directors have provided a draft Statement of Affairs with the Joint Administrators and this will be signed off shortly. Accordingly, pursuant to the relevant legislation, we attach an Estimated Statement of the Financial Position of the Company as at 27 March 2018 as Appendix B. This records the assets and liabilities at their estimated book value at the date of our appointment together with details of the names, addresses and the estimated amounts due to the Company's creditors and any security held at the date of our appointment.

4 Purpose of the administration

Paragraph 3 of Schedule B1 to the Insolvency Act 1986 sets out the purposes of an administration. The Joint Administrators' must perform their functions with the objective of either:

- (a) rescuing the Company as a going concern; or
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

It was not possible to achieve statutory purpose (a) because the Company was insolvent and no interested parties were interested in taking over the liabilities of the charity, therefore statutory purpose (b) was pursued because a prepacked Administration sale allows the optimal sales price to be achieved for value for work-in-progress and assets.

4.1 Strategy

The purpose of the Administration is 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)

The strategy for achieving the purpose is detailed as follows:

- Market the business for sale via a pre-packed sale;
- Complete a prepacked sale;
- Realise assets in the most appropriate method to maximise realisations for the benefit of creditors;
- Deal with any Reservation of Title claims;
- Instruct Ward Hadaway LLP to prepare a sales contract;
- Instruct Grievesons Valuers & Auctioneers ("Grievesons") to value the Company's assets;
- Instruct Clumber Consultancy LLP ("Clumber") to provide advice on the Company's pension position.

5 Conduct of the administration

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 11.

The Joint Administrators are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to result in a financial benefit to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix A.

5.1 Realisation of assets / Sale of business

It was not possible to trade the business in Administration as it provided domiciliary care meaning the risks of trading were unacceptable. We were also mindful that the contracts remain at the gift of the local authorities / private individuals.

Grievasons valued the equipment on a break up and in-situ value.

A sale of the Company's assets was concluded on 27 March 2018 to an unrelated Company, Homecare Plus Limited for £59,001, which was attributed as follows:

	£
Debtors * (See appendix M for background to value)	47,000
Work-in-progress	12,000
Goodwill / Transferring Records	<u>1</u>
	<u>59,001</u>

The sales consideration was received in full on completion.

Following the sale, the Company's property was vacated and keys have been returned the Landlord. JLT were instructed to provide employers liability insurance until the keys were returned the Landlord.

Grievasons were instructed to clear the Company's offices, box up the Company's book and records and sell any assets not removed by the purchaser (although the value would be minimal). The estimated costs for preparing the valuation and clearing the offices are £2,500 plus VAT.

The Company's financial statements for the year ended 31 March 2016 included investments with a net book value of £13. The investments represent 100% of the issued share capital of Age Concern Newcastle (Services) Limited ("Services") and a 33% investment in the issued share capital of Age UK North of Tyne ("Age UK North") and Gateshead Enterprise Limited ("Gateshead"). Age UK North and Gateshead was jointly set up to develop their insurance and financial offerings. We have been contacted by Age UK North, who intend to take back the shares of Age Concern Newcastle Upon Tyne. The trading agreement has been forwarded to Ward Hadaway for review. We anticipate that the shares will be returned for minimal or no value.

Clumber have been instructed to assess the Company's pension scheme.

The company accountant Ernest & Young were instructed to finalise the payroll records including the production of the P45's. The estimated costs for completing this work is £800 plus VAT.

5.1.1 Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators has now completed their investigations and confirmed there is no evidence of mis-selling and therefore is no redress due to the Company.

5.2 SIP 16 statement

A pre-packaged sale of all/part of the company's assets has been made. Details of the sale and the circumstances surrounding it are given at Appendix P. Please note that the Administrators' role in the pre-appointment period, was to advise the company and not the directors in their personal capacity. Once appointed, when considering any sale or disposal of the company, its business or assets, the Administrators must perform their functions in the interests of the company's creditors as a whole. However, where the objective is to realise property in order to make a distribution to secured or preferential creditors, the Administrators have a duty to avoid unnecessarily harming the interests of creditors as a whole.

Please note that the Administrators' role in the pre-appointment period, in relation to the pre-packaged sale, was to advise the Company and not the directors in their personal capacity, or any parties connected with the purchaser, in connection with the transaction. When considering any sale or disposal of the Company, its business or assets, the Administrators must perform their functions in the interests of the Company's creditors as a whole. However, where the objective is to realise property in

order to make a distribution to secured or preferential creditors, the Administrators have a duty to avoid unnecessarily harming the interests of creditors as a whole.

5.3 Connected party transactions

There has been no transactions with connected parties.

5.4 Trading

The Company did not trade in the Administration.

5.5 Case specific

Ward Hadaway LLP ("Ward Hadaway") were instructed to prepare the necessary documentation to place the Company into Administration and file the necessary paperwork at court, prepare the sale documentation and licence to occupy.

Ward Hadaway have incurred costs of £8,661 plus VAT and disbursements for dealing with this matter, which remain unpaid.

In addition, Ward Hadaway have been instructed to review a trading agreement.

Grievasons were instructed to value the tangible assets of the Company and clear the Company's premises following the sale. We estimate the costs for preparing the valuation to be in the region of and clearing the Company's to be in the region of £2,500 plus VAT.

The Company's accountant Ernest & Young have prepared the final payroll including P45's. The estimated costs for completion are £800 plus VAT.

Clumber have been instructed to assess the Company's pension position and prepared an initial report. The estimated costs for undertaking this work is £600 plus VAT.

5.6 Administration and planning

Certain aspects of the work that the Joint Administrators are undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial benefit to creditors, is a necessary aspect of ensuring that the Joint Administrators are complying with both of their legislative and best practice responsibilities, and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Statutory filing of appointment documents at Companies House;
- Case planning and strategy;
- Maintaining and updating computerised case management records
- Undertaking file reviews;
- Request submission of Statement of Affairs;
- Dealing with routine correspondence not attributable to other categories of work
- Preparation of receipts and payments accounts, maintenance of cashiering records
- General administrative matters in relation to closing the case
- Corresponding with unsecured creditors
- Liaising with Director
- Liaising with Company's accountants
- Investigations regarding Company pension schemes
- Preparation and issue of statutory reports to creditors.
- Consideration of Health and Safety and environmental regulations

6 Creditors' claims and dividend prospects

The value at which creditors' claims are stated in the Estimated Financial Position are, as is required by legislation, those which are reflected in books and records of the Company. It is our view that the position appears relatively accurate based on our knowledge to date. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course,

initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The Joint Administrators are obliged to deal with a number of matters in relation to creditors to comply with both the legislative and best practice requirements and to ensure creditors are kept informed. Creditors will only derive an indirect financial benefit from this work on cases where a dividend has been paid or is due to be paid in the subsequent liquidation.

- Preparation and issue of progress reports and associated documentation
- Maintenance of schedules of preferential and unsecured creditors' claims
- Dealing with correspondence and telephone calls
- Where necessary, consideration of creditors' claims; acceptance or rejection of claims and complying with legislative obligations in relation to adjudication of creditors' claims generally for voting and, if applicable, dividend purposes
- Calculation and payment of dividend(s) to one or more classes of creditors

6.1 Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, the "Net Property" which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000.00 before costs.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986.

7 JOINT ADMINISTRATORS receipts and payments

We attach as Appendix C a summary of our receipts and payments.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

8 Creditor decision on proposals

The Joint Administrators have decided to seek a decision of the creditors by correspondence, pursuant to paragraph 51 of Schedule B1 to the Insolvency Act 1986, to consider the Administrators' proposals as set out at section 9 below.

Formal notice of the decision, together with all other relevant documentation and guidance is attached.

Notice is also attached inviting creditors to decide if a liquidation committee should be formed, if sufficient nominations are received prior to the date specified in the notice. Please note that, in order for a creditors' committee to be formed, there must be at least three creditors wishing to be represented on the committee, and no more than five. Guidance on acting as a committee member can be found at the R3 website, www.R3.org.uk. A hard copy can be requested by telephone, email or in writing to this office.

You may also wish to note that R3 have also produced general guidance on the different insolvency processes, which can again be located at their website.

9 Joint Administrators' proposals and resolutions

The Joint Administrators' proposals in relation to the Company are:

- 9.1** The Administrators should pursue the most appropriate method for realising assets for the benefit of creditors.
- 9.2** The Administrators should instruct Clumber Consultancy to assist deal with the Company's pension scheme.
- 9.3** The Administrators should continue to investigate and if appropriate, pursue any claims that they or the Company may have against any director or former directors, other third parties, officers or former

officers, advisers or former advisers of the Company. Company and/or its business is unachievable then the Administrators should consider and pursue the most appropriate alternative method of realising the assets for the benefit of the creditors.

- 9.4** The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- 9.5** The Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the administration or their proposals.
- 9.6** Subject to paragraph 10 below, the Company exits the administration by way of Dissolution. If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution will be made to unsecured creditors, which is not a prescribed part distribution, then the Company shall exit administration by Creditors Voluntary Liquidation.
- 9.7** That Steven Philip Ross and Karen Spears of RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD be appointed Joint Liquidators of the Company following the cessation of the administration and the Joint Liquidators will have the power to act jointly and severally.
- 9.8** For creditors to consider whether to appoint a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators.
- 9.9** In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators.
- 9.10** In the event that a Creditors' Committee is not established, then in accordance with the fee estimate provided to creditors at Appendix K to these proposals the Administrators shall be authorised to draw their remuneration based upon time costs limited to the sum of £41,601.00 (plus VAT).
- 9.11** In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix I. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.

Creditors are also asked to consider the following resolutions in relation to the outstanding pre-administration costs detailed at paragraphs 9.12 and 9.13 below and at Appendix O.

- 9.12** In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix O, in the sum of £20,900.00 (plus VAT), such disbursements to include 'category 2 disbursements' at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I.
- 9.13** In the event that a Creditors' Committee is not established, the Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix O, in the sum of £Nil (plus VAT).

10 Proposed exit from administration

It is proposed that the Company shall exit administration by dissolution.

If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution, which is not a prescribed part distribution, will be made to unsecured creditors, then the Company shall exit administration by Creditors Voluntary Liquidation.

If the Company exits administration by moving into Creditors' Voluntary Liquidation, it is proposed that Steven Philip Ross and Karen Spears of RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD be appointed Joint Liquidators of the Company following the cessation of the administration. The Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the liquidators may be done by all or any one or more of the persons holding the office in question.

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that:

- (a) the nomination is made, through a decision procedure, before the proposals (or any revised

proposals) are approved and;

- (b) Where the nomination relates to more than one person, or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

11 Costs and Joint Administrators' remuneration

11.1 Pre-administration costs

Details of the fees charged and expenses incurred by the Administrators prior to appointment are set out in Appendix O, together with details of the amounts paid to discharge these costs (if any), and the balance that remains unpaid (if any).

These fees were incurred in exploring the possibility of a third party sale via an Administration to. The work further achieved the purpose of the administration by allowing the optimal payment for work-in-progress to be received and an enhanced value for the assets compare to an auction sale.

To the best of my knowledge no fees were charged, or expenses incurred, by any other Insolvency Practitioner prior to my appointment.

I would advise you that payment of unpaid pre-administration costs as an expense of the administration is:

- (i) Subject to approval under the relevant legislation, and
- (ii) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986.

I can confirm that I have unpaid pre-administration costs of £20,900.00 (plus VAT).

Creditors are asked to consider resolutions as set out at paragraphs 9.12 and 9.13 to approve the payment of the Administrators' outstanding pre-appointment remuneration and expenses as detailed at Appendix O from the administration estate. Please note that, if a Creditors' Committee is appointed, it is for the Committee to consider these resolutions.

An analysis of time incurred prior to appointment is attached at Appendix N.

11.2 Approval for Joint Administrators' post appointment remuneration and disbursements

Creditors are asked to consider resolutions as regards the payment of the Administrators' remuneration and drawing certain disbursements from the administration estate.

It is for the creditors or, if a Creditors' Committee is appointed, the Creditors' Committee, to determine on what basis the administrator is to be remunerated; time cost, percentage, set fee or any combination of these and, where appropriate, the percentages or amounts of any set fee.

The Administrators are seeking approval for their post-appointment fees (remuneration) to be drawn on a time-cost basis in line with the fee estimate attached (Appendix K).

Creditors are asked to consider the resolution set out at paragraph 9.10 of the Administrators' proposals.

Our fee estimate has been prepared to incorporate the work that we anticipate will be done during the life of the appointment and based on the information currently available the Administrators do not anticipate that it will be necessary to seek approval from creditors to increase their fees. For the avoidance of doubt, creditors will be provided with a further fee estimate in relation to the fees of any succeeding liquidator should the Company exit administration via liquidation.

Should the scope change or the assumptions prove to be inaccurate, it may result in additional cost being incurred in dealing with the administration. That may be as a result of certain work that has already been identified proving to be more complex and time-consuming than anticipated, a greater level of stakeholder engagement, or because new matters come to light of which the Administrators are not presently aware. Should such circumstances arise the Administrators may need to seek approval from the creditors to increase their fees.

If so approved, the maximum amount that the Joint Administrators will be able to draw in relation to their

post-appointment fees will be £41,601, ie the total of the fee estimate (plus VAT). They will not be allowed to draw more than that amount unless they obtain further approval of the creditors.

11.3 Joint Administrators' post appointment costs incurred in the period from 27 March 2018

Since appointment, the Joint Administrators have incurred time costs of £10,305.50. An analysis of time incurred in the period is attached at Appendix M.

Details of the work that has been done to date and the benefit to creditors are explained in Section 5 above.

11.4 Post-appointment expenses and category 1 disbursements

The Administrators consider that post-appointment expenses (including category 1 and category 2 disbursements of £17,889.22 are likely to be incurred in the administration. A breakdown of these estimated expenses and disbursements is attached at Appendix L.

Based on the information currently available we expect the expenses will not exceed those set out in the attachment.

11.5 Post-appointment category 2 disbursements

Category 2 disbursements include elements of shared or overhead costs. Insolvency guidelines require these to be identified separately and are subject to approval as if they were remuneration. The current rates are attached at Appendix I and details of category 2 disbursements already incurred are attached at Appendix J. No category 2 disbursements have been drawn and none can be drawn until creditor approval has been obtained.

In the event that a Creditors' Committee is not appointed, creditors are asked to consider the resolution set out at paragraph 9.11 of the Joint Administrators' proposals.

11.6 Guide to Administrators fees

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

12 EC regulations

It is considered that the EC regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC regulations as the centre of main interest of the Company is in the UK.



Steven Philip Ross
RSM Restructuring Advisory LLP
Joint Administrator

Encls

Steven Philip Ross is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
Karen Spears is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without personal liability

Appendix A

Statutory, dividend and other information

Company Information	
Registered name:	Age Concern Newcastle upon Tyne
Company number:	02916037
Date of incorporation:	06 April 1994
Previous registered name(s) in the last 12 months:	N/A
Trading name:	Age UK Newcastle
Trading address:	Mea House 2nd Floor, Ellison Place, Newcastle-Upon-Tyne, Tyne And Wear, NE1 8XS
Principal activity:	Social work activities
Registered office:	RSM Restructuring Advisory LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD Previously Mea House 2nd Floor, Ellison Place, Newcastle-Upon-Tyne, Tyne And Wear, NE1 8XS
Share capital: Nominal & issued share capital	N/A limited by guarantee and a Charity
Shareholders:	N/A limited by guarantee and a Charity
Directors / Trustees:	Charlotee Elise Carpenter Mark Curry Johanne Geary Mary Nicholls William John Peacock Veena Soni Barry Neil Speker Philip Aneurin Thomas
Secretary:	Lynn Johnson
Mortgages & charges:	None
Appointor:	Directors

Administration information	
Joint Administrators:	Steven Philip Ross and Karen Spears
Date of appointment:	27 March 2018
Functions of Administrator(s):	The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.

Correspondence address & contact details of case manager	Kelly Allison 0191 255 7000 RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD	
Name, address & contact details of Joint Administrators	Primary Office Holder Steven Philip Ross RSM Restructuring Advisory LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD 0191 2557000 IP Number: 9503	Joint Office Holder: Karen Spears RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London EC4A 4AB 0203 201 8421 IP Number: 8854

Dividend prospects	Estimated amount owed per SOA	Paid to date	Estimated future prospects
Secured creditor	N/A	N/A	N/A
Preferential creditors	£10,934.80	NIL	NIL
Unsecured creditors	£740,198	NIL	NIL
Estimated net property	N/A		
Estimated prescribed part available for unsecured creditors	N/A		

Age Concern Newcastle upon Tyne**Appendix B – Estimated Statement of Financial Position****A Summary of Assets**

	Book Value	Estimated to Realise
	£	£
Assets Subject to Specific Charge		
Assets Subject to Fixed Charge		
Assets Subject to Floating Charge		
Assets not Subject to Charge		
Debtors (Pre-Appointment)	102,949	47,000
Goodwill	0	1
Investments	324	0
Office equipment	11,239	2,585
Work In Progress	12,000	12,000
Available to preferential creditors	126,512	61,586

Statement of affairs - Age Concern Newcastle upon Tyne

B Summary of Liabilities

		Estimated to Realise
	£	£
Estimated total assets available for preferential creditors		61,586
Liabilities		
Wages	(7,248)	
Holiday Pay	(3,686)	
		(10,935)
Estimated Surplus (Deficiency) as regards preferential creditors		50,651
Estimated total assets available for floating charge holders		50,651
Debts secured by floating charge		0
Total assets available to unsecured creditors		50,651
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Age UK Loan	(131,000)	
Employees	(44,288)	
HM Revenue and Customs	(65,003)	
Newcastle City Council Loan	(333,000)	
Trade and Expense Creditors	(119,908)	
Tyne & Wear Pension fund	(47,000)	
		(740,198)
Estimated Surplus (Deficiency) as regards non preferential creditors (excluding any shortfall to floating charge holders)		(689,547)
Share Capital:		
Estimated Surplus (Deficiency) as regards members		(689,547)
The total number of employees included in the above summary is 12 and the total of their claims is £55,222.69.		
The total number of consumers included in the above summary is 0 and the total of their claims is £0.00.		

NOTES:

- The Estimated Statement of Affairs, which should be read in conjunction with the attached notes, does not take into account the costs of the Insolvency process.

B1 COMPANY CREDITORS EXCLUDING EMPLOYEES AND CONSUMERS - AGE CONCERN NEWCASTLE UPON TYNE

NOTE: Includes all creditors (except employees, former employees and consumers who have paid in advance). Creditors under hire-purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession are identified under 'Details of any security held'

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
1st Storage Centres Limited	Industry Road Newcastle upon Tyne NE6 5XB	138.85			0.00
Advanced Health & Care Ltd	Ditton Park, Riding court Road, Datchet, Berkshire SL3 9LL	3,743.15			0.00
Age UK	Gateshead, 341-343 High Street, Gateshead Tyne & Wear NE8 1EQ	5,075.00			0.00
Age UK	Nroth Tyneside - Charity, 13 Saville Street West, North Shields Tyne & Wear NE29 6QB	5,075.00			0.00
Age UK	Sunderland, Bradbury Centre, Stockton Road, Sunderland Tyne & Wear SR2 7AQ	5,075.00			0.00
AGE UK	Tavis House 0.00	1-6 Tavistock Square	London WC1H 9NA	131,000.00	
ALPHAGRAPHS	8-9 VANGUARD COURT, PRESTON FARM STOCKTON-ON- TEES TS18 3TR	88.28			0.00
Ann Frenfell	24 Braeside, Dunston, Gateshead Tyne & Wear NE11 9RE	60.00			0.00
Atlas Cloud Ltd	The Messanine, 2 Collingwood Street Newcastle upon Tyne NE1 1JF	4,148.40			0.00
Aztec Colour Print	8 Bridgewater Road, Herburn Industrial Estate, Washington Tyne & Wear NE37 2SG	1,038.00			0.00
Brown and Illingworth Ltd	Unit 4, The Preserving Works, Shelly Road,	339.72			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
	Newburn Ind Est Newcastle upon Tyne NE15 9RT				
Care Quality Commission	Phoenix House, Topcliffe Lane Wakefield WF3 1WE	0.00			0.00
Charity Commission	PO Box 211 Bootle L20 7YX	1.00			0.00
Companies House	PO Box 710, Crown Way Cardiff CF143UZ	375.00			0.00
Complete Business Solutions Group Ltd	Daughters Court, Silkwood Park Wakefield WF5 9TQ	643.89			0.00
Convey Bros	14 Hadrian Court, Team Valley Trading Estate, Gateshead Tyne & Wear NE11 0XW	33.60			0.00
C-Pac	3, Seven Mile House Cottages, Old Great North Road Newcastle upon Tyne NE136BS	0.00			0.00
Creative Space Management Ltd	Science Central, Bath Lane Newcastle upon Tyne NE4 5TF	110.40			0.00
Denton Burn Community Association	Slatyford Lane, Denton Burn Newcastle upon Tyne NE5 2UQ	132.00			0.00
Diners Club International	Affiniture Cards Ltd, Internal House, Kingsfield Court, Chester Business Park Chester CH4 9RF	4.05			0.00
Dizions Limited	Dizons Ltd, Overross House, Ross Park Ross- on-Wye HR9 7QQ	1,026.00			0.00
E.ON	E.ON Insolvency, Newlands House, 49 Mount Street Nottingham NG1 6PG	0.00			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
EE LIMITED	PO Box 52, Sheffield S98 1DX	147.74			0.00
Elders Council	Room 2.38 Biomedical Research Unit, Campus for Ageing and Vitality, General Hospital Newcastle upon Tyne NE4 5PL	18,000.00			0.00
Ernest & Young LLP	Regional Accounting Centre, Citygate, St James Boulevard Newcastle upon Tyne NE1 4JD	6,000.00			0.00
Fitness.com	16 Warwick Grove, Bedlington Tyne & Wear NE22 6NW	140.00			0.00
G4S Cash Services Limited	G4S Finance Shared Service Centre, Carlton House, Carlton Road Worksop S81 7QF	322.04			0.00
GB Group Plc	GB House, Kingsfield Court, Chester Business Park Chester CH4 9GB	54.99			0.00
Gosforth Garden Village Association	c/o John Fisher, 2 Fernwood Avenue, Gosforth Newcastle upon Tyne NE3 5DJ	54.00			0.00
Greenstar Commercial Cleaning	Paygate Works Crawcrook NE40 4PA	187.20			0.00
Grenke	Saxon House, 3 Onslow Street, Guildford, Surrey GU1 4SY	251.38			0.00
Harveys of Oldham (Holdings) Limited	Glodwick Road, Oldham Lancs OL4 1YU	379.62			0.00
HM Revenue & Customs	Business Tax Operations Unit, CT Services, PO Box 29997 Glasgow G70 5AB	1.00			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
HM Revenue & Customs	ICHU, Benton Park View, Longbenton Newcastle upon Tyne NE98 1ZZ	65,000.00			0.00
HM Revenue & Customs BX55AB	Field Force, HMRC, DMB103 BX55AB	1.00			0.00
HM Revenue and Customs	Debt Management, Enforcement & Insolvency Service, Durrington Bridge House, Barrington Road, Worthing West Sussex BN12 4SE	1.00			0.00
HM Revenue and Customs	ICHU, BP3202, Benton Park View, Longbenton Newcastle upon Tyne NE98 1ZZ	1.00			0.00
Insolvency Service, Redundancy Payments	PO Box 16685 Birmingham B2 2LX	0.00		14/03/2018	0.00
Inspirat Tajji & Qigong	7 Princess Street, North Shields Tyne & Wear NE30 2HZ	100.00			0.00
Kenton Park Sports Centre	Anfield road, North Kenton Newcastle upon Tyne NE3 3LL	198.00			0.00
LDF Finance No. 1 Limited	Dee House, St David's Park, Flintshire CH5 3XF	21,308.28			0.00
Link Mailing Systems	Cranage House, Mandarin Court, Warrington Cheshire WA1 1GG	84.00			0.00
Lloyds Bank Commercial Banking	Business Card Services Pitreavie Business Park Dunfermline KY99 4BS	505.28			0.00
Lloyds Banking Group	Lloyds Banking Group Commercial, 6th Floor, 102 Grey Street Newcastle upon Tyne NE99 1SL	1.00			0.00
Mailcoms Accounts	PO Box 4 Cannock WS12 4GS	161.94			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Maintenance Network Ltd	34 Leicester Close, Hadrian Lodge, Wallsend Tyne & Wear NE28 9YY	150.96			0.00
Mindfulness Based Therapies C.I.C	Lower Ground Floor, British India House, 15 Carlion Square Newcastle upon Tyne NE1 6UF	300.00			0.00
Motcomb Estate Limited	24-14 Millbank London SW1P 4QP	6,966.00			0.00
National Car Parks Ltd	PO Box 6149 Wolverhampton WV1 9RT	768.96			0.00
Naylord	Hadrian House, Higham Place Newcastle upon Tyne NE1 8AF	1,080.00			0.00
NCS Group	65 Rodney Street Glasgow G4 9SQ	3.60			0.00
NEPCS	3 Marwood Court Whitley Bay NE25 9XR	1,473.89			0.00
Newcastle City Council	Income and Recovery Team, Newcastle City Council, Civic Centre Newcastle upon Tyne NE18QH	0.00			0.00
Newcastle City council	Internal Banking Section, Civic Centre Newcastle upon Tyne NE99 2PT	333,000.00			0.00
Newcastle University	Income Section, Newcastle University, King's Gate Newcastle upon Tyne NE1 7RU	864.93			0.00
Newcastle upon Tyne Hospitals NHS	Regent Point, Regent Farm Road, Gosforth Newcastle upon Tyne NE3 3HD	384.00			0.00
Noda Taxis Ltd	37a Hadrian Road, Fenham, Newcastle upon Tyne NE4 9HN	42.67			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Northern Creative Solutions	Good Space, Floor 2, Commercial Union House, 39 Pilgrim Street Newcastle upon Tyne NE1 6QE	24,265.43			0.00
Nova International Ltd	Newcastle House, Albany Court, Monarch Road Newcastle upon Tyne NE4 7YB	380.00			0.00
Paul Nathan	20 Newington Drive, North Shields Tyne & Wear NE29 9JA	400.00			0.00
Pension Protection Fund	Renaissance, 12 Dingwall Road Croydon CR0 2NA	0.00			0.00
Postage By Phone	Building 5, Trident Place, Hatfield Business Park, Mosquito Way Hertfordshire AL109UJ	0.00			0.00
Premium Credit Limited	Ermyrn House, Ermyrn Way, Leatherhead Surrey KT22	1,440.18			0.00
Principal	Principal House, Parsonage Business Park, Horsham West Sussex RH12 4AL	51.88			0.00
Royal Mail plc	Revenue Management Centre, Royal Mail House, Stone Hill Road, Farnworth Bolton BL4 9XX	93.12			0.00
Sage (UK) Limited	North Park Newcastle upon Tyne NE13 9AA	3,079.65			0.00
Secure Collections Ltd	Suite 6,, Centre For Advanced Industry, Coble Dene, North Shields Tyne & Wear NE29 6DE	54.00			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Short Richardson & Forth LLP	4 Mosley Street Newcastle upon Tyne NE1 1DE	483.00			0.00
Shred-It Limited	177 Cross Road, 2nd Floor Corner House Manchester M33 7JQ	323.56			0.00
St Silas PCC	c/o Christine Barnes, 1 Stratford Grove Terrace Newcastle upon Tyne NE6 5BA	100.00			0.00
Taras Properties Ltd	C/O GVA , Central Square, Forth Street, Newcastle upon Tyne, NE13PJ	0.00			0.00
The Calista Group Limited	4 Old Park Lane, Mayfair London W1K 1QW	192.00			0.00
The MEA Trust	MEA House, Ellison Place Newcastle upon Tyne NE1 8XS	52.80			0.00
Thomas Higgins Limited	Lloyds Chambers, 19-21 Seaview Road, Wallasey CH45 4TH	3.60			0.00
Tomorrows Guides	Unit 4, Station Yard, Station Road Hungerford RG17 0DY	180.00			0.00
Towergate Insurance	Towergate House, Eclipse Park, Sittingbourne Road, Maidstone, Kent ME14 3EN	16.73			0.00
Tribune Office Solutions	Gibside House, Waterside Drive Gateshead NE11 9HU	424.03			0.00
Tyne & Wear Pension Fund	Tyne & Wear	47,000.00			0.00
UKHCA	Sutton Business Centre, Restmor Way, Wallington Surrey SM6 7AH	458.75			0.00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Urban River Creative Ltd	75 King Street, South Shields Tyne & Wear NE33 1DP	714.00			0.00
Ward Hadaway Solutions	Sandgate House, 102 Quayside Newcastle upon Tyne NE1 3DX	156.00			0.00

Appendix C

Receipts and Payments Abstract: 1100322 - Age Concern Newcastle upon Tyne In Administration

Bank, Cash and Cash Investment Accounts: All Dates

SOA Value £		£	£
	ASSET REALISATIONS		
0.00	Bank Interest Gross	0.20	
47,000.00	Debtors (Pre-Appointment)	48,724.69	
1.00	Goodwill	1.00	
2,585.00	Office equipment	0.00	
12,000.00	Work In Progress	12,000.00	
			60,725.89
	COST OF REALISATIONS		
0.00	Pension Advice	(500.00)	
0.00	Statutory Advertising	(84.60)	
	VAT Irrecoverable	(116.92)	
			(701.52)
	PREFERENTIAL CREDITORS		
(3,686.35)	Holiday Pay	0.00	
(7,248.45)	Wages	0.00	
			0.00
	UNSECURED CREDITORS		
(131,000.00)	Age UK Loan	0.00	
(44,287.89)	Employees	0.00	
(65,003.00)	HM Revenue and Customs	0.00	
(333,000.00)	Newcastle City Council Loan	0.00	
(119,907.55)	Trade and Expense Creditors	0.00	
(47,000.00)	Tyne & Wear Pension fund	0.00	
			0.00
(689,547.24)			60,024.37
	REPRESENTED BY		
	Allied Irish Current Account	1,023.37	
	Cash with Solicitors	59,001.00	
			60,024.37
			60,024.37

Appendix D

In the Newcastle upon Tyne District Registry No 0154 of 2018

Age Concern Newcastle upon Tyne Administration

Company No: 02916037

STEVEN PHILIP ROSS AND KAREN SPEARS appointed as Administrators to the above company on 27 March 2018

Administrators' proposals delivered to the creditors on: 22 May 2018

DECISION DATE: 6 June 2018

Notice Seeking Decision on the Administrators' proposals by a Qualifying Decision Procedure Pursuant to Section 246ZE of the Insolvency Act 1986 and Rule 3.38 of the Insolvency (England and Wales) Rules 2016.

NOTICE IS HEREBY GIVEN to the creditors of the above named company seeking their decision on the Administrators' proposals as set out below.

The decision is being sought by correspondence.

A voting form is attached, detailing the matters which require your decision, which should be completed and returned to me on or before the decision date.

Please note that, in order to be able to vote you must have submitted a proof of debt form on or before the decision date, and that proof must have been admitted for the purposes of entitlement to vote.

CREDITORS who have OPTED OUT from receiving notices may nevertheless vote if the creditor provides a proof and voting form in accordance with the above provisions.

CREDITORS whose debts are treated as a SMALL DEBT in accordance with Rule 14.31(1) of the Insolvency (England & Wales) Rules 2016 must still deliver a proof if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

The decisions on the following matters will be deemed to have been made at 23.59 hours on the decision date unless the threshold for requisitioning a physical meeting is met or exceeded within the requisite time scale.

A creditor who disagrees with the manner in which they are treated in relation to the above decision procedure may appeal to the Court within 21 days of the decision date.

Request for Physical Meeting

Creditors may request that a physical meeting of creditors be held to consider the proposed decision. Any such request must be made, in writing, to the address below, on or before 30 May 2018. Any such request must be accompanied by a completed form of proof.

A physical meeting will be held if requisitioned by either 10% in value of the company's creditors, or 10% in number of the company's creditors or 10 of the company's creditors (collectively 'the requisition threshold'). If the threshold is met or exceeded, the proposed decision procedure will be terminated (and the proposed decisions will not be deemed to have been made and a physical meeting of creditors will then be held).

Administrators' proposals

1. The Administrators' proposals as set out at paragraphs 9.1 to 9.8 of the report delivered to creditors on 22 May 2018 are approved.
2. For creditors to consider whether to appoint a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators.
3. In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators.

4. In the event that a Creditors' Committee is not established, then in accordance with the fee estimate provided to creditors at Appendix K to these proposals the Administrators shall be authorised to draw their remuneration based upon time costs limited to the sum of £41,601.00 (plus VAT).
5. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix I to the Administrators' proposals. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.
6. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix O to the Administrators' proposals, in the sum of £20,900.00 (plus VAT), such disbursements to include 'category 2 disbursements' at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I to the Joint Administrators' proposals.
7. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix O to the Administrators' proposals, in the sum of £Nil.

Manager contact details:

Kelly Allison

RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD

Tel: 0191 255 7000

Email: restructuring.newcastle@rsmuk.com

Name, address & contact details of Joint Administrators

Primary Office Holder

Steven Philip Ross

RSM Restructuring Advisory LLP

1 St James' Gate

Newcastle upon Tyne NE1 4AD

Tel: 0191 2557000

Email: restructuring.newcastle@rsmuk.com

IP Number: 9503

Joint Office Holder:

Karen Spears

RSM Restructuring Advisory LLP

9th Floor, 25 Farringdon Street

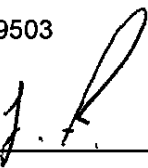
London EC4A 4AB

Tel: 0203 201 8421

Email: rrlondon.core@rsmuk.com

IP Number: 8854

Signed



Dated 22 May 2018

Joint Administrators

NOTE: Please complete the enclosed claim form and return it together with a detailed statement of your account, and voting form, and any other relevant documentation to Kelly Allison, at the address above.

Appendix E

Voting Paper – Qualifying Decision Procedure Administrators' Proposals

Decision date: 6 June 2018

Company Name: Age Concern Newcastle upon Tyne Administration
Company No: 02916037

If you wish your vote to be counted please ensure you return this form, duly completed together with a proof of debt form (if one has not already been submitted) and a detailed statement of your claim **on or before the decision date stated above.**

Voting Instructions for Decisions

- | | |
|---|----------------|
| 1. The Joint Administrators' proposals as set out at paragraphs 9.1 to 9.8 of the report delivered on 22 May 2018 are approved. | For / Against* |
| 2. To appoint a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators. (Note: If you vote in favour of this resolution please ensure you nominate a representative below) | For / Against* |
| 3. In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators. | For / Against* |
| 4. In the event that a Creditors' Committee is not established, then in accordance with the fee estimate provided to delivered to creditors on 22 May 2018 at Appendix K to the Joint Administrators' proposals the Administrators shall be authorised to draw their remuneration based upon time costs limited to the sum of £41,601.00 (plus VAT). | For / Against* |
| 5. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix I to the Joint Administrators' proposals. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation. | For / Against* |
| 6. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix O to the Joint Administrators' proposals, in the sum of £20,900.00) (plus VAT), such disbursements to include 'category 2 disbursements' at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I to the Joint Administrators' proposals. | For / Against* |
| 7. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix O to the Joint Administrators' proposals, in the sum of £Nil. | For / Against* |

- | | |
|---|----------------|
| 8. Name, address and contact details of nominated creditors (up to 5) for whom you wish to vote for appointment to the creditors' committee of Age Concern Newcastle upon Tyne. | 1.
2.
3. |
| Note: each creditor must complete a consent to act form (see attached) | 4.
5. |

I confirm that I am / I am not a connected party or associate of the company as defined by Sections 249 and 435 of the Insolvency Act 1986.

Name of Creditor _____

Address of Creditor _____

Signed: _____ Date: _____

Name in BLOCK LETTERS _____

Position of signatory in relation to creditor, if not the creditor _____

Appendix F**Rule 14.4 Insolvency (England and Wales) Rules 2016****Proof of Debt**

In the Newcastle upon Tyne District Registry No 0154 of 2018 Age Concern Newcastle upon Tyne In Administration Company No: 02916037 Steven Philip Ross and Karen Spears appointed as Administrators to the above company on 27 March 2018		
Relevant date for creditors' claims: 27 March 2018		
1	Name of creditor If a company please also give company registration number	
2	Address of creditor for correspondence.	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date. Less any payments made after that date in relation to the claim, any deduction in respect of discounts and any adjustment by way of mutual dealings and set off in accordance with relevant legislation	£
4	Details of any documents by reference to which the debt can be substantiated. There is no need to attach them now unless the Joint Administrator has requested it	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6	Particulars of how and when debt incurred If you need more space append a continuation sheet to this form	
7	Particulars of any security held, the value of the security, and the date it was given.	£ Date
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Date	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	

Notes:

1. This form can be authenticated for submission by email, to restructuring.newcastle@rsmuk.com, by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Appendix G

Rules: 3.39; 4.15; 6.19; 7.55 and 10.76 of the Insolvency (England and Wales) Rules 2016

In the Newcastle upon Tyne District Registry No 0154 of 2018

Age Concern Newcastle upon Tyne In Administration

Company No: 02916037

Steven Philip Ross and Karen Spears appointed as Administrators to the above company on 27 March 2018

Notice delivered to the creditors on: 22 May 2018

Notice to creditors and contributories inviting establishment of committee

Notice is hereby given that creditors are invited to decide whether a creditors'/liquidation committee ('committee') should be established, provided that there are no fewer than three and no more than five creditors wishing to be represented on the committee. Nominations are invited for membership of any committee so established, such nominations to be received at 1 St James' Gate, Newcastle upon Tyne NE1 4AD no later than 30 May 2018. Nominations will only be accepted from creditors who have submitted a proof of debt which is not fully secured and has neither been disallowed for voting purposes nor wholly rejected for dividend purposes.

Please note that, in order for a creditors' committee to be formed, there must be at least three creditors wishing to be represented on the committee. There can be no more than five committee members.

Guidance on acting as a committee member can be found at the R3 website, www.R3.org.uk. A hard copy can be requested by telephone, email or in writing to this office.

You may also wish to note that R3 have also produced guidance on the different insolvency processes, which can again be located at their website.

Enclosed with this notice are a proof of debt form and a consent to act, both of which should be completed and returned to the above address by the date given above in order for your nomination to the committee to be considered further. If you have already submitted a proof of debt form you do not need to do so again.

Name, address & contact details of Joint Administrators

Primary Office Holder

Steven Philip Ross
RSM Restructuring Advisory LLP
1 St James' Gate
Newcastle upon Tyne NE1 4AD
Tel: 0191 2557000
Email: restructuring.newcastle@rsmuk.com
IP Number: 9503

Joint Office Holder:

Karen Spears
RSM Restructuring Advisory LLP
9th Floor, 25 Farringdon Street
London EC4A 4AB
Tel: 0203 201 8421
Email: rrlondon.core@rsmuk.com
IP Number: 8854

Dated: 22 May 2018



Steven Philip Ross
RSM Restructuring Advisory LLP
Joint Administrator

NOTE: Please complete the enclosed proof of debt form and consent to act form and return them, to Kelly Allison, RSM Restructuring Advisory LLP 1 St James' Gate, Newcastle upon Tyne NE1 4AD.

Rule 17.5 of the Insolvency (England and Wales) Rules 2016
In the Newcastle upon Tyne District Registry No 0154 of 2018
Age Concern Newcastle upon Tyne In Administration
Company No: 02916037

Steven Philip Ross and Karen Spears appointed as Administrators to the above company on 27 March 2018 Creditors' committee consent to act

If you personally are a creditor, please complete only Part A of this form

If you represent a creditor (eg your employer), please complete only Part B

Part A

I hereby consent to act as a member of the Creditors' committee in respect of the Joint Administrators of the above-named.

Your name: _____

Your address: _____

Telephone: _____

E-mail: _____

Please sign here: _____

Dated: _____

Part B

I am duly authorised by proxy to act as a representative of the below named company as its representative on the Creditors' committee in respect of the Joint Administrators of the above-named, and hereby consent to do so.

Representative's name: _____

Creditor represented: _____

Representative's position
in relation to the creditor: _____

Representative's address: _____

Telephone: _____

E-mail: _____

Please sign here: _____

Dated: _____

Appendix H

RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- *Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.*
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Newcastle are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Newcastle will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix I

Joint Administrators' current charge out and disbursement rates

Hourly charge out rates	Rates at commencement £	Current rates £
Partner	385.00 to 485.00	500.00
Directors / Associate Directors	275.00 to 330.00	275.00 to 330.00
Manager	215.00 to 275.00	215.00 to 275.00
Assistant Managers	230.00	230.00
Administrators	145.00 to 215.00	145.00 to 215.00
Support staff	78.00 to 127.00	78.00 to 127.00

Category 2 disbursement rates	
Internal room hire	£100 per hour
Subsistence	£25 per night (from 3 rd September 2013)
Travel (car)	42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix J

Category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest			
Recipient, type and purpose	£		
	Incurred to date	Paid to date	Unpaid to date
None	-	-	-
Total	-	-	-

Appendix K

[illegible]

Appendix L**Estimate of all expenses likely to be incurred by Joint Administrators in the administration**

	£		
	Incurred to date	Expected future	Expected total
Bond	85.00	NIL	85.00
Statutory advertising	84.60	169.20	253.80
Website fee	13.00	NIL	13.00
Travel Expenses	7.92	20.00	27.92
Postage	NIL	200.00	200.00
Chattel asset agent valuation and clearance of premises (estimated)	2,500.00	Nil	2,500.00
Legal fees	8,711.50	2,500.000	11,211.50
Pension advice	600.00	2,000.00	2,600.00
Insurance	198.00	Nil	198.00
Accountants fees	800.00	Nil	800.00
Total	13,000.02	4,889.20	17,889.22

Appendix M

Joint Administrators' post appointment time cost analysis for the period from 27 March 2018 to 27 April 2018

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning										
Appointment	0.00	0.00	0.00	0.00	0.00	4.00	0.00	4.00	£ 860.00	215.00
Background information	0.00	0.00	0.00	0.00	0.00	11.20	0.00	11.20	£ 784.00	70.00
Case Management	0.00	0.00	2.00	0.00	0.00	1.70	0.20	3.90	£ 1,030.50	264.23
Post-appointment - general	0.00	0.00	1.00	0.00	0.00	5.60	0.00	6.60	£ 1,479.00	224.09
Receipts and Payments	0.10	0.00	0.00	0.00	0.00	0.40	0.00	0.50	£ 136.00	272.00
Total	0.10	0.00	3.00	0.00	0.00	22.90	0.20	26.20	£ 4,289.50	163.72
Investigations										
Investigations/CDDA	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.80	£ 264.00	330.00
Total	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.80	£ 264.00	330.00
Realisation of Assets										
Assets - general/other	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.50	£ 107.50	215.00
Debtors & sales finance	0.00	0.00	0.70	0.00	0.00	0.00	0.00	0.70	£ 231.00	330.00
Land and Property	0.00	0.00	0.60	0.00	0.00	0.00	0.00	0.60	£ 198.00	330.00
Sale of business	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.20	£ 43.00	215.00
Total	0.00	0.00	1.30	0.00	0.00	0.70	0.00	2.00	£ 579.50	289.75
Creditors										
1st creditors/shareholders meetings and reports	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.80	£ 264.00	330.00
Employees	0.00	0.00	0.00	0.00	0.00	5.00	0.30	5.30	£ 1,099.00	207.36
Other Creditor Meetings and Reports	0.00	0.00	0.00	0.00	0.00	0.00	1.60	1.60	£ 128.00	80.00
Unsecured Creditors	0.00	0.00	0.80	0.00	0.00	16.10	0.00	16.90	£ 3,681.50	217.84
Total	0.00	0.00	1.60	0.00	0.00	21.10	1.90	24.60	£ 5,172.50	210.26
Total Hours (From Jan 2003)	0.10	0.00	6.70	0.00	0.00	44.70	2.10	53.60	£ 10,305.50	192.27
Total Time Cost (From Jan 2003)	£ 50.00	£ 2,101.00	£ 0.00	£ 0.00	£ 0.00	£ 7,986.50	£ 168.00	£ 10,305.50		
Total Hours	0.10	0.00	6.70	0.00	0.00	44.70	2.10	53.60	£ 10,305.50	192.27
Total Time Cost	£ 50.00	£ 2,101.00	£ 0.00	£ 0.00	£ 0.00	£ 7,986.50	£ 168.00	£ 10,305.50		
Average Rates	500.00	313.58	0.00	0.00	0.00	178.67	80.00	192.27		

Appendix N

Joint Administrators' pre-appointment time cost analysis

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning										
Appointment	0.00	0.00	0.60	0.00	0.00	1.30	0.00	1.90	£ 477.50	251.32
Background information	0.00	0.00	22.20	0.00	0.00	0.00	0.00	22.20	£ 7,326.00	330.00
Pre-appointment matters	0.00	0.00	7.30	0.00	0.00	6.30	0.00	13.60	£ 3,539.50	260.26
Receipts and Payments	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.40	£ 86.00	215.00
Total	0.00	0.00	30.10	0.00	0.00	8.00	0.00	38.10	£ 11,429.00	299.97
Realisation of Assets										
Debtors & sales finance	0.00	0.00	0.60	0.00	0.00	0.00	0.00	0.60	£ 198.00	330.00
Sale of business	0.00	0.00	20.30	0.00	0.00	0.00	0.00	20.30	£ 6,699.00	330.00
Total	0.00	0.00	20.90	0.00	0.00	0.00	0.00	20.90	£ 6,897.00	330.00
Creditors										
Employees	0.00	0.00	7.80	0.00	0.00	0.00	0.00	7.80	£ 2,574.00	330.00
Total	0.00	0.00	7.80	0.00	0.00	0.00	0.00	7.80	£ 2,574.00	330.00
Total Hours (From Jan 2003)	0.00	0.00	58.80	0.00	0.00	8.00	0.00	66.80	£ 20,900.00	312.87
Total Time Cost (From Jan 2003)	£ 0.00	£ 0.00	£ 19,250.00	£ 0.00	£ 0.00	£ 1,650.00	£ 0.00	£ 20,900.00		
Total Hours	0.00	0.00	58.80	0.00	0.00	8.00	0.00	66.80	£ 20,900.00	312.87
Total Time Cost	£ 0.00	£ 0.00	£ 19,250.00	£ 0.00	£ 0.00	£ 1,650.00	£ 0.00	£ 20,900.00		
Average Rates	0.00	0.00	327.38	0.00	0.00	206.25	0.00	312.87		

Appendix O

Analysis of pre-administration costs

Pre-administration costs incurred			
	£		
	Incurred	Paid	Unpaid
Administrators' fees	20,900.00	NIL	20,900.00
Administrators' expenses	NIL	NIL	NIL
Fees charged (by another Insolvency Practitioner)	NIL	NIL	NIL
Expenses incurred (by another Insolvency Practitioner)	NIL	NIL	NIL
Total	20,900.00	NIL	20,900.00

Pre-administration costs paid & identity of payer			
	By whom paid	Date paid	Amount (£)
Administrators' fees	N/A	N/A	NIL
Administrators' expenses	N/A	N/A	NIL
Fees charged (by another Insolvency Practitioner)	N/A	N/A	NIL
Expenses incurred (by another Insolvency Practitioner)	N/A	N/A	NIL
Total	N/A	N/A	NIL

Appendix P

SIP 16 statement

Age Concern Newcastle upon Tyne In Administration

SIP 16 STATEMENT

Rationale for a Pre-Pack Sale

In accordance with Paragraph 2 to Schedule B1 of the Insolvency Act 1986 (as amended), the Administrators intend to pursue the statutory objective of achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration). It is the view of the Administrators that the transaction enables the statutory purpose to be achieved and that the sale price achieved is the best reasonably obtainable in all the circumstances because it allows for a payment of goodwill, maximises the return for the work in progress and also the value of assets.

Disclosures

Initial introduction

- The source (to be named) of the initial introduction to the insolvency practitioner and the date of the administrator's initial introduction.

Karen Spears was introduced to Lynn Johnson of Age Concern Newcastle by Matthew Simkins of Crondall Consulting on 24 January 2018

Pre appointment considerations

- The extent of the administrator's (and that of their firm, and/or any associates) involvement prior to appointment.

Karen Spears of RSM met with the Board on 31 January at which point, she advised them of their options, duties and responsibilities. Advice was also given on continuing to trade whilst seeking a solvent merger.

A further meeting took place on 19 February with one of the Trustees, Newcastle City Council and with Age UK National at which point, Age UK National advised that they would no longer support the business nor underwrite the costs of a transfer.

Following on from this, Steve Ross, Matt Higgins and Kelly Allison have engaged with the client and a number of meetings have been held with the Trustees and Chief Executive. Given the level of debt, it was not possible to conclude a solvent merger, and as a result it became clear that an insolvent solution would be necessary.

During March, the Trustees and the Chief Executive have liaised with Age UK National and other local organisations and have been successful in transferring all of the charitable aspects of the business to ensure ongoing support either locally or via national support telephone lines.

We have assisted with this, and have also been involved in the marketing of the domiciliary care business.

- The alternative options considered, both prior to and within formal insolvency by the insolvency practitioner and the company, and on appointment the administrator with an explanation of the possible outcomes.

The Trustees have looked at a merger/consolidation with other Age Concern charities locally, but this could not be resolved due to funding issues (which would not be supported or underwritten by Age Concern UK nationally) and the resultant TUPE liabilities regarding pensions.

A Company Voluntary Arrangement was discussed in order to provide time for the transfer of the domiciliary care part of the business but there was insufficient funding for this to be a viable option.

A voluntary liquidation was not appropriate as this would involve the business ceasing to trade and given the nature of the business and the care provided this would have caused significant disruption which would have:

- risked a disruption to continuity of care;
- impacted on the debtor realisations; and

- created a reputational risk for Age Concern UK.

After discussions with the trustees and the customers (Newcastle Council and the Newcastle Gateshead Care Commissioning Group) it was concluded that a Pre Pack Administration was the most appropriate route forward as this provided a transfer of the business in a controlled way over to another care provider who sits on the customers' framework agreement. Such a sale would ensure continuity of care, ongoing employment for a considerable number of individuals and also maximise realisations for goodwill, work in progress and debtors, whilst also reducing potential employee claims.

- **Whether efforts were made to consult with major or representative creditors and the upshot of any consultations. If no consultation took place, the administrator should explain the reasons.**

No consultation has taken place with major creditors as there are insufficient assets to put in place an adequate borrowing facility, and the Trustees' attempts to carry out a solvent merger have not been possible due to current indebtedness.

- **Why it was not appropriate to trade the business and offer it for sale as a going concern during the administration.**

The remaining business conducted is as a domiciliary care provider meaning that the risks of trading are unacceptable, and also we are mindful that the contracts remain at the gift of the local authorities / private individuals.

The Council / CCG's primary concern is the care and welfare of the individuals. Contracts would very quickly be taken away from the company to ensure continuity of care thus leaving us with no business to actually market and sell. Discussions were held with the Newcastle Council and CCG who confirmed this position.

- **Details of requests made to potential funders to fund working capital requirements. If no such requests were made, explain why.**

No requests have been made for the reasons stated above.

- **Details of registered charges with dates of creation.**

There are no registered charges

- **If the business or business assets have been acquired from an insolvency process within the previous 24 months, or longer if the administrator deems that relevant to creditors' understanding, the administrator should disclose both the details of that transaction and whether the administrator, administrator's firm or associates were involved.**

The business has not been acquired from an insolvency process.

Marketing of the business and assets

- **The marketing activities conducted by the company and/or the administrator and the effect of those activities. Reference should be made to the marketing essentials below. Any divergence from these essentials is to be drawn to creditor's attention, with the reasons for such divergence, together with an explanation as to why the administrator relied upon the marketing conducted.**

- **Marketing Essentials**

– Have the following marketing essentials been complied with? If there has been any deviation explain how the different strategy has delivered the best available outcome.

– Broadcast

- **The business should be marketed as widely as possible proportionate to the nature and size of the business and to the widest group of potential purchasers using whatever media or other sources will achieve this outcome. Set out how you have complied with this.**

Given the nature of the business, we engaged with the 2 major customers, Newcastle Council and the Newcastle Gateshead CCG.

Providers of care have to be CQC registered and fit with the council care requirements. They both stated that they would only consider a transfer to a firm currently on their framework (5 in total) and that progression of an offer from any party outside their known base would result in the end users care being withdrawn from Age Concern Newcastle and placed with an alternative framework provider.

An RSM Business Flyer was circulated to the 5 companies on the framework.

Calls were also put into each framework provider and the opportunity discussed.

– **Justify the Marketing Strategy**

- **What are the reasons underpinning the marketing and media strategy used?**

A wide marketing campaign was not appropriate given the limited number of parties the major customers would engage with.

We therefore worked to maximise exposure to the only parties that would be acceptable to these 2 customers which would ensure a credible offer from a party that could conclude a quick sale to prevent the care being removed from Age Concern Newcastle by the Council/CCG.

– **Independence**

- **If the business has previously been marketed by the company prior to instruction, how are you satisfied as to the adequacy and independence of the marketing previously undertaken (if you are relying upon it)?**

Not applicable – the business was not marketed by the company prior to instruction.

– **Publicise rather than simply publish**

- **Marketing should have been undertaken for an appropriate length of time to satisfy the administrator that the best available outcome for creditors as a whole has been achieved. What length of time was settled on for marketing and why?**

Given the need for continued care, we have marketed the business for 5 days to generate interest and protect the debtor base. This marketing was to all the parties on the framework agreement.

– **Connectivity**

- **Online communication should be used alongside other media by default. If the internet has not been used, set out the justification for this**

As above, we have not used the internet for this assignment as the list of potential purchasers was limited to the 5 companies on the framework agreement.

– **Comply or explain**

- **Particularly with sales to connected parties. How has the marketing strategy achieved the best available outcome for creditors as a whole in the circumstances?**

This is not a sale to a connected party; the business has however been marketed to the existing framework to obtain offers from the only potential buyers of the business.

Valuation of the business and assets

- **The names and professional qualifications of any valuers and /or advisors. You must confirm that each valuer/advisor has confirmed their independence and that they carry adequate professional indemnity insurance. In the unlikely event that valuers and /or advisors who do not meet these criteria have been employed, the reasons for doing so must be explained.**

Stephen Grieveson, Grievesons Valuers and Auctioneers, has valued the equipment.

They have confirmed their independence and that they have adequate PI for this engagement.

- **The valuations obtained for the business or its underlying assets. Where goodwill has been valued, an explanation and basis for the value given.**

Office equipment – Open market value = £2,585 / Value to business = £3,483

As for goodwill, given the nature of the "contracts" in that they do not vest with Age Concern Newcastle, his view was that goodwill would be worth whatever one of the framework providers would pay. In this case, we have one offer for £1.

- **A summary of the basis of valuation adopted by the administrator or the valuers and/or advisors.**

The valuations stated above were provided on a "value to business" basis, and also as an open market value.

- **The rationale for the basis of the valuations obtained.**

The rationale of this basis is that we had no reasons to believe that there was an opportunity for the

business to be sold as a viable trading entity, that the assets were not required by the purchaser, and none of these assets have been requested or transferred as part of the review of the business undertaken over the last few weeks.

In practice, given the nature of the assets, these are unlikely to attract much by way of realisations after costs.

- **An explanation of the value achieved of the assets compared to those valuations.**

Not applicable – the office equipment did not form part of the pre-packed sale and will be sold or removed by our agents once we are appointed.

- **If no valuation has been obtained, the reason for not having done so and how the administrator was satisfied as to the value of the assets.**

Not applicable, a valuation was undertaken

The transaction

- **The date of the transaction.**

28 March 2018

- **Purchaser and related parties**

- **The identity of the purchaser.**

Homecare Plus Limited (08998753)

- **Any connection between the purchaser and the directors, shareholders or secured creditors of the company or their associates.**

None

- **The names of any directors, or former directors (or their associates), of the company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity into which any of the assets are transferred.**

None

- **In transactions impacting on more than one related company (e.g. a group transaction) the administrator should ensure that the disclosure is sufficient to enable a transparent explanation (for instance, allocation of consideration paid).**

None

- **Whether any directors had given guarantees for amounts due from the company to a prior financier and whether that financier is financing the new business.**

- **Assets**

- **Details of the assets involved and the nature of the transaction.**

- Debtors - £47,000 – the value of the debts is £101,224, but of this:

- Wages to be paid comprise £29k for the office staff and carers
- There are doubtful debts of £8,743
- There will be no post appointment time for the collection of the debts which would involve the collection of £48k of personal debt due in from vulnerable individuals.

- Work in Progress, Supply Contracts and the hoist - £12,000

- the work in progress is calculated at £12,000 for the latest week, albeit there are wage costs to paid to the carers for this work – the wages are to be paid by the purchaser;
- the supply contracts exist at the behest of the customers, the council and the CCG, there are minimal notice provisions;
- the hoist has been valued at £120

- Goodwill / Transferring Records - £1

- **Sale consideration**

- The consideration for the transaction, terms of payment and any condition of the contract that could materially affect the consideration.
£59,001 to be paid in full on completion
- The consideration disclosed under broad asset valuation categories and split between fixed and floating charge realisations (where applicable) and the method by which this allocation of consideration was applied.
All of the assets are uncharged.
- Any options, buy-back agreements, deferred consideration or other conditions attached to the transaction.
None
- Details of any security taken by the administrator in respect of any deferred consideration. Where no such security has been taken, the administrator's reasons for this and the basis for the decision that none was required.
None
- If the sale is part of a wider transaction, a description of the other aspects of the transaction.
None

Connected party sales

The sale was not to a connected party.

Pre-Pack Pool Application

I would advise you that the pre-pack pool was not approached as this is not a sale to a connected party.