



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

1 Company details

Company number 03655610

Company name in full Tamhealth Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Rebecca Jane

Surname Dacre

3 Administrator's address

Building name/number The Pinnacle

Street 160 Midsummer Boulevard

Post town Milton Keynes

County/Region

Postcode MK91FF

Country

4 Administrator's name ①

Full forename(s) Simon David

Surname Chandler

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o Mazars LLP

Street 1st Floor

Post town Two Chamberlain Square

County/Region Birmingham

Postcode B33AX

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 0	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0
To date	^d 0	^d 9	^m 0	^m 6	^y 2	^y 0	^y 2	^y 1

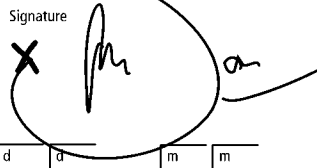
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date	^d 0	^d 8	^m 0	^m 7	^y 2	^y 0	^y 2	^y 1
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**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	Lottie Graham						
Company name	Mazars LLP						
Address	The Pinnacle						
	160 Midsummer Boulevard						
Post town	Milton Keynes						
County/Region							
Postcode	M	K	9		1	F	F
Country							
DX							
Telephone	01908 664466						

**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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Scott Christian
Surname Bevan

3 Insolvency practitioner's address

Building name/number c/o Mazars LLP
Street 1st Floor
Post town Two Chamberlain Square
County/Region Birmingham
Postcode B 3 3 A X
Country

Tamhealth Limited In Administration

Joint Administrators' progress report covering the period from 10 December 2020 to 9
June 2021

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Tamhealth Limited - In Administration (the “Company”)

Joint Administrators’ progress report covering the period 10 December 2020 to 9 June 2021.

To all known creditors

1. Introduction

- 1.1. This report is prepared pursuant to Rule 18.3 and 18.6 of the Insolvency Rules (England and Wales) 2016, the purpose of which is to provide creditors with details of the progress of the Administration covering the third six month period of the Administration, being from 10 December 2020 to 9 June 2021.
- 1.2. I was appointed Administrator of the Company, jointly with my colleagues, Simon Chandler (a Partner at Mazars LLP) and Scott Bevan (a director at Mazars LLP), on 10 December 2019. I am a partner at Mazars LLP and I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales. Simon Chandler and Scott Bevan are both authorised to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.
- 1.3. The report should be read in conjunction with the Joint Administrators’ proposals issued to creditors on 31 January 2020 and previous progress reports issued on 8 July 2020 and 8 January 2021.
- 1.4. The purpose of the Administration as set out in the Administrators’ proposals was to achieve a better result of the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration). Based on current estimated asset realisations, it is unlikely that this purpose will be achieved. As a result, the purpose of the administration that will be achieved will be realising property in order to make a distribution to one or more of the secured or preferential creditors.
- 1.5. The Administration was extended to 9 December 2021 with the consent of the relevant creditors.
- 1.6. Identification details regarding the Company and the Administrators are attached at **Appendix A**.
- 1.7. **Background**
 - 1.7.1 The Company is part of the Four Seasons Healthcare Group (“the Group”), with Elli Investments Limited (“EIL”), a Guernsey registered company under number 55185, and Elli Finance (UK) Plc (“EFUK”), being holding companies in the Group. The Group is a leading care home and specialist care provider in the UK.
 - 1.7.2 The Administrators were appointed over eleven companies, including the Company, within the Group (“the Companies”) that provided healthcare services to residential patients in care homes, and a childcare nursery, from properties which are leased from either Healthcare Property Holdings Limited (“HPH”) or Healthcare Holdings Limited (“HHL”) (“the Landlords”). HPH and HHL are also sole secured creditors of most of the Companies. HPH and HHL had the benefit of separate contractual call options under the terms of the leases which, in the event of a default arising and if exercised, gave them the option to acquire certain assets of the Companies which the leases define, but which broadly cover

the fixtures and fitting necessary to operate a care home, chattels and other tangible and intangible assets, for £1 (“the Call Options”).

- 1.7.3 The objective of the Administration and the Joint Administrators’ strategy of allowing the Companies’ businesses to continue to operate and trade was pursued for the reasons set out in detail in the Administrators’ Proposals.
- 1.7.4 As reported in the Administrators’ Proposals, four experienced and independent care operators were engaged by the Joint Administrators to act as the managers of the Companies’ Care Homes (“the Managers”) and operate and trade the Care Homes on behalf of the Administrators. The Managers are Barchester Healthcare Homes Limited (“Barchester”), Belsize Healthcare (Scotland) Limited (“Belsize”), Harbour Healthcare Limited (“Harbour”), and Roseberry Care Centres GB Limited (“Roseberry”). The appointment of the Managers has allowed for a seamless transition in services and to maintain high standards of care to residents, whilst the Companies are in administration. Management Services Agreements were entered into with the Managers with effect from 10 December 2019.

2. Joint Administrators’ Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 10 December 2020 to 9 June 2021 is attached at **Appendix B**. The receipts and payments account also covers the cumulative period from the date of appointment to 9 June 2021. A comparison of the estimates provided in the director’s Statement of Affairs to actual realisations made to date is provided.
- 2.2. The Receipts & Payments Account also includes a trading account, to give creditors an indication of the Company’s estimated trading turnover and costs.
- 2.3. The current balance in hand is shown at **Appendix B** and further details of the realisations and expenses paid is provided below. These funds are held at Lloyds Bank Plc in an interest-bearing account.

3. Asset Realisations and Details of Progress

3.1 Connected Party Transactions:

- 3.1.1 In accordance with Statement of Insolvency Practice 13, I would advise you that there have been no assets sold to a connected party in the period.

3.2 Unconnected Party Transactions:

- 3.2.1 There have been no assets sold to any unconnected parties during the period.

3.3 Trading

- 3.3.1 As detailed in my previous progress report, the sale of the trading nursing homes and early years nursery to the four operator managers completed between April and September 2020 and as a result, the Administrators’ period of trading the Company came to an end on 27 August 2020. Since this time, the Administrators have been liaising with the

Managers to ensure a full reconciliation of the trading performance for the respective nursing homes and early years nursery. Completion of the reconciliations have now been completed and the administrators' staff have been finalising the payments of the outstanding trading liabilities.

3.3.2 The landlords of the nursing homes, Healthcare Property Holdings Limited ("HPH") or Healthcare Holdings Limited ("HHL") entered into a funding deed immediately upon the Joint Administrators' appointment. This deed gave, the Company, via the Joint Administrators, access to loan funding from HPH and Healthcare Property Investments Limited ("HPI") to meet administration expenses, particularly given limitations to accessing cash and the estimated significant working capital shortfalls which would need to be met immediately following the Joint Administrators' appointment. The Company is only required to repay the loan funding once all other administration expenses incurred by the Administrators have been discharged. HPH and HPI also indemnified, to certain limits, the Joint Administrators' costs and expenses (in acting as their capacity as such). Finally, the costs and expenses incurred by our solicitors Shakespeare Martineau LLP ("our solicitors"), up to an agreed limit, have also been indemnified.

3.3.3 The amount of the loan funding currently received from HPH and HPI is detailed in the Receipts and Payments Account, attached at **Appendix B**.

3.3.4 Trading debts of £378k remain outstanding. The Administrators' staff have been liaising with the Managers to ensure that these debts are collected. The outstanding debts relate to fees due from residents, either directly, or from third parties (such as funding provided by the respective councils).

3.4 Other Assets

3.4.1 The following other asset realisation work has been undertaken:

3.4.2 Debtors/Operator control account

3.4.2.1 Reconciliation work is still ongoing by the Managers, identifying pre-administration debtor receipts from post-administration trading income. As this work is ongoing, an assessment on the likely recoverability of debtors on the ledger cannot be made, particularly as errors in the ledger have also been identified. Given that the care homes continued trading it is anticipated that the residual ledger should be largely recoverable, once errors in the ledger have been excluded.

3.4.2.2 At present, until this allocation work has been fully completed, surplus cash receipts are simply allocated to an operator control account, as detailed at **Appendix B**.

3 Assets still to be realised

4.1 As detailed above in Section 3, primarily, asset realisation work remains ongoing regarding potential assets of the Companies, as follows:

- Administration trading debts; and
- Pre-appointment debts.

5 Estimated Outcome for creditors

5.1 We are still to finalise the trading profit (or loss) of trading the Company's businesses in administration. In addition, asset realisation work remains ongoing. Accordingly, pending further information from the Managers, we are not able to accurately estimate final realisations.

5.2 Secured creditors

5.2.1 Sufficient funds will be realised in the Administration to allow a dividend to be paid to the Company's secured creditor (under its floating charge), however the exact quantum and timing of the distribution is still uncertain. Despite this uncertainty, the secured creditor will suffer a shortfall.

5.3 Preferential creditors

5.3.1 Preferential creditors' claims relate to the Company's employees' unpaid wages, holiday pay and pension contributions, subject to certain limits.

5.3.2 The director's Statement of Affairs detailed that preferential claims would amount to £296,115, but preferential creditors' claims are currently anticipated to amount to £nil.

5.3.3 There are no pre-administration wage arrears or outstanding pension contributions owed. Employees' December 2019 wage arrears were paid as part of the December 2019 payroll. Employees' holiday entitlements accrued have been honoured and are able to be taken by employees, as the Company's businesses continue to operate and trade.

5.3.4 As advised in my previous progress report, there will be insufficient assets to enable a dividend to be paid to the preferential creditors (if there were any).

5.4 Unsecured creditors

5.4.1 According to the director's Statement of Affairs, the Company had unsecured creditors with debts totalling £3,660,265.

5.4.2 While sufficient funds will be realised in the Administration to allow a dividend to be paid to the Company's secured creditor (under its floating charge), regrettably, realisations will be insufficient to settle its indebtedness in full. Accordingly, insufficient funds will be realised in the Administration to allow a dividend to be paid to the Company's unsecured creditors.

6 Prescribed Part

6.1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of a Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

6.2 As the floating charge security pre-dates 15 September 2003, the Prescribed Part does not apply in this instance.

7 Investigations

- 7.1 We have reviewed the affairs of the Company to identify and potential causes of action that could be taken against third parties to increase recoveries for creditors. Having concluded our investigations I can confirm that no such potential causes of action have been identified.

8 Joint Administrators' Remuneration

- 8.1 A decision was passed by the creditors by correspondence on 18 February 2020, enabling the Joint Administrators to draw remuneration by reference to the time properly spent by the Joint Administrators and their staff in dealing with the matters arising during the administration, subject to the Fees Estimate of £224,500 plus VAT, issued to creditors on 31 January 2020.
- 8.2 Attached at **Appendix D1** is a comparison of the Joint Administrators' Fees Estimate to actual time costs for the six-month period 10 December 2020 to 9 June 2021, which total £29,145, representing 112.4 hours at an average hourly rate of £259. The Joint Administrators' cumulative time costs since appointment to 9 June 2021 total £186,058, representing 764.5 hours at an average hourly rate of £243.
- 8.3 Attached at **Appendix D2** is a narrative summary of the Joint Administrators' time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 8.4 As at 9 June 2021, an amount of £183,000 has been drawn against the Joint Administrators' time costs in respect of the Administration.
- 8.5 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team members and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6-minute units with supporting narrative to explain the work undertaken.
- 8.6 The charge out rates of the team members employed on the assignment during the period covered by this report and details of changes from previous periods are provided below. Specialist departments within our Firm (such as, Tax and VAT) have charged time to this case when their expert advice is required. The rate ranges provided incorporate these different rates.

Range (£)	Partner	Director	Assistant Manager / Manager / Associate Director	Executive	Cashier	Support Staff
Current charge out rate per hour,	455 - 605	405 - 495	250 - 440	110 - 255	110 - 255	110

Previous charge	440 - 550	390 - 440	245 - 335	120 - 205	120 - 205	90
out rate per hour, effective from 1 September 2019						

9 Expenses

- 9.1 Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.
- 9.2 Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
- **Category 1 expenses:** These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.
 - **Category 2 expenses:** These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- 9.3 Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at **Appendix C**, together with an explanation as to why the expenses have been or will be incurred. This also includes details of the previous Expenses Estimate, for comparison purposes.
- 9.4 The majority of the costs incurred during the period relate to adjustments made to the Administration period trading figures, following receipt of the final trading accounts from the Managers. Following the reconciliation of the accounts, adjustments have been made to the receipts and payments account as at the date trading ceased so although the expenses were actually incurred in a prior period, the differences have been shown in this reporting period for transparency.
- 9.5 Further details of expenses paid during the period of the report are shown in the receipts and payments account at **Appendix B**.
- 9.6 I have reviewed the expenses incurred to date and I am satisfied that they are fair and reasonable and proportionate in the circumstances of the case.
- 9.7 **Category 2 Expenses**
- 9.7.1 As noted above, Category 2 Expenses require approval in the same manner as an office holder's remuneration before being paid.
- 9.7.2 Creditors will recall that a decision was made on 18 February 2020 by the relevant creditors in agreement of the Joint Administrators category 2 disbursements which are now

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classified as Category 2 expenses. Details of the expenses incurred in the period is available in the attached Expenses Estimate. Further details on the nature of the expense is provided below.

Type of Category 2 Expense	Description
Mileage	<p>This expense represents the costs of travelling in respect of the office holder and their staff in dealing with the administration of the Company.</p> <p>Mileage expenses are a reimbursement to the office holders' staff and are deemed as payments to associates. Such payments require approval in the same manner as the office holders' remuneration and I can confirm that approval was sought, as noted above.</p>
Photocopying	<p>This expense represents the costs of photocopying the Joint Administrators' non-bulk circulars to stakeholders.</p>

10 Creditors' Rights

10.1 Further information

- 10.1.1 I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Administrators for further information about the remuneration and expenses set out in this progress report.

10.2 Apply to Court

- 10.2.1 Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:

- That the remuneration charged by the Joint Administrators, or
- That the basis fixed for the Joint Administrators' remuneration, or
- That the expenses incurred by the Joint Administrators, is in all of the circumstances, excessive or inappropriate.

10.3 Further guidance

- 10.3.1 Creditors can find additional information on their rights relating to Administrators' fees in a copy of the publication "A creditors guide to Administrators' Fees", which is available to download from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/> or alternatively will be provided free of charge upon written request to this office.

11 Data protection

- 11.1 Where the Administrators hold or require personal data from you we will only do so in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

12 Extension of Administration

- 12.1 As detailed above, trading period reconciliations remain ongoing and the Joint Administrators are in regular contact with the Managers in order to seek and review the information provided, pursuant to the Management Services Agreements. Given the time estimated to progress and complete this work was estimated to exceed the automatic end of the Administration on 9 December 2020, it was necessary to seek and obtain an extension of the Administration from creditors until 9 December 2021.
- 12.2 An extension to the Administration by creditor consent was sought and obtained in the period. The Administration was extended to 9 December 2021 with the consent of each secured creditor of the Company and with the consent of the unsecured creditors, which was obtained via a Deemed Consent procedure on 18 November 2020.
- 12.3 The Administrators do not intend to seek a further extension to the period of the administration.

13 Discharge of liability

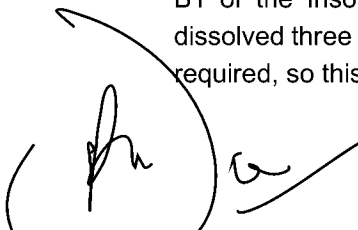
- 13.1 In accordance with Para 98(2) of Schedule B1 of the Insolvency Act 1986, I sought a decision from creditors in respect of my discharge from liability, as it was envisaged that the Administration would be able to be closed in the period.
- 13.2 The consent of creditors, which was obtained via a Deemed Consent procedure on 28 July 2020, means that the Joint Administrators will be discharged from liability 14 days after issuing the final report in this matter.

14 Ending the Administration

- 14.1 As detailed above, asset realisations work is ongoing.
- 14.2 In the event that there are insufficient funds available to pay an unsecured dividend to creditors, the Joint Administrators propose to file a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the administration, with the Company being dissolved three months thereafter.
- 14.3 Alternatively, if sufficient funds in the administration are realised to allow a dividend to be paid to unsecured creditors, following the settlement of the prior claims and after payment of the costs of the administration, under the provisions of the Insolvency Act, the Joint Administrators have limited powers to agree the claims of unsecured non-preferential creditors and make distributions without permission of the Court.

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- 14.4 Accordingly, in such a scenario, the exit route will be by placing the Company into Creditors' Voluntary Liquidation in order to allow a Liquidator to be appointed to agree the claims of the unsecured creditors and to make the dividend payment to them.
- 14.5 If the Company is placed into Creditors' Voluntary Liquidation then Rebecca Jane Dacre, Simon David Chandler and Scott Christian Bevan (or if appropriate, their successors) will be appointed as Joint Liquidators as set out in the Joint Administrators' Proposals and as approved by the Company's creditors by a decision by correspondence, dated 18 February 2020.
- 14.6 It is currently envisaged that realisations will be insufficient to settle the prior costs of the Administration and repay the loan funding received from HPH and HPI. Accordingly, the Joint Administrators will, in due course, file a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the administration, and the Company will be dissolved three months thereafter. No further extension of the administration is likely to be required, so this will be able to take place prior to 9 December 2021.



Rebecca J Dacre
Joint Administrator

Dated 08 July 2021

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

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

Tamhealth Limited - In Administration

Identification Details

Details relating to the Company

Company name	Tamhealth Limited
Previous names	Legislator 1401 Limited
Trading names and addresses	<ul style="list-style-type: none"> • Buchanan House, Grampian Way, Bearsden, Glasgow, G61 4SP • Buchanan Lodge, Grampian Way, Bearsden, Glasgow, G61 4SP • Buchanan Nursery, Grampian Way, Bearsden, Glasgow, G61 4SP • Flowerdown, 50 Harestock Rd, Winchester, Hampshire, SO22 6NT • Garioch, Commercial Rd, Inverurie, AB51 3TX, • Highfield, 34-36 Hoe Lane, Ware, Hertfordshire, SG12 9NZ • Sutton Valence, North Street, Sutton Valence, Maidstone, Kent, ME17 3LW
Company number	03655610
Registered office	c/o Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
Previous registered office	Norcliffe House, Station Road, Wilmslow, SK9 1BU
Court	The High Court of Justice
Court reference	CR-2019-008108 of 2019

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Details relating to the Joint Administrators

Date of appointment	10 December 2019
Joint Administrators	Rebecca Jane Dacre, Simon David Chandler and Scott Christian Bevan of Mazars LLP (addresses as below). IP No(s) 009572, 008822 and 9614
Joint Administrators' functions	All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone
Joint Administrators' addresses	R J Dacre - Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF S D Chandler and S C Bevan - Mazars LLP, 45 Church Street, Birmingham, B3 2RT
Appointed by	The Court
Joint Administrators' contact telephone number	0117 928 1700

TAMHEALTH LIMITED (IN ADMINISTRATION)

APPENDICES INDEX

Appendix

A	Identification Details
B	Receipts and Payments Account
C	Expenses Statement
D	Analysis of remuneration
D1	Analysis of time costs and Comparison to Fee Estimate
D2	Narrative Summary of work undertaken for the current period

**TAMHEALTH LIMITED (IN ADMINISTRATION)
RECEIPTS AND PAYMENTS ACCOUNT**

Statement of Affairs £	From 10/12/2020 To 09/06/2021 £	From 10/12/2019 To 09/06/2021 £
POST APPOINTMENT SALES		
Sales	NIL	6,342,143.16
	<u>NIL</u>	<u>6,342,143.16</u>
OTHER DIRECT COSTS		
Direct Labour	NIL	4,765,614.00
	<u>NIL</u>	<u>(4,765,614.00)</u>
TRADING EXPENDITURE		
Sundry trading expenses	90.00	90.00
Operating expenditure	594.36	715,879.36
Rents	250,000.00	250,000.00
Insurance	NIL	30,180.47
Home Operator / Manager Fees	NIL	360,288.13
Bank Charges	NIL	2,072.86
Trading debt collection fees	NIL	34,113.52
Sundry Expenses	NIL	310.69
FSHC Support	NIL	9,088.24
FSHC payroll processing	NIL	12,117.00
Health & safety reviews	NIL	2,160.00
VAT Irrecoverable (Trading)	130.29	234,549.88
Capital expenditure	NIL	39,634.38
	<u>(250,814.65)</u>	<u>(1,690,484.53)</u>
TRADING SURPLUS/(DEFICIT)	<u>(250,814.65)</u>	<u>(113,955.37)</u>

TAMHEALTH LIMITED (IN ADMINISTRATION)
RECEIPTS AND PAYMENTS ACCOUNT

Statement of Affairs £	From 10/12/2020 To 09/06/2021 £	From 10/12/2019 To 09/06/2021 £
SECURED ASSETS		
1 Sale proceeds (fixed charge)	NIL	1.76
	NIL	1.76
ASSET REALISATIONS		
Bank interest (gross)	NIL	378.05
760,900.00 Book Debts	NIL	523,246.82
166,099.00 Carpets & Curtains	NIL	NIL
492,024.00 Cash at Bank	NIL	449,681.54
1,065,023.00 Fixtures & Fittings	NIL	NIL
5,945.00 Land & Buildings	NIL	NIL
24,860.00 Office & Computer Equipment	NIL	NIL
182,529.00 Plant & Machinery	NIL	NIL
Resident/personal fund account	NIL	42,342.22
2 Sale proceeds	NIL	5.24
TRADING SURPLUS/(DEFICIT)	(250,814.65)	(113,955.37)
	(250,814.65)	901,698.50
COST OF REALISATIONS		
Administrators' disbursements	NIL	1,926.76
Administrators' fees	35,500.00	183,000.00
Counsel fees	NIL	1,091.00
ICO registration fee	NIL	60.00
Legal disbursements	NIL	3,823.07
Legal fees (Shakespeare Martineau)	1,041.50	37,407.00
Pension advisors' fees	NIL	1,003.00
Resident/personal fund account	NIL	42,342.22
Statutory advertising	NIL	87.48
Vacant property security	126.60	126.60
3 VAT Irrecoverable	7,333.62	45,624.63
	(44,001.72)	(316,491.76)
2,697,380.00	(294,816.37)	585,208.50
REPRESENTED BY		
4 Current account (interest bearing)		122,337.85
Trade Debtors		377,681.35
5 Working capital to Operator(s)		85,189.30
		585,208.50

Note:

1 Sale proceeds (fixed charge) relates to the apportionment of the sale proceeds to Goodwill, Intellectual Property and The Lease.

2 Sale proceeds relates to the apportionment of the sale proceeds to, The Business Contracts and the Seller's Records, The Equipment, The Fixtures and Fittings and The Stock

3 VAT Irrecoverable - following a review by VAT specialists it was determined that input VAT is not recoverable in this matter, so is shown separately as an expense

4 Due to the notional value of the fixed charge monies in this matter, it was not determined to be cost effective to segregate the funds into a separate fixed charge bank account

5 Working capital held by the Managers represents the balancing figure from trading, this sum is currently not fully reconciled, and is made up cash held by the managers, various accruals in relation to the trading accounts, and pre-appointment debtors collected but not yet allocated.

EXPENSES STATEMENT

Type of Expenditure	Requirement for Expenditure	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Category 1 Expenses						
Professional advisors' costs						
Legal fees and disbursements	Shakespeare Martineau LLP ("our Solicitors") have been instructed to provide legal advice to the Joint Administrators in relation to various matters arising during the administration. This firm of solicitors was chosen based on their experience in insolvency matters. In particular, our Solicitors are advising us on the effect, application and extent of the Call Options and the disposal of Company's interest in operating Care Homes. In addition, our Solicitors are providing general legal advice with regard to matters arising during the administration. Their fees have been agreed on a time cost basis.	20,000.00	41,011.00	2,229.50	Uncertain	43,240.50
Counsel's fees and disbursements	James Morgan QC of St Philips Chambers ("Counsel") has been instructed to provide a legal opinion to the Joint Administrators in relation to the effect, application and extent of the Call Options. Counsel was chosen based on his experience in insolvency matters. His fees have been agreed on a time cost basis.	1,550.00	1,091.00	-	-	1,091.00
Agent's fees re pension investigation / review	Clumber Consultancy Limited ("Clumber"), specialist pension consultancy providers to companies in formal insolvency procedures, are engaged to assist us with regard to the Companies' pension schemes and ensure compliance in this regard. They were chosen because of their pension experience in an insolvency scenario. Their fee basis has been agreed on a fixed fee basis. Clumber have also been instructed to oversee that any pension re-enrolments are undertaken compliantly, where appropriate. This this work has been agreed to be undertaken on a time cost basis.	900.00 300.00	1,003.00 -	- -	- -	1,003.00 -
Agent's fees re vacant property services	Orbis Protect Limited ("Orbis"), specialist provider of vacant property services, have been engaged to provide relevant services, with regard to closed homes. They were chosen because of their experience and as they were previously engaged by the Company to provide such services, which aided continuity. Their fee basis has been agreed on fixed fee basis per month for site inspections and on an agreed fee basis for ad-hoc work (i.e. repairs, etc).	-	-	126.60	-	126.60
FSHC payroll processing fees	Four Seasons Healthcare Group ("FSHC" or "the Group") has been engaged to assist with providing payroll services to the Companies' businesses. The Group was chosen because of their experience, as they were previously engaged by the Company to provide such services, which aided continuity, and after taking into account the cost and complexities of implementing alternative solutions in the short term. Their fee basis has been agreed on fixed fee basis.	20,832.00	12,117.00	-	-	12,117.00
FSHC Support re Nominated Individual and Relevant Person	On 1 May 2020, the Joint Administrators were notified that Dr Royston's employment at the Group ended on 30 April 2020, but that the Group had made arrangements that she could continue as Nominated Individual and Relevant Person through to 30 June 2020. A fixed fee was agreed with FSHC in this regard, while steps to replace Dr Royston with a representative from the Managers, or	-	9,088.00	-	-	9,088.00
Health and Safety review	Our specialist insurance brokers JLT Specialty Limited were engaged to undertake Health and Safety reviews, provide recommendations and competent person support services, as appropriate. Their fee basis has been agreed on an agreed fee basis.	-	2,160.00	-	-	2,160.00
Agent's fees re management and operation of care homes	The Managers have been engaged to provide Services to the Joint Administrators and act as the managers of the Companies' Care Homes, pursuant to Management Services Agreements. They were chosen based on their experience in the sector.	373,800.00	360,288.00	-	-	360,288.00
Other expenses						
Direct labour	Employees' salaries, PAYE and NIC from Care Home trading activity.	-	4,747,698.00	17,916.00	Uncertain	4,765,614.00
Operating expenditure	Operating expenditure incurred by the Managers relating to Care Home trading activity.	-	715,560.00	319.36	Uncertain	715,879.36

EXPENSES STATEMENT

Type of Expenditure	Requirement for Expenditure	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Capital expenditure and repairs	Capital expenditure and repairs incurred by the Managers relating to Care Home trading activity.	-	36,350.00	3,284.38	-	39,634.38
Sundry trading expenses	Sundry trading expenses incurred regarding Care Home trading activity.	-	-	400.69	-	400.69
Statutory Advertising	Costs are to be paid to Courts Advertising for statutory advertising requirements including London Gazette advertisements for notice of the appointment.	87.00	87.00	-	-	87.00
Debt collection fees	Costs incurred in respect of the Managers' assistance with the collection of the administration trading period debts	1,485.00	-	34,113.52	Uncertain	34,113.52
Insurance of assets	We are required to insure the Company's assets until they are disposed of. Cover has also been received via our insurance brokers JLT Specialty Limited for business interruption, employer's liability and public liability cover.	32,131.00	30,181.00	-	-	30,181.00
Rent	Rent paid in respect of trading homes	-	-	250,000.00	-	250,000.00
Irrecoverable VAT	As the supplies being made by the Care Homes are VAT exempt, there is no right to recover VAT on any of the costs incurred.	-	265,286.00	14,888.51	-	280,174.51
ICO Data Protection registration fee	A renewal of the Company's annual ICO Data Protection registration was required, following its expiry.	-	60.00	-	-	60.00
Bank charges	While we currently have free banking services, the Company's pre-Administration bankers Barclays levy charges per account for ongoing operation and transfer out of funds which are being received post-Administration and are being held to my order. These accounts are now closed.	4,200.00	2,072.86	-	-	2,072.86
Joint Administrators' disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.	-	1,874.64	-	-	1,874.64
	A breakdown of expenses incurred in this manner include: Postage - costs paid to third party provider, Postworks Limited for postage charges including circulars to creditors.	-	141.00	-	-	-
	Insolvency bond - It is a legal requirement that we take out a specific bond in respect of the value of the assets. On the basis the assets likely to be recovered was estimated to total £2.5m immediately upon our appointment, the bond will be as stated.	-	1,485.00	-	-	-
	Legal fees - Lester Aldridge LLP ("LA") have been instructed in order to provide guidance as to the steps that should be taken in response to what was at the time a likely Covid-19 outbreak in the UK. This firm of solicitors was chosen as they are specialist solicitors in the healthcare sector.	-	118.64	-	-	-
	Their fees have been agreed on a time cost basis, and were paid by my firm as a disbursement	-	-	-	-	-
	Accommodation	-	98.00	-	-	-
	Subsistence	-	8.00	-	-	-
	Travel costs	-	24.00	-	-	-
	These expenses have been paid in full	-	-	-	-	-
Total Category 1 Expenses		455,285.00	6,225,927.50	323,278.56	-	6,549,206.06
Category 2 Expenses						
These expenses require approval in the same manner as the office holder's remuneration.						
Photocopying	This expense represents the costs of photocopying the Joint Administrators' non-bulk circulars to stakeholders.	-	26.00	-	-	26.00
Mileage	This expense represents the costs of the office holder/their staff in travelling to various sites	-	28.00	-	-	28.00
Total Category 2 Expenses		-	54.00	-	-	54.00

EXPENSES STATEMENT

Type of Expenditure	Requirement for Expenditure	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Mazars LLP Remuneration						
Joint Administrators' remuneration	Management of the Company's affairs in order to achieve the objective of the administration. Realising and distributing the Company's assets and performing those tasks required as	224,500.00	156,914.00	29,145.00	38,441.00	224,500.00
Total Mazars LLP Remuneration		224,500.00	156,914.00	29,145.00	38,441.00	224,500.00
Total		679,785.00	6,382,895.50	352,423.56	38,441.00	6,773,760.06

Notes

Professional advisors

The office holder's choice of the professional advisors listed above was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

The office holders have reviewed the costs incurred to date and are satisfied that they are reasonable in the circumstances of the case.

2. Category 2 Expenses

The office holders have reviewed the expenses which have been or are likely to be incurred in this matter and do not consider that there are any instances where payments could reasonably be perceived as presenting a threat to the office holders' objectivity or independence by virtue of a professional or personal relationship, including to an associate, and which require approval as a Category 2 Expense, other than those listed above.

ANALYSIS OF TIME COSTS AND COMPARISON TO FEES ESTIMATE

The following table provides details of the Joint Administrators actual time costs incurred in the current reporting period, compared to the estimated costs as per the Fees Estimate. The table also includes the cumulative period from 10 December 2019 to 9 June 2021, which provides details of the Joint Administrators' total time costs since appointment.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors is provided within the narrative summary of work undertaken at Appendix E2.

Creditors will note that a blended hourly charge-out rate has been provided. This is calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate. Details of the hourly rates of staff anticipated to work on this case can be found on the Rates and Disbursements policy attached to this report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

Description of Work	Fees Estimate			Actual time costs for the period 10 December 2020 to 9 June 2021			Actual time costs for the period 10 December 2019 to 9 June 2021		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	4.00	1,000.00	250.00	11.80	2,570.00	217.80	28.80	6,902.00	239.65
Taxation	40.00	10,000.00	250.00	7.70	2,354.50	305.78	20.90	6,086.00	291.20
Investigations	40.00	10,000.00	250.00				6.90	1,740.50	252.25
Realisation of Assets	220.00	55,000.00	250.00	2.80	792.00	282.86	57.10	18,272.50	320.01
Trading	456.00	114,000.00	250.00	59.10	15,676.50	265.25	486.60	113,900.00	234.07
Employees	6.00	1,500.00	250.00				6.00	1,243.50	207.25
Creditors	20.00	5,000.00	250.00	1.80	533.50	296.39	23.00	4,973.00	216.22
Reporting	48.00	12,000.00	250.00	12.30	3,488.00	283.58	61.50	17,445.50	283.67
Distributions		-	-						
Cashiering	44.00	11,000.00	250.00	13.80	2,925.00	211.96	54.70	10,775.00	196.98
Statutory compliance	20.00	5,000.00	250.00	3.10	805.50	259.84	19.00	4,720.50	248.45
Totals	898.00	224,500.00	250.00	112.40	29,145.00	259.30	764.50	186,058.50	243.37

TAMHEALTH LIMITED (IN ADMINISTRATION)

NARRATIVE SUMMARY OF WORK UNDERTAKEN

Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Time Costs Analysis at Appendix D1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

Work carried out in the current period**Administration and planning**

The following work has been undertaken:

- Ongoing strategy meetings.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.
- Completing case strategy notes.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Review of potential Terminal Loss Relief.
- Assessment of tax position re. Potential chargeable gains on the disposal of assets.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 and 4 of the report.

Surrender of certain interests in leasehold properties, as both the Landlord and Managers wished to enter into new agreements between themselves, rather than having existing leasehold interests assigned.

Seeking advice from our solicitors with regard to this process, as appropriate.

Liaising with the Group with regard to the book debt position and seeking information to ascertain outstanding debts, so they can be pursued. Pursuing outstanding debtors after formulating a debt collection strategy, dealing with the physical receipt and banking of debts, decisions on further steps should be undertaken to pursue outstanding debtors.

Investigating prepayments / potential refunds and seeking repayments therein.

Liaison with HPH and HPI regarding closed homes and strategy, potential sales, remedial works and funding. Liaising with insurers and agents Orbis concerning property issues and remedial works required.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

Trading

TAMHEALTH LIMITED (IN ADMINISTRATION)

NARRATIVE SUMMARY OF WORK UNDERTAKEN

The Joint Administrators' strategy of allowing the Company's businesses to continue to operate and trade was pursued for the reasons set out in detail in the Joint Administrators' Proposals.

Work undertaken in respect of this category includes:

Liaison with the Regulators, as appropriate.

Monitoring of trading, including liaison with the Managers concerning reporting requirements pursuant to the Management Services Agreements. Liaison with the Managers concerning cash flow and funding requirements.

Liaison with HPH and HPI regarding the funding deed, accessing loan funding and drawing down / repaying, as appropriate.

Dealing with customers (residents / next of kin) queries and correspondence.

Liaison with the Group and the Managers regarding Payroll, processing of payments and reporting requirements.

Payment of administration trading creditors

Review of invoices and processing payments, where appropriate, or approving expenditure pursuant to the Management Services Agreements.

Reviewing debtor invoices from trading period and debt recovery work.

Trading bank account management including liaison with the Company's bankers, bank account maintenance, including periodic reconciliations, issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The above work is required to offer a period of stability for the Company's businesses and remove uncertainty. Continuing to trade allows the Joint Administrators a period of time to assess the viability, whilst the Managers manage the day-to-day operations and work with the Joint Administrators to return each care home to profitability, where possible.

Continuing to trade enhances the prospect of maximising asset realisations and lowers the potential quantum of creditor claims, for the benefit of creditors as a whole. The costs associated are considered appropriate in the circumstances.

The Joint Administrators also have the benefit of the funding deed from HPH and HPI should working capital shortfalls arise during the trading period and the Joint Administrators are only required to repay the loan funding once all other Administration Expenses incurred by the Joint Administrators have been

Creditors

There are approximately 144 unsecured creditors. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Dealing with queries received from creditors, by telephone and in correspondence.
- Logging claims on case management systems.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

- Liaising with Creditors in respect of discharge from liability and extension of Administration decisions and reporting the outcome of any Creditors' decisions.
- Drafting and issue of the six-monthly progress reports.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Cashiering

Cashiering work undertaken includes:

Bank account maintenance, including periodic reconciliations.

NARRATIVE SUMMARY OF WORK UNDERTAKEN

Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

Bank account maintenance, including periodic reconciliations.

Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves:

Case monitoring and statutory compliance, including internal case reviews.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.