

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company Atlantis Health Care Limited	Company number 03731391
In the High Court of Justice, Chancery Division [full name of court]	Court case number 5970 of 2011

(a) Insert name(s) and
address(es) of administrator(s)

We (a) Kirstie Jane Provan and Mark Robert Fry of Begbies Traynor (Central) LLP, 32 Cornhill, , London EC3V 3BT

(b) Insert name and address of
registered office of company

having been appointed administrator(s) of (b) Atlantis Health Care Limited , 32 Cornhill, , London EC3V 3BT

(c) Insert date of appointment

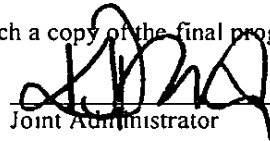
on (c) 11 July 2011 by (d) Chetan Borkhatria (director)

(d) Insert name of
applicant / appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed



Joint Administrator

Dated 28 May 2014

Contact Details:

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

Begbies Traynor (Central) LLP	
32 Cornhill, London, EC3V 3BT	
	Tel Number 020 7398 3800
Fax Number 020 7398 3799 (Fax)	DX Number

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

THURSDAY



A38XJ1FM

A32

29/05/2014

#337

COMPANIES HOUSE

Kirstie Jane Provan and Mark Robert Fry appointed joint administrators on 11 July 2011

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Atlantis Health Care Limited (In Administration)

Combined Final Progress Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986

Period: 1 November 2013 to 30 April 2013

Final Period: 1 May 2014 to 28 May 2014

Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- Interpretation
- Statutory information
- Details of appointment of administrators
- Progress during the period
- Outcome for creditors
- Administrators' proposals
- Summary of steps taken during the administration
- Pre-administration costs
- Remuneration and disbursements
- Expenses
- Creditors' rights
- Assets that remain to be realised
- Other relevant information
- Conclusion
- Appendices
 - 1 Account of receipts and payments
 - 2 Summary of administrators' proposals, including major amendments to, and deviations from them
 - 3 Time costs and disbursements
 - 4 Statement of expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Atlantis Health Care Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 11 July 2011
"the administrators", "we", "our", "us"	Kirstie Jane Provan and Mark Robert Fry of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"CJB"	CJB Investments Limited, owner of the properties from which the Company traded
"Receivership"	Law of Property Act Receiverships in respect of the properties from which the Company traded
"Receivers"	Kirstie Jane Provan and Mark Robert Fry, appointed Receivers over the properties from which the Company traded
"the Bank"	Barclays Bank Plc

2. STATUTORY INFORMATION

Name of Company	Atlantis Health Care Limited
Trading name(s) and addresses	Valentine House, Broadway, Silver End, Nr Witham, Essex, CM8 3RF ("Valentine") Ramping Cat House, White Hill, Burford, Oxfordshire, OX18 4EX ("Ramping Cat") Broomfield, Yardley Road, Olney, Buckinghamshire, MK46 5DX ("Broomfield")
Date of Incorporation	11 March 1999
Company registered number	03731391
Company registered office	32 Cornhill, London EC3V 3BT

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Kirstie Jane Provan and Mark Robert Fry, both Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
Date of appointment	11 July 2011
Date of resignation	N/A
Court	High Court of Justice, Chancery Division
Court Case Number	5970 of 2011
Person(s) making appointment / application	Chetan Borkhatria (Director), Valleyfield, Mount Park Road, Harrow On The Hill, HA1 3JU
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration was extended with the consent of the secured creditor for a period of 6 months until 10 January 2013, and further extended by order of the court for a period of 18 months until 10 July 2014.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from the commencement of the administration to 28 May 2014. Our comments on items appearing in the account during the final period from 1 November 2013 to 28 May 2014 are as follows

RECEIPTS

Bank interest

Gross interest received on funds held in the administration account during the final period amount to £6 24

Trading Deficit

Adjustments were made to the trading account when reconciling the final trading position, although this has not changed the final figures

PAYMENTS

Inter account transfers

As previously reported, during the course of the administration and with the agreement of the Bank, funding of £128,995 was provided from the fixed charge and Receivership accounts to the trading and floating charge accounts in order to enable the payment of all floating charge expenses and trading liabilities

Following the sale of all assets and the finalisation of the trading accounts, a total of £100,431 83 has been repaid in respect of the funding provided

Administrators' disbursements

Please see Section 9 for details

Corporation Tax

The sum of £2 80 has been paid to HM Revenue & Customs, in respect of corporation tax liabilities arising during the final year of the administration

Irrecoverable VAT

Total irrecoverable VAT for the final period amounts to £4,510 02

Distributions

Please see Section 5 for details

5. OUTCOME FOR CREDITORS

Secured creditor

As detailed in the Administrators' previous reports, the properties from which the Company operated were owned by CJB and were subject to fixed charges with the Bank. Therefore,

realisations made in respect of the properties were paid to the Receivers, who made a distribution to the Bank under their fixed charges

We previously estimated that there would be insufficient fixed charge realisations in the administration to enable a distribution to the Bank under their fixed charge. However, the sale consideration in respect of goodwill for both Broomfield and Valentine was substantially higher than initially anticipated, enabling distributions totalling £452,129.17 to be made to the Bank under their fixed charge. £70,433.17 of this was distributed during the final period.

The above outcome is more favourable than the director had estimated in his statement of affairs due to the director not attributing any value to goodwill, though the Bank will still suffer a shortfall.

Preferential creditors

As previously reported, we were only aware of one preferential claim in respect of holiday entitlement for one of the employees made redundant upon appointment. This claim has been paid by the Redundancy Payments Office ("RPO").

There have been insufficient realisations to pay a dividend to the preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be Nil and therefore no funds will be available to the unsecured creditors under the prescribed part.

Unsecured creditors

There have been insufficient realisations to pay a dividend to unsecured creditors.

Creditors should note that they might be eligible to obtain VAT bad debt relief on their debt six months after the date of supply or payment date if later, providing they have written the debt off in their accounts. The procedure does not involve the Joint Administrators and claims should be made directly to HM Revenue & Customs.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 2.33(5) of the Rules, in the absence of an initial meeting of creditors.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

- Upon appointment, the Joint Administrators instructed Careport Advisory Services Limited ("Careport"), an advisory firm that specialises in the running of care homes, to manage the ongoing trading at each of the homes in order to ensure the continuity of care and services to the residents and to ensure full compliance with all Care Quality Commission and local authority standards and requirements.
- Care Quality Commission ("CQC"), the independent regulator of all health and adult social care in England, were contacted immediately to arrange for the registrations to be

updated to reflect the administration of the Company with Careport being noted as managing agent

- Inspections were carried out by Careport in respect of all health and safety requirements and, where applicable, steps were taken to ensure that compliance was maintained and requisite standards upheld
- Following a review of the Company's financial records by both the Joint Administrators and Careport, it quickly became apparent that the Company's records had not been maintained to an adequate level. As a result, significant work was required in order to establish a more accurate financial position for the purposes of preparing trading accounts for the administration going forward
- Overdrafts were agreed with the Bank, based on trading forecasts prepared by Careport (and reviewed by the Joint Administrators), in order to provide funding for the ongoing trading at each of the homes
- Meetings were held with the residents and their families at each of the homes to explain the changes in the circumstances and to provide reassurance that the residents' care would not be disrupted or compromised as a result of the administration. Monthly updates on any changes or progress being made was provided to the residents' families by Careport
- All employees were retained by the Joint Administrators, aside from two employees at Broomfield who were made redundant following an initial review of the staffing levels at each home. The decision was made to pay the employees from 24 June 2011 up to the date of appointment to maintain goodwill
- Edward Symmons were instructed by the Joint Administrators as marketing and sale agents. A considerable amount of interest was expressed in all three homes
- DLA Piper ("DLA") solicitors conducted a review of the validity of the security held by the Bank in January 2010 and no adverse issues were reported, with the security being confirmed as valid. DLA were subsequently retained by the Joint Administrators to advise on matters arising during the administration and assist with the sales of the homes
- On 16 January 2012 the sale of Ramping Cat completed for £410,000, of this sum £395,700 related to the property and therefore formed part of the Fixed Charge Receivership estate. The remaining £14,300 was received into the administration estate
- With the agreement of creditors in February 2012 the administration was extended to 10 January 2013
- On 15 June 2012 the sale of Broomfield completed for £1,250,000, of this sum £850,000 related to the property and formed part of the Fixed Charge Receivership estate. The remaining £400,000 was received into the administration estate
- In order to collect a book debt due to the Company, which related to the remaining deferred consideration due on a transaction that took place prior the Joint Administrators' appointment, it was necessary to extend the administration with the consent of the Court. Consent was obtained and the administration was extended up to 10 July 2014
- Dealing with an insurance claim following a flood at Valentine House
- On 21 December 2012, a sale of the remaining care home, Valentine House completed for £1,100,000, with £800,000 being paid into the Fixed Charge Receivership and the balance being received into the administration estate

- The Joint Administrators continued to collect the deferred consideration and it was necessary to instruct solicitors, TLT LLP to assist. A full recovery of £60,000 was eventually made.
- The final matter to be dealt with was the collection of a trade debt and a recovery of £1,105.18 was made.

8. PRE-ADMINISTRATION COSTS

The following amounts in respect of pre-administration costs were approved by the secured creditor on 31 August 2011 in accordance with Rule 2.67A of the Rules

Details of recipient	Description of services provided	Amount
Begbies Traynor (Central) LLP	Pre-administration time costs	£6,064
Begbies Traynor (Central) LLP	Pre-administration expenses	£110

The pre-administration fees have been settled out of funds held in the Receivership of Ramping Cat, as agreed by the secured creditor.

9. REMUNERATION & DISBURSEMENTS

The Joint Administrators' remuneration has been fixed by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing Barclays Bank Plc panel rates in attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

The Joint Administrators' time costs for the period from 1 November 2013 to 30 April 2014 amount to £5,063.50 amount which represents 24.7 hours at an average rate of £205 per hour.

The Joint Administrators' time costs for the period from 30 April 2014 to 7 May 2014 amount to £389.50 which represents 1.9 hours at an average rate of £210 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

Begbies Traynor (Central) LLP's policy for re-charging disbursements

Begbies Traynor (Central) LLP's charge-out rates

Narrative summary of time costs incurred

Table of time spent and charge-out value for the period 1 November 2013 to 30 April 2014

Table of time spent and charge-out value for the period 30 April 2014 to 7 May 2014

Table of time spent and charge-out value for the period 11 July 2011 to 7 May 2014

The Joint Administrators' have drawn the total sum of £140,087.50 on account of their remuneration, against total time costs of £173,736.50 incurred since the date of their appointment. In the absence of there being sufficient realisations to discharge their time costs in full, the Joint Administrators' unbilled time costs of £33,649, have been written off as irrecoverable. However, they reserve the right to recover their unbilled time costs in the event that there are further asset realisations.

The Joint Administrators have also drawn disbursements in the sum of £2,366.20.

A copy of 'A Creditors' Guide to Administrators' Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

10. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

12. ASSETS THAT REMAIN TO BE REALISED

All asset realisations are complete.

13. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the director. We have complied with our duties in this respect.

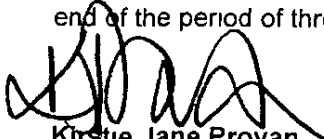
Extension of administration

The administration has been extended until 10 July 2014 by order of the court, however it will not be necessary for the administration to remain open until this time as all matters have now been dealt with.

14. CONCLUSION

Exit from administration

Once the Notice of move from administration to dissolution (Form 2 35B) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice



Kirstie Jane Provan
Joint Administrator

Date 28 May 2014

RECEIPTS AND PAYMENTS ACCOUNT FOR THE REPORTING PERIOD INCORPORATING AN OUTCOME STATEMENT

SofA / NBV		Receipts & Payments 11 July 2011 to 31 October 2013	Receipts & Payments 1 November 2013 to 30 April 2014	Estimated future receipts & payments 1 May 2014 to 28 May 2014	Total
£		£	£	£	£
Assets subject to fixed charge					
Business Intellectual Property		297 00	-	-	297 00
Goodwill		613,798 00	-	-	613,798 00
Partial re-payment of loan to floating charge account		30 000 00	59,804 00	10 627 83	100 431 83
Bank Interest		64 50	1 31	-	65 81
		<u>644 159 50</u>	<u>59,805 31</u>	<u>10,627 83</u>	<u>714 592 64</u>
Less					
Agents' sales fees		-	-	-	-
Administrators' fees		(120 087 50)	-	-	(120 087 50)
Administrators' expenses		-	-	-	-
Legal fees		(8 723 00)	-	-	(8 723 00)
Bank charges		(15 00)	-	-	(15 00)
Irrecoverable VAT		(20 763 73)	(4 998 37)	-	(25 762 10)
Transfers to cover trading deficit		(107 875 87)	-	-	(107 875 87)
		<u>386,694 40</u>	<u>54,806 94</u>	<u>10,627 83</u>	<u>452 129 17</u>
Available to Bank under Fixed Charge					
Due to the Fixed Charge Holder - Barclays Bank Plc		(6,668 581 00)	(6 286 885 00)	(6 227,081 00)	(6 668 581 00)
Distributions to the Fixed Charge Holder		381,696 00	59 804 00	10,629 17	452 129 17
		<u>(6 286 885 00)</u>	<u>(6 227 081 00)</u>	<u>(6 216 451 83)</u>	<u>(6 216 451 83)</u>
Deficiency c/d					
Assets subject to floating charge					
Cash at Bank		299 99	-	-	299 99
Furniture and equipment		18,557	98,999 00	-	98 999 00
Stock			1,198 00	-	1 198 00
Contracts			2 00	-	2 00
Customer list			2 00	-	2 00
Information technology			2 00	-	2 00
Work in progress			2 00	-	2 00
Bank interest			24 85	4 93	29 78
Utilities refund			347 03	-	347 03
Sundry receipt			-	-	-
Insurance contribution re flood damage			1 330 00	-	1,330 00
Book debt - deferred consideration			60 000 00	-	60,000 00
Trf of funds from Ramping Cat LPA re Administrators' fees			18 000 00	-	18,000 00
Trf from LPA Receiverships and fixed charge to cover trading deficit			128 995 00	-	128,995 00
Trading deficit			(170 280 00)	1 105 18	(169 174 82)
			<u>138 921 87</u>	<u>1,110 11</u>	<u>140 031 98</u>
Less					
Administrators' fees			(20 000 00)	-	(20,000 00)
Administrators' disbursements			(1 886 00)	(480 20)	(2,366 20)
Legal fees			(9 250 00)	-	(9,250 00)
Agents fees			-	-	-
Statutory advertising			(76 50)	-	(76 50)
Bank charges			-	-	-
Insurance			-	-	-
Insurance pay out re flood damage			(1 580 00)	-	(1,580 00)
Contingency			-	-	-
Corporation Tax			-	(2 80)	(2 80)
Irrecoverable VAT			(6 813 00)	584 39	(6,324 65)
Part re-payment of loans from fxd realisations			(41 304 00)	(48 500 00)	(100 431 83)
			<u>58,012 37</u>	<u>(46,805 50)</u>	<u>(11,206 87)</u>
Available for preferential creditors					
Preferential creditors			-	-	-
Net property			<u>58,012 37</u>	<u>(46,805 50)</u>	<u>(11,206 87)</u>
Less					
Prescribed Part of net property for unsecured creditors			-	-	NIL
Available to floating charge holder			<u>58,012 37</u>	<u>(46,805 50)</u>	<u>(11,206 87)</u>
Represented by					
Administration Trading Account					-
Administration Floating Charge Account					-
Administration Fixed Charge Account					-

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986

Purpose of the Administration

We were required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

We considered that it was not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case was that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. We furthermore considered that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole

In order that the purpose of the administration to be fully achieved, we proposed to remain in office in order to continue to trade whilst sales of the business and assets were completed and to conclude the realisations of the Company's assets namely the intellectual property, fixtures and fittings and stock and effect a wind down of the Company's affairs

The principal matters to be dealt with were as follows -

- The Joint Administrators take all necessary actions to preserve the value of the Company's assets, through trading the three care homes until such time as sales have been completed in order to achieve a maximum sale value. Trading may continue under the Joint Administrators' supervision for an extended period of time, dependant on the timing of the CQC registrations
- The Joint Administrators, in conjunction with the Joint Fixed Charge Receivers, continue to deal with the completion of the sale of the Company's interest in all three care homes and any realisable tangible assets detailed in the main body of the proposals
- The Joint Administrators will investigate any antecedent transactions which may have detrimentally affected the Company's financial position and if necessary, instigate legal proceedings against any party or parties who are considered culpable, to achieve a recovery for the estate
- The Joint Administrators will carry out an investigation of the conduct of the director prior to the Company entering into administration and submit a statutory return to the Department of Business, Innovation & Skills

The Joint Administrators also proposed that

- The Joint Administrators may make a distribution to the secured or preferential creditors in accordance with the requirements of the Act and, if appropriate, may make an application to the Court for payments to unsecured creditors
- That the Joint Administrators be discharged from liability under Paragraph 98 of Schedule B1 to the Act on ceasing to be Joint Administrators of the Company
- The proposals shall be subject to such modifications or conditions as the Court may approve or impose, or any modification approved by creditors
- That, if no Creditors' Committee is formed, fees be fixed in accordance with Rule 2.106 of the Rules by reference to time properly given by the Joint Administrators and their staff in attending to matters arising during the Administration and that they may draw their remuneration on account as and when funds permit
- That the Joint Administrators be authorised to draw disbursements in accordance with the explanatory note on the subject, which accompanies this report

-
- The Joint Administrators exit the Administration by way of either dissolution or a Creditors' Voluntary Liquidation at such time as the Joint Administrators consider that one or more of the purposes of the administration as set out in paragraph 3 above have been achieved. If the exit route is by way of a Creditors' Voluntary Liquidation, it is proposed that Kirstie Jane Provan and Mark Robert Fry be appointed as Joint Liquidators of the Company.
 - Should the Company later enter into Creditors' Voluntary Liquidation that the Joint Liquidators' fees be based on time costs.
 - That, if necessary, the Joint Administrators may apply to creditors or to Court for an extension of the Administration.
-

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
 - b Begbies Traynor (Central) LLP's charge-out rates,
 - c Narrative summary of time costs incurred,
 - d Table of time spent and charge-out value for the period from 1 November 2013 to 30 April 2014,
 - e Table of time spent and charge-out value for the period 30 April 2014 to 7 May 2014 and
 - f Table of time spent and charge-out value for the period 11 July 2011 to 7 May 2014
-

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office for this assignment as at the date of this report are as follows

Grade of staff	£ per hour
Partner 1	205
Partner 2	205
Director	205
Senior Manager	205
Manager	205
Assistant Manager	205
Senior Administrator	205
Administrator	205
Junior Administrator	205
Support	205

Prior to 1 September 2011 the following rates applied

Grade of staff	£ per hour
Partner 1	195
Partner 2	195
Director	195
Senior Manager	195
Manager	195
Assistant Manager	195
Senior Administrator	195
Administrator	195
Junior Administrator	195
Support	195

The following rates are the standard rates applying to the London office as at the date of this report. However, the secured lender Barclays Bank Plc has negotiated a flat rate that will apply as long as the secured lender has a deficit on the sums due to it. In the event that the secured lender is paid in full, the rates charged will revert to our standard rates.

Grade of staff	£ per hour
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Atlantis Health Care Limited
CASE TYPE ADMINISTRATION
OFFICE HOLDERS Kirstie Jane Provan and Mark Robert Fry
DATE OF APPOINTMENT 11 July 2011

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

As the sale of the final care home completed prior to this reporting period, we have not dealt with any complex matters, such as monitoring the trading at the homes, during the final period

1.3 Exceptional responsibilities

As above

1.4 The office holders' effectiveness

We have completed the sale of all three of the care homes and are now ready to move the Company to dissolution

1.5 Nature and value of property dealt with by the office holders

The Company traded from

Ramping Cat House, White Hill, Burford, Oxfordshire, OX18 4EX
Broomfield, Yardley Road, Olney, Buckinghamshire, MK46 5DX
Valentine House, Broadway, Silver End, Nr Witham, Essex, CM8 3RF

As previously reported, all of the above properties belonged to CJB and were subject to Receiverships

The sale of Ramping Cat to Mr and Mrs Nayar completed on 16 January 2012 for £410,000
Details of the sale proceeds paid upon completion, excluding any amounts received in respect of the property are as follows

Description	Value (£)
Business Intellectual Property	99
Contracts	1
Customer list	1
Equipment	12,999
Goodwill	999
Information Technology	1
Stock	199
Work in Progress	1
Total	14,300

The sale of Broomfield to Cawood Investments Limited and Eminence Care Service (Broomfield) Limited completed on 15 June 2012 for £1,250,000. Details of the sale proceeds paid upon completion, excluding any amounts received in respect of the property are as follows

Description	Value (£)
Business Intellectual Property	98
Contracts	1
Customer list	1
Equipment	36,000
Goodwill	363,399
Information Technology	1
Stock	499
Work in Progress	1
Total.	400,000

The sale of Valentine to Black Swan International Limited completed on 21 December 2012, a sale of the only remaining care home, Valentine House, completed for £1,100,000. Details of the sale proceeds paid upon completion, excluding any amounts received in respect of the property are as follows

Description	Value (£)
Goodwill	249,400
Furniture and equipment	50,000
Stock	500
Intellectual property	100
Total	300,000

16 Anticipated return to creditors

Secured creditor

During the administration it has been possible to pay total distributions of £452,129.17 to the Bank under their fixed charge. However, the Bank will suffer a shortfall.

Preferential creditors

Due to insufficient realisations it was not possible to pay a distribution to preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be Nil and therefore no funds will be available to the unsecured creditors under the prescribed part.

Unsecured creditors

There were insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Creditors should note that they might be eligible to obtain VAT bad debt relief on their debt six months after the date of supply or payment date if later, providing they have written the debt off in their accounts. The procedure does not involve the Joint Administrators and claims should be made directly to HM Revenue & Customs.

1 7 Time costs analysis

An analysis of time costs incurred between 1 November 2013 to 30 April 2014, 30 April 2014 to 7 May 2014 and 11 July 2011 to 7 May 2014 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by us (as office holders) and our staff following our appointment only.

1 8 The views of the creditors

The Administrators have since their appointment written to creditors formally advising them of their appointment and circulated progress reports in accordance with statutory requirements. The Administrators have also responded to any queries received from creditors.

1 9 Approval of fees

We obtained approval from the secured creditor for our remuneration to be fixed by reference to the time properly given by us (as Administrators) and the various grades of our staff calculated at the prevailing Barclays Bank Plc panel rates in attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompany this report at Appendix 3.

The secured creditor approved the above remuneration on 31 August 2011.

1 10 Approval of expenses and disbursements

Similarly, the Administrators with approval of the secured creditor are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy.

1 11 Other professionals employed & their costs

No professional costs were expended during the final period.

1 12 Staffing and management

Appropriately experienced staff continue to undertake the various tasks that arise during the course of the administrations to ensure matters are properly dealt with at the least cost to the estates. It is the policy of Begbies Traynor that all grades of staff charge time which solely relates to the case. The analysis later in the report seeks to give some indication of the various tasks undertaken by us (as Administrators) and our staff but is not intended to be, nor should be viewed as, an exhaustive list.

2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report, the following work has been carried out:

- Ensuring compliance with professional standards,
- Ensuring compliance with all statutory duties,
- The handling of receipts and payments,
- Preparing statutory reports,
- Liaising with HM Revenue & Customs in respect of the Company's Corporation Tax position and obtaining tax clearance, and
- The day-to-day running of the administration, including everything necessary to conclude the administration.

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning						0.3				0.30	61.50	205.00
		1.7			6.3	5.1			1.1	14.20	2,911.00	205.00
		1.0				6.8				7.80	1,599.00	205.00
Investigations												
Realisation of assets												
						0.2				0.20	41.00	205.00
Trading												
Creditors												
						1.1				1.10	225.50	205.00
						0.5				0.50	102.50	205.00
Other matters						0.4				0.60	123.00	205.00
Total hours by staff grade		2.7			6.5	14.4			1.1	24.7		
		553.50			1,332.50	2,952.00			225.50		5,083.50	
		205.00			205.00	205.00			205.00			205.00

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Travel Costs	Begbies Traynor (Central) LLP	72 41	(72 41)	-
Storage	Restore Group Plc	407 32	(407 32)	-
Postage	Royal Mail	0 47	(0 47)	-