

AM03

Notice of administrator's proposals



Companies House

For further information, please



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Please complete in typescript or in
bold black capitals.

THURSDAY

1 Company details

Company number 0 4 2 4 9 8 5 6

Company name in full Nursing 2000 Limited

2 Administrator's name

Full forename(s) Wayne

Surname Macpherson

3 Administrator's address

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region Essex

Postcode S S 1 2 E G

Country

4 Administrator's name ①

Full forename(s) Louise Donna

Surname Baxter

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

5 Administrator's address ②

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G

Country

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

AM03

Notice of Administrator's Proposals

6 Statement of proposals



I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature
X



X

Signature date

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AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Wayne Macpherson
Company name	Begbies Traynor (Central) LLP
Address	The Old Exchange 234 Southchurch Road
Post town	Southend on Sea
County/Region	
Postcode	S S 1 2 E G
Country	
DX	
Telephone	01702 467255



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

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.

Nursing 2000 Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. 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. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Nursing 2000 Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 8 October 2018
"the administrators", "we", "our", "us"	Wayne Macpherson of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Louise Donna Baxter of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (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"	(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

2. STATUTORY INFORMATION

Name of Company	Nursing 2000 Limited	
Trading name(s):	Nursing 2000 Limited	
Date of Incorporation:	10 July 2001	
Company registered number:	04249856	
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex SS1 2EG	
Former registered office:	85-87 Streatham High Road, London, SW16 1PH	
Trading address(es):	85-87, Streatham High Road, London, SW16 1PH	
Principal business activities:	Others - Not Reported	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Kevin Carr	4 A and 30 B
	Derek Rowan	4 A and 30 B
	Lynda Burns	2 A and 10 B
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	Kevin Carr	As above
Auditors:	Crane & Partners Leonard House, 5-7 Newman Road, Bromley, Kent, BR1 1RJ	
Share capital:	80 GBP consisting of 10 ordinary £1 A class shares and 70 ordinary £1 B class shares	
Shareholders:	Kevin Carr Derek Rowan Lynda Burns	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	8 October 2018
Date of resignation:	n/a
Court:	Business and Property Courts Insolvency and Companies
Court Case Number:	008469 of 2018
Person(s) making appointment / application:	Bibby Financial Services Limited, 105 Duke Street, Liverpool, L1 5JQ

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.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was incorporated on 10 July 2001 and traded from 85-87, Streatham High Road, London, SW16 1PH. It provided agency staff, as well as providing recruitment services, for several NHS trusts with whom it had a Framework agreement with or held smaller contracts. The Company traded successfully for a number of years, however, has achieved mixed results over the last few years.

The Company employed approximately 100 staff, as well as having several hundred agency staff on its books.

Following professional advice, the Company proceeded to propose a Company Voluntary Arrangement ("CVA") to its creditors; this was approved in March 2018. The CVA was for a 10 month duration pledging a total dividend to creditors of 100p in the £ over its term.

The Company's secured creditor supported the business throughout the Company entering into a CVA.

However, as a result of the CVA and a number of extraordinary costs, such as redundancy, that had to be borne by the Company there were further constraints on cash flow which resulted in post CVA tax liabilities unable to be met. On 21 September 2018 the CVA Supervisors notified the Company that the CVA had failed.

A winding up petition was served on the Company by the Supervisors of the CVA on 21 September 2018, of which Bibby Financial Services Limited were notified. On doing so, Bibby Financial Services Limited issued a demand for immediate repayment of its debt.

5. STATEMENT OF AFFAIRS

The directors have been requested to prepare a statement of affairs of the Company as at 8 October 2018, this has not yet been received.

As no statement of affairs has so far been delivered our comments on the Company's financial position are based on the Company's most recent management accounts, financial accounts and physical records. The details of which are as follows:

Assets specifically pledged

Book Debts

The Company's debtors were subject to a fixed charge in favour of Bibby Financial Services Limited. The records of the Company provide a book value for the outstanding debts of £631,926. The approved amount of this debt is £615,808, for prudence we have applied a 20% provision on these debts and therefore consider £492,646.40 as realisable.

Bibby Financial Services Limited are owed the amount of £427,714 and are therefore expected to be paid in full from book debts realisations. A surplus is expected to be remitted to the Administration.

Assets not specifically pledged

Goodwill and Intellectual Property

The last financial accounts to 21 January 2017 show intellectual property with a book value of £101,720. Following the agreement of a pre-packaged sale the goodwill and intellectual property has been sold for the sum of £75,000 to Medic Professionals Limited. Further details of the valuation and sale of this asset are provided in our SIP16 Statement.

Furniture & Equipment

The Company's accounts to 31 January 2017 show furniture and equipment with a net book value of £50,920 these assets have been included in the pre-pack sale with a value of £9,000. Further details of this sale are included in our report in accordance with SIP16.

Motor Vehicle

The Company had a motor vehicle which had a net book value of £7,500 shown in the Company's accounts to 31 January 2017. This has been sold for £14,000 as advised in our report in accordance with SIP16.

Sundry Debtors

The Company's management accounts include the sum of £225,033.71 as sundry debtors. It is presently uncertain as to whether any amount is realisable in relation to these debts. The Joint Administrators will perform a review of these debtors to ascertain whether any funds are capable of being realised.

Prepayments

The Company has made prepayments totalling £164,110.37, as reflected in its management accounts. The Joint Administrators are currently reviewing each of these payments to ascertain whether any of them are capable of realisation.

Directors Loan Accounts

The Company's management accounts show directors' loan accounts with an overdrawn balance of £1,283,370.58. It is currently uncertain as to the level of repayments in relation to these accounts and the Joint Administrators are currently making the appropriate enquiries. The level of repayments will depend on these enquiries and ongoing enquiries in relation to the directors' means.

Cash at Bank

The Company's bank account had a credit balance of £3,280.89 at the date of the statement of affairs which is estimated to be realised in full.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 8 October 2018, to 16 October 2018.

To date no realisations have been achieved. Our solicitors are currently holding £10,000 from the completion payment in their client account following the completion of the Asset Purchase Agreement. These funds will be transferred to the administration imminently.

Work undertaken by the Administrators and their staff

Since our appointment we have undertaken the following:

General case administration and planning

- General filing and printing of incoming communications;
- Setting up and maintaining physical case files;
- Review of background and identifying areas requiring action and formulating a case strategy plan.
- Creation of case compliance checklists.
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.
- Creation of file notes where necessary;

- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Establishing the location of Company's statutory and financial books and records from both the director of the Company and the Company's former accountants.
- Communication with the insolvent's bank to obtain copy bank statements;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Preparing documentation and dealing with formalities of appointment (both statutory and best practice);
- Preparing, reviewing and issuing initial report to creditors following appointment;
- Preparing these proposals;
- Preparing a statement of the pre-packaged sale of the Company's business in accordance with SIP16;
- Submission of forms to Companies House and the London Gazette advertising;
- Obtaining specific penalty bond;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;

Banking:

- Opening the insolvent estate bank account.
- *Creating the officer holders' cash book on this assignment.*
- Complying with risk management procedures;
- Preparing and processing remittance advices for incoming funds,

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Corresponded with relevant directors of the insolvent entity to advise of the effect on them of insolvency and issue directors' questionnaires.
- Written to accountant for delivery up of company's files to include accounts and tax returns.
- Written to bank to obtain copy statements and their subsequent review if received;

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue.

On this assignment, it is currently uncertain as to whether there will be a direct commercial benefit to creditors in relation to the above matters as the office holders, at present, have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

Realisation of assets

- Review of the available information and formulating an asset realisation strategy;
- Corresponding with bank to close the Company's account and forward any credit balance held;
- Accounting for the sale proceeds and arranging for the collection of the deferred consideration,

- Complete the pre-packaged sale of the Company's business assets;

On this assignment, the work detailed above has realised assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. This has a direct benefit to creditors as there may be sufficient funds available to enable a dividend to creditors.

Trading

- None – the Company has not been traded in administration.

Dealing with all creditors' claims, correspondence and distributions

Creditors:

- Creating and updating schedules of unsecured creditor claims;
- Preparing all necessary notices and forms and subsequently sending initial circular to creditors;
- Taking and dealing with phone calls from creditors;

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which includes meetings, tax, litigation, pensions and travel

Tax / VAT

- Submitting relevant initial notification to HM Revenue & Customs;

It is a requirement of the office holders to comply with tax legislation until conclusion of the matter.

Pensions

- Establishing if a pension exists, to include online checks;

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

Pre-packaged sale of the business and assets

A copy of our SIP 16 Statement is attached to our letter notifying creditors of both our appointment and the access details of these proposals.

Agents

A valuation was obtained from independent agents, Gordon Brothers, which have significant experience in the insolvency industry. Neal Weekes, who is a RICS registered business valuer, was responsible for the valuation obtained.

Pre-pack Pool and Viability Statement

Prior to the sale of the business the prospective purchaser, Medic Professionals Limited was made aware on 2 October 2018 of the pre-pack pool, but they declined to approach the pre-pack pool in the circumstances of this sale. Creditors may find more information regarding the Pre-Pack Pool at www.pre-packpool.co.uk.

The purchaser was also invited to produce a viability statement in respect of why the business is likely to succeed under the new Company where it had previously failed to do so. In this matter the viability statement

is attached to our SIP16 Statement. We were also advised that external funding was being provided to the proposed purchaser which would address any initial cash flow issues.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' statement of affairs) are as follows:

Secured creditor

The Company granted a fixed and floating charge to Bibby Financial Services Limited on 6 September 2011. Their current liability is £427,714 which is expected to be fully discharged from fixed charge realisations.

Preferential creditors

As a result of the sale of the business the employees of the Company have transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006; there are therefore no known preferential claims.

Unsecured creditors

Claims of unsecured creditors are estimated at £1,820,814.83.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

Secured creditor

It is expected that the secured creditor will be repaid in full from fixed charge realisations

Preferential creditors

There are no preferential creditors.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or

- the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

It is estimated that the qualifying floating charge holder's debt will be satisfied by way of fixed charge realisations therefore they will have no floating charge claim in the administration and, consequently, Section 176A will not apply and no prescribed part of net property will be made available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is presently considered that funds will be available to enable a dividend to be paid to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are 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.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The reason we do not consider the objective specified in sub-paragraph 3(1)(a) is achievable is due to the active petition to wind up the Company. If the Company had not gone into administration it is likely that it would have been placed into compulsory liquidation and would have had to cease to trade.

By placing the Company into administration rather than an alternative insolvency process the Company's assets have been able to be sold on a going concern basis and greater realisations have been achieved as a result. Additionally by enacting the transaction and enabling a continued uninterrupted supply of nurses to the NHS has increased the realisable value of the debtor ledger therefore enhancing realisations.

Additionally it is likely that the objective specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors, will be achieved.

We will continue to monitor the debtor collection and review the Company's books and records to ascertain whether any further assets remain that are capable of realisation for the benefit of the administration, in addition to collecting in the balances due from the overdrawn directors' loan accounts.

As the Company has ceased to trade there is no requirement to finance the ongoing trade.

We will undertake our statutory duties to investigate the affairs of the Company and the conduct of the director which may have a beneficial effect to creditors as a result of potential further realisations achieved from any potential antecedent transactions discovered. Should creditors have any information that they consider may be useful in this regard then they are invited to write to us with any concerns.

We consider that the objectives have already largely been achieved due to the Company's assets being sold by way of a pre-packaged sale and claims minimised by the Company entering into administration rather than having to provide notice of liquidation during which further liabilities could accrue, including claims of employees whose liabilities would not have been transferred to another company under the TUPE regulations.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the collection of the deferred consideration and instalment payments as well as collecting in other balances due to the Company. The principal matters to deal with in this respect are:

- Liaising with the purchaser regarding the collection of the sums due under the asset purchase agreement;
- Review of the records of the Company with a view to collecting in the overdrawn directors' loan accounts;
- Corresponding with the bank to realise the cash held;
- Liaising with the secured creditor regarding the collection of any surplus arising from the collection of the Company's debtor ledger;
- Assignment of leasehold premises.

Following these events we propose to finalise distributions to the secured creditor.

Exit from Administration

How it is proposed that the administration shall end:

Conversion to creditors' voluntary liquidation

We confirm that we are of the opinion that the total amount which each secured creditor of the Company is likely to receive will be paid or set aside and that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part¹.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

¹ Insolvency Act 1986, Sch B1, para 83(1)

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Contingency plan - dissolution

However should it transpire that it is not possible to make a distribution to unsecured creditors over and above the prescribed part, then, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Contingency plan - extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the collection of the instalments and turnover consideration whilst having sufficient funds to allow a distribution to unsecured creditors over and above the prescribed part. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we carried out work consisting of liaising with the qualifying floating charge holder, the directors of the Company and an associated company regarding the potential sale of the business, this included advising the directors in respect of their statutory duties and liaising with advisors regarding the particulars of the proposed sale ("the Work").

The proposed administrators were contacted by Bibby Financial Services Limited, who are a secured creditor of the Company, on or about 21 September 2018.

The Work was carried out before the Company entered administration because it was considered that if a sale of the business could be facilitated by way of a pre-pack sale or a sale largely agreed prior to administration and subsequently completed by the administrators once the Company entered into administration, this would achieve a better result for all parties. For these reasons we consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	21,854.50	4,370.90	26,225.40
Legal costs	Sprecher Grier	7,691.50	1,538.30	9,229.80
Agents costs	Gordon Brothers	5,865.00	1,173.00	7,038.00
TOTAL PRE-ADMINISTRATION COSTS		35,411.00	7,082.20	42,493.20

Of the pre-administration costs, the sum of £20,000 inclusive of VAT was paid to Begbies Traynor in relation to our fees for the Work by the Company. There are therefore unpaid pre-administration costs ("the unpaid pre-administration costs"), broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	1,854.50	370.90	2,225.40
Legal costs	Sprecher Grier	7,691.50	1,538.30	9,229.80
Agents costs	Gordon Brothers	5,865.00	1,173.00	7,038.00
TOTAL UNPAID PRE-ADMINISTRATION COSTS		15,411.00	3,082.20	18,493.20

We are seeking that the unpaid pre-administration costs be paid as an expense of the administration.

Approval to pay the unpaid pre-administration costs as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination by seeking decisions of creditors. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters as set out in the fees estimate.

It is for the creditors' committee to approve the basis of our remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. We intend to deal with this by seeking decisions of creditors via correspondence

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 08 October 2018.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
9 October 2018	Equipment, motor vehicle and business Intellectual Property, Customer and employees list, Goodwill, Books and records, Information Technology, Work in progress, and the leasehold property,	£98,000 – with £10,000 paid on completion, £13,000 by 5 November 2018 followed by 7 equal monthly instalments of £10,714.29 commencing on 30 November 2018	Medic Professionals Limited	2 common directors and shareholders being Kevin Carr and Derek Rowan

	insofar as it being able to be assigned			
--	---	--	--	--

Deemed delivery

These proposals will be deemed to have been delivered on 18 October 2018.

Use of personal information

Please note that in the course of discharging our statutory duties as s, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

We consider that the Company has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and we are therefore required to seek a decision from the Company's creditors as to whether they approve our proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of our proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve our proposals.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



Wayne Macpherson
Joint Administrator

Date: 16 October 2018

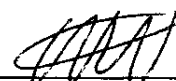
ACCOUNT OF RECEIPTS AND PAYMENTS

8 October 2018 to 16 October 2018

Nursing 2000 Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 16/10/2018

S of A £		£	£
	SECURED ASSETS		
492,646.40	Book Debts	NIL	NIL
	SECURED CREDITORS		
(427,714.00)	Bibby Financial Services Limited	NIL	NIL
	ASSET REALISATIONS		
75,000.00	Business Intellectual Property	NIL	
9,000.00	Furniture & Equipment	NIL	
14,000.00	Motor Vehicles	NIL	
Uncertain	Sundry Debtors	NIL	
Uncertain	Prepayments	NIL	
Uncertain	Directors' Loan Accounts	NIL	
3,280.89	Cash at Bank	NIL	NIL
	UNSECURED CREDITORS		
(769,714.94)	Trade Creditors	NIL	
(3,907.86)	Directors	NIL	
(63,445.43)	Credit Card	NIL	
(983,746.00)	HMRC	NIL	NIL
	DISTRIBUTIONS		
(80.00)	Ordinary Shareholders	NIL	NIL
(1,654,680.94)			NIL
	REPRESENTED BY		NIL

Note:



Wayne Macpherson
Joint Administrator

Insolvency Act 1986

Nursing 2000 Limited
Estimated Statement Of Affairs as at 8 October 2018

	Book Value £	Estimated to Realise £	£
ASSETS			
Book Debts	615,808.00	492,646.40	
Bibby Financial Services Limited		(427,714.00)	
		64,932.40	64,932.40
Business Intellectual Property	101,720.00		75,000.00
Furniture & Equipment	50,920.00		9,000.00
Motor Vehicles	7,500.00		14,000.00
Sundry Debtors	225,033.71		Uncertain
Prepayments	164,110.37		Uncertain
Directors' Loan Accounts	1,283,370.58		Uncertain
Cash at Bank	3,280.89		3,280.89
			166,213.29
LIABILITIES			
PREFERENTIAL CREDITORS:-			<u>NIL</u>
			166,213.29
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			<u>NIL</u>
			166,213.29
Estimated prescribed part of net property where applicable (to carry forward)			<u>15,986.48</u>
			150,226.81
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			<u>NIL</u>
			150,226.81
Estimated prescribed part of net property where applicable (brought down)			<u>15,986.48</u>
			166,213.29
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors (Count=38)		769,714.94	
Directors		3,907.86	
Credit Card		63,445.43	
HMRC		983,746.00	
			<u>1,820,814.23</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(1,654,600.94)</u>
			(1,654,600.94)
Issued and called up capital			
Ordinary Shareholders		80.00	
			<u>80.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u>(1,654,680.94)</u>

Begbies Traynor (Central) LLP
Nursing 2000 Limited
Company Creditors

Key	Name	Address	£
CA00	AM Surveying Property Services	6 Woodlands Parade, Woodlands Road, Aylesford, Kent, ME20 6HE	2,186.83
CA02	Aquaaid	Unit 8, Chessington Trade Park, 60 Cox Lane, Chessington, KT9 1TW	364.46
CA03	American Express	Amex House, Edward Street, Brighton, BN88 1AH	63,445.43
CB00	BT Internet	BT PLC, Durham, DH98 3BT	141.56
CB01	British Gas	PO Box 6223, Leicester, LE1 3ZG	921.04
CB02	Babson Care Limited	46 Castle Street, Swanscombe, Kent, DA10 0HN	7,955.76
CC00	Crane & Partners	Leonard House, 5-7 Newman Road, Bromley, Kent, BR1 1RJ	23,850.00
CD00	Derrick Boone		1,075.00
CF00	Fleximised	113-117 Farringdon Road, London, EC1R 3BX	179,441.66
CF01	FLR Spectron Limited	Enterprise House, Unit 4, Orpington Trade Centre, Murray Road, Kent, BR5 3SS	1,423.68
CG00	Gateway Outsourcing Solutions	Eco Park Road, Ludlow, Shropshire, SY8 1FB	172.08
CG01	Gem Outsourcing		300.00
CG03	Grant Thornton	300 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YE	7,011.35
CG04	CPP GSTT NHS Foundation Trust	Income Department, 2nd Floor New City Court, Great Maze Pond, London, SE1 9RT	85,328.70
CH00	HMRC	Room BP 3202, Benton Park View, Longbenton, Newcastle Upon Tyne, Tyne and Wear, NE98 1ZZ	983,746.00
CI00	12 Office Limited		951.60
CI01	Investec Asset Finance PLC	Luminous House, 300 South Row, Milton Keynes, MK9	2,155.92
CI02	Isogar Limited	Reading Intl Business Park, Reading, Berkshire, RG2 6AA	906.00
CL00	Lambeth Council Waste	Financial Shared Services, 1st Floor Olive Morris House, 18 Brixton Hill, London, SW2 1RL	462.00
CL01	LDF Finance		77,020.50
CL02	London Borough of Lambeth	Dee House, St David's Park, Flintshire, CH5 3XF	1,355.29
CM00	Mailserv Limited	Business Rates, PO Box 165, Bromley, BR1 3ZA	180.00
CM01	MSR Umbrella Services Ltd	Unit 11 Bridge Road Industrial Estate, Bridge Road, Haywards Heath, West Sussex, RH16 1TX	1,587.60
CN00	Net Vector Consulting Limited	MSR House, Essex, ET3 4AA	2,404.49
CP00	P2P	South Barn, Crockham Park, Crockham Hill, Edenbridge Kent, TN8 6SR	77,020.50
CR00	Revamp HR Limited	C/o Funding Circle, 71 Queen Victoria Street, London, EC4V 4AY	1,200.00
CR01	Rae Narmazee	233C Bensham Lane, Thornton Heath, Surrey, CR7 7ET	1,995.93

Begbies Traynor (Central) LLP
Nursing 2000 Limited
Company Creditors

Key	Name	Address	£
CR02	RCN Publishing Company	The Heights, 59-65 Lowlands Road, Harrow-on-the-Hill, Middlesex, HA1 3AE	5,040.00
CS00	Sage (UK) Limited	North Park, Newcastle Upon Tyne, NE13 9AA	8,702.06
CS01	Smartpay Limited	Blackpool Technology Management Centre, Faraday Way, FY2 0JW	806.46
CS02	Stone LLC	C/o Funding Circle, 71 Queen Victoria Street, London, EC4V 4AY	143,999.84
CS03	Spiritfire Network Services Limited	139 Chapman Road, London, SW9 0HP	4,424.16
CS04	StaffNurse.com	Careersite.biz Limited, RTC Business Park, 250 Derwent House, London Road, Derby, DE24 8UP	6,486.82
CT00	The Insolvency Service	Redundancy Payments Office, PO Box 16675, Birmingham, B2 2LX	114,500.25
CT01	Thames Water	Customer Services, PO Box 234, Swindon, SN38 3TW	479.72
CT03	The Doctors Laboratory	Finance Department, 60 Whitfield Street, London, W1E 4BR	2,152.30
CV00	Vantage	PO Box 420, La Chasse Chambers, St Heller, Jersey, JE4 0WQ	750.00
CW00	Western Provident Association	Rivergate House, Blackbrook Park, Taunton, Somerset, TA1 2PE	4,167.91
CW01	Westhill Insurance Services	Irene House, Five Arches Business Estate, Maidstone Road, Sidcup, Kent, 0208 308 4321	793.47

39 Entries Totalling 1,816,906.37

Begbies Traynor (Central) LLP
Nursing 2000 Limited
1 Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
RL00	Ms Lynda Burns	2 Batemoor Walk, Norton, Sheffield, South Yorkshire, S8 8EG		3,907.86	3,907.86
1 Entries Totalling			0.00	3,907.86	3,907.86

Begbies Traynor (Central) LLP
Nursing 2000 Limited
2Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

Begbies Traynor (Central) LLP
Nursing 2000 Limited
Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HD00	Mr Derek Rowan	64 Brighton Road, Coulsdon, Surrey, CR5 2BB	Ordinary	34.00	34	1.00	34.00
HK00	Mr Kevin Carr	64 Brighton Road, Coulsdon, Surrey, CR5 2BB	Ordinary	34.00	34	1.00	34.00
HL00	Ms Lynda Burns	2 Batemoor Walk, Norton, Sheffield, South Yorkshire, S8 8EG	Ordinary	12.00	12	1.00	12.00
3 Ordinary Entries Totalling				26.67	80		

STATEMENT OF AFFAIRS (prepared by the Joint Administrators)

Notes to the Statement of Affairs.

1. The book debts are subject to fixed charges granted in favour of Bibby Financial Services Limited under a invoice discounting agreement by way of its debenture registered against the Company on 8 September 2011 following being created on 6 September 2011.
2. The tangible and intangible assets of the Company have been professionally valued by Messrs Gordon Brother on both an Open Market Valuation and Estimated Restricted Realisation Price bases.
3. We are not aware of any claims of the Department for Business, Energy and Industrial Strategy in respect of employees' estimated claims under The Employment Rights Act 1996.
4. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
 - b. Or if the net property is more than £10,000, if the provision is unapplied by the court on the application of the administrator on cost-benefit grounds.
5. The claim of HM Revenue & Customs represents VAT, PAYE and NIC outstanding, which includes arrears included in the CVA and from post Arrangement liabilities.
 6. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
 7. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.
 8. Transactions with directors and associates.

Standard practice requires disclosure to the creditors of any transactions (other than in the ordinary course of business) between the Company (including any of its subsidiaries or any other company in which it has or had an interest) and any of its directors or their associates (as defined in Section 435 of the Act) in the period of **two years** prior to the commencement of administration, and in the period since the commencement of the administration, or proposed to be undertaken. Relevant details are as follows:

Transaction 1

Date of transaction:	9 October 2018
Assets acquired:	Equipment, motor vehicle and business Intellectual Property, Customer and employees list, Goodwill, Books and records, Information Technology, Work in progress, and the leasehold property, insofar as it being able to be assigned
Amount of consideration paid:	£98,000
Date consideration paid:	£10,000 on date of completion balance by way of deferred payments
Name of counterparty:	<i>Medic Professionals Limited</i>
Nature of counterparty's connected party relationship with the vendor:	Purchaser shares two common directors and shareholders with the Company
Name and qualification of person who provided independent valuation advice	Neal Weekes, RICS registered valuer, of Gordon Brothers
The scope of our investigations and conclusions reached:	The transaction appears fair and reasonable given the value of the main asset, being the contracts. If the Company had ceased to trade these would have been valueless and the NHS would have exercised both their right of set off and step in rights.

REMUNERATION AND EXPENSES

Total time spent to 15 October 2018 on this assignment amounts to 9 hours at an average composite rate of £315 per hour resulting in total time costs to 15 October 2018 of £2,835.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value
- ☐ The Administrators' fees estimate
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates 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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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 £100 (London £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*).

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be 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*. The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval):

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the

case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

Services provided by an entity in which an Office Holder has an interest

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 Southend-on-Sea as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Partner	495	495-550
Director	395	395
Senior Manager	365	365
Manager	315	315
Assistant Manager	270	285
Senior Administrator	235	250
Administrator	185	220
Trainee Administrator	160	n/a
Junior Administrator	n/a	160
Support	160	n/a
cashier	n/a	160
secretarial	n/a	160

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

The office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious Insolvency Division is a specialist department of the office holder's firm which provides forensic investigating services. The current charge-out rates applying to work carried out by BTG Contentious Insolvency Division are as follows:

Grade of staff	Charge-out rate (£ per hour)	Charge-out rate (£ per hour)
	1 May 2011 – 30-Apr-16	1 May 2016 – until further notice
Director	395	395
Senior Manager	365	365
Assistant Manager	270	285

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

² Ibid 1

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: Nursing 2000 Limited

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Wayne Macpherson AND Louise Donna Baxter

DATE OF APPOINTMENT: 8 October 2018

1 CASE OVERVIEW

- 1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

In the period before the Company entered administration, we carried out work consisting of entering into a considerable amount of correspondence with the qualifying floating charge holder, the directors of the Company and an associated company regarding the potential sale of the business. This work included advising the directors in respect of their statutory duties and liaising with advisors regarding the particulars of the proposed sale ("the Work"), as well as advising the secured creditor in respect of their position. In addition it involved liaising with agents and solicitors to facilitate the sale and ensure best value was obtained for the business assets.

1.4 Complexity of work undertaken prior to appointment

The pre-appointment work required a substantial amount of work by senior level staff to ensure that the Company's position was properly understood. This involved meetings with the directors and the Agents to ascertain the likelihood of achieving a successful sale. The proposed administrators liaised with the interested party regarding any sale following which they corresponded with the qualifying floating charge holder and directors regarding the formalities of placing the Company into administration.

1.5 Exceptional responsibilities

There were no exceptional responsibilities other than to ensure each party was aware of their legal duties regarding a pre-packaged sale of the business and that any sale agreed was compliant with the terms of Statement of Insolvency Practice 16 ("SIP16")

1.6 The proposed Administrators' effectiveness

A pre-packaged sale was able to be achieved therefore achieving the best result for the Company's creditors.

1.7 The views of the creditors

Creditors' views were not obtained regarding any possible sale to avoid the potential negative impact this could have created except for the views of the NHS Trust with whom the Company had a framework agreement to ensure this was able to be assigned in any sale agreed

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

The Administrators are seeking a resolution in relation to their pre-administration costs as follows: that the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

Pursuant to the resolution being sought in relation to the unpaid pre-administration costs, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements are proposed to be charged in relation to the period prior to appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	43.55
TOTAL	43.55

1.10 Other professionals employed & their costs

Details of the fees charged by other professionals incurred prior to the administration of the Company are included in Part 9 of the proposals.

Gordon Brother were instructed by the directors to value the Company on both a going concern and break up basis; this included meetings and correspondence with the interested party and discussions with the directors regarding the Company and the business. It also included attending meetings with key company personnel to ascertain the value of any chattel assets.

The agent's fees have been agreed on a time costs basis, for all work properly undertaken plus necessary disbursements and VAT.

Sprecher Grier, solicitors, were instructed by the proposed administrators to assist with the pre-packaged sale of the Company's business. Sprecher Griers' fees were agreed on a time costs basis, plus disbursements, plus VAT.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3.

2.2 The rates charged by the various grades of staff who may work on a case are included in the attached charging policy.

Staff Grade	Consultant/ Partner	Director	Snr Mngr	Mngr	Aast Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration		19 6		21 6				4 8		46 00	15,314 00	332 91
Case planning												
Assets		3 7								3 70	1,461 50	395 00
Negotiation of sale of business +/- assets												
Other creditors												
Secured - correspondence and meetings												
Meetings and correspondence with directors	6 9					8 4				15 30	5,079 00	331 96
Travel												
Total hours by staff grade	6 9	23 3		21 6		8 4		4 8		65 0		
Total time cost by staff grade £	3,105 00	9,203 50		6,804 00		1,974 00		766 00			21,854 50	
Average hourly rate £	450 00	395 00		315 00		235 00		160 00				336 22
Total fees drawn to date £											0 00	

Nursing 2000 Limited

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

- General filing and printing of incoming communications;
- Review of background and identifying areas requiring action and formulating a case strategy plan.
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Creation of file notes where necessary;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Establishing the location of the Company's statutory and financial books and records from both the director of the Company and the Company's former accountants.
- Communication with the insolvent's bank to obtain copy bank statements;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Preparing documentation and dealing with formalities of appointment (both statutory and best practice);
- Preparing, reviewing and issuing initial report to creditors following appointment;
- Submission of forms to Companies House and the London Gazette advertising;
- Obtaining specific penalty bond;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Preparation of proposals, SIP16 statement and associated documentation;

Banking:

- Opening, maintaining and managing the insolvent estate bank account.
- Creating, maintaining and managing the officer holders' cash book on this assignment.
- Complying with risk management procedures;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Corresponded with relevant directors of the insolvent entity to advise of the effect on them of insolvency and issue directors' questionnaires.
- Written to accountant for delivery up of company's files to include accounts and tax returns.
- Written to bank to obtain copy statements and their subsequent review if received;
- Reviewing available records to determine any pre-appointment antecedent transactions;

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue

On this assignment, it is currently uncertain as to whether there will be a direct commercial benefit to creditors in relation to the above matters as the office holders have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

Realisation of assets

- Review of the available information and formulating an asset realisation strategy;
- Corresponding with bank to close the Company's account and forward any credit balance held;
- Confirming receipt of the sale proceeds by our solicitors and arranging for the collection of the deferred consideration;
- Completing the pre-pack sale of the Company's business;
- Reviewing the Company's accounts software to establish other assets capable of realisation.

On this assignment, the work detailed above has realised assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. In some cases this does not yield sufficient realisations to enable creditors to have a direct financial benefit.

Trading

- None – the Company is not being traded in administration.

Dealing with all creditors' claims, correspondence and distributions

Creditors:

- Creating and updating schedules of unsecured creditor claims;
- Preparing all necessary notices and forms and subsequently sending initial circular to creditors;

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which includes meetings, tax, litigation, pensions and travel

Tax / VAT

- Submitting relevant initial notification to HM Revenue & Customs,

It is a requirement of the office holders to comply with tax legislation until conclusion of the matter

Pensions

- Establishing if a pension exists, to include online checks;

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf

Time Costs Analysis

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Pre-appointment Costs

Details of our pre-appointment costs are included in our proposals for the administration.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

- General filing and printing of incoming communications,
- Maintaining physical case files;
- Updating case strategy
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories.
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Creation of file notes where necessary;
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Submission of forms to Companies House;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Preparing reports to creditors.
- Ongoing review of specific insolvency bond;
- Reviewing position of administration as to whether extension should be sought or matter should be converted to a creditors voluntary liquidation;

Banking:

- Maintaining and managing the insolvent estate bank account.
- Maintaining and managing the officer holders' cash book on this assignment.

- Complying with risk management procedures;
- Preparing and processing remittance advises for incoming funds;
- Raising cheques for payments required.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Submit a return on the conduct of the directors;
- Complete our firms CDDA checklist;
- Review bank statements and correspondence received;
- Review Company's records to identify any antecedent transactions;
- Review creditor correspondence for any concerns raised;
- Review returned directors' questionnaires;

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue.

On this assignment, it is currently uncertain as to whether there will be a direct commercial benefit to creditors in relation to the above matters as the office holders have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

Realisation of assets

- Accounting for the sale proceeds and arranging for the collection of the deferred consideration;
- Liaising with the secured creditor regarding the collection of debtors and any surplus that may arise;
- Corresponding with relevant parties regarding collection of any prepayments made;
- Investigation into directors' loan account and sundry debtors with a view to realising the same;
- Accounting for bank interest earned;

On this assignment, the work detailed above will realise assets for the insolvent estate. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations. It is possible that this will yield sufficient realisations to enable creditors to have a direct financial benefit.

Trading

- None

Dealing with all creditors' claims, correspondence and distributions

Creditors:

- Updating schedules of unsecured creditor claims;
- Receipt of creditor claims and input on internal case management software;
- Review of creditor claim supporting information;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims;

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Other matters which includes meetings, tax, litigation, pensions and travel

Tax / VAT

- Submitting corporation tax returns;
- Consideration of possible terminal loss relief claim;
- Obtaining tax clearance for the administration period;
- Deregistering for VAT
- Submitting VAT returns,

On this assignment, the reconciliation of input and output VAT and the subsequent submission of VAT returns will enable further realisation of assets for the estate which could have a direct benefit to creditors. It is a requirement of the office holders to comply with tax legislation until conclusion of the matter.

Pensions

- Administration regarding any pension scheme matters;

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

How much will this further work cost?

The costs of this further work and the work done since appointment to date are included in the fee estimate also attached at Appendix 3.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at Appendix 3.

SIP9 Nursing 2000 Limited - Administration - 03NU032.ADM : Time Costs Analysis From 08/10/2018 To 15/10/2018

Staff Grade	Consultant/Partner	Director	Site Rep	Mngt	Asst Mng	Site Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning	Case planning											
	Administration			4.5						4.5	1,417.50	315.00
	Total for General Case Administration and Planning			4.5						4.5	1,417.50	315.00
	Appointment											0.00
	Banking and Bonding											0.00
	Case Closure											0.00
	Statutory reporting and statement of affairs			3.5						3.5	1,102.50	315.00
	Total for Compliance with the Insolvency Act, Rules and best practice:			3.5						3.5	1,102.50	315.00
	Investigations											0.00
	Total for Investigations:											0.00
Realisation of assets	Debt collection											0.00
	Property, business and asset sales			1.0						1.0	315.00	315.00
	Retention of Third/Third party assets											0.00
	Total for Realisation of assets:			1.0						1.0	315.00	315.00
	Trading											0.00
Dealing with all creditors claims including employees, pension providers and distributions	Total for Trading											0.00
	Secured											0.00
	Others											0.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims including employees, pension providers and distributions:											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Setting decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax											0.00
	Litigation											0.00
	Total for Other matters:											0.00
	Total hours by staff grade											8.0
	Total time cost by staff grade											2,035.00
	Average hourly rate £			0.00		0.00		0.00		0.00		315.00
	Total fees drawn to date £											0.00

NURSING 2000 LIMITED

THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	40	10,000.00	250.00
Compliance with the Insolvency Act, Rules and best practice	35	10,000.00	285.71
Investigations	40	15,000.00	375.00
Realisation of assets	85	25,000.00	294.12
Trading	0	0.00	0.00
Dealing with all creditors' claims correspondence and distributions	18	5,000.00	277.77
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	17	5,000.00	294.12
Total hours	235		
Total time costs		70,000	
Overall average hourly rate £			297.87

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 15 October 2018

NURSING 2000 LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1	Advertisements	Of appointment, dividends etc.	170
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	252
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity	0
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500
5.	Property agent's valuation and sales fees and disbursements	Fees for valuation and costs of sale of any other assets that may be identified and their anticipated disbursements	1,000
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	10,000
7.	Debt collection fees and disbursements	The fees of any third party instructed by the Insolvency Practitioner to assist with the collection of the debts of the insolvent entity and their anticipated disbursements, it is assumed debts will be collected by the secured creditor, this is contingent if a surplus remains to collect	5,000
8.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	50
9.	Investigation expenses	Any sums paid to any third party that assists the Insolvency Practitioner with investigating the affairs of the insolvent entity	5,000

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.

APPENDIX

SIP 16 Statement

NURSING 2000 LIMITED (In Administration) ("the Company")

**INFORMATION ABOUT THE COMPANY AND THE PRE-PACKAGED SALE OF THE COMPANY'S ASSETS
AND UNDERTAKING ON 9 OCTOBER 2018**

Background Information

Our proposals for achieving the purpose of the administration provide detailed information in relation to the Company. The following background information is provided to assist creditors who may have limited knowledge of the Company and its affairs to better understand the reasons for the pre-packaged sale.

The Company was incorporated on 10 July 2001 by a senior clinical nurse and medical practitioners with a view to recruiting and supplying only the best quality healthcare professionals to the healthcare profession, these individuals would often be skilled in multiple specialities.

The Company aimed to be the leading specialised healthcare recruitment agency of choice for healthcare professionals looking for short, long-term or permanent placements. It also acted as a recruitment agency for those healthcare providers seeking to employ personnel on a more permanent basis.

The Company tried to take a straightforward approach by aiming to recruit and train the very highest calibre of healthcare professionals through its induction procedure, which enabled it to deliver maximised levels of skill and experience to its clients.

The Company worked in close collaboration with healthcare providers and secured a framework agreement with a major London NHS trust as well as a number of other contracts with smaller NHS trusts. The Company also built personal professional relationships with clients and candidates alike and look after its personnel, rewarding them with good terms and conditions, high quality training, bonus packages and social events.

From a review of the Company's accounting information the Company's results have been declining in its recent trading periods and was subject to a Company Voluntary Arrangement ("CVA").

The directors and shareholders of the Company are Kevin Carr, Derek Rowan and Lynda Burns.

The reasons for the Company's insolvency

The Company began to experience financial difficulties as a consequence of its financial manager leaving the business in early 2017 and the replacement not keeping the directors apprised of the Company's financial position. As a result, the Company experienced creditor pressure from HM Revenue and Customs ("HMRC") whose liabilities accrued as a result of payments being missed by the Company

HMRC threatened to issue a winding up petition as a result of its increasing liability, following which the Company instructed another firm of Insolvency Practitioners to act as supervisors of a Company Voluntary Arrangement. This proposed that all creditors would be paid 100 pence in the pound over the 10 month period of the Arrangement which was subsequently accepted by creditors on 28 March 2018

As a result of the stringent conditions placed upon the Company by this arrangement the Company fell into further difficulty with its debt to HMRC following the acceptance of the CVA. As a result the Supervisors of

the Arrangement served a notice of breach requiring the Company to bring its contributions up to date. The Company was unable to comply with this notice and a subsequent certificate of termination was issued along with a petition to wind up the Company.

The Company was insolvent as it was unable to pay its debts as and when they fell due, and the primary reason for the Company's insolvency as already indicated above was it being unable to service post appointment CVA liabilities whilst complying with the terms of the CVA..

As a result of the failure of the CVA the Company was in default with the secured creditor, Bibby Financial Services Limited who approached Begbies Traynor to appoint them as administrators.

The reasons for the pre-packaged sale

The Company was subject to a winding up petition presented by the supervisors of its CVA which was due to be heard on 19 October 2018. Should a winding up order have been granted the Company would have entered into compulsory liquidation and its assets sold by the liquidators which would have involved a substantial delay whilst the liquidators had to undertake a valuation and partake in lengthy negotiations regarding any sale. Additionally, the Company would have limited ability to trade due to the issuing of the petition and the NHS would utilise their step in rights resulting in termination of the framework agreement and loss of its significant value.

Any sale would have then likely been on a break up basis and would be subject to increased costs due to the necessity to remove the Company's assets for sale. Additionally the break in trading would have meant the Company's contracts with the various NHS trusts, including the framework agreement, would have been terminated thus losing the major value of the Company.

The pre-packaged sale was considered desirable as there would be no break in the Company's trading, therefore preserving the Company's value. Additionally a break in the Company's trading would have had a catastrophic effect on the Company's ability to trade as the contracts would likely terminate as the NHS would use its step in rights to ensure continuation of supply. This would also then result in considerable counter charges being applied by the NHS which would reduce the collectability of the ledger and likely result in a shortfall to the secured creditor. Whereas it is estimated that the secured creditor will be repaid in full as a result of the pre-packaged sale.

Due to the minimal amount of time between the instruction of Begbies Traynor on 21 September 2018, to the hearing of the winding up petition on 19 October 2018, the only other viable option available to the Company was that of entering into compulsory liquidation on 19 October 2018. As explained above this was not considered desirable and would have had a negative impact on the level of asset realisations as a result of the Company having to cease to trade. This would have resulted in a substantial reduction in the value of the Company's contracts whilst increasing the costs of sale of the tangible assets.

The statutory purpose of administration that was pursued

We consider that the statutory purpose pursued was in accordance with Paragraph 3(1)(b); achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

We believe that the statutory purpose was achieved through the use of a pre-packaged sale for the following reasons:

- The retention of 25 administrative staff in employment and all nurses contracted to the NHS under the respective agreements;;
- The avoidance of a claim from the National Insurance Fund for staff claims on redundancy, which

would have been substantial;

- Achieving a better value of the assets under a pre-pack sale than would otherwise be achievable if the Company was to proceed to liquidation;
- Avoidance of costs to remove and store tangible assets;
- Preservation of the value of the Company's goodwill by not having to cease to trade;
- Significant costs savings in not shutting down the business and breaking up the assets to be sold off at auction, to include savings on agents fees and costs, insurance, staff payments, site security, administrator's time costs and additional disbursements;
- Ability to novate the framework and individual trust agreements therefore preserving their value, these would otherwise terminate upon insolvency and be worthless;

In view of the fact that the Company had insufficient monies from which to fund any future work and a winding up petition had been issued, there was no ability to trade the business in administration. Considering all the factors, we believe that the pre-packaged sale of the business was the best possible outcome in effecting the statutory purpose.

Independent, RICS registered, chartered surveyor Neal Weekes of Gordon Brothers ("the Agents") was engaged to provide a valuation of the Company's assets and oversee the sales process.

FURTHER INFORMATION IN RELATION TO THE PRE-PACKAGED SALE

Who was the source of Begbies Traynor (Central) LLP's initial introduction to the Company?

Begbies Traynor was initially approached by Bibby Financial Services Limited on 21 September 2018 to accept the appointment as Joint Administrators.

What was the extent of Wayne Macpherson and Louise Donna Baxter, their associates and Begbies Traynor (Central) LLP's involvement with the Company before appointment?

The proposed administrators were contacted by Bibby Financial Services Limited. Following this initial contact, Begbies Traynor instructed the Agents to appraise the Company's assets, met with the Company representative and carried out a 1 week review of the Company's financial affairs. Following which they arranged for the drafting of the Asset Purchase Agreement by solicitors and liaised with solicitors and the proposed purchaser in this regard. This was prepared in order that it may be completed immediately following the Company entering into Administration.

Begbies Traynor also liaised with Bibby Financial Services Limited, the qualifying floating charge holder ("QFCH"), regarding the Company's intentions, the proposed pre-packaged sale of the Company's assets and their appointment of Wayne Macpherson and Louise Baxter as Administrators of the Company.

Discussions were held with Medic Professionals Limited ("the Purchaser") in regard to the negotiation of the sale, agreement of the terms of the sale, and general discussion regarding the mechanics of the sale process and terms of payment.

There was otherwise no prior involvement by Wayne Macpherson, Louise Baxter or Begbies Traynor before them being contacted by Bibby Financial Services Limited or the directors about the possibility of the engagement. We would confirm however that Jamie Taylor and Lloyd Biscoe, both of Begbies Traynor, acted as Joint Supervisors of a Company Voluntary Arrangement for the company which concluded successfully on 30 December 2014.

Prior to their appointment the proposed administrators advised the Company and not the directors on their personal position; the directors were encouraged to take independent advice.

Please note that negotiations with the purchaser in relation to the pre-packaged sale were conducted by Wayne Macpherson and Louise Donna Baxter prior to their formal appointment as administrators and not by the directors of the Company. It was made clear to the directors that once Wayne Macpherson and Louise Donna Baxter were appointed as administrators that their responsibilities would be to act in the best interests of the Company's creditors. This would mean that they could no longer provide advice to the Company and that their duties to the Company would cease. They would be required to take custody or control of the Company's property and assets and to manage the affairs, business and property of the Company in accordance with the approved proposals of the administrators.

Was the business or were the assets of the Company acquired from an insolvency practitioner in the 24 months prior to this pre-packaged sale?

No.

Details of the marketing of the business and assets of the Company that were undertaken prior to the pre-packaged sale

Prior to the completion of the pre-packaged sale of the Company's business and assets, and due to the sensitive nature of the contracts involved, the business and business assets were marketed by way of a mailshot to a limited number of competitors capable of taking on the framework agreement and specialist contracts on 2 October 2018.

As a result of the winding up petition any ability to market the business and assets was restricted. However, given the specialist nature of the contracts involved the level of marketing undertaken was considered reasonable. If further marketing had been undertaken it is likely that the value of these contracts would have diminished, in addition the novation of these contracts to other parties would have taken a considerable amount of time to complete.

Only targeted marketing was undertaken as it was considered that limited value would be obtained through any other type of generic advert.

The strategy employed allowed for the business and assets to reach the niche number of potential purchasers capable of extracting value from the contract. Any further advertising would have likely caused the termination of the contracts and framework agreement and thus loss of the major value of the business.

Due to the time restrictions imposed by the winding up petition and associated hearing the marketing period was restricted to a period of 3 days. Due to the type of marketing campaign undertaken it was considered reasonable as the target market were all potential purchasers.

The marketing was undertaken by the Agents by way of a mailshot to potential interested parties. The campaign was wholly independent from the Company.

It is considered that the marketing strategy adopted is compliant with the conditions detailed in Statement of Insolvency Practice 16 ("SIP16") and has achieved the best result for creditors given the limited time and market available in which to market the assets.

What valuations of the Company's undertaking and assets were obtained?

A valuation was obtained on a market value and ex-situ / break-up basis.

Gordon Brothers were instructed by the Begbies Traynor to provide a valuation of the Company's assets on 21 September 2018. Gordon Brothers are independent advisors and agents and member of RICS (Royal Institute of Chartered Surveyors) registered valuers and members of R3 (Association of Business Recovery

Professionals). The individual with Gordon Brothers that undertook the valuation was Neal Weekes who is a RICS registered valuer.

The valuation is summarised below:

<u>Categories of Assets</u>	<u>Valuation £ (going concern basis)</u>	<u>Valuation £ (break-up basis)</u>
Equipment	5,000	1,000
Vehicle	16,500	14,000
Business Intellectual Property, Customer and employees list, Goodwill, Books and records, Information Technology, Work in progress, and the leasehold property, insofar as it being able to be assigned	50,000 to 100,000	0
TOTAL	71,500 to 121,500	15,000

What security (if any) has the Company provided to its creditors?

There is one debenture, consisting of both fixed and floating charges, registered against the Company in favour of Bibby Financial Services Limited. This was created on 6 September 2011 and registered on 8 September 2011

What alternative courses of action were considered by Wayne Macpherson and Louise Donna Baxter?

The Company had already entered into a CVA with another firm of Insolvency Practitioners which had failed and therefore a further CVA was not a viable option due to the level of arrears to HMRC in relation to post appointment tax liabilities. The only other possibility was a compulsory liquidation due to the impending winding up petition but in undertaking this course of action, there would have been a termination of trade resulting in an increase in creditor claims, dismissals of staff, loss of contracts and reduced values of realisations, as well as increased costs by way of Official Receiver's fees and the NHS effecting its step in rights resulting in considerable counter claims. As a result Administration was considered the only course of action.

Why was it not appropriate to trade the business during the administration in order to offer it for sale as a going concern?

The Company would have had no live contracts if a sale could not have been agreed prior to the appointment of Administrators as the NHS would have evoked a their step in rights and terminated the contracts with the Company resulting in their being no business to continue trading.

What requests were made to potential funders to fund working capital requirements during the administration?

It was not feasible for Bibby Financial Services Limited to provide funding in administration to facilitate the continuation of trade due to the termination of the frame work agreement upon insolvency and the NHS using their step in rights. This would have caused a considerable dilution to the sums available from the Company's debtor ledger and result in a likely shortfall to Bibby Financial Services Limited. The charge holder had already supported trading during the Company's CVA of which had failed and would not have supported ongoing trade of the business in its current guise.

What efforts were made to consult major creditors?

Due to the sensitive nature of the contracts and the framework agreement it was considered that any approach to the major creditors could potentially cause frustration to any sale and considerably reduce the realisable value of the business. The NHS trust was approached to seek their view on the ability to assign the framework agreement, which was favourable.

What was the date of the transaction?

9 October 2018

What were the assets sold and what was the nature of the transaction?

The Company's goodwill, tangible assets, excluding any third party assets or assets subject to valid retention of title claims, and rights to the assignment of the framework agreement and other contracts held were sold subject to a Asset Purchase Agreement ("APA") dated 9 October 2018.

What was the consideration for the sale, including payment terms, and other conditions of the contract that could materially affect the consideration?

Below is a breakdown of the sales consideration:

<u>Categories of Assets</u>	<u>Valuation (going concern basis)£</u>	<u>Valuation (break-up basis) £</u>	<u>Sum realised £</u>	<u>Fixed or Floating charge realisation</u>
Equipment	5,000	1,000	9,000	Floating
Vehicle	16,500	14,000	14,000	Floating
Business Intellectual Property, Customer and employees list, Goodwill, Books and records, Information Technology, Work in progress, and the leasehold property, insofar as it being able to be assigned	50,000 to 100,000	0	75,000	Goodwill – fixed, remainder – floating

The Agents recommended acceptance of the amount offered.

The agreed consideration is to be remitted to the Joint Administrators by way of a lump sum payment of £10,000 on completion of the APA, which was received by the Joint Administrators' solicitors on 9 October 2018, followed by the payment of deferred consideration of £13,000 for the tangible assets on or before 5 November 2018 and then 7 equal monthly instalments of £10,714.29 to be paid on the last day of each month commencing on 30 November 2018.

In addition to the above the Purchaser has agreed to pay turnover consideration of 1% of the amount by which its annual turnover exceeds £9,600,000.

All monies due under the contract have been secured by way of personal guarantees from the directors of the Purchaser and by way of a debenture comprising fixed and floating charges over the Company's assets.

Is the sale part of a wider transaction? If so a description of the other aspects of the transaction

No.

Who was the purchaser?

Medic Professionals Limited

Is there a connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates?

The joint administrators are aware that Medic Professionals Limited shares two common directors and shareholders with the Company, being Kevin Carr and Derek Rowan.

Are any directors, or former directors, of the Company or their associates involved in the management, financing or ownership of the purchaser, or of any other entity into which any of the assets have been transferred? If so, who are they?

From information obtained at Companies House and from information provided by the director, the joint administrators understand that Derek Rowan and Kevin Carr of the Company are involved in the management of Medic Professionals Limited, by way of being directors and 100% owners of that company's share capital, to whom the assets have been sold.

The pre-pack pool

The purchaser was invited to approach the pre-pack pool, however, we are aware that it was not subsequently approached

The purchaser's viability statement

A copy of the viability statement provided by the purchaser is attached at Annexure 1

Had any directors of the Company given guarantees for amounts due from the Company to a prior financier? Is that financier financing the new business?

The directors have informed the joint administrators that they have given no guarantees to a prior financier and that that financier is financing the new business

What options, buy-back arrangements, deferred consideration or other conditions are attached to the contract of sale?

The sale consideration comprises of £10,000 paid on completion (received) followed by a balance payment for the tangible assets of £13,000 payable on or before 5 November 2018. The consideration for the intangible assets will be paid in seven equal monthly payments of £10,714.29 payable on the last day of the month commencing on 30 November 2018

The payment of the deferred consideration and instalments are personally guaranteed by both Kevin Carr and Derek Rowan.

The payment of the deferred consideration and instalments are also secured by a debenture comprising

fixed and floating charges over the assets of Medic Professionals Limited.

Both the personal guarantees and debenture will be released following the collection of all payments due under the contract.

W/C

W/C	08/10/2018	15/10/2018	22/10/2018	29/10/2018	05/11/2018	12/11/2018	19/11/2018	26/11/2018	03/12/2018	10/12/2018	17/12/2018	24/12/2018	31/12/2018	07/01/2019	14/01/2019	21/01/2019	28/01/2019	04/02/2019
Bank B/F	-	16,416	20,346	39,458	22,297	3,870	32,287	51,217	12,953	43,293	66,366	76,782	39,712	52,449	69,788	82,861	93,277	46,833
Receipts																		
Bibby drawdown	149,000	149,000	177,400	192,400	152,400	164,200	164,200	164,200	164,200	171,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Other receipts					1,500				1,500					1,500				
Total	149,000	149,000	177,400	192,400	153,900	164,200	164,200	164,200	165,700	171,000	161,000	161,000	161,000	162,500	161,000	161,000	161,000	161,000
Payments																		
Nurses Pay	119,000	119,000	122,400	122,400	122,400	129,200	129,200	129,200	129,200	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000
Staff Pay				31,000		31,000		31,000				29,000					29,000	
Contractors			13,000	15,000			13,000	15,000		13,000	15,000					13,000	15,000	
P32	10,000					13,000			9,375					9,375			9,375	
Consideration		3,000		3,000		3,000		3,000		3,000				3,000		3,000		
Supplier Pay	D03	1,584	3,070	2,889	6,161	6,927	1,584	3,070	2,889	6,161	6,927	1,584		6,161	6,927	1,584	3,070	2,889
CPD		2,000	20,000	20,000	30,000													
VAT	directors			12,000		2,000		12,000		2,000		12,000		2,000			12,000	
Total	132,584	145,070	158,289	209,561	172,317	135,784	145,270	202,464	135,361	147,927	150,584	198,070	148,264	145,161	147,927	150,584	207,445	138,889
Net Movement																		
Bank B/F	16,416	3,930	19,111	17,161	18,427	28,416	18,930	38,284	30,339	23,073	10,416	37,070	12,736	17,339	13,073	10,416	46,445	22,111
Bank C/F	-	16,416	20,346	39,458	22,297	3,870	32,287	51,217	12,953	43,293	66,366	76,782	39,712	52,449	69,788	82,861	93,277	46,833
	16,416	20,346	39,458	22,297	3,870	32,287	51,217	12,953	43,293	66,366	76,782	39,712	52,449	69,788	82,861	93,277	46,833	68,944
Bibby																		
B/F	-	22,500	45,000	44,000	28,000	55,600	45,300	35,000	24,700	18,200	7,200	6,200	5,200	4,200	7,200	4,200	4,200	1,200
Sales uplead	175,000	175,000	180,000	180,000	190,000	190,000	190,000	190,000	190,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Availability 76%-95%	166,250	166,250	171,000	171,000	148,200	148,200	148,200	148,200	154,000	154,000	154,000	154,000	154,000	154,000	152,000	152,000	152,000	152,000
Reserved 17%						32,300	32,300	32,300	32,300	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Cash recd 3-5%	5,250	5,250	5,400	5,400	9,000	5,700	5,700	5,700	9,500	6,000	6,000	6,000	6,000	10,000	6,000	6,000	6,000	6,000
Nurse Drawdown	129,000	129,000	132,400	132,400	139,200	139,200	139,200	139,200	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000
Extra drawdown	20,000	20,000	45,000	60,000	20,000	25,000	25,000	25,000	25,000	25,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
CVA payment																		
C/F	22,500	45,000	44,000	28,000	55,600	45,300	35,000	24,700	18,200	7,200	6,200	5,200	4,200	7,200	4,200	4,200	1,200	800
OVERALL BALANCE																		
	38,916	65,346	83,458	50,297	59,470	77,587	86,217	37,653	61,493	73,566	82,982	44,912	56,649	76,988	87,061	94,477	45,033	68,144
memo																		
Bibby Reserve	-	-	-	-	-	32,300	64,600	31,900	64,200	98,200	132,200	96,200	130,200	164,200	1,800	32,200	3,800	30,200
HMRC payments						-	65,000			-	70,000		-	200,000	-	70,000	-	
Reserve balance	-	-	-	-	-	32,300	400	31,900	64,200	98,200	62,200	96,200	130,200	35,800	1,800	37,800	3,800	30,200

[illegible]