

The Insolvency Act 1986

Notice of extension of period of administration

Name of Company ALUTARIUS LIMITED	Company number 04382684
In the HIGH COURT OF JUSTICE BRISTOL DISTRICT REGISTRY <small>[full name of court]</small>	Court case number 1585 of 2010

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

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

(c) Insert date of appointment
(d) Insert name of appointor / applicant

*Delete as applicable

(e) Insert date

I / We (a) DANIEL ROBERT WHITELEY SMITH AND AUSTAIR WARDELL OF GRANT THORNTON UK LLP,
30 FINSBURY SQUARE, LONDON EC2P 2YU AND 11/13 PENMIL ROAD, CARDIFF, SOUTH GLAMORGAN CF11 9UP
 having been appointed administrator(s) of (b) ALUTARIUS LIMITED, 30 FINSBURY SQUARE,
LONDON EC2P 2YU

("the

company")

on (c) 2 AUGUST 2010 by (d) THE COMPANY'S DIRECTOR

hereby give notice that the administration has been extended

~~* by order of the court~~

* with the consent of the company's creditors

until (e) 2 FEBRUARY 2012

Signed

Joint / Administrator(s)

Dated

21 JULY 2011

Contact details:

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

Tel
DX

<p>LD5</p> <p>FRIDAY</p> <p>05/08/2011</p> <p>COMPANIES HOUSE</p> <p>60</p> <p>*L563AWFK*</p>	<p>When completed and signed this form please send it to the Registrar of Companies at</p> <p>Companies House, Crown Way, Cardiff, CF14 3UZ. DX33050 Cardiff</p>
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Grant Thornton

Our Ref CEB/CIW/DRS/A00903/PF7

TO THE CREDITORS

22 July 2011

Recovery and Reorganisation

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Dear Sirs

Alutarius Limited - in Administration ("the Company")
High Court of Justice, Bristol District Registry
Court case number: 1585 of 2010

1 Introduction

1.1 Following the appointment of Robert Pick, Alistair Wardell and myself as Joint Administrators of the above company by the Company's directors on 2 August 2010, I now report on the progress of the administration to date and attach

- Appendix A - Form 2.24B and Form 2.31B together with an account of our receipts and payments for the period ended 22 July 2011 in accordance with Rule 2.47
- Appendix B - A statement of expenses incurred in the period
- Appendix C - an analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D - an extract from the Insolvency Rules 1986 relating to the creditors' rights to request additional information from the Administrators (Rule 2.48A)
- Appendix E - an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive (Rule 2.109)

1.2 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them

2 Statutory Information

2.1 The Company's statutory details are as follows

registered number	04382684
date of incorporation	27 February 2002
registered office	30 Finsbury Square London EC2P 2YU

Chartered Accountants

Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742 Registered office: Grant Thornton House, Metton Street, Euston Square London NW1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address

3 Statement of Proposals

- 3 1 This report should be read in conjunction with my Statement of Proposals, which were sent to all known creditors on 29 September 2010. This provides background to our appointment together with the objectives of the administration.
- 3 2 A meeting of creditors was not convened in this instance and the Statement of Proposals were subsequently deemed approved by the creditors.
- 3 3 The objective of the administration remains as the realisation of the property in order to make a distribution to the secured and preferential creditors.

4 Progress Report

- 4 1 As you will recall from my previous reports, the Company operated eight care homes for the elderly, consisting of four nursing homes and four residential homes, located in South Wales and the West of England.
- 4 2 An external agent, Healthcare Management Solutions Limited ("HCMS"), was retained to assist us with regulatory and care compliance requirements during the continued trading of the homes.
- 4 3 In the following paragraphs I have detailed the position in relation to each of the Company's homes in the period since our appointment.

Leasehold Properties

- 4 4 The Company had obtained valuations from two commercial property agents in December 2009 who advised that the leases of the two leasehold properties (Hollybank and The Gloucester) had little or no commercial value. This was corroborated by our own agent, Jones Lang LaSalle ("JLL"), immediately upon our appointment.
- 4 5 With one home, The Gloucester, trading at just 'break-even' and the other, Hollybank, making considerable losses the decision was made to close the homes.
- 4 6 Hollybank was subsequently closed on 16 September 2010 followed by The Gloucester on 14 October 2010.

Freehold Properties

- 4 7 A substantial marketing campaign was undertaken by JLL for the sale of the six freehold properties owned by the Company, being Brambledene, Yr Hen Bont, Grand Panorama, Emlyn, Walliscote and St Elli.
- 4 8 The St Elli, Brambledene and Walliscote homes were closed on 16, 17 and 24 August 2010 respectively and marketed solely for their property value.
- 4 9 The Yr Hen Bont, Emlyn and Grand Panorama homes were marketed for sale on both a going concern basis and for their property value, with local agents being instructed to help in this process.

4 10 As a result of this marketing campaign, the following sales have so far been achieved

Property	Value of Sale £	Date of completion
Brambledene	150,000	3 November 2010
Walliscote	249,999	10 December 2010
Grand Panorama	350,000	21 February 2011
St Elli	220,000	29 June 2011
TOTAL	969,999	

4 11 You will note from my receipts and payments account attached at Appendix A that the proceeds from the sale of St Elli have not yet been received from the solicitors acting on the Company's behalf. These should be received shortly.

4 12 Offers are presently being progressed in relation to the remaining two properties.

Book Debts

4 13 Realisations from the Company's debtor ledger currently total £47,659 and efforts to collect the remaining ledger by HCMS are continuing.

Insurance Claim

4 14 Progress in reaching a settlement with the Company's insurers over the business interruption claim, which resulted from a fire at one of the homes has been slow.

4 15 Whilst there is no question that a settlement is due, the insurers do not presently agree with the quantum of the damages being claimed by the Company for its losses. Our own insurers, Jardine Lloyd Thompson, continue to negotiate the Company's position on our behalf.

Employees

4 16 It is presently understood that in July 2009 the Company's employees were transferred from the Company to two connected companies, Alutarius Healthcare Limited and Alutarius Care Home Staff Limited, with only the two directors remaining in the Company's employ at the date of Administration.

4 17 The reason for this transfer is not known, although it should be noted that the Company has c £2.34 million in unpaid tax and National Insurance contributions, penalties and interest owing to HM Revenue & Customs (HMRC). Both tax and National Insurance contributions had been deducted from employee salaries, however, little or no payments had been made by the Company to HMRC.

4 18 Since it was evident that the majority of the employees' time was spent working at the individual care homes of the Company (if not exclusively), the decision was made to treat the employee's as though their employment had transferred back to the Company at some point between July 2009 and the date of appointment.

- 4 19 This decision was accepted by HMRC, which in turn allowed the employee's claims for any unpaid wage entitlements to be dealt with by the Joint Administrators and processed through the Redundancy Payments Scheme when the care homes were subsequently closed
- 4 20 The Company continues to retain approximately 40 employees whilst both Yr Hen Bont and The Emlyn homes continue to trade

Extension of the administration

- 4 21 In accordance with paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986, a request was made to the Secured Creditors for an extension of my term of office as Administrator of the Company
- 4 22 The primary reason for requesting the extension of the time limit was to grant sufficient time for the continued realisation of the Company's remaining assets and was duly granted
- 4 23 The agreed extension is for a period of 6 months (being the maximum permitted) giving a revised date for the automatic termination of the administration of 2 February 2012. Should the assets not be realised in this period then an application for a further extension will be made to the Court

5 Liabilities

- 5 1 As you are aware from our Statement of Proposals, we have requested the directors of the Company to provide a statement of affairs, detailing the Company's assets and liabilities. As yet this has not been provided

Secured creditors

- 5 2 A distribution of £325,000 has so far been paid to the secured creditor, The Royal Bank of Scotland, against their total indebtedness of circa £4.4 million. Further distributions are anticipated from the sale proceeds of the freehold properties

Preferential creditors

- 5 3 We have yet to receive confirmation from the Redundancy Payments Office of their preferential claim in this matter, following the payment of unpaid wages and holiday to the Company's former employee's

Unsecured creditors

- 5 4 Based on present information there will not be sufficient funds for a distribution to be paid to the unsecured creditors

6 Administrators' Remuneration and Expenses

- 6 1 As previously advised, where a meeting of creditors has not been convened and a creditors committee has not been formed, the approval of our remuneration will be provided by the secured creditor. Our fees for acting as Joint Administrators have been fixed by reference to time costs incurred by the administrators and their staff in attending to matters arising in the administration
- 6 2 The time costs for this administration for the period from 2 August 2010 to 22 July 2011 are

£517,730, and the expenses relating to travel costs for site visits, statutory advertising and statutory bonding total £3,612 I have not drawn any fees or disbursements to date

6.3 Further details on this are set out in Appendix C

7 Other expenses incurred by the Joint Administrators


7.1 As mentioned earlier in this report, a number of external agents and suppliers have been instructed to provide certain services on the Joint Administrators behalf

7.2 The costs of these instructions are to be drawn from the Company's estate in due course

Agent/supplier	Nature of work	Estimate of accrued costs (net) £
Grant Thornton	Administrators' Fees	517,730
Jones Lang La Salle	Sales agent	% of realisations
Osborne Clarke	Legal fees	% of realisations
Jardine Lloyd Thompson	Insurance	2,994
Health Care Management Services	Professional fees	Currently paid up to date
Various trade suppliers		Currently paid up to date
TOTAL		520,724

Should you have any queries in relation to the above, in the first instance please contact Chloe Barber on 020 7728 2486

Yours faithfully
for and on behalf of Alutarius Limited


Daniel Smith
Joint Administrator

The affairs, business and property of Alutarius Limited are being managed by Daniel Smith, Robert Pick and Alistair Wardell, appointed as joint administrators on 2 August 2010

Appendix A

Abstract of the Administrators' receipts and payments

The Insolvency Act 1986

Administrator's progress report

Name of Company Alutarius Limited	Company number 04382684
In the High Court of Justice Bristol District Registry [full name of court]	Court case number 1585 of 2010

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

I / We (a) Daniel Robert Whiteley Smith and Alistair Wardell of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU and Grant Thornton UK LLP, 11/13 Penhill Road, Cardiff, South Glamorgan CF11 9UP, respectively

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from	to
(b) 2 February 2011	(b) 22 July 2011

Signed



Joint / Administrator(s)

Dated

22 July 2011

APPENDIX A**ALUTARIUS LIMITED - IN ADMINISTRATION****JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS
AS AT 22 JULY 2011**

	Statement of Affairs £	Previous report 2 August 2010 to 1 February 2011 £	Current period 2 February 2011 to 22 July 2011 £	TOTAL £
RECEIPTS				
Freehold property	2,345,000	400,000	350,000	750,000
Sales	-	559,321	233,392	792,713
Book debts	180,000	25,853	21,806	47,659
Miscellaneous refunds	-	345	335	680
Bank interest	-	-	312	312
	<u>2,525,000</u>	<u>985,519</u>	<u>605,844</u>	<u>1,591,363</u>
PAYMENTS				
Purchases - food		25,617	21,412	47,029
Purchases - other		9,584	9,605	19,189
Heat, light & telephone		17,694	36,178	53,872
Licences & subscriptions		8,816	2,015	10,831
Repairs & maintenance		4,715	5,641	10,356
Other property expenses		4,903	3,306	8,209
Sundry trading expenses		7,027	6,626	13,653
Hire of equipment		2,701	4,291	6,992
Agency staff costs		79,424	20,253	99,677
Net wages		389,072	110,619	499,691
Paye/Nic		75,027	47,493	122,520
Rates		3,546	999	4,545
Payroll costs		5,381	471	5,852
Insurance		17,399	3,745	21,144
Professional fees		139,875	47,231	187,106
Legal fees		18,622	9,035	27,657
Agents fees		7,207	53,946	61,153
Distribution to fixed charge holder		-	325,000	325,000
VAT irrecoverable		32,676	(30,526)	2,150
Bank charges		3,337	938	4,275
		<u>852,623</u>	<u>678,280</u>	<u>1,530,903</u>
Balance in hand		<u>132,896</u>	<u>(72,436)</u>	<u>60,461</u>
		<u>985,519</u>	<u>605,844</u>	<u>1,591,363</u>

Appendix B

Remuneration and expenses charged by the Administrator in the period

Alutarius Limited
(In Administration)
Supplementary Information

Registered Office / Home Address

30 Finsbury Square
London
EC2P 2YU

Registered Number

04382684

Appointment Details

First Partner - Daniel R W Smith
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Appointment Date - 02/08/2010

Second Partner - Alistair Wardell
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Appointment Date - 02/08/2010

Changes to Office Holders

Robert H Pick ceased on

Court Details

Bristol District Registry
1585/2010

Additional Information

Dividends / Distributions / Consigned Funds

Dividend Type	Date	Admitted	Paid	p in £
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No Dividends Paid

Unrealisable Assets

Details of Basis of Remuneration

Alutarius Limited
(In Administration)
Statement of Remuneration / Expenses
For period 02/08/2010 to 22/07/2011

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
Legal Fees	17,057 17	0 00	0 00	17,057 17
Agents/Valuers Fees	9,000 00	0 00	0 00	9,000 00
Bank/ISA InterestGross	921 42	0 00	0 00	921 42
VAT irrecoverable	48,898 58	0 00	0 00	48,898 58
Agents/Valuers Fees (1)	3,457 00	0 00	0 00	3,457 00
Legal Fees (1)	10,600 16	0 00	0 00	10,600 16
Re-Direction of Mail	935 46	0 00	0 00	935 46
Other Property Expenses	6,767 00	0 00	0 00	6,767 00
Bank Charges	3,613 64	0 00	0 00	3,613 64
Fixed Charge Creditor	325,000 00	0 00	0 00	325,000 00
	426,250 43	0 00	0 00	426,250 43

APPENDIX C

ALUTARIUS LIMITED - IN ADMINISTRATION

SIP 9 analysis for the period 2 August 2010 to 22 July 2011

Standard	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	64	34,144	615	209,033	204	44,390	63	8,690	945	296,258
Creditors	14	7,437	124	42,144	123	30,027	19	2,435	280	82,042
Investigations	9	4,762	21	7,055	2	572			32	12,389
Realisation of Assets	66	35,230	15	5,185	99	24,220			180	64,635
Trading	16	8,614	38	12,896	158	40,527	2	371	214	62,408
Total	169	90,186	812	276,313	586	139,736	84	11,496	1,651	517,730
										313.56

Total fees billed to date (Time): £nil

Total expenses incurred in the period (but not billed): £3,612

Administration & Planning	Includes case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings,
Creditors	Includes correspondence with preferential and unsecured creditors, pensions and employees
Investigations	Includes statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)
Realisation of assets	Includes sale of business and assets of the company, dealing with solicitors, collecting book debts
Trading	Includes liaising with management company re trading issues, cash flows and other financial matters, overseeing site closures and site visits

**CHARGE OUT RATES
GRANT THORNTON
RECOVERY & REORGANISATION
CHARGE OUT RATES - STANDARD**

Grade	1 July 2010		1 July 2011		% Increases	
	London	Provinces	London	Provinces	London	Provinces
Partner	535	425	560	445	4.7%	4.7%
Director	440	405	460	425	4.5%	4.9%
Restructuring Partner	625		655		4.8%	
Restructuring Director	500		525		5.0%	
Senior Manager	405	365	425	385	4.9%	5.5%
Manager	340	285	360	300	5.9%	5.3%
Assistant Manager	285	245	300	260	5.3%	6.1%
Senior 2	260	210	275	220	5.8%	4.8%
Senior 1	240	200	250	210	4.2%	5.0%
Administrator 2	195	170	205	180	5.1%	5.9%
Administrator 1	145	140	150	145	3.4%	3.6%
Secretary	135	130	140	135	3.7%	3.8%
Filing Clerk	135	130	140	135	3.7%	3.8%
Treasury	155	150	160	160	3.2%	6.7%

Premium Rates

Partner	620	505	650	530	4.8%	5.0%
Director	545	465	570	490	4.6%	5.4%
Restructuring Partner	720		755		4.9%	
Restructuring Director	575		605		5.2%	
Senior Manager	485	430	510	450	5.2%	4.7%
Manager	415	350	435	370	4.8%	5.7%
Assistant Manager	360	295	380	310	5.6%	5.1%
Senior 2	330	285	345	300	4.5%	5.3%
Senior 1	285	250	300	265	5.3%	6.0%
Administrator 2	245	190	255	200	4.1%	5.3%
Administrator 1	175	150	185	160	5.7%	6.7%
Secretary	155	140	165	145	6.5%	3.6%
Filing Clerk	155	140	165	145	6.5%	3.6%
Treasury	185	160	170	170	-8.1%	6.3%

Appendix D

An extract from the Insolvency Rules 1986 relating to the creditors' rights to request additional information from the Administrators

Rule 2 48A

If (a) within 21 days of receipt of a progress report under Rule 2 47—

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

- (2) The administrator complies with this paragraph by either (a) providing all of the information asked for, or (b) so far as the administrator considers that (i) the time or cost of preparation of the information would be excessive, or

- (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
- (iii) the administrator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

And the court may make such order as it thinks just

- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

Appendix E

Creditors' rights to challenge the joint Administrators' fees if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration