

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company
Alutarius Limited

Company number
04382684

In the High Court of Justice, Bristol District Registry

Court case number
1585 of 2010

We, Daniel Robert Whiteley Smith
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Alistair Wardell
Grant Thornton UK LLP
11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP

having been appointed administrators of Alutarius Limited

on 2 August, 2010 by the directors

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

We attach a copy of the final progress report

Signed

Joint Administrator

Dated

31 July 2012

Contact Details:

Daniel R W Smith
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

Tel/Fax
DX Exchange

When you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Our Ref DRS/EEM/CXB/JET/A00903/PF7

TO THE CREDITORS

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
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31 July 2012

Dear Sirs

Alutarius Limited - In Administration (the Company)
High Court of Justice, Bristol District Registry
No 1585 of 2010

1 Introduction

- 1.1 Following my appointment as joint administrator of the Company with Alistair Wardell by the Company's directors on 2 August 2010 I am now in a position to conclude this administration. This is my final report, including
- Appendix A, an account of our receipts and payments for the period ending 20 July 2012 in accordance with Rule 2.47 of the Insolvency Act 1986
 - Appendix B, a statement of the remuneration charged by the joint administrators in the period 2 August 2010 to 20 July 2012 and 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 creditors' rights to request additional information from the administrator (Rule 2.48A)
 - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)
- 1.2 We are both authorised by The Insolvency Practitioners Association to act as insolvency practitioners
- 1.3 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

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, Melton 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.

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

3 Statement of Proposals

3 1 This report should be read in conjunction with my Statement of Proposals, which was 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 was subsequently deemed approved by the creditors.

3 3 The objective of the administration was the realisation of the properties in order to make a distribution to one or more secured or preferential creditors.

4 Report and Outcome of Administration

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, was retained to assist us with regulatory and care compliance requirements during the continued trading of the homes. With their assistance all trading and supplier related matters have now been reconciled and concluded.

4 3 I attach our receipts and payments account at Appendix A. You will note that no amounts have been paid to the unsecured creditors by virtue of the application of Section 176A of the Insolvency Act 1986 (prescribed part).

Freehold Properties

4 4 In the following paragraphs I have detailed the position in relation to the two residual Company assets which remained unsold at the time of my previous report.

4 5 The Emlyn nursing home was sold at auction for £62,500 being in excess of the secured creditor's agreed reserve, and that sale completed on 22 December 2011.

4 6 Following an extensive marketing exercise, a cash offer was received for a going concern sale of the sole remaining trading care home, Yr Hen Bont. A due diligence exercise was subsequently completed by the proposed purchaser and contracts were exchanged on 11 January 2012.

- 4 7 The purchaser continued to trade the property under a licence granted by the administrators, until the appropriate statutory nursing home registrations had been obtained. The Care and Social Services Inspectorate Wales agreed to the registration application submitted by the purchaser on 27 April 2012. However, it was necessary to draw up a deed of variation to the sale contract, in order to allow an additional ten days to complete the sale process. The sale of Yr Hen Bont was subsequently concluded on 30 April 2012 for the total sum of £250,000 which included goodwill, intellectual property, contracts, fixed assets and equipment.
- 4 8 Following completion of the sale, the retained Yr Hen Bont employees were transferred to the purchaser on 30 April 2012 under the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 4 9 In summary, the following sales have been achieved since our appointment:

Property	Value of Sale	Date of completion
Brambledene	150,000	3 November 2010
Wallscote	249,999	10 December 2010
Grand Panorama	350,000	21 February 2011
St Elli	220,000	29 June 2011
Emlyn	62,500	22 December 2011
Yr Hen Bont	210,000	30 April 2012
TOTAL	1,242,499	

Book Debts

- 4 10 Realisations from the Company's debtor ledger total £47,659. We have been unable to increase book debt realisations due to the poor accounting records maintained by the Company pre-administration.

Sales

- 4 11 Further to the granting of the licence to trade Yr Hen Bont as a going concern, any sales due to the purchaser in the period between exchange and completion have continued to be paid into our account. Those sales have been offset against any wages and associated costs, together with any other trading liabilities due, in accordance with the sale contract. These transactions are included in our receipts and payments account.

Furniture, Equipment and Stock

- 4 12 The furniture and equipment located at Yr Hen Bont was sold to the purchaser for £39,746 together with the residual stock for £250, as noted above.

Refunds

- 4 13 A total of £14,250 has been received in refunds from various utility companies in relation to reconciliation of both the pre and post administration trading accounts following sale and or closure for the care homes
- 4 14 In this instance VAT is non-recoverable on supplies

Extension of the Administration

- 4 15 As you are aware, a request for an extension was granted by the Court on 17 January 2012 in accordance with paragraph 76(2)a of Schedule B1 to the Insolvency Act 1986, giving a revised date of 2 August 2012 for the automatic termination of the administration
- 4 16 The extension was obtained in order for all trading matters, to be finalised, including completion of the sale of the residual properties, to submit final tax computations and obtain tax clearance from HM Revenue & Customs, and distribute remaining funds to the secured creditor. These matters have now been completed
- 4 17 Following the end of the administration on 2 August 2012, as indicated previously, the company will move to dissolution following the joint administrators filing notice with the Registrar of Companies to dissolve the company. A copy of this notice, Form 2 35B is attached
- 4 18 The joint administrators shall be discharged from liability in accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986 with effect from 14 days after the progress report to creditors has been sent

5 Liabilities

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

Secured creditors

- 5 2 The Royal Bank of Scotland (the Bank) has received distributions totalling £479,698 against its indebtedness of circa £4.4 million

Preferential creditors

- 5 3 The Redundancy Payments Office has notified us of their preferential claim in this matter of £37,834, in respect of the payment of unpaid wages and holiday to the Company's former employees

Unsecured creditors

- 5 4 There are not 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
- 6.2 The time costs for this administration for the period from 2 August 2010 to 20 July 2012 are £701,019, and the expenses relating to travel costs for site visits, statutory advertising and statutory bonding total £4,500. Our fees for acting as Joint Administrators have been fixed based on a matrix agreed with the Bank, calculated initially by reference to time costs estimated to be incurred by the administrators and their staff in attending to matters arising in the administration, covering three elements: fixed costs (consisting of initial review, set-up costs and statutory costs), trading costs and disposal/closure costs. You will note from the receipts and payments account at appendix A that we have drawn a total of £301,000, and our expenses in full, as agreed by the secured creditor
- 6.3 I attach at Appendix C the SIP 9 table that details my time costs to date that are calculated at the firm's normal hourly rates. You will note that our actual time costs are in excess of the costs that have been approved and drawn. Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units

7 Other expenses incurred by the joint administrators

- 7.1 As previously notified, a number of external agents and suppliers were instructed to provide certain services on the Joint Administrators behalf: the costs of those instructions were drawn from the company's estate as shown on Appendix A

Should you have any queries in relation to the above, please contact Chloe Barber on 020 7728 2486 or alternatively Bryan Higgins on 020 7865 2424

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 and Alistair Wardell, appointed as joint administrators on 2 August 2010

Enc

A Abstract of the administrators' receipts and payments

APPENDIX A

ALUTARIUS LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS AS AT 20 JULY 2012

	Statement of Affairs	Previous report 2 August 2010 to 20 December 2011	Current period 21 December 2011 to 20 July 2012	Total
	£	£	£	£
RECEIPTS				
Freehold property	2,345,000	976,250	266,418	1,242,668
Sales	-	939,406	40,573	979,979
Sales - Yr Hen Bont post exchange	-	-	88,505	88,505
Book debts	180,000	47,659	-	47,659
Furniture & equipment	-	-	39,746	39,746
Miscellaneous refunds	-	3,008	11,242	14,250
Bank interest	-	499	448	947
Stock	-	-	250	250
Contracts	-	-	1	1
Misc fixed receipts	-	-	1	1
Intellectual property	-	-	1	1
Goodwill	-	-	1	1
	<u>2,525,000</u>	<u>1,966,822</u>	<u>447,186</u>	<u>2,414,008</u>

PAYMENTS

Administration expenses

Purchases - food	58,726	4,946	63,672
Purchases - other	22,027	1,929	23,956
Heat, light & telephone	68,836	6,233	75,069
Licences & subscriptions	11,039	341	11,380
Repairs & maintenance	14,652	922	15,574
Other property expenses	8,479	-	8,479
Sundry trading expenses	15,335	10,593	25,928
Hire of Equipment	7,327	128	7,455
Agency staff costs	99,571	(26)	99,545
Net wages	579,518	75,158	654,676
Paye/Nic	137,241	15,330	152,571
Rates	4,918	385	5,303
Payroll costs	6,111	398	6,509
Insurance	24,137	7,483	31,620
Professional fees	192,959	7,850	200,809
Administrators fees	-	301,000	301,000
Administrators disbursements	-	4,500	4,500
Legal fees	34,492	15,540	50,032
Agents fees	18,657	6,174	24,831
Distribution to fixed charge holder	325,000	154,698	479,698
VAT irrecoverable	54,598	73,622	128,220
Bank charges	4,300	272	4,572
Yr Hen Bont apportionments	-	38,586	38,586
Corporation tax	-	20	20
	<u>1,687,923</u>	<u>726,084</u>	<u>2,414,008</u>
Balance in hand	<u>278,899</u>	<u>(278,898)</u>	<u>0</u>
	<u>1,966,822</u>	<u>447,186</u>	<u>2,414,008</u>

B Remuneration and expenses charged by the Administrators 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 20/07/2012

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
Plant & Machinery	39,997 00	0 00	0 00	39,997 00
Legal Fees	37,698 90	0 00	0 00	37,698 90
Agents/Valuers Fees	17,573 75	0 00	0 00	17,573 75
Factoring Charges	1,133 00	0 00	0 00	1,133 00
Bank Charges	20 00	0 00	0 00	20 00
Freehold Land & Property	150,000 00	0 00	0 00	150,000 00
Cash at Bank	49,277 43	0 00	0 00	49,277 43
Bank/ISA InterestGross	921 42	0 00	0 00	921 42
Administrators Fees	301,000 00	0 00	0 00	301,000 00
Administrators Expenses	4,500 04	0 00	0 00	4,500 04
VAT irrecoverable	59,926 69	0 00	0 00	59,926 69
Agents/Valuers Fees (1)	7,257 00	0 00	0 00	7,257 00
Legal Fees (1)	12,333 16	0 00	0 00	12,333 16
Corporation Tax	20 16	0 00	0 00	20 16
Re-Direction of Mail	935 46	0 00	0 00	935 46
Other Property Expenses	7,037 00	0 00	0 00	7,037 00
Insurance of Assets	2,250 00	0 00	0 00	2,250 00
Bank Charges	3,942 93	0 00	0 00	3,942 93
Floating Charge Creditor	1,077 00	0 00	0 00	1,077 00
Fixed Charge Creditor	478,621 00	0 00	0 00	478,621 00
	1,175,521 94	0 00	0 00	1,175,521 94

APPENDIX C

ALUTARIUS LIMITED - IN ADMINISTRATION

SIP 9 analysis for the period 2 August 2010 to 20 July 2012

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	64 10	34,259 25	534 47	799 88	276,305 75	345 43	341 73	77,613 00	227 12	126 31	17,919 35	141 87	1,332 02	406,097 35	304 87
Creditors	13 90	7,436 50	535 00	131 25	45,067 50	343 37	141 80	35,086 50	247 44	18 95	2,435 00	128 50	305 90	90,025 50	294 30
Investigations	8 90	4,761 50	535 00	21 50	7,325 00	340 70	7 70	2,084 50	270 71				38 10	14,171 00	371 94
Realisation of Assets	65 85	35,229 75	535 00	19 27	6,731 00	349 30	200 10	52,103 50	260 38	1 30	188 50	145 00	286 52	94,252 75	328 96
Trading	16 10	8,613 50	535 00	41 94	14,535 50	346 58	256 30	67,477 00	263 27	38 75	5,846 25	150 87	353 09	96,472 25	273 22
Total	168 85	90,300 50	534 80	1,013 84	349,964 75	345 19	947 63	234,364 50	247 32	185 31	26,389 10	142 41	2,315 63	701,018 85	302 73

Total fees billed £301,000 00

Total expenses incurred in the period and billed £ 4,500.04

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

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

Rule 2 48A

- (1) 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

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses 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

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

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Company number

04382684

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Alistair Wardell
Grant Thornton UK LLP
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CF11 9UP

having been appointed administrators of Alutarius Limited

on 2 August, 2010 by the directors

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

We attach a copy of the final progress report

Signed

Joint Administrator

Dated

31 July 2012

Contact Details:

Daniel R W Smith
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

Tel/Fax
DX Exchange

When you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff