

## The Insolvency Act 1986

## Administrator's progress report

Form 2.24B(CH)

Name of Company  Eaglecrest Care Management Limited	Company number  04856621
In the High Court of Justice, Chancery Division, Newcastle Upon Tyne District Registry (full name of court)	Court case number 1150 of 2011

(a) Insert full name(s) and  
address(es) of administratorsWe (a) Sarah Helen Bell and Andrew Gordon Stoneman of Duff & Phelps Ltd, The Chancery, 58  
Spring Gardens, Manchester, M2 1EW

Administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 31 July 2012

(b) 30 January 2013

Signed

Joint Administrator

Dated

14/2/2013

## 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

Duff & Phelps Ltd  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW

Tel 0161 827 9000

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



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# Progress Report to Creditors

14 February 2013

**Eaglecrest Care Management Limited  
and  
Edge Lea Care Home Limited  
(Both In Administration)**

*Joint Administrators' Progress Report to Creditors  
for the period from 31 July 2012 to 30 January 2013  
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 as amended*

Duff & Phelps Ltd  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW

## Definitions

Word or Phrase	Definition
Barclays	Barclays Bank plc
Christies	Christie + Co, independent agent and valuers
CQC	Care Quality Commission
Dickinson Dees	Dickinson Dees LLP, the Joint Administrators' solicitors
Duff & Phelps	Duff & Phelps Ltd (formerly MCR)
EC Regulation	EC Regulation on Insolvency Proceedings 2000
ECML	Eaglecrest Care Management Limited Company Number 04856621
Edge Lea	Edge Lea Care Home, 14/16 Half Edge Lane, Eccles, Manchester M30 9GJ
EF	Mr Emmanuel Fanibi
ELCHL	Edge Lea Care Home Limited Company Number 03244799
HCMS	Healthcare Management Solutions Limited
HMRC	HM Revenue and Customs
the Homes	Edge Lea, The Shires and Longwood Lodge
Longwood Lodge	Longwood Lodge Care Home 61/63 Queens Road, Oldham OL8 2BA
LPA	Law of Property Act 1925
MF	Ms Muyibatu Fanibi
NatWest	National Westminster Bank plc
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Santander / the Secured Creditor	Santander UK plc (formerly Abbey National plc)
SOA	Statement of Affairs
the Act	The Insolvency Act 1986 (as amended)

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the Companies	Eaglecrest Care Management Limited and Edge Lea Care Home Limited
the Joint Administrators	Andrew Gordon Stoneman and Sarah Helen Bell of Duff & Phelps Ltd The Chancery, 58 Spring Gardens, Manchester, M2 1EW
the Notice	Notice to Move From Administration to Dissolution – Form 2 35B
the Proposals	Joint Administrators' Report and Statement of Proposals dated 5 October 2011
The RPS	The Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
The Shires	The Shires Care Home, 12/13 Gorringe Road, Eastbourne BN22 8XL

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<b>Names of Joint Administrators:</b>	Andrew Stoneman  Sarah Bell
<b>Date of Appointment.</b>	17 August 2011
<b>Date of Report</b>	14 February 2013
<b>Appointed By</b>	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN
<b>Court Reference</b>	<u>Eaglecrest Care Management Limited</u>  Newcastle Upon Tyne District Registry The Law Courts The Quayside Newcastle Upon Tyne NE1 3LA Case Reference 1150 of 2011  <u>Edge Lea Care Home Limited</u>  Newcastle Upon Tyne District Registry The Law Courts The Quayside Newcastle Upon Tyne NE1 3LA Case Reference 1149 of 2011

## **1. Introduction**

- 1 1 Andrew Stoneman and Sarah Bell of Duff & Phelps were appointed Joint Administrators of the Companies on 17 August 2011 by Santander, the holder of qualifying floating charges under Paragraph 14 of Schedule B1 to the Act
- 1 2 The term of the Administration was extended by consent of the Companies' creditors in accordance with Paragraph 76(2)(b) of Schedule B1 to the Act for a period of six months to 16 February 2013
- 1 3 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Administrators
- 1 4 The purpose of this report is to provide creditors with details of the progress of the Administration, in accordance with Rule 2 47(1) of the Rules for the six month period from 31 July 2012 to 30 January 2013
- 1 5 This report covers both ECML and ELCHL. The Joint Administrators believe this is appropriate as the Companies have common directorships and ELCHL is a wholly owned subsidiary of ECML. The Companies have also historically operated in the same sector and have cross corporate guarantees to the Secured Creditor
- 1 6 This report should be read in conjunction with the earlier reports to creditors dated 5 October 2011, 15 March 2012 and 30 July 2012

## **2. Joint Administrators' Report and Statement of Proposals**

- 2 1 The Joint Administrators issued the Proposals on 5 October 2011
- 2 2 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations to enable a distribution to non-preferential creditors. No meeting was convened and in accordance with Rule 2 33(5) of the Rules, the Proposals were deemed to have been approved by creditors
- 2 3 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following hierarchical objectives
- Rescuing the Companies as a going concern, or
  - Achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), or
  - Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 4 In accordance with Paragraph 49(2) of Schedule B1 to the Act, as amended, the Joint Administrators believe that the first two objectives referred to above cannot be met in respect of either of the Companies. The detailed explanation for this situation is contained within the following sections of this report but in summary, the Joint Administrators believe that there will be insufficient asset realisations to enable a distribution to be made to the unsecured creditors of the Companies

- 2 5 In respect of ECML, going concern sales of The Shires and Longwood Lodge have been achieved. The third objective has been achieved as a distribution has been made to the Secured Creditor.
- 2 6 In respect of ELCHL, the Joint Administrators were unable to rescue the ELCHL as a going concern due to the timeframes afforded to them and the cash constraints within the business. Furthermore, ELCHL's assets base is sufficient only to enable a distribution to the Secured Creditor. A distribution of £285,000 has been made to Santander as at the date of this report, therefore, the third objective has been achieved.

### **3 Progress of the Administrations**

- 3 1 The manner in which the affairs and business of the Companies have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.

#### **Background**

- 3 2 As stated in the Proposals, ECML managed and operated Longwood Lodge and The Shires, both of which provided residential and nursing care for the elderly and are located at
- Longwood Lodge, 61/63 Queens Road, Oldham OL8 2BA
  - The Shires, 12/13 Gorringe Road, Eastbourne BN22 8XL
- 3 3 Longwood Lodge and The Shires premises were owned by EF and MF. On 17 August 2011, Andrew Stoneman and Sarah Bell were appointed as Joint LPA Receivers of the premises known as Longwood Lodge and The Shires by Santander.
- 3 4 ELCHL operated Edge Lea, which provided residential and nursing care for the elderly and was located at
- Edge Lea, 14/16 Half Edge Lane, Eccles, Manchester M30 9GJ

#### **Joint Administrators' Trading Period**

- 3 5 Immediately upon their appointment, the Joint Administrators and their representatives attended all three of the Homes, addressed staff and undertook an immediate review of the Companies' financial and operational position.
- 3 6 Upon completion of this review, the Joint Administrators maintained the trading operations of the Companies in the short term, with the objective of maximising the value of the businesses and assets of the Companies whilst they were marketed for sale. The Joint Administrators appointed managing agents HCMS, a specialist care home management and support company, who ensured that the provision of care for the residents of the Homes was maintained.
- 3 7 As stated in the Proposals, following a detailed analysis of the Companies' operations, Edge Lea was closed on economic grounds, as it was no longer financially viable to continue trading. The Joint Administrators and HCMS worked closely with the Local Authorities to ensure that all residents were repatriated to an alternative care home in the area.



3 8 An update on the progress made by the Joint Administrators since our last report is detailed below

3 9 Trading Receipts and Payments Accounts in respect of the Companies can be found at Appendix 2

### **Sale of Business**

#### Longwood Lodge

3 10 The Joint Administrators engaged Christies to market the business and assets of Longwood Lodge as a going concern the respective asking price was £1 300,000

3 11 After receiving numerous expressions of interest, an offer was received from an unconnected third party which was recommended by Christies Longwood Lodge was sold to Mr A Wood on 16 October 2012 for £900,000

3 12 The sale consideration was apportioned as follows

	£
The Longwood Lodge Premises	675,000
Goodwill	194,496
Intellectual Property	1
Stock	500
Plant and Machinery	25,000
Motor Vehicles	5,000
Commercial Information	1
Contract	1
Computer Systems	1
	<u>900,000</u>

3 13 The premises known as Longwood Lodge was owned by EF and MF and was therefore sold by the Joint LPA Receivers

3 14 The sales consideration was paid in full upon completion and was remitted to the relevant Joint Administrators' and Joint LPA Receivers' estate bank accounts

#### The Shires

3 15 The Joint Administrators engaged Christies to market the business and assets of The Shires as a going concern, the respective asking price was £1,000,000

3 16 After receiving numerous expressions of interest an offer was received from an unconnected third party which was recommended by Christies The Shires was sold to Mr M Baldry on 2 April 2012 for £1,010,000

- 3 17 The sale consideration was apportioned as follows

	£
The Shires Premises	979,496
Goodwill	10,000
Intellectual Property	1
Stock	500
Plant and Machinery	20,000
Commercial Information	1
Contract	1
Computer Systems	1
	<u>1,010,000</u>

- 3 18 The premises known as The Shires was owned by EF and MF and was therefore sold by the Joint LPA Receivers
- 3 19 The sales consideration was paid in full upon completion and was remitted to the relevant Joint Administrators' and Joint LPA Receivers' estate bank accounts

Edge Lea

- 3 20 The Joint Administrators engaged Christies to market the freehold property known as Edge Lea for sale, the respective asking price was £400,000
- 3 21 An offer in the sum of £420,000 (plus certain fees) was received from an unconnected third party and the sale of this freehold property completed on 18 November 2011. The total proceeds of £420,426 have been remitted into the Joint Administrators' estate bank account in respect of ELCHL.

**Asset Realisations**

Cash at Bank

- 3 22 On the date of their appointment, the Joint Administrators requested that ECML's pre-Administration bank account held with Barclays be frozen with no further payments made. After applying all outstanding charges, a credit balance in the sum of £74,011 was transferred by Barclays to the Joint Administrators' estate bank account.
- 3 23 ELCHL's pre-Administration bank account, held with NatWest, was overdrawn by c£35,000 at the date of the Joint Administrators' appointment. NatWest have submitted an unsecured non-preferential claim to the Joint Administrators in respect of this.

Fixtures and Fittings

- 3 24 The Joint Administrators sold Fixtures and Fittings in the sum of £1,240 following the closure of Edge Lea. This sum has been deposited into the Joint Administrators' estate bank account in respect of ELCHL. No further realisations are anticipated from this source.

#### Rates Refund

- 3 25 The Joint Administrators have received non-domestic rates refunds for ECML in the sum of £251 This was apportioned as follows

- The Shires £24
- Longwood Lodge £227

No further realisations are anticipated from this source

#### Bank Interest

- 3 26 The Joint Administrators have received Bank Interest on their estate bank accounts in the sum of £84 in respect of ECML and £88 in respect of ELCHL

#### Sundry Refunds

- 3 27 The Joint Administrators have received sundry refunds in respect of ECML in the sum of £332

#### **Other Assets**

- 3 28 The Joint Administrators are not aware of any further realisable assets of the Companies

### **4. Investigations**

- 4 1 The Joint Administrators' investigations into the Companies' affairs are currently ongoing The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required However, should any of the Companies' creditors have information concerning the Companies' affairs that they would like to bring to the Joint Administrators' attention please contact this office
- 4 2 The Joint Administrators have a statutory obligation to file a report with the Department for Business Innovation and Skills regarding the conduct of all directors of the Companies that served in the three years prior to the appointment The content of these reports are confidential and were submitted to the Insolvency Practitioners Compliance Unit on 9 February 2012

### **5. Dividend Prospects / Prescribed Part**

#### **Secured Creditors**

- 5 1 In consideration for the monies advanced under a term loan facility, ECML granted Santander a legal and general charge, which confers fixed and floating charges over all of the assets of ECML This charge was created on 8 August 2008 and registered at Companies House on 9 August 2008
- 5 2 In consideration for the monies advanced under a term loan facility, ELCHL granted Santander a third party legal and general charge, which confers fixed and floating charges over all of the assets of ELCHL This charge was created on 25 July 2008 and registered at Companies House on 29 July 2008

- 5 3 At the date of the Joint Administrators' appointment, the Companies' indebtedness to Santander was approximately £4.9m subject to accruing interest and charges
- 5 4 ELCHL provided a cross guarantee in respect of the liabilities of ECML. EF provided Santander with a personal guarantee of £1.52m
- 5 5 To 30 January 2013, Santander has received distributions in the sum of £125,000 under its fixed charge in respect of ECML. It is anticipated that Santander will receive further distributions in the sum of c£20,000 under its fixed charge in respect of ECML
- 5 6 In order to fund the Joint Administrators' trading period, Santander had provided funding to the Joint Administrators of £25,000 in respect of ECML. These funds have now been repaid to Santander
- 5 7 To 30 January 2013, Santander has received distributions in the sum of £285,000 under its fixed charge in respect of ELCHL. It is anticipated that Santander will receive further distributions in the sum of c£11,000 under its fixed charge in respect of ELCHL
- 5 8 To 30 January 2013, Santander has received distributions in the sum of £675,000 in respect of the LPA Receivership of Longwood Lodge and £850,000 in respect of the LPA Receivership of The Shires. It is anticipated that Santander will receive further distributions in the sum of c£3,000 in respect of the LPA Receivership of Longwood Lodge and £5,000 in respect of the LPA Receivership of The Shires
- 5 9 It is anticipated that there will be insufficient realisations to repay Santander in full

#### **Preferential Creditors**

- 5 10 The preferential creditors' claims consist of employee claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the Department for Business, Innovation and Skills following payment to the employees by the RPS
- 5 11 The RPS submitted a preferential claim totalling £3,186 on 3 January 2012 in respect of payments made to ELCHL's former employees
- 5 12 The RPS submitted a preferential claim totalling £1,431 on 3 January 2012 in respect of payments made to ECML's former employees
- 5 13 Based on the current information, it is unlikely that there will be sufficient realisations to pay a dividend to the Companies' preferential creditors

#### **Prescribed Part**

- 5 14 Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003 a Prescribed Part of the Companies' net property shall be made available to non-preferential unsecured creditors
- 5 15 The Prescribed Part is calculated as a percentage of net property, as follows -
- |                                      |  |
|--------------------------------------|--|
| Net property is less than £10,000    | 50% unless the Joint Administrators believe the costs of distribution are greater than the benefit |
| Net property is greater than £10,000 | 50% up to £10,000 plus 20% thereafter to a maximum of £600,000                                     |

- 5 16 Based on the current information, the Joint Administrators believe it is unlikely that there will be sufficient funds available under the floating charge, in either ECML or ELCHL, to enable a Prescribed Part distribution

#### **Non-Preferential Creditors**

- 5 17 According to the director's SOA, non-preferential creditors total £142,810 for ECML and £188,462 for ELCHL. These non-preferential creditors can be summarised as follows

	ECML	ELCHL
	£	£
Trade & Expense Creditors	17,810	101,962
HM Revenue & Customs	125,000	86,500
Total	142,810	188,462

- 5 18 Having reviewed the SOA, the Joint Administrators believe that the SOA for both ECML and ELCHL contain many figures which are inaccurate
- 5 19 Based on the current information, it is unlikely that there will be sufficient realisations to pay a dividend to the Companies' non-preferential creditors

#### **6. Joint Administrators' Receipts and Payments Accounts**

- 6 1 Detailed Receipts and Payments Accounts for the periods 31 July 2012 to 30 January 2013 and 17 August 2011 to 30 January 2013 in respect of ECML and ELCHL are shown at Appendix 2
- 6 2 Separate accounts have been prepared for the Administration trading periods. These are also attached at Appendix 2

#### **7. Pre-Administration Costs**

- 7 1 On 2 November 2011, the following amounts in respect of pre-Administration costs were approved

Name of Recipient	Brief Description of Services Provided	Total Amount Approved
Duff & Phelps	Putting in place a trading strategy prior to the Joint Administrators appointment. This included liaising with HCMS and the CQC to ensure the correct licensing was in place in order to trade the Homes	<sup>1</sup> £16,303
Dickinson Dees	Professional assistance in respect of appointing the Joint Administrators	<sup>12</sup> £3,000

<sup>1</sup> This is exclusive of VAT and relates to ECML

<sup>2</sup> This is exclusive of VAT and relates to both ECML and ELCHL

- 7 2 These costs have been drawn in full

## **8. Joint Administrators' Costs and Expenses**

- 8 1 The basis of the Joint Administrators' remuneration was fixed by reference to time costs incurred by them and their staff in dealing with matters arising in respect of the Administrations. This was approved in respect of ECML and ELCHL by Santander on 2 November 2011.
- 8 2 The time costs charged for the period from 17 August 2011 to 30 January 2013 by the Joint Administrators and their staff are as analysed at Appendix 3. Time costs to date total
- ECML £175,572
  - ELCHL £52,412
- 8 3 The Joint Administrators have drawn remuneration in the sum of £30,000 in respect of ELCHL to date, £5,000 of these fees were drawn in the period 31 July 2012 to 30 January 2013. Details of payments are shown on the Receipts and Payments Account at Appendix 2.
- 8 4 The Joint Administrators have drawn remuneration in the sum of £28,697 in respect of ECML to date, all of these fees were drawn in the period 31 July 2012 to 30 January 2013. Details of payments are shown on the Receipts and Payments Account at Appendix 2.
- 8 5 The Joint Administrators have also drawn £95,000 in respect of the LPA Receivership of The Shires and £10,000 in respect of the LPA Receivership of Longwood Lodge.
- 8 6 Information regarding the fees of Administrators called *A Creditors' Guide to Administrators' Fees* can be found on the Duff & Phelps' website at <http://www.duffandphelps.com/uk-restructuring>. Should you require a copy please contact this office.
- 8 7 A schedule of the expenses incurred by the Joint Administrators is provided at Appendix 4.
- 8 8 The Joint Administrators' choice of Agents and Solicitors instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them.
- 8 9 In accordance with Rule 2.48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured claims) may make a request in writing to the Joint Administrators for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond.
- 8 10 In addition to the above, any Secured Creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors) or the permission of the Court, may apply to the court on the grounds that the remuneration or basis fixed for the Joint Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs.

## **9. EC Regulation**

- 9 1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings, as defined in Article 3 of the EC Regulation. The centre of main interest of the Companies is in England.

## **10 Conclusion and Ending the Administrations**

- 10 1 As the Companies have no property with which to make a distribution to their non-preferential creditors the Joint Administrators anticipate that following final distributions to the Secured Creditor, The Notice will be submitted to the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Act
- 10 2 Following registration of the Notice by the Registrar of Companies, the Joint Administrators appointment will cease to have effect, and they will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act
- 10 3 At the end of three months beginning with the date of the Notice being registered by the Registrar of Companies, the Companies will be dissolved

## **11. Next Report**

- 11 1 The Joint Administrators are required to provide a Progress Report within one month of the end of the next six months of the Administration This report will be provided no later than 17 February 2013, prior to the closure of the Administration
- 11 2 If you have any queries or require any further assistance please do not hesitate to contact my colleague Chris Fisher of this office



**Sarah Helen Bell**  
Joint Administrator

The affairs business and property of the Companies are being managed by the Joint Administrators Sarah Helen Bell and Andrew Gordon Stoneman, who act as agents for the Companies and without personal liability Both are licensed by the Insolvency Practitioners Association

## **Appendix 1**

### **Statutory Information**



## STATUTORY INFORMATION

### Eaglecrest Care Management Limited

Date of Incorporation	5 August 2003		
Registered Number	04856621		
Company Director	Mr Emanuel Fanibi		
Company Secretary	Ms Muyibatu Fanibi		
Shareholders	Mr Emmanuel Fanibi – 15,000 £1 shares Ms Muyibatu Fanibi – 5,000 £1 shares		
Trading Addresses	Longwood Lodge, 61/63 Queens Road, Oldham OL8 2BA and The Shires, 12/13 Gorringe Road, Eastbourne BN22 8XL		
Registered Office	Current	Formerly	
	c/o MCR The Chancery 58 Spring Gardens Manchester M2 1EW	Lynton House 7/12 Tavistock Square London WC1H 9BQ	
Any Other Trading Names	Not applicable		
Financial Information		18 Months to 30 Sept 2010 (Statutory) £	12 Months to 31 March 2009 (Statutory) £
	Turnover	<u>2,865,875</u>	<u>2,182 239</u>
	Gross Profit	<u>800 503</u>	<u>871 892</u>
	Retained profit/(loss) for the period	<u>(135,715)</u>	<u>(47,391)</u>

# STATUTORY INFORMATION

## Edge Lea Care Home Limited

<b>Date of Incorporation</b>	2 September 1996	
<b>Registered Number</b>	03244799	
<b>Company Director</b>	Mr Emanuel Fanibi	
<b>Company Secretary</b>	Ms Muyibatu Fanibi	
<b>Shareholders</b>	Eaglecrest Care Management Limited – 30 000 £1 shares	
<b>Trading Addresses</b>	Edge Lea, 14/16 Half Edge Lane, Eccles, Manchester M30 9GJ	
<b>Registered Office</b>	<b>Current</b>	<b>Formerly</b>
	c/o MCR The Chancery 58 Spring Gardens Manchester M2 1EW	Lynton House 7/12 Tavistock Square London WC1H 9BQ
<b>Any Other Trading Names</b>	Not applicable	

<b>Financial Information</b>	<b>18 Months to 30 Sept 2010 (Statutory) £</b>	<b>12 Months to 31 March 2009 (Statutory) £</b>
Turnover	<u>1,760,515</u>	<u>1,551,908</u>
Gross Profit	<u>1,662,052</u>	<u>1 441,274</u>
Retained profit/(loss) for the period	<u>(380,160)</u>	<u>(21,914)</u>

## **Appendix 2**

### **Joint Administrators' Receipts and Payments Accounts**

**Eaglecrest Care Management Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

<b>Statement of Affairs</b>	<b>From 31/7/12 To 30/1/2013</b>	<b>From 17/08/2011 To 30/1/2013</b>
POST APPOINTMENT SALES		
Fee Income - Longwood Lodge	230,943 64	997 934 94
Fee Income - The Shires	<u>5 489 63</u>	<u>372 656 70</u>
	236,433 27	1,370 591 64
TRADING EXPENDITURE		
Rates	NIL	(1,935 38)
CQC Fees	(5,600 00)	(14,200 00)
Insurance	(4,984 48)	(11,491 54)
HCMS - Professional Fees	(32,500 00)	(125,000 00)
HCMS - Disbursements	(1,579 94)	(21,344 60)
Sundry Expenses/Office Consumables	NIL	(143 92)
PAYE/NII - Longwood Lodge	(55,854 14)	(118,079 21)
PAYE/NII - The Shires	(743 21)	(34,101 71)
Suppliers - Longwood Lodge	(59,752 98)	(201 601 88)
Suppliers - The Shires	(3,544 78)	(107,101 94)
Wages - Longwood Lodge	(120,409 53)	(608 585 27)
Wages - The Shires	NIL	(164,993 90)
Irrecoverable VAT	<u>(1 821 82)</u>	<u>(1,821 82)</u>
	(286,790 88)	(1 410,401 17)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(50,357 61)</b>	<b>(39,809 53)</b>

**Eaglecrest Care Management Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 31/7/2012 To 30/1/2013	From 17/08/2011 To 30/1/2013
SECURED ASSETS		
Goodwill	194,496 00	204,496 00
Intellectual Property	1 00	2 00
	<u>194,497 00</u>	<u>204,498 00</u>
COSTS OF REALISATION		
Agents/Valuers Fees	(13,850 00)	(38,350 00)
Agents/Valuers Disbursements	(1,093 86)	(1,093 86)
Legal Fees	NIL	(2,500 00)
VAT - Unrecoverable	(2,988 78)	(17,888 78)
	<u>(17,932 64)</u>	<u>(59,832 64)</u>
SECURED CREDITORS		
Santander UK plc	(125,000 00)	(125,000 00)
	<u>125,000 00</u>	<u>(125 000 00)</u>
21,250 00		
ASSET REALISATIONS		
Plant & Machinery	25,000 00	45,000 00
Motor Vehicles	5,000 00	5,000 00
Stock	500 00	1,000 00
Insurance Refund	317 93	317 93
Cash at Bank	NIL	74,010 54
Rates Refund	NIL	251 47
Bank Interest Gross	36 09	83 69
Sundry Refunds	332 20	332 20
Trading Surplus/(Deficit)	(50,357 61)	(39,809 53)
Commercial Info, Contracts & Comput	3 00	6 00
Sundry receipts	25 15	25 15
<u>21,250 00</u>	<u>(19,143 24)</u>	<u>86,217 45</u>
COST OF REALISATIONS		
Pre Insolvency Remuneration	(16,303 00)	(16,303 00)
Joint administrators' remuneration	(28,697 00)	(28,697 00)
Joint administrators' disbursements	(931 55)	(931 55)
Accountants Fees	(2,550 00)	(2,750 00)
Agents/Valuers Fees	(1,000 00)	(3,000 00)
Legal Fees	(9,573 00)	(16,143 00)
Legal Disbursements	(1 00)	(1 00)
Corporation Tax charges	(3 00)	(3 00)
Irrecoverable VAT	(17,866 97)	(28,556 38)
Storage Costs	(27 50)	(27 50)
Statutory Advertising	NIL	(76 50)
Bank Charges	(143 53)	(531 65)
	<u>(77 096 55)</u>	<u>(97,020 58)</u>
(1,536,239 00)		
(1,536,239 00)		
PREFERENTIAL CREDITORS		
UNSECURED CREDITORS		
Trade and Expense Creditors		
HMRC		
Santander - overdraft		
(17,810 16)		
(125,000 00)		
(5,000 00)		
<u>(147,810 16)</u>		
CAPITAL		
Ordinary Shareholders		
(20,000 00)		
(20,000 00)		
	<u>205,324 57</u>	<u>8,862 23</u>
REPRESENTED BY		
Barclays Floating/main current account		8,862 23
<u>(3,365,598 32)</u>		<u>8,862 23</u>

**Edge Lea Care Home Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

<b>Statement of Affairs</b>	<b>From 31/7/2012 To 30/1/2013</b>	<b>From 17/08/2011 To 30/1/2013</b>
POST APPOINTMENT SALES		
Fee Income - Edge Lea	NIL	47,622 44
	<u>0 00</u>	<u>47,622 44</u>
TRADING EXPENDITURE		
CQC Fees	NIL	(3,533 34)
Insurance	NIL	(2,270 31)
HCMS - Professional Fees	NIL	(10,000 00)
HCMS - Disbursements	NIL	(1,831 50)
PAYE/NI - Edge Lea	NIL	(15,732 14)
Suppliers - Edge Lea	(368 64)	(8,116 45)
Wages - Edge Lea BACS	NIL	(57,039 91)
Wages - Edge Lea CHEQUE	NIL	(510 74)
	<u>(368 64)</u>	<u>(99,034 39)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(368 64)</b>	<b>(51,411 95)</b>

**Edge Lea Care Home Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 31/7/2012 To 30/1/2013	From 17/08/2011 To 30/1/2013
1,550,000 00	SECURED ASSETS		
	Freehold Land & Property	NIL	420,000 00
	Late Completion Fee	NIL	186 40
	Notice to Complete Fee	NIL	240 00
<u>1,550,000 00</u>		<u>NIL</u>	<u>420,426 40</u>
	COSTS OF REALISATION		
	Agents/Valuers Fees	NIL	(11,000 00)
	Legal Fees	NIL	(3,250 00)
	Legal Disbursements	NIL	(22 50)
	Maintenance/Holding Costs	NIL	(6,726 00)
	VAT - Irrecoverable	(63 73)	(4,263 43)
		<u>(63 73)</u>	<u>(25,261 93)</u>
	SECURED CREDITORS		
	Santander UK plc	NIL	(285,000 00)
		<u>0 00</u>	<u>(285,000 00)</u>
10,000 00	ASSET REALISATIONS		
	Fixtures and Fittings	NIL	1,240 00
	Bank Interest Gross	NIL	87 44
	Trading Surplus/(Deficit)	(368 64)	(51,411 95)
<u>10,000 00</u>		<u>(368 64)</u>	<u>(50,084 51)</u>
	COST OF REALISATIONS		
	Joint Administrators' remuneration	(5,000 00)	(30,000 00)
	Joint Administrators' disbursements	(40 00)	(96 42)
	Accountants Fees	(2,500 00)	(2,500 00)
	Legal Fees	NIL	(5,250 00)
	Irrecoverable VAT	(1,508 00)	(10,134 86)
	Storage Costs	NIL	(440 75)
	Statutory Advertising	NIL	(76 50)
	Bank Charges	(16 08)	(76 39)
		<u>(9,064 08)</u>	<u>(48,274 67)</u>
(101,962 00)	UNSECURED CREDITORS		
(20,000 00)	Trade and Expense		
(66,500 00)	HMRC - PAYE		
<u>(188,462 00)</u>	Company Voluntary Arrangement Creditors		
	CAPITAL		
(30,000 00)	Ordinary Shareholders		
<u>(30,000 00)</u>		<u>(9,496 45)</u>	<u>11,805 29</u>
	REPRESENTED BY		
	Floating/main current account		11,805 29
<u>1,341,538 00</u>			<u>11,805 29</u>

## **Appendix 3**

### **Analysis of Time Charged and Expenses Incurred**



**EAGLECREST CARE MANAGEMENT LIMITED (IN ADMINISTRATION)**
**ANALYSIS OF TIMECOSTS FOR THE PERIOD 17 AUGUST 2011 to 30 JANUARY 2013**

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review and Case Diary management	0 20	0 90	0 00	9 00	0 00	10 10	2,013 00	199 31
Cashiering & accounting	2 60	8 30	29 70	51 15	0 40	92 15	22,551 25	244 72
Dealings with Directors and Management	1 50	2 20	0 10	4 10	0 00	7 90	1,948 00	246 58
IPS set up & maintenance	0 00	0 30	0 00	2 90	0 00	3 20	652 00	203 75
Insurance	0 00	0 00	0 00	0 40	0 00	0 40	64 00	160 00
Statement of affairs	0 00	0 20	0 00	0 10	0 00	0 30	84 00	280 00
Statutory matters (Meetings & Reports & Notices)	5 20	3 20	2 10	30 70	0 00	41 20	9 581 50	232 56
Strategy planning & control	14 60	27 40	0 00	32 40	0 00	74 40	22,916 50	308 02
Tax Compliance/Planning	2 40	0 00	0 00	2 40	0 00	4 80	1,677 00	349 38
<b>Creditors</b>								
Communications with Creditors/Employees	3 00	2 90	0 00	10 60	0 00	16 50	4,205 00	254 85
Non Pref Creditors/Employee claims handling	0 00	1 50	0 00	1 50	1 00	4 00	825 00	206 25
Secured Creditors	12 00	37 80	0 40	27 00	0 00	77 20	23,950 50	310 24
<b>Investigations</b>								
CDDA & reports & Communication	0 50	0 50	0 00	7 60	0 00	8 60	1,822 50	211 92
Financial review and investigations (S238/239 etc)	0 00	0 00	2 60	3 00	0 00	5 60	1,366 50	244 02
<b>Realisation of Assets</b>								
Book debts	0 00	5 00	0 00	0 00	0 00	5 00	1,752 50	350 50
Freehold and Leasehold Property	11 50	1 30	0 30	2 80	0 00	15 90	7,085 50	445 63
Hire Purchase and Lease Assets	0 00	0 00	0 00	0 70	0 00	0 70	112 00	160 00
Other Intangible Assets	0 00	0 00	0 00	0 40	0 00	0 40	76 00	190 00
Other Tangible Assets	0 00	0 00	0 00	3 80	0 00	3 80	608 00	160 00
Sale of business	0 00	88 40	0 00	22 50	0 00	110 90	35,365 00	318 85
<b>Trading</b>								
Trading - Accounting	0 00	3 20	0 00	67 60	0 00	70 80	13,253 00	187 15
Trading - Employees	0 00	5 60	0 00	44 00	0 00	49 60	9,964 50	200 90
Trading - Hire Purchase Matters	0 00	0 00	0 00	0 60	0 00	0 60	96 00	160 00
Trading - Insurance	0 00	0 30	0 00	7 00	0 00	7 30	1,416 00	193 97
Trading - Operations	6 20	12 80	0 00	23 20	0 00	42 20	12,186 50	288 75
<b>Total Hours</b>	<b>59 70</b>	<b>201 80</b>	<b>35 20</b>	<b>355 45</b>	<b>1 40</b>	<b>653 55</b>		<b>268 64</b>
<b>Total Fees Claimed</b>	<b>30,569 50</b>	<b>71,038 00</b>	<b>10,072 50</b>	<b>63,741 75</b>	<b>150 00</b>		<b>175,571 75</b>	

Category 2 Disbursements

## EAGLECREST CARE MANAGEMENT LIMITED

## ANALYSIS OF TIMECOSTS FOR THE PERIOD PRIOR TO 17 AUGUST 2011

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Cashiering & accounting	0 00	0 00	0 30	0 20	0 00	0 50	121 00	242 00
Strategy planning & control	8 90	32 70	0 00	1 20	0 00	42 80	16,182 00	378 08
<b>Creditors</b>								
Secured Creditors	0 00	6 00	0 00	0 00	0 00	6 00	2,040 00	340 00
<b>Realisation of Assets</b>								
Book debts	0 00	0 40	0 00	0 00	0 00	0 40	136 00	340 00
Sale of business	0 00	3 00	0 00	0 00	0 00	3 00	1,020 00	340 00
<b>Total Hours</b>	<b>8 90</b>	<b>42 10</b>	<b>0 30</b>	<b>1 40</b>	<b>0 00</b>	<b>52 70</b>		<b>370 00</b>
<b>Total Fees Claimed</b>	<b>4,272 00</b>	<b>14,903 00</b>	<b>87 00</b>	<b>237 00</b>	<b>0 00</b>		<b>19,499 00</b>	

Category 2 Disbursements

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## EDGE LEA CARE HOME LIMITED (IN ADMINISTRATION)

## ANALYSIS OF TIME COSTS FOR THE PERIOD 17 AUGUST 2011 TO 30 JANUARY 2013

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review and Case Diary management	0 00	1 00	0 00	7 90	0 00	8 90	1,783 00	200 34
Cashiering & accounting	0 10	2 40	7 70	23 40	0 00	33 60	7,424 50	220 97
Dealings with Directors and Management	0 00	0 40	0 00	0 00	0 00	0 40	136 00	340 00
IPS set up & maintenance	0 00	0 20	0 00	2 90	0 00	3 10	613 00	197 74
Insurance	0 00	0 00	0 00	0 30	0 00	0 30	48 00	160 00
Statement of affairs	0 00	0 00	0 00	0 30	0 00	0 30	48 00	160 00
Statutory matters (Meetings & Reports & Notices)	1 00	2 70	2 10	30 00	0 00	35 80	7,219 50	201 66
Strategy planning & control	5 20	14 40	0 00	31 80	0 00	51 40	13,098 00	254 82
Tax Compliance/Planning	0 00	0 00	0 00	6 30	0 00	6 30	1,160 00	184 13
<b>Creditors</b>								
Communications with Creditors/Employees	0 00	0 30	0 00	5 70	0 00	6 00	1,032 00	172 00
Non Pref Creditors/Employee claims handling	0 00	0 20	0 00	1 10	0 00	1 30	277 00	213 08
Secured Creditors	6 60	6 30	0 40	7 80	0 00	21 10	6,774 00	321 04
<b>Investigations</b>								
CDDA & reports & Communication	0 50	0 00	0 00	2 70	0 00	3 20	705 00	220 31
<b>Realisation of Assets</b>								
Book debts	0 00	1 60	0 00	0 70	0 00	2 30	662 00	287 83
Freehold and Leasehold Property	6 40	0 20	0 00	4 90	0 00	11 50	3,999 00	347 74
Hire Purchase and Lease Assets	0 00	0 00	0 00	0 50	0 00	0 50	80 00	160 00
Other Intangible Assets	0 00	0 00	0 00	1 00	0 00	1 00	160 00	160 00
Other Tangible Assets	0 00	0 00	0 00	3 90	0 00	3 90	645 00	165 38
Plant & Machinery & Fixtures & Motor Vehicles	0 00	0 00	0 00	0 80	0 00	0 80	152 00	190 00
Sale of business	0 00	5 50	0 00	0 00	0 00	5 50	1,870 00	340 00
<b>Trading</b>								
Trading - Accounting	0 00	2 30	0 00	6 40	0 00	8 70	1,812 00	208 28
Trading - Employees	0 00	0 30	0 00	3 10	0 00	3 40	598 00	175 88
Trading - Insurance	0 00	0 00	0 00	0 10	0 00	0 10	16 00	160 00
Trading - Operations	1 20	0 90	0 00	0 00	0 00	2 10	882 00	420 00
	0 00	0 00	0 00	11 60	0 00	11 60	1,218 00	105 00
<b>Total Hours</b>	<b>21 00</b>	<b>38 70</b>	<b>10 20</b>	<b>153 20</b>	<b>0 00</b>	<b>223 10</b>		<b>234 93</b>
<b>Total Fees Claimed</b>	<b>10,281 50</b>	<b>13,337 00</b>	<b>2,844 50</b>	<b>25,949 00</b>	<b>0 00</b>		<b>52,412 00</b>	

Category 2 Disbursements

## **Appendix 4**

### **Schedule of Expenses Incurred**

The Joint Administrators have incurred the following expenses in the period of this report in dealing with the Administration of the Companies

Eaglecrest Care Management Limited

Company	Role	Amount Incurred £
Dickinson Dees	Assisting with the sale of Longwood Lodge and additional ad-hoc legal advice	Fees 9,573 Disb's 1
Trade Suppliers	Providing ongoing goods and services to Longwood Lodge and The Shires in order to ensure continuity of trade	63,298
HCMS	Operational management of Longwood Lodge and The Shires, liaising with the CQC and other critical suppliers, calculating payroll amounts and dealing with employee matters	Fees 32,500 Disb's 1,580
Hurst Accountants LLP	Completion of Corporation Tax Returns and assisting the Joint Administrators in their tax compliance obligations	2,550
IRS Insolvency Risk Services Limited	Providing insurance cover in respect of the Longwood Lodge and The Shires	4,984
Christies	The valuation, marketing and sale of The Shires	Fees 14,850 Disb's 1,094
Employees	Payment of employee wages	121,234
HMRC	PAYE & NI in respect of employee wages	56,597
Safe Records Management Ltd	The storage of the ECML records	28
Barclays Bank plc	Bank charges in respect of the Administration estate accounts	143
CQC	Providing the Joint Administrators with the Licence to trade Longwood Lodge	5,600

Edge Lea Care Home Limited

Company	Role	Amount Incurred £
Hurst Accountants LLP	Completion of Corporation Tax Returns and assisting the Joint Administrators in their tax compliance obligations	2,500
Barclays Bank plc	Bank charges in respect of the Administration estate accounts	16