

The Insolvency Act 1986

**Statement of  
administrator's proposals****2.17B**

Name of Company

New Hope Health &amp; Home Care Services Limited

Company number

05134915

In the High Court of Justice  
Chancery Division  
Birmingham District Registry

[full name of court]

Court case number

8183 of 2012

- (a) Insert full name(s) and address(es) of administrator(s) We Alan Clifton and Michaela Heeley of Axiom Recovery LLP, Suite 2 – 1<sup>st</sup> Floor,  
Turnpike Gate House, Birmingham Road, Alcester B49 5JG

attach a copy of \*our proposals in respect of the administration of the above company

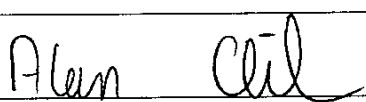
A copy of these proposals was sent to all known creditors on

\* Delete as applicable

(b) Insert date

(b) 1 June 2012

Signed

  
Alan Clifton – Joint Administrator

Dated 1 June 2012

**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.

Axiom Recovery LLP

Suite 2 -1<sup>st</sup> Floor, Turnpike Gate House, Birmingham Road, Alcester

B49 5JG

Tel 01789 766406

DX Number

DX Exchange

Companies House receipt date

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



\*A1A8859U\*

A09

02/06/2012

#175

COMPANIES HOUSE

SATURDAY

**NEW HOPE HEALTH & HOME CARE SERVICES LIMITED  
(IN ADMINISTRATION)  
Registered Number. 05134915  
Court Ref: 8183 of 2012  
High Court of Justice  
Chancery Division  
Birmingham District Registry**

**Joint Administrators' Report and Statement of Proposals**

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**TO: THE REGISTRAR OF COMPANIES  
ALL CREDITORS  
ALL SHAREHOLDERS**

## **1 INTRODUCTION**

- 1.1 I refer to the appointment of Michaela Heeley and I as Joint Administrators ("the Joint Administrators") of New Hope Health & Home Care Services Limited ("the Company") on 18 April 2012 and now write to present our proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act")
- 1.2 I do not propose to convene a meeting of creditors in this instance. It is the Administrators' intention to seek approval to the Proposals and certain resolutions by correspondence, as provided for by Paragraph 58 of Schedule B1 to the Act notice of which is at Appendix H. Form 2.25B is attached at Appendix I for this purpose. This form should be completed and returned to this office by no later than 12.00 hours on 21 June 2012 with a completed statement of claim form (attached at Appendix J) or your vote will be disregarded, as will any forms returned after the closing date.
- 1.3 The outcome of the voting will be reported to creditors shortly after 21 June 2012.
- 1.4 Creditors whose debts amount to at least 10% of the total debts of the Company, may request a meeting. Any requests for an initial creditors' meeting must be made in writing to this office using Form 2.21B (available on request) by 15 June 2012. Security for the costs of holding the meeting must also be provided.

## **2 STATUTORY INFORMATION**

- 2.1 The Administration proceedings are under the jurisdiction of the Birmingham District Registry under Court reference 8183 of 2012.
- 2.2 The Company's registered office was changed from 126 Brook Road Oldbury West Midlands B68 8AE to Axiom Recovery LLP, Suite 2 -1<sup>st</sup> Floor, Turnpike Gate House, Birmingham Road, Alcester, B49 5JG on 27 April 2012. The registered number is 05134915.
- 2.3 The Company operated from premises at the following addresses:
- 126 Brook Road, Oldbury, West Midlands, B68 8AE
  - 128 Brook Road, Oldbury, West Midlands, B68 8AE
  - 5<sup>th</sup> Floor Office Suite 11b Aldershot Business Centre Victoria House Aldershot GU11 1EJ
  - Suite SE15 101 Lockhurst Lane Coleshill Coventry CV6 5FS
- 2.4 The Company's directors are
- | <b>Name</b>             | <b>Role</b> | <b>Date Appointed</b> |
|-------------------------|-------------|-----------------------|
| Patrick Cheza           | Director    | 21 May 2004           |
| Cynthia Ropafadzo Cheza | Director    | 28 April 2010         |
- 2.6 The Company's authorised share capital is 1,000 Ordinary £1 Shares. The issued share capital comprises 10 Ordinary £1 shares, the shares being owned as follows:

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**New Hope Health & Home Care Services Limited - In Administration**

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Name	Class of Share	No. of Shares	% of Total Owned
Patrick Cheza	Ordinary £1 Shares	7	70
Cynthia Ropafadzo Cheza	Ordinary £1 Shares	3	30
		<u>10</u>	<u>100%</u>

2.7 According to the information registered at Companies House, the Company has granted no charges

2.8 The EC Regulation on Insolvency Proceedings 2000 applies to this Administration. The proceedings are proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

### **3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION**

3.1 The Company commenced trading on 1 June 2006 and traded as a specialist domiciliary care provider to service users in the community and also operated a care home. The Company traded from four premises and employed 79 staff at the date it went into Administration.

3.2 The Company traded well and its net profit increased each year. In 2011 the business started to expand and opened new offices in Coventry, London, Kidderminster and Staffordshire. Highly paid management staff were appointed to run these sites.

3.3 The changes were not planned for properly and insufficient income was generated to cover the overheads and operation costs. This had a negative impact on cash flow and resulted in the Company being unable to meet its financial obligations including payments due to HM Revenue & Customs ("HMRC").

3.4 In February 2012, the Company attempted to reduce its overheads by downsizing the management structure. This resulted in the closure of the Staffordshire and Kidderminster offices and the resignation of some members of management.

3.5 The changes made were not sufficient to improve cash flow and HMRC began to place pressure on the Company to satisfy the outstanding liability and threatened to commence proceedings against the Company.

3.6 The director sought the advice of Axiom Recovery LLP and from the information given, it was evident that the Company was insolvent on a cash flow basis, pursuant to s123 of the Insolvency Act 1986, as it was unable to pay its debts as and when they fell due. The director was advised that immediate steps should be taken to place the Company into administration.

3.7 An initial Notice of Intention to Appoint an Administrator was filed in court on 16 March 2012. The directors failed to take the appropriate steps to appoint an Administrator within 10 business days of this being filed and a further Notice of Intention to Appoint an Administrator was filed in court on 3 April 2012. Notice of the Appointment of an Administrator was subsequently filed in court on 18 April 2012 and the Joint Administrators were appointed.

#### 4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

4.1 The balance sheets as at 31 May 2010 and 31 May 2009 are detailed below

	<b>Signed 31 May 2010 £</b>	<b>Signed 31 May 2009 £</b>
<b>Fixed Assets</b>		
Tangible Assets	50,002	3,563
<b>Current Assets</b>		
Debtors	253,577	45,702
Cash at bank and in hand	18,883	18,283
	<u>272,460</u>	<u>63,985</u>
Creditors Amounts Falling due within one year	266,196	22,327
	<u></u>	<u></u>
Net Current Assets	6,263	41,658
Total Assets less Current Liabilities	56,265	45,221
<b>Reserves</b>		
Called up share capital	999	10
Profit and Loss account	55,266	44,222
	<u>56,265</u>	<u>45,221</u>
<b>Shareholders' Funds</b>		

#### 4.2 Statement of Affairs

The directors are required to lodge a statement of affairs as at 18 April 2012 which has to be filed with the Registrar of Companies. The statement of affairs has been received but is incomplete. An estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made for costs and expenses of realisation, costs of the Administration and any corporation tax which may be payable.

#### 4.3 Secured Creditor

There are no secured creditors of the Company.

#### 4.4 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. There are no preferential creditors of the Company.

**4 5 Prescribed Part**

As the Company has no unsatisfied post-Enterprise Act charges, there will be no requirement to set aside a prescribed part in this case

**4 6 Unsecured Claims**

All unsecured non-preferential claims will be subject to agreement by in due course. At the date of the Joint Administrators' appointment it is estimated that unsecured creditors' claims total approximately £276,566

**4 7 Receipts and Payments**

A receipts and payments account for the period of Administration to date is enclosed at Appendix C

**5 EVENTS FOLLOWING THE ADMINISTRATORS' APPOINTMENT**

**5 1 Sale of Business**

Prior to and upon appointment, the Joint Administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following

- Enhanced asset values,
- The potential of customer continuity and resultant improved debtor collections,
- Minimise preferential creditor claims,
- Mitigate any finance creditor shortfall

The business and assets of the Company were valued by MGR Appraisals ("MGR"), independent valuers of Birmingham

An offer of £32,242 72 was received from New Hope Specialist Care Limited ("the Purchaser") and on the advice of MGR the offer was accepted. The sale completed on 4 April 2012 however the effective date of transfer was 27 February 2012

The consideration for the sale was allocated as follows

<b>Asset</b>	<b>£</b>
Books & Records & Company Records	1 00
Office Furniture & Equipment	2,000 00
Vehicles	2,000 00
Customer Contracts & Work In Progress & Goodwill	12,999 00
Debtors	15,242 72
<b>Total</b>	<b>£32,242 72</b>

The consideration for the sale of the business and assets is £32,242 72. The sum of £3,000 was paid on completion. The balance of £29,242 72 is to be paid by way of five equal monthly instalments of £4,873 80 and one final payment of £4,873 72 in month six. The first instalment is due one calendar month after the completion date. A personal guarantee has been obtained in the event that the Purchaser defaults on the payments.

The Purchaser is a connected company. Patrick Cheza is a director and shareholder of the Company and is also a director of the Purchaser.

The Purchaser was advised to take its own independent legal advice with regard to the sale.

Attached at Appendix D is my disclosure statement in accordance with Statement of Insolvency Practice 16 ("SIP 16").

## 5.2 Overdrawn Director's Loan Account

The accounts for the period ending 31 May 2010 show that there is an overdrawn director's loan account of £209,035. The Joint Administrators are in the process of establishing the total amount outstanding and have requested that the director take the necessary steps so that the loan can be repaid within the next few months.

## 5.3 Professional Advisors Used

On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
The Wilkes Partnership	Legal advice	Time costs
MGR Appraisals	Valuers	Time costs

## 6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- (a) rescuing the Company as a going concern, or (if this cannot be achieved),
- (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 (if (a) and (b) cannot be achieved),
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

6.2 The first objective is not capable of being achieved as the business and assets of the Company have been sold and therefore the Company cannot be rescued as a going concern.

6.3 The Joint Administrators are seeking to achieve the second objective of 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. It is believed that once all of the assets of the Company have been realised, there will be sufficient funds to repay all creditors in full. In the event all creditors are repaid in full the Joint Administrators will give notice under paragraph 80 of Schedule B1 to the Act that the purpose of the Administration has been achieved. The Joint Administrators' appointment will cease to have effect when this notice is filed with the Registrar and the Court.

- 6.4 The Administration has been, and will continue to be, financed by monies received from asset realisations

## **7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE**

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A

The Joint Administrators have considered the various options available to the Company. Based on information currently available, the Joint Administrators consider that realisations will be sufficient to enable all creditors to be repaid in full. In this situation, upon completion of the Administration, the Joint Administrators will make an application to court to pay a dividend to unsecured creditors in the Administration. The Joint Administrators will then give notice under paragraph 80 to Schedule B1 of the Act that the purpose of the Administration has been achieved. The Joint Administrators' appointment will cease to have effect when this notice is filed with the Registrar and the Court.

- 7.2 In the event that there are insufficient funds to pay the Company's creditors in full, the Company will move to creditors' voluntary liquidation to enable a dividend to be paid. The Proposals provide for the appointment of myself and Michaela Heeley as Joint Liquidators. Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.

## **8 EXTENSION OF ADMINISTRATION**

- 8.1 The appointment of an administrator ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

- 8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of

- each secured creditor of the Company, and
- unsecured creditors whose debts amount to more than 50% of the Company's unsecured debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent.

- 8.3 Creditors will be contacted in due course should an extension be required.

## **9 PRE-ADMINISTRATION COSTS**

- 9.1 Pre-administration costs are defined as

- Fees charged, and
- Expenses incurred

by the Joint Administrators, or another person qualified to act as an insolvency practitioner before the Company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 9.2 Axiom Recovery LLP incurred fees based on time spent dealing with formalities of appointment and negotiating the sale of the Company's assets. A summary of the costs incurred prior to the Joint Administrators' appointment is enclosed at Appendix E.
- 9.3 Pre-appointment fees charged and expenses incurred by the Joint Administrators in the period prior to his appointment are summarised below.

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**New Hope Health & Home Care Services Limited - In Administration**

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Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Axiom Recovery LLP	Pre-appointment formalities	4,806 00	Nil	N/a	4,806 00

- 9 4 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Joint Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the unsecured creditors to this resolution.

#### **10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

- 10 1 Included within the resolutions to be considered on 21 June 2012 is a resolution which asks the general body of creditors to determine the basis upon which the remuneration of the Joint Administrators is fixed.
- 10 2 The remuneration of the Joint Administrators may be fixed either as a percentage of the value of the property with which they have to deal, as a set amount or by reference to the time spent. In this case Joint Administrators are requesting creditors to agree to the latter.
- 10 3 Enclosed at Appendix F is a summary of the Joint Administrators' time costs to date. The summary shows that time costs of £12,975 00 have been incurred which represents 54 40 hours at a rate of £238 51 per hour. Further details of my firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix G. Further guidance may be found in "A Creditors' Guide to Joint Administrators' Fees" which is available upon request.
- 10 4 Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as case advertising and travel costs. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage of company records.
- 10 5 Attached at Appendix G is further information in relation to our charge out rates by staff grade.

#### **11 ANTICIPATED OUTCOME AND RELEASE OF JOINT ADMINISTRATORS FROM LIABILITY**

- 11 1 It is anticipated that all creditors of the Company will be repaid in full in this instance although this is dependant upon the consideration being received in accordance with the terms laid out in the asset sale agreement and the discharge of the costs associated with the Administration.
- 11 2 As soon as all outstanding matters in the Administration have been attended to it is anticipated that the Joint Administrators will file a notice with the Registrar of Companies in order that the appointment of Joint Administrators will automatically cease.
- 11 3 It is for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration and Form 2 25B at Appendix I contains a resolution that they be discharged from liability immediately upon their appointment ceasing to have effect.

**12 VOTING PROCEDURE AND CONCLUSION**

- 12.1 It is important that you give careful attention to this report and its Appendices
- 12.2 As I am seeking approval to the Joint Administrators' proposals and certain resolutions by correspondence, in order for your vote to count you should complete and return Form 2.25B (attached at Appendix I) by the deadline of 21 June 2012 or your vote will be disregarded, as will any forms returned after the closing date. All forms should be accompanied by a statement of claim. A claim form has been attached at Appendix J for your use.
- 12.3 Creditors will be notified of the outcome of voting in due course.

Should you have any queries or require any further clarification please contact Nicky Blackman at our office, **in writing**. Electronic communications should also include a full postal address.

For and on behalf of  
New Hope Health & Home Care Services Limited

  
**Alan Clifton**  
**Joint Administrator**

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

**APPENDIX A**

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

It is proposed that

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 In the event that there are sufficient realisations to repay all creditors in full the Joint Administrators make an application to court under paragraph 65 of Schedule B1 to the Act to make a distribution to unsecured creditors in the Administration
- 3 If appropriate the Joint Administrators file a notice under paragraph 80 of Schedule B1 to the Act and their appointment will cease when the notice is filed with the Registrar and the Court
- 4 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that Alan Clifton and Michaela Heeley be appointed Joint Liquidators of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 5 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved
- 6 The Joint Administrators investigate and if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 7 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Alan Clifton and Michaela Heeley be appointed Joint Liquidators of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them
- 8 The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they considers desirable or expedient to achieve the statutory purpose of the Administration

The Joint Administrators' intend to realise the assets of the Company and then make an application under paragraph 65 of Schedule B1 to the Act to enable a distribution to be made to unsecured creditors in the Administration and for all creditors to be repaid in full

APPENDIX B

ESTIMATED STATEMENT OF AFFAIRS AS AT 18 APRIL 2012

Assets not specifically pledged	Notes	In Administration (£)
Overdrawn Director's Loan Account	1	209035
Books & Records of the Company	2	1
Office Furniture & Equipment	2	2,000 00
Vehicles	2	2,000 00
Customer Contracts, Work in Progress and Goodwill	2	12,999 00
Debts	2	15,242 72
Cash at Bank	3	<u>2,622 38</u>
<b>Total Assets</b>		<u>243,900 10</u>
Preferential Creditors	4	<u>Nil</u>
<b>Net property available for prescribed part</b>		243,900 10
<b>Total prescribed part fund available</b>	5	Nil
<b>Available for floating charge creditor</b>		243,900 10
Floating Charge Holder	6	<u>Nil</u>
<b>Surplus as regards floating charge holder</b>		243,900 10
<b>Add back prescribed part</b>		<u>Nil</u>
<b>Available for unsecured creditors</b>		243,900 10
<b>Unsecured creditors</b>		
Trade & Expense Creditors	7	(29,005 07)
H M Revenue & Customs - PAYE & NIC & CT	8	<u>(100,000)</u>
<b>Total value of unsecured claims</b>		<u>(129,005 07)</u>
<b>Estimated deficiency as regards unsecured creditors</b>		<u>114,895 03</u>

**APPENDIX B (continued)**

**NOTES TO THE ESTIMATED STATEMENT OF AFFAIRS / ESTIMATED FINANCIAL POSITION**

No provision has been made for the costs and expenses of the administration

1. The accounts for the period ending 31 May 2010 so an overdrawn director's loan account in the sum of £209,035. The Joint Administrators are in the process of establishing the total amount outstanding and the director has been asked to take the steps required to allow the loan to be repaid.
2. The assets of the Company have been sold to New Hope Specialist Care Limited for £32,242.72. Full details of the sale can be found at paragraph 5.1 of my Proposals.
3. The sum of £2,622.38 has been received from the Company's former bank account.
4. There are no preferential creditors of the Company.
5. As there are no amounts outstanding to secured creditors there is no requirement to set aside a prescribed part in this case.
6. There are no floating charge creditors.
7. The figures for the trade and expense creditors have been provided by the director and are not agreed amounts.
8. H M Revenue & Customs have submitted a claim for £104,948.90 in respect of PAYE and National Insurance Contributions and a claim for £142,612.48 in respect of Corporation Tax. The director believes that the total debt due to H M Revenue & Customs is approximately £100,000. The outstanding returns are currently being prepared and will be submitted to H M Revenue & Customs shortly.

**Axiom Recovery LLP**  
**New Hope Health & Home Care Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Angel Springs	Spring Road, WV4 6UB, Ettingshall	639 40
CA01	Apogee Limited	The Old Town Hall, Wimbledon, SW19 8YA	4,116 91
CB00	Birmingham PAT Testing	28 Longmeadow Grove, Crofton Common, Birmingham, B31 4SU	122 80
CB01	Blinds To Go Direct	High Gate Business Centre, Birmingham, B12 8DP	200 00
CB02	Bullivant Media	The Old Library, Church Green West, Redditch, B97 4DU	124 80
CC00	Contributions Agency	Insolvency Section, Longbenton, NEWCASTLE-UPON-TYNE, NE98 1YX	0 00
CC01	Capita Resourcing Ltd	PO Box 212, Faverdale Industrial Site, Darlington, DL1 9HN	186 19
CD00	Daisy Communications	Daisy House, Lindred Road Business Park, BB9 5SR	558 77
CD01	Daisy Communications	Daisy House, Lindred Road Business Park, BB9 5SR	261 06
CF00	Freedom IT	Victoria House, Victoria Road, Aldershot, Hants, GU11 1EJ	346 80
CG00	Gartec Limited	Midshires Business Park, Smeaton Close, Aylesbury, Bucks, HP19 8HL	1,000 80
CG01	Glovesman Supplies Ltd	Vision House, Jon Davey Drive, Redruth, Cornwall, TR16 4AX	1,840 00
CH00	HM Revenue & Customs - VAT	Insolvency Operations, 3rd Floor, Queens Dock, LIVERPOOL L74 4AA	0 00
CH01	Harveys of Oldham	Glodwick Road, Oldham, Lancs, OL4 1YU	332 10
CH02	H M Revenue & Customs	Blackburn House, Old Hall Street, Hanley, Stoke-On-Trent, Staffordshire, ST1 3BS	0 00
CH03	H M Revenue & Customs - PAYE	Bridge House, Water Front, Brierley Hill, West Midlands, DY5 XR	0 00
CI02	HM Revenue & Customs - PAYE/NIC/CT	Insolvency Department, Durrington Bridge Hse, Barrington Road, WORTHING, West Sussex BN12 4SE	100,000 00
CI03	ISO Specialists	The Gig House, Oxford Street, Malmesbury, SN16 9AX	7,513 38
CI04	Independent Fire Protection	120 Goosemoor Lane, Erdington, Birmingham, B23 5QD	160 00
CJ00	JJ Training	Julie Lole, 40 Silver Walk, Nuneaton, Warks, CV10 7L&	1,500 00
CJ01	JRL Publishing	118 Richmond Road, Bristol, BS6 5ER22	228 00
CK00	Kave'Vend Group Limitd	65 Gatwick Road, Crawley, Sussex, RH10 9RH	1,968 42
CL00	Link Mailing Systems	252 Europa Boulevard, Gemini Business Park, Warrington, Cheshire, WA5 7TN	201 22
CM00	Midlands Gazette	Unit G2 Wyvern Court, Stanuier Way, Wyvern Business Park, Derby, DE21 6BF	84 00
CN00	Norton Fire Protection	Unit 12, Lye Business Centre, Enterprise Drive, Lye, Stourbridge, DY9 8QH	447 00
CS00	SRCL	Indigo House, Sussex Avenue, Leeds, LS10 2LF	309 76
CS01	SRCL	Indigo House, Sussex Avenue, Leeds, LS10 2LF	785 28
CU00	UK Safety Management	Unit 5 Temple Point, Finch Drive, Leeds, LS15 9JL	198 95
CV00	Viking	PO Box 9998, Leicester, LE41 9GS	1,299 36

Signature \_\_\_\_\_

**Axiom Recovery LLP**  
**New Hope Health & Home Care Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CV01	Vodafone	C/o P O Box 260, Weybridge, Surrey, KT13 0YH	2,480 07
CW00	Web Electrics	13 Burton Drive, Bromsgrove, Worcs, B61 8RS	2,100 00
31 Entries Totalling			129,005 07

Signature \_\_\_\_\_

**APPENDIX C**

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM  
18 APRIL 2012 TO 1 JUNE 2012**

	<b>Statement of Affairs £</b>	<b>Received to date £</b>
<b>RECEIPTS</b>		
Books & Records of the Company	1 00	Nil
Office Furniture & Equipment	2,000 00	Nil
Vehicles	2,000 00	Nil
Customer Contracts & Work in Progress & Goodwill	12,999 00	Nil
Debts	15,242 72	Nil
Cash at Bank	2,622 38	<u>2,622 38</u>
		<u>2,622 38</u>
<b>PAYMENTS</b>		
		Nil
		<u>Nil</u>
<b>BALANCE IN HAND - FUNDS HELD BY SOLICITOR</b>		<u>3,000</u>

## APPENDIX D

### INFORMATION IN RELATION TO THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16

Below is information in relation to the pre-packaged sale of the Company's business and assets which the Joint Administrators are required to disclose in accordance with the requirements of Statement of Insolvency Practice 16

In this case, it was considered that a pre-packaged sale was necessary in order to maximise asset realisations and to ensure the continuity of the business thereby, protecting debtor realisations, which should result in a better outcome for the Company's creditors

#### Background

The Company commenced trading on 1 June 2006 and traded as a specialist domiciliary care provider to service users in the community and also operated a care home. The Company traded from four premises and employed 79 staff at the date it went into Administration.

The Company traded well and its net profit increased each year. In 2011 the business started to expand and opened new offices in Coventry, London, Kidderminster and Staffordshire. Highly paid management staff were appointed to run these sites.

The changes were not planned for properly and insufficient income was generated to cover the overheads and operation costs. This had a negative impact on cash flow and resulted in the Company being unable to meet its financial obligations including payments due to H M Revenue & Customs ("HMRC").

In February 2012, the Company attempted to reduce its overheads by downsizing the management structure. This resulted in the closure of the Staffordshire and Kidderminster offices and the resignation of some members of management.

The changes made were not sufficient to improve cash flow and HMRC began to place pressure on the Company to satisfy the outstanding liability and threatened to commence proceedings against the Company.

#### Source of Joint Administrators' initial introduction

The Joint Administrators were introduced to the Company by an employee of Axiom Recovery LLP.

The director of the Company met with Jonathan Smith of Axiom Recovery LLP on 13 March 2012. From the information given by the director at that meeting, it was evident that the Company was insolvent on a cash flow basis, pursuant to s123 of the Insolvency Act 1986, as it was unable to pay its debts as and when they fell due. The director was advised that immediate steps should be taken to place the Company into administration.

#### Extent of Joint Administrators' involvement prior to appointment

The Joint Administrators have had no prior involvement with the Company or its director prior to their initial introduction on 13 March 2012.

After this date, MGR Appraisals ("MGR"), independent valuers were instructed to undertake a valuation of the business and its assets.

The Joint Administrators do not believe that there is any significant personal or professional relationship between the Company or its director and the Joint Administrators or Axiom Recovery LLP and confirm that the appropriate conflict review has been carried out.

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## New Hope Health & Home Care Services Limited - In Administration

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### Marketing activities conducted by Company and / or the Joint Administrators

It is understood that the director did not market the business for sale

The Joint Administrators considered it to be inappropriate to openly market the business for the following reasons

- 1 It became apparent that no funding was available to trade the Company in Administration to allow for marketing to take place
- 2 If the business and assets were marketed there would have been a high risk of the value in the assets depreciating, particularly in respect of goodwill. A pre-pack has therefore preserved the value of the assets

### Valuations obtained

The Joint Administrators are satisfied that a sale of the Company's assets on a pre-packaged basis will result in the best outcome for creditors in the circumstances. The following table demonstrates the comparative outcome

	<u>In Situ (£)</u>	<u>Ex Situ (£)</u>	<u>Anticipated realisations (£)</u>
Office Furniture & Equipment	4,000	2,000	2,000
Vehicles (Owned)	2,800	2,000	2,000
Goodwill & IPR	10,000 to 30,000	Nil	12,999

In addition, the Company had an outstanding debtor ledger of £38,106.80 of which £15,242.72 is recoverable in the Administration. The Administrator sought legal advice on the possibility of counter claims if the Company ceased to trade and did not fulfil its contract with the health authorities. They were advised that possible counter claims would reduce the likely recoveries from the debtor ledger down considerably and the offer received was acceptable in the circumstances.

The business and tangible assets of the Company were valued by independent agents MGR. An offer of £32,242.72 for the business and assets of the Company was received and on the advice of MGR the offer was accepted.

### Alternative courses of action considered by the proposed Joint Administrators

- Administrative Receivership

There are no secured creditors of the Company who could appoint an administrative receiver.

- Liquidation

HMRC were threatening to issue a winding up petition against the Company. Had HMRC issued the winding up petition, the director could have allowed the Company to go into compulsory liquidation or alternatively the director could have taken steps to place the Company into voluntary liquidation. These options would have resulted in the termination of employment contracts and would have been detrimental to the preservation of any goodwill. Liquidation would also have had an impact on the recoverability of the Company's book debt ledger. Additionally, as the Company provided care to vulnerable people, Liquidation would have resulted in the immediate cessation of this care.

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## New Hope Health & Home Care Services Limited - In Administration

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- **Company Voluntary Arrangement ("CVA")**

In order for a CVA to be viable, the Company would have required an injection of funds and the support of its creditors. Due to creditor pressure there was insufficient time to source this funding and consequently a CVA was not feasible.

- **Administration**

Administration has prevented creditor enforcement action enabling a better realisation of assets including debtors, office furniture and equipment and goodwill. The Company's liabilities have also been mitigated as a going concern sale has preserved the employment contracts of the 79 employees.

### **Why it was not appropriate to trade the business and offer it for sale as a going concern during the Administration**

It was considered that trading following the appointment of the Joint Administrators would not have been profitable, particularly after the Joint Administrators' fees and other costs had been considered. It was likely that trading would have reduced the net realisations available to creditors.

In addition, it was likely that funding to enable trading to continue would only have been given on the provision of personal guarantees by the Joint Administrators. In the circumstances, this was considered to be an unacceptable risk.

### **Requests made to potential funders to fund working capital requirements**

In light of the above, no requests for funding were made to finance trading the Company in Administration.

### **Efforts made to consult with major creditors**

No creditors were consulted regarding the pre-packaged sale.

### **Identity of the Proposed Purchaser and the date of the transaction**

The purchaser of the business is New Hope Specialist Care Limited ("the Purchaser"). The sale completed on 11 May 2012 with the effective date of transfer the date of the Joint Administrators' appointment.

### **Details of the assets involved and the nature of the transaction**

The Purchaser has acquired all of the owned assets of the Company. The consideration of £32,242.72 is apportioned as follows:

<b>Asset</b>	<b>Consideration (£)</b>
Books & Records & Company Records	1.00
Office Furniture & Equipment	2,000.00
Vehicles	2,000.00
Customer Contracts & Work in Progress & Goodwill	12,999.00
Debtors	<u>15,242.72</u>
<b>Total</b>	<b>32,242.72</b>

**Consideration to be paid, terms of payment and any condition of the contract that could materially affect the consideration**

The consideration for the sale of the business and assets is £32,242 72. The sum of £3,000 was paid on completion. The balance of £29,242 72 is to be paid by way of five equal monthly instalments of £4,873 80 and one final payment of £4,873 72 in month six. The first instalment is due one calendar month after the completion date. A personal guarantee has been obtained in the event that the Purchaser defaults on the payments.

**Names of directors (or former directors) who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets are transferred**

Patrick Cheza is a director and shareholder of the Company and is also a director of the Purchaser.

**Detail whether the directors had given guarantees for amounts due from the company to a prior financier.**

The director has given a personal guarantee to The Borough Council of Sandwell in respect of the lease at 128 Brook Road, Oldbury.

**Options, buy-back arrangements or similar conditions attached to the contract of sale**

There are no contract options or buy-back arrangements in place concerning the sale of the Company's assets to the Purchaser. Additionally, there are no related transactions to the sale outlined above.

**APPENDIX E**

**SUMMARY OF JOINT ADMINISTRATORS' PRE APPOINTMENT TIME COSTS**

# Time Entry - SIP9 Time & Cost Summary

N0221 - New Hope Health & Home Care Services Limited  
Project Code PRE  
From 01/01/2012 To 17/04/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	6.20	0.00	0.00	6.70	12.90	4,348.00	337.05
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.50	0.50	115.00	230.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.80	0.00	0.00	0.10	0.90	343.00	381.11
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>7.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.30</b>	<b>14.30</b>	<b>4,806.00</b>	<b>336.08</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

SUMMARY OF ADMINISTRATOR'S TIME COSTS FROM 18 APRIL 2012

Time Entry - SIP9 Time & Cost Summary

N0221 - New Hope Health & Home Care Services Limited  
Project Code POST  
From 18/04/2012 To 01/06/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.50	0.10	0.00	27.20	29.80	6,964.00	233.69
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	1.50	0.00	0.00	8.30	9.80	2,077.00	211.94
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	1.60	0.00	0.00	12.80	14.40	3,734.00	259.31
Trading	0.40	0.00	0.00	0.00	0.40	200.00	500.00
Total Hours	6.00	0.10	0.00	48.30	54.40	12,975.00	238.51
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

AXIOM RECOVERY LLP CHARGE OUT RATES

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**AXIOM RECOVERY LLP HOURLY CHARGE OUT RATES**

**AS AT 6<sup>TH</sup> DECEMBER 2011**

(A)	PARTNER	£400 - £500 PER HOUR
(B)	MANAGER	£250 - £400 PER HOUR
(C)	SENIOR PROFESSIONALS	£200 - £250 PER HOUR
(D)	ASSISTANT AND SUPPORT STAFF	£ 80 - £200 PER HOUR

FORM 2 20B - NOTICE OF A MEETING OF CREDITORS BY CORRESPONDENCE

## Notice of a meeting of creditors

Name of Company

New Hope Health &amp; Home Care Services Limited

Company number

05134915

In the  
High Court of Justice  
Chancery Division  
Birmingham District Registry

[full name of court]

Court case number  
8183 of 2012(a) Insert full name(s) and  
address(es) of  
administrator(s)

Notice is hereby given by (a) Alan Clifton and Michaela Heeley of Axiom Recovery LLP, Suite 2 – 1<sup>st</sup> Floor,  
Turnpike Gate House, Birmingham Road, Alcester, B49 5JG

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

that, under paragraph 58 of Schedule B1 of the Insolvency Act 1986 and Rule 2 48 of the Insolvency Rules 1986, the

business of an Initial Creditors' Meeting of (b) New Hope Health & Home Care Services Limited c/o Suite 2 –

1<sup>st</sup> Floor, Turnpike Gate House, Birmingham Road, Alcester, B49 5JG


will be conducted by correspondence

The resolutions to be considered include resolutions specifying the bases upon which the Administrator's remuneration and disbursements are to be calculated, requesting that unpaid pre-administration costs may be paid as an expense of the Administration, and specifying the date upon which the Administrators are discharged from liability in respect of any action of theirs as Administrators

The closing date for receipt of Forms 2 25B by the Administrator is 21 June 2012. The form must be accompanied by a statement of claim, if one has not already been lodged, and sent to the Administrator's office

Any creditor who has not received Form 2 25B can obtain one from the Administrator's office

Signed

  
 Alan Clifton - Joint Administrator(s)

Dated

1 June 2012

\* Delete as applicable

A copy of the \*proposals / revised proposals is attached

**FORM 2.25B – NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE**

# Notice of conduct of business by correspondence

Name of Company  
New Hope Health & Home Care Services Limited

Company number  
05134915

In the  
High Court of Justice  
Chancery Division  
Birmingham District Registry

Court case number  
8183 of 2012

[full name of court]

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

Notice is hereby given by (a) Alan Clifton and Michaela Heeley of Axiom Recovery LLP, Suite 2 – 1<sup>st</sup> Floor, Turnpike Gate House, Birmingham Road, Alcester, B49 5JG

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

to the creditors of (b) New Hope Health and Home Care Services Limited, c/o Suite 2 – 1<sup>st</sup> Floor, Turnpike Gate House, Birmingham Road, Alcester, B49 5JG

(c) Insert number of  
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) Four  
resolutions for your consideration Please indicate below whether you are in favour or against each resolution

This form must be received at (d) Axiom Recovery LLP, Suite 2 – 1<sup>st</sup> Floor, Turnpike Gate House, Birmingham Road,

(d) Insert address to which  
form is to be delivered

Alcester, B49 5JG

by 12 00 hours on (e) 3 21 June 2012 in order to be counted It must be accompanied by  
details in writing of your claim Failure to do so will lead to your vote(s) being disregarded

(e) Insert closing date

## Resolution 1

The Administrator's Proposals are approved

I am \*in Favour / Against

## Resolution 2

Under Rule 2 106 of the Insolvency (Amendment) Rules 2010 and in the absence of a Creditors' Committee, the remuneration of the Administrator be fixed by reference to time properly spent by him and his staff in attending to matters arising from the Administration, and the Administrator be authorised to draw remuneration as and when funds are available on account of his time costs

I am \*in Favour / Against

## Resolution 3

That unpaid pre-administration costs may be paid as an expense of the Administration

I am \*in Favour / Against

## Resolution 4

That the Administrator be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment ceasing to have effect

I am \*in Favour / Against

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed



Alan Clifton

Joint Administrator

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor

Dated

11/6/12

Signature of creditor

Capacity

(if signing on behalf of creditor, state capacity eg director /

secretary

STATEMENT OF CLAIM FORM

Date of administration order: 18 April 2012

Name of creditor:

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Address of creditor.

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Gross amount of claim:  
(ie including VAT)

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Amount of VAT

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Details of any document by  
reference to which the debt can  
be substantiated.  
(eg invoices)

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Particulars of how and when  
debt incurred.

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Particulars of any security held,  
the value of the security and the  
date it was given:

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Signature of creditor or person  
authorised to act on his behalf

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Name in BLOCK CAPITALS:

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Position with or relation to  
creditor:

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