

The Insolvency Act 1986

Administrator's progress report

Name of Company Ablecare (UK) Limited	Company number 05382432
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 20159 of 2009


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

We (a)
Andrew Hosking
Baker Tilly Business Services Ltd
11th Floor
66 Chiltern Street
London
W1U 4JT

Simon James Bonney
Baker Tilly Business Services Ltd
11th Floor
66 Chiltern Street
London
W1U 4JT

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

(b) Insert date

From (b) 6 March 2013	To (b) 26 October 2013
<p>Signed  Joint Administrators</p> <p>Dated <u>14th NOV 2013</u></p>	

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

Jennifer Harrison
Baker Tilly Business Services Limited
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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

THURSDAY



A26 21/11/2013 #51
COMPANIES HOUSE

**Joint Administrators' Progress Report
for the period from 6 March 2013 to 26 April 2013 and from 27 April 2013 to 26 October 2013
relating to**

Ablecare (UK) Limited – In Administration (“the Company”)

Issued on 14 November 2013

Colin David Wilson and Trevor John Binyon were appointed as Joint Administrators of the Company on 27 October 2009. A Court Order was subsequently made appointing Andrew Hosking and Simon James Bonney as the Joint Administrators in place of Messrs Wilson and Binyon on 17 July 2013.

The secured creditor, Bank of Ireland (“BOI”) approved an extension of the Administration of the Company for a period of six months to 26 April 2011. Subsequently, three Court Orders extended the Administration of the Company for a period of 12 months each, such that the Administration will now automatically end on 26 April 2014.

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**.

2. Action Taken By The Joint Administrators Since Their Appointment/Since Their Last Report

Since my last report, the Joint Administrators have continued to trade the businesses of the Company, which comprises two care homes, Nightingale Care Home and Spencer Newman House. Trading has been assisted by Healthcare Management Solutions Limited (“HCMS”), and with the support of the secured creditor, BOI.

As previously advised, due to the declining occupancy levels, caused by the general poor condition of Spencer Newman House in comparison to the home's competitors, the decision was made to close the home. A subsequent sale of Spencer Newman completed on 21 March 2013.

The Joint Administrators have instructed independent agents, Hurst Morrison Thomson Corporate Finance LLP (“HMT”) and Inspired Land and Investments (“Inspired Land”) to actively market Nightingale Care Home for sale (collectively, “our agents”).

Previously, an offer for the property and business of Nightingale was accepted and negotiation of contracts began at the beginning of 2013, subject to proof of funding and contract. The length of time taken to obtain proof of funding has left the Joint Administrators with no option but to put the home back on the market. Re-marketing is at its early stages and further offers are expected to be advised by our agents in Mid-December. It is anticipated that exchange of contracts will happen by the next reporting date.

3. Joint Administrators' Receipts And Payment Account

I attach a summary of my receipts and payments relating to the Company for the relevant periods from 6 March 2013 to 26 April 2013 and 27 April 2013 to 26 October 2013, and cumulatively for the Administration period, at **Appendix II**.

I would comment about this account as follows:

3.1 Assets Specifically Pledged

3.1.1 Freehold Land and Buildings

The Company owns the freehold premises at Nightingale Care Home, Church Lane, Welborne, Dereham, Norfolk, NR20 3LQ (“Nightingale”) and previously owned Spencer Newman House, 6-7 Spencer Road, Earlsdon, Coventry, CV5 6PA (“Spencer Newman”).

As previously reported, Spencer Newman ceased trading and the freehold property and contents sold for £450,000.

Nightingale was recently re-valued by Edward Symmons LLP and the guide price for marketing has been set at £1,700,000.

3.1.2 Goodwill

I would expect to realise funds in respect of the Company's goodwill through the sale of the Nightingale business

3.1.3 Furniture and Equipment

A number of Finance Companies submitted claims for furniture and equipment located at the homes. However, the claimants were unable to positively identify the assets to which they are claiming title.

These assets have either been sold as part of the Spencer Newman sale or remain in use at Nightingale and will be sold in due course.

3.2 Assets Not Specifically Pledged

3.2.1 Book Debts

Creditors will be aware that as at the date of appointment, the Company's debtor ledger had a value of £188,224. A full review of the debtors has been undertaken and the outstanding balance was reduced to £172,312 following relevant credits being applied. To date, the sum of £29,188 has been realised from the ledger.

HCMS have pursued payment of the unpaid pre-appointment debtors since my appointment but further assistance is now required. Baker Tilly's specialist debt collectors have since been instructed to collect the remaining ledger and have experienced similar difficulties in collecting the balance.

It is clear that in the vast majority of cases the debtor relates to unpaid fees where the resident has since passed away. Owing to the nature of the outstanding balances, further collections remain unlikely.

3.2.2 Petty Cash

The sum of £40.61 was recovered from the Company's premises at Spencer Newman upon appointment.

3.2.3 Unallocated Receipts

I am currently holding the sum of £875.07 in respect of unallocated receipts. I expect to allocate this sum to either the sales or debtor ledger in due course.

3.2.4 Trading Position

The strategy adopted by the Joint Administrators' and their agents, HCMS, has resulted in efficiencies being made, a consistent approach to the management of the home and enhanced profitability.

With reference to the Joint Administrators' trading account, attached at **Appendix II**, it can be seen that from 6 March 2013 to 26 April 2013, I have generated a trading profit of £34,292.23 and that from 27 April 2013 to 26 October 2013, I have generated a trading profit of £23,448.10. During the period of the Administration, 27 October 2009 to 26 October 2013, I can report a cumulative trading profit £34,336.00.

4 Liabilities

4.1 The Bank of Ireland

The figure of £12,190,114.18 recorded on the Statement of Affairs represents the group balance due to BOI and payable under a Cross Guarantee dated 26 June 2007 executed by the Company, Nightingale Premier (South) Care Homes Limited, Ablecare (UK) Limited, Marsh House Care Home Limited and Swansea Terrace Care Home Limited. I can confirm that the Company held a credit balance of £14,265.60 as at appointment. However BOI have exercised their right to set off in relation to the Cross Guarantee.

Two debentures were granted in favour of BOI on 30 November 2007 and 2 April 2008, which were registered on 7 December 2007 and 4 April 2008 respectively. These debentures provide fixed and floating charges over the undertaking and all property and assets present and future including goodwill, uncalled share capital, buildings, fixtures and plant & machinery. Since this charge follows the commencement of the provisions of Section 176A of the Act, the Joint Administrators are required to set aside a "Prescribed Part" fund especially for unsecured creditors. Such a fund will not apply should the Company's net property amount to less than £10,000 and the Joint Administrators consider that the cost of making such a distribution would be disproportionate to the benefits. The prescribed part will be calculated at 50% up to £10,000 and 20% of the property that exceeds this amount.

4.2 Preferential Creditors

A preferential dividend of 100p in the £ has been paid to the Redundancy Payments Office ("RPO") on agreed preferential claims of £1,349

4.3 Unsecured Creditors

I can confirm that the RPO have submitted an unsecured claim of £169

H M Revenue & Customs have submitted an estimated claim for PAYE/NIC and Corporation Tax of £90,572 and £200 respectively

In addition, we have received 13 unsecured claims totalling £32,754. There remain 100 unsecured creditors with claims totalling £95,895 recorded on the statement of affairs that have failed to submit their claims to date

5. Dividend Prospects

5.1 Secured Creditors

BOI has received an interim fixed charge distribution of £340,000 from the sale of Spencer Newman

The quantum of a further distribution to BOI is uncertain at this time as it depends on the sale of Nightingale, however, the debt will not be repaid in full

5.2 Preferential creditors

A preferential dividend of 100p in the £ was declared on agreed preferential claims of £1,349. Therefore all submitted preferential claims have been discharged

5.3 Unsecured creditors

It is difficult to determine whether there will be a prescribed part until the sale has been completed, however current information suggests any distribution to unsecured creditors is unlikely

6. Future Actions of the Joint Administrators

As mentioned above, the Joint Administrators have instructed agents to re-market Nightingale. It is anticipated an offer will be accepted by mid-December with a view to exchange shortly after

The sale of Nightingale is for both the freehold property and the business and assets of the Company. This sale is likely to be subject to the approval of the Care Quality Commission ("CQC"), which is expected to take eight weeks to obtain. However, this may take up to a maximum of twelve weeks. Once the sale completes, the Joint Administrators will then be in a position to remit a fixed charge distribution to BOI and progress with final reconciliations to close the Administration

The Joint Administrators' investigations into the Company's affairs are on-going. Any realisations from this source will be detailed in future reports

The Company will continue to trade whilst negotiations progress with interested parties. Trading will continue with the assistance of our agents HCMS who deal with the day to day trading activities. Trading activities continue to be financed through an approved overdraft facility

7. Joint Administrators' Remuneration and Expenses

BOI and preferential creditors have approved my fees on the basis of the time properly spent by me and my staff in dealing with matters relating to the Administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken

7.1 Remuneration Charged and Drawn in the Period

The Joint Administrators' time costs were incurred (exc VAT) as follows. On the basis the VAT is irrecoverable, the sums paid are shown inclusive of VAT and are reflected accordingly in the Joint Administrators' Receipts and Payments Account

	<u>Incurred</u> <u>(Exclusive of VAT)</u>	<u>Paid</u> <u>(Inclusive of VAT)</u>
For the period 27 April 2013 to 26 October 2013	£12,728 00	£Nil
For the period 6 March 2013 to 26 April 2013	£10,236 50	£37,931 94
For the period 27 October 2009 to 5 March 2013	£191,371 47	£54,868 00
Total:	£214,335.97	£92,799.91

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs

7.2 Disbursements Incurred and Drawn

The Joint Administrators' disbursements incurred and reimbursed are summarised below. Details are in the attached **Appendix III**.

	<u>Incurred</u> <u>(Exclusive of VAT)</u>	<u>Paid</u> <u>(Inclusive of VAT)</u>
Category 1 Disbursements:		
For the period 27 April 2013 to 26 October 2013	£50 00	£979 87
For the period 6 March 2013 to 26 April 2013	£22 32	£105 16
For the period 27 October 2009 to 5 March 2013	£1,947 47	£Nil
Category 2 Disbursements:		
For the period 27 April 2013 to 26 October 2013	£Nil	£Nil
For the period 6 March 2013 to 26 April 2013	£Nil	£Nil
For the period 27 October 2009 to 5 March 2013	£12 32	£Nil
Total	£2,032.11	£1,085.03

7.3 Expenses (Professional Advisors) Charged and Drawn in the Period

The following professional advisors have been instructed in this matter

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
Howard Kennedy LLP	Legal Fees Assisting with investigations, applying to court for extensions, drafting and negotiating sales agreements, providing overall legal advice throughout the Administration	Time Costs
Edward Symmons LLP	Agent Fees Valuation of assets and assisting with professional advice relating to the sales of the assets	2.5% of sales price plus Disbursements
Healthcare Management Solutions	Care Home Professionals Dealing with the day to day running of the care homes	Fixed monthly fee plus Disbursements
Hurst Morrison Thomson Corporate Finance LLP	Marketing the assets and liaising with prospective buyers	1% of sales price plus Disbursements
Inspired Land & Investments	Marketing the assets and liaising with prospective buyers	2% of sales price payable by the purchaser

The choice of professionals was based on knowledge of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them

Details of the costs incurred and paid by the Joint Administrators' in relation to Administration expenses for the period are also attached at **Appendix III**

I attach a schedule, as **Appendix III**, detailing the activities undertaken together with supporting information as required by Statement of Insolvency Practice 9

Creditors have a right to request further information from the Joint Administrators and additionally have a right to challenge the Joint Administrators' remuneration and expenses time limits apply Details can be found in the document 'A Creditor's Guide to Administrators' Fees' which can be accessed at the website of the Insolvency Practitioners' Association (www.insolvency-practitioners.org.uk > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales (www.icaew.com > Technical Resources > Insolvency > Creditors' Guides) Alternatively a copy is available free of charge upon request from the address above

8. Investigations

The Joint Administrators have a duty under the Company Director's Disqualification Act 1986 and the Insolvent Companies (Reports on Conduct of Directors) Rules 1996 to submit confidential reports or returns to the Department for Business, Innovation and Skills Disqualification Unit on the conduct of those persons who have acted as directors of the Company

I can confirm that we have complied with our duties in this regard

9. Outcome of the Administration

The purpose of an Administration is to achieve one of the three objectives set out in the insolvency legislation, which are to -

- (a) rescue the company as a going concern, or
- (b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

I was seeking to achieve objective (b) in respect of the Administration of the Company, and to do this by trading the Company whilst looking for a purchaser for the business and assets of the Company In accordance with Rule 2.110(2)(a) attached to this report at **Appendix IV** is a copy of these proposals In order to achieve this objective the proposals were agreed by the creditors

Currently I have not achieved objective (b) as some of the business and assets of the Company remain unsold

10. Extension of the Administration

As previously advised, the secured creditor, BOI, authorised an extension of the Administration of the Company for a period of six months, and subsequently, the Administration was extended twice for 12 month periods to 26 April 2013 by Order of the Court

Due to the complexities of the case and the requirement to continue to trade the Company whilst a sale is completed for the business and assets, a subsequent Court Order was made for a further 12 month extension, to 26 April 2014

Should you require further information, please do not hesitate to contact Jennifer Harrison on 020 3075 2673



Andrew Hosking
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

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

Company Information

Company Name	Ablecare (UK) Limited
Previous Name	N/A
Company Number	05382432
Date of Incorporation	3 March 2005
Trading Address	Church Lane, Welborne, Dereham, Norfolk, NR20 3LQ
Current Registered Office	11 th Floor, 66 Chiltern Street, London, W1U 4JT
Former Registered Office	Sherlock House, 73 Baker Street, London, W1U 6RD
Principal Trading Activity	Other human health activities

Appointment details (Current Joint Administrators)

Joint Administrators' name and address	Andrew Hosking and Simon James Bonney both of 11 th Floor, 66 Chiltern Street, London, W1U 4JT
Date of Appointment	17 July 2013
Court Name and Reference	High Court of Justice, Chancery Division, Companies Court 8268 / 2013
Appointment made by	High Court of Justice
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Appointment details (Previous Joint Administrators)

Joint Administrators' name and address	Colin David Wilson and Trevor John Binyon both of 11 th Floor, 66 Chiltern Street, London, W1U 4JT
Date of Appointment	27 October 2009
Court Name and Reference	High Court of Justice, Chancery Division, Companies Court 20159 / 2009
Appointment made by	The Bank of Ireland Bow Bells House, 1 Bread Street, London, EC4M 9BE
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Extensions:

As agreed with the secured creditor in accordance with Paragraph 76(2) of Schedule B1 of the Act, the period of Administration had been initially extended for a period of six months until 26 April 2011. Three subsequent extensions were granted by court order for one year periods until 26 April 2012, 26 April 2013, and 26 April 2014.

Ablecare (UK) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs	From 06/03/2013 To 26/04/2013	From 27/04/2013 To 26/10/2013	From 27/10/2009 To 26/10/2013
SECURED ASSETS			
£725,000.00 Spencer Newman House - Freehold	450,000.00	NIL	450,000.00
£2,135,000.00 Nightingale Care Home - Freehold	NIL	NIL	NIL
	<u>£450,000.00</u>	<u>NIL</u>	<u>£450,000.00</u>
COST OF REALISATIONS			
Joint Administrators' Fees	(£37,931.94)	NIL	(£37,931.94)
Joint Administrators' Expenses	(£105.16)	NIL	(£105.16)
	<u>(£38,037.10)</u>	<u>£0.00</u>	<u>(£38,037.10)</u>
SECURED CREDITORS			
(£12,190.114) The Bank of Ireland	(£300,000.00)	(£40,000.00)	(£340,000.00)
	<u>(£300,000.00)</u>	<u>(£40,000.00)</u>	<u>(£340,000.00)</u>
ASSET REALISATIONS			
£188,224.00 Book Debts	NIL	NIL	£29,188.08
Misc Refund	NIL	NIL	£1,267.93
Petty Cash	NIL	NIL	£40.61
Personal Allowances/Third Party Fund	NIL	NIL	£1,814.34
Bank Interest Gross	NIL	NIL	£267.58
Trading Surplus/(Deficit)	£34,292.23	£23,448.10	£34,336.00
Unallocated Receipt	NIL	NIL	£875.07
	<u>£34,292.23</u>	<u>£23,448.10</u>	<u>£67,789.61</u>
COST OF REALISATIONS			
Specific Bond	NIL	NIL	(£264.00)
Key2Intelligence	NIL	NIL	(£3,640.70)
Joint Administrators' Fees	NIL	NIL	(£54,868.00)
Joint Administrators' Expenses	NIL	(£979.87)	(£979.87)
Joint Administrators' pre-appointment fees	NIL	NIL	(£4,835.75)
Agents' Fees	(£14,366.40)	NIL	(£20,958.02)
Legal Fees	(£4,365.52)	NIL	(£11,569.62)
Redirection of Post	NIL	NIL	(£108.90)
Storage Costs	(£316.80)	NIL	(£628.60)
Security Services	(£1,350.96)	NIL	(£9,132.31)
Department of Employment	NIL	NIL	(£123.00)
Bank Charges	(£4,949.73)	(£18,224.86)	(£117,209.05)
	<u>(£25,349.41)</u>	<u>(£19,204.73)</u>	<u>(£224,317.82)</u>
PREFERENTIAL CREDITORS			
(£8,169) DE Arrears & Holiday Pay	NIL	NIL	(£1,304.22)
Employee Arrears/Hol Pay	NIL	NIL	NIL
	<u>NIL</u>	<u>NIL</u>	<u>(£1,304.22)</u>
UNSECURED CREDITORS			
(£159,481) Trade & Expense Creditors	NIL	NIL	NIL
(£879) Employees	NIL	NIL	NIL
(£90,572) HM Revenue & Customs - PAYE/NIC	NIL	NIL	NIL
	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
<u>(£9,500,991)</u>	<u>£120,905.72</u>	<u>£4,243.37</u>	<u>(£85,869.53)</u>
REPRESENTED BY			
Interest Bearing Current Account			(£85,869.53)
			<u>(£85,869.53)</u>

Notes

- 1 This summary should be read in conjunction with the Joint Administrators' report dated 14 November 2013
- 2 The Joint Administrators' fees have been drawn in accordance with a resolution from the BOI and preferential creditors
- 3 The balance of funds are being held in an interest bearing account with the BOI
- 4 The amounts shown are inclusive of VAT as the Company is exempt for VAT purposes
- 5 The directors failed to submit a sworn Statement of Affairs. The figures shown above represent the Joint Administrators' estimates
- 6 The overdrawn bank balance is funded by the Bank's approved overdraft facility

Ablecare (UK) Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 06/03/2013 To 26/04/2013	From 27/04/2013 To 26/10/2013	From 27/10/2009 To 26/10/2013
POST APPOINTMENT SALES			
Sales	£126,662 74	£436,174 57	£3,560,989 78
Insurance Refund	NIL	£2,697 20	£2,697 20
	<u>£126,662 74</u>	<u>£438,871 77</u>	<u>£3,563,686 98</u>
OTHER DIRECT COSTS			
Direct Labour	(£54,735 53)	(£200,968 08)	(£1,685,133 74)
Direct Expenses	NIL	NIL	(£190 00)
	<u>(£54,735 53)</u>	<u>(£200,968 08)</u>	<u>(£1,685,323 74)</u>
TRADING EXPENDITURE			
Indirect Labour	(£1,295 80)	(£4,890 60)	(£37,191 30)
Food & Other Supplies	(£7,443 31)	(£47,229 70)	(£321,667 66)
Rates	(£897 55)	(£3,898 77)	(£16,707 14)
Heat & Light	(£10,046 39)	(£22,852 88)	(£182,587 63)
Travel / Mileage	NIL	(£1,674 66)	(£17,735 10)
Telephone	(£464 05)	(£1,585 76)	(£17,505 28)
HCMS Disbursements	NIL	NIL	(£4,053 85)
Insurance	NIL	NIL	(£93,369 00)
Heathcare Management Solutions Ltd	NIL	(£47,553 42)	(£419,814 34)
Lease/HP Payments	NIL	(£220 00)	(£21,836 34)
Hire of Equipment	NIL	NIL	(£5,137 63)
Repairs & Maintenance	(£3,717 87)	(£51,615 76)	(£259,232 72)
Petty Cash	NIL	(£2,900 00)	(£16,884 83)
Care Quality Commission	NIL	NIL	(£26,280 00)
Professional Fees	NIL	(£1,075 55)	(£13,857 10)
TV Licence	NIL	NIL	(£582 00)
Postages	NIL	(£71 47)	(£197 13)
PAYE/NIC - Deductions	(£13,494 94)	(£27,364 51)	(£349,699 66)
S Furbey Advance	NIL	NIL	(£100 00)
Waste & Other Utilities	(£275 07)	(£1,522 51)	(£38,749 63)
Attachment of Earnings	NIL	NIL	(£838 90)
	<u>(£37,634 98)</u>	<u>(£214,455 69)</u>	<u>(£1,844,027 24)</u>
TRADING SURPLUS/(DEFICIT)	<u>£34,292 23</u>	<u>£23,448 10</u>	<u>£34,336 00</u>

Ablecare (UK) Limited**Information relating to the Joint Administrators' Fees and Expenses****1 Explanation of the Joint Administrators' charging and disbursement Restructuring policies****1.1 Time recording**

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Rate since November 2011	Rate from November 2010 to November 2011
	£	£
Partner and licensed Insolvency Practitioner	380-495	380-475
Senior Manager, Manager, Assistant Manager	240-350	245-335
Other Senior Staff	120-240	140-210
Assistants and Support Staff	100-240	120-175

With effect from 1 September 2012, Directors are now designated as Partners, and Associate Directors are now Directors.

1.2 Disbursement Restructuring

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements

External supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Baker Tilly Business Services Limited and then recharged to the estate, approval from creditors is not required.

Examples of category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, external room hire, storage, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011).

Category 2 disbursements

These include elements of shared or allocated costs incurred by Baker Tilly Business Services Limited and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements charged by Baker Tilly Business Services Limited are as follows

Disbursement charge	Rate since 1 January 2013	Rate as at 1 January 2013
Company searches (Tracker)	N/A	£10 per case
File set up	N/A	£7 per file
Photocopying, scanning and faxes	7p per sheet	10p per side of paper
Mileage	45p per mile	45p per mile
Room hire (internal) - London	60 00	£150 per hour
Room hire (internal) - outside London	N/A	£100 per hour
Reports to creditors and members - posted	At cost	50p per report
Reports to creditors and members - published on line	N/A	25p per report
Envelope	4 2p	N/A
Storage of archive box for one month	32p	N/A

2 Description of work carried out

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

2.1 Pre-appointment

Time spent in this category comprises the activities required to obtain an Administration Order.

2.2 Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts, and
- > 6 monthly progress review of the case.

Staff of different levels were involved in the above activities depending upon the experience required.

2.3 Investigations

The time spent comprises:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation, and
- > Completion of statutory returns to the Department of Business, Innovation & Skills.

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

2.4 Realisation of assets

Please refer to the main body of the report.

2.5 Trading

The business continues to trade, please refer to the main body of the report for more information.

Trading activities included:

- > Planning appropriate trading strategy,
- > Liaison with employees,
- > Dealing with suppliers,
- > Contact and negotiation with customers,
- > Authorisation of commitments,
- > Dealing with closure of Spencer Newman,
- > Review of trading position, and
- > Paying suppliers.

2.6 Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with reservation of title claims,
- > Recording creditor claims
- > Reporting to creditors,
- > Dealing with employee claims for closure of Spencer Newman,
- > Meetings of creditors, and
- > Dealing with creditor queries

3 Time and chargeout summary

For the period from 6 March 2013 to 26 April 2013, a total of 37.65 hours have been spent at an average charge out rate of £271.89 bringing the cost to £10,236.50. For the period 27 April 2013 to 26 October 2013, a total of 47.60 hours have been spent at an average charge out rate of £267.39 bringing the total cost to £12,728.00.

For the prior period from 27 October 2009 to 5 March 2013, a total of 902.22 hours had been spent at an average charge out rate of £212.11 bringing the cost to £191,371.47.

The attached matrices show the breakdown of the Joint Administrators' time costs to date. These costs are exclusive of VAT.

4 Disbursements

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively, to end of current period, are detailed below. These costs incurred are shown exclusive of VAT, however, on the basis the VAT is irrecoverable, the sums paid are shown inclusive of VAT and are reflected accordingly in the Joint Administrators' Receipts and Payments Account.

Disbursements	27/04/13 – 26/10/13		06/03/13 – 26/04/13		27/10/09 – 05/03/13		Cumulative	
	Incurred £	Paid £	Incurred £	Paid £	Incurred £	Paid £	Incurred £	Paid £
<i>Category 1</i>								
Postage	Nil	979.87	22.32	105.16	1,092.46	Nil	1,114.78	1,085.03
Bonding	20.00	Nil	Nil	Nil	Nil	Nil	20.00	Nil
Case Software	Nil	Nil	Nil	Nil	28.84	Nil	28.84	Nil
Travel	Nil	Nil	Nil	Nil	226.26	Nil	226.26	Nil
Supplies & Stationary	Nil	Nil	Nil	Nil	8.00	Nil	8.00	Nil
External Storage	30.00	Nil	Nil	Nil	591.92	Nil	621.92	Nil
Total	50.00	979.87	22.32	105.16	1,947.48	Nil	2,019.80	1,085.03
<i>Category 2</i>								
Photocopying	Nil	Nil	Nil	Nil	12.32	Nil	12.32	Nil
Total	Nil	Nil	Nil	Nil	12.32	Nil	12.32	Nil
Total	50.00	979.87	22.32	105.16	1,959.80	Nil	2,032.12	1,085.03

SIP9 Detailed

5503758 Ablecare (UK) Limited
Corp Administration

27/04/2013 to 26/10/2013

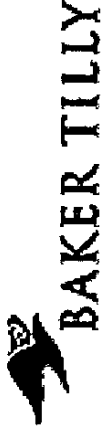


	2013-10-26	2013-04-27	2013-01-01	2012-10-26	2012-04-27	2012-01-01	2011-10-26	2011-04-27	2011-01-01
Administration and planning									
General Administration	0.00	0.00	0.30	0.00	0.00	0.30	0.30		240.00
Strategy / Review	0.00	0.00	3.10	0.00	0.00	3.10	3.10		240.00
Tax Post Appointment	0.00	0.00	1.50	0.00	0.00	1.50	1.50		240.00
Billing	0.00	0.00	0.40	0.00	0.00	0.40	0.40		240.00
Cashiering (Administration)	0.00	0.00	3.60	0.00	3.65	7.25	7.25		215.93
Filing & Secretarial	0.00	0.00	1.00	0.00	0.20	1.20	1.20		228.33
	0.00	0.00	9.90	3.85		13.75	3,111.50		226.29
Creditors									
Other Creditor Related Activities	0.00	0.00	0.20	0.00	0.00	0.20	0.20		240.00
Reporting to Creditors	0.00	2.00	0.70	0.00	0.00	2.70	2.70		314.07
Employee Related Tasks	0.00	0.00	0.20	0.00	0.00	0.20	0.20		240.00
	0.00	2.00	1.10	0.00	0.00	3.10	944.00		304.52
Realisation of assets									
Asset General (Uncharged)	0.00	0.00	4.50	0.00	0.00	4.50	4.50		240.00
FX Freehold & Leasehold	0.00	7.25	0.00	0.00	0.00	7.25	7.25		350.00
Sale of Business	0.00	1.25	8.00	0.00	0.00	9.25	9.25		254.86
	0.00	8.50	12.50	0.00	0.00	21.00	5,975.00		284.52
Trading									
Trading	0.00	3.15	6.60	0.00	0.00	9.75	9.75		276.67
	0.00	3.15	6.60	0.00	0.00	9.75	2,697.50		276.67

SIP9 Detailed

5503758 Ablecare (UK) Limited
Corp Administration

06/03/2013 to 26/04/2013



Administration and planning									
Strategy / Review	0.00	1.20	0.50	0.00	1.70				311.18
Cashiering (Administration)	0.00	0.00	0.40	3.70	4.10				191.83
Filing & Secretarial	0.00	0.00	0.20	0.20	0.40				185.00
Statutory Documentation	0.00	0.00	2.00	0.00	2.00				240.00
	0.00	1.20	3.10	3.90	8.20	1,869.50			227.99
Creditors									
Other Creditor Related Activities	0.00	0.00	0.50	0.00	0.50				240.00
Reporting to Creditors	0.00	1.40	7.50	0.00	8.90				216.80
Employee Related Tasks	0.00	0.00	0.00	0.10	0.10				170.00
Reporting to Secured Creditor	0.00	2.75	0.40	0.00	3.15				336.03
Secured Creditors	0.00	1.50	0.40	0.00	1.90				326.84
	0.00	5.65	8.80	0.10	14.55	3,746.00			257.46
Realisation of assets									
FX Freehold & Leasehold	0.00	8.00	0.00	0.00	8.00				343.13
Sale of Business	0.00	1.00	1.00	0.00	2.00				295.00
	0.00	9.00	1.00	0.00	10.00	3,335.00			333.50
Trading									
Trading	0.00	1.00	3.90	0.00	4.90				262.45
	0.00	1.00	3.90	0.00	4.90	1,286.00			262.45



Hours	Charge	0 00	16 85	16 80	4 00	37 65
Charge		0 00	5,786 00	3,717 00	733 50	10,236 50

SIP9 Detailed

5503758 Ablecare (UK) Limited

Corp Administration

01/01/1900 to 05/03/2013



SIP Subcategory	Partnership in 2010	Stage	One Year in 2011	Two Year in 2012	Three Year in 2013	Four Year in 2014	Five Year in 2015	Age
Administration and planning								
General Administration	18 80	13 00	61 25	12 08	105 13	204 05		
Strategy / Review	7 30	12 15	16 63	6 80	42 88	282 14		
Tax Post Appointment	0 50	0 40	2 70	12 90	16 50	146 56		
Appointment Documentation	0 00	0 00	0 00	0 30	0 30	195 00		
Billing	0 00	0 00	0 50	0 00	0 50	240 00		
Cashiering (Administration)	0 00	2 00	6 10	236 70	244 80	162 53		
Pre-Appointment Related	0 00	0 00	0 50	0 00	0 50	170 00		
Filing & Secretarial	0 00	0 00	0 20	1 10	1 30	191 92		
Statutory Documentation	0 00	0 00	0 10	0 00	0 10	240 00		
	26 60	27 55	87 98	269 88	412 01	76,294 05	185 18	
Creditors								
Other Creditor Related Activities	3 40	1 30	64 20	4 50	73 40	189 80		
Distribution	0 00	0 40	0 40	0 00	0 80	272 50		
Reporting to Creditors	0 50	5 90	15 30	8 40	30 10	207 08		
Cashiering (Creditors)	0 00	0 00	0 00	0 20	0 20	240 00		
Employee Related Tasks	0 80	2 40	29 93	12 70	45 83	189 69		
Reporting to Secured Creditor	4 00	0 00	5 90	1 00	10 90	282 57		
Secured Creditors	1 80	3 95	0 90	0 00	6 65	318 57		
	10 50	13 95	116 63	26 80	167 88	34,322 50	204 45	
Investigations								

Particulars	Manager	Charge	Asset and Liability	Charge	Asset and Liability
Investigations	0 00	7 00	23 00	0 30	218 53
	0 00	7 00	23 00	0 30	218 53

Realisation of assets					
Asset General (Uncharged)	2 50	1 00	1 80	7 50	205 04
FL Freehold & Leasehold	1 00	0 00	0 00	0 00	495 00
FX Asset General	5 00	7 90	0 00	0 00	366 98
FX Freehold & Leasehold	7 70	8 25	0 20	0 00	408 24
FX Plant & Machinery	3 00	0 00	0 00	0 00	350 00
Sale of Business	0 00	2 00	1 20	0 00	308 75
Tax - Refund	0 00	1 00	2 30	0 00	211 36
Insurance/ Bond	0 00	0 00	0 40	0 00	240 00
Book Debt Realisation (Uncharged)	1 30	0 00	0 70	0 00	359 00
FL Asset General	6 80	2 70	0 00	0 00	423 32
FL Book Debt Realisation	0 00	0 00	0 30	0 00	210 00
	27 30	22 85	6 90	7 50	342 07
					22,080 50

Trading					
Trading	27 25	30 00	135 83	34 40	228 82
	27 25	30 00	135 83	34 40	228 82

Hours	91 65	101 35	370 34	338 88	
Charge	39,740.25	31,323.75	66,881.17	53,426.30	191,371.47

Ablecare (UK) Limited – In Administration

t/a Spencer Newman House & Nightingale Care Home

Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), C D Wilson and T J Binyon the Joint Administrators ("Administrators") of Ablecare (UK) Limited ("the Company"), make the following proposals for achieving the purpose of the Administration

These proposals and the attached report to creditors together set out the information required by and discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules

Proposals

The Administrators propose that

- (a) they continue to manage the affairs and property of the Company in order to achieve the purpose of the Administration such that
 - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient,
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company
 - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals, and
- (b) the Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined above. If necessary, the Joint Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act
- (c) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved
- (d) If the Administrators consider that there will be no distribution to creditors who are neither secured nor preferential, and if they also consider that an exit from the Administration into compulsory liquidation is not appropriate, then the Administrators be authorised to take the necessary procedural steps to bring about the end of the

Administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 to the Act

- (e) The Joint Administrators may, where possible, make a distribution to any preferential creditors in accordance with the requirements of the Act, and if appropriate, may make an application to Court for the payment of the unsecured creditors
- (f) Upon the Company either proceeding into Liquidation or dissolution as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution
- (g) The Joint Administrators investigate any antecedent transaction that may have detrimentally affected the Company's financial position
- (h) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Joint Administrators' statutory duties
- (i) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals
- (j) That, if no creditors' committee is formed, fees be fixed in accordance with Rule 2.106 of the Rules by reference to time properly given by the Joint Administrators and their staff in attending to matters arising in the administration and may draw their remuneration on account as and when funds permit. They be remunerated on the basis of their hourly costs at scale rates, calculated on the time properly spent in the course of the administration and subject to full disclosure to creditors in accordance with Statement of Insolvency Practice 9 issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies. Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 of the Act, and they be reimbursed for their incidental expenses. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators licensing bodies
- (k) They be at liberty to recharge disbursements as detailed in the circulated Creditors guide to Administrators' fees
- (l) They be at liberty to pay costs and remuneration in relation to proposals (g), (h) and (i) above when funds become available
- (m) They consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators
- (n) These proposals shall be subject to such modification or conditions as the Court may approve or impose