

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 Limited  
8<sup>th</sup> Floor  
25 Farringdon Street  
London  
EC4A 4ABSimon James Bonney  
c/o Baker Tilly Business Services Limited  
8<sup>th</sup> Floor  
25 Farringdon Street  
London  
EC4A 4AB

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

From

To

(b) Insert date

(b) 27 October 2013

(b) 7 March 2014

Signed

Joint / Administrator(s)

Dated

**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

Jennifer Harrison  
Baker Tilly Business Services Limited  
8<sup>th</sup> Floor  
25 Farringdon Street  
London

DX Number

+44 (0) 20 3201 8000  
DX Exchange

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

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26/04/2014

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COMPANIES HOUSE

**Joint Administrators' Progress Report  
for the period from 27 October 2013 to 7 March 2014  
relating to**

**Ablecare (UK) Limited – In Administration ("the Company")**

**Issued on: 7 March 2014**

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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. An application has been made to the Court for a further extension to 26 April 2015.

**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 had previously 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. Previously, an offer for the property and business of Nightingale Care Home 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 left the Joint Administrators with no option but to put the home back on the market. An offer has been received and acceptance is currently being sought from BOI. It is anticipated this offer will lead to a sale within the next 5 months.

**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 27 October 2013 to 7 March 2014, 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.



**BAKER TILLY**

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**Private and Confidential**

**To All Known Members and Creditors**

Our ref: ALH/JEH/5503758  
7 March 2014

When telephoning or emailing please contact Jennifer Harrison on 020 3201 8464 or [jennifer.harrison@bakertilly.co.uk](mailto:jennifer.harrison@bakertilly.co.uk)

Dear Sirs

**Ablecare (UK) Limited - In Administration ("the Company")**  
**t/a Nightingale Care Home & Spencer Newman House**

I enclose a copy of my progress report in relation to the above Administration

Should you require any further information relating to this report, please do not hesitate to contact Jennifer Harrison on the number above.

Yours faithfully  
**For and on behalf of**  
**Ablecare (UK) Limited**

**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*

### **3.1.2 Goodwill**

I would expect to realise funds in respect of the Company's goodwill through the sale of the Nightingale business. However, due to the inherent nature of goodwill in the trading property, it is likely the value attributed to goodwill will be nominal.

### **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, these debtors are deemed to be uncollectable.

### **3.2.2 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 27 October 2013 to 7 March 2014, I have generated a trading loss of £126,705.26.

During the period of the Administration, 27 October 2009 to 7 March 2014, I can report a cumulative trading loss of £92,369.26. The sale of Nightingale Care Home will effectively fund this trading loss through a contribution toward the Company's costs. Therefore the general body creditors of the Company are not adversely affected by the trading loss. This contribution will be paid once the sale has completed.

## **4 Liabilities**

### **4.1 BOI**

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 £1,304.22

## **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 £34,315.80. 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 £1,304.22. Therefore all submitted preferential claims have been discharged

### **5.3 Unsecured creditors**

It is difficult to determine whether there will be a prescribed part distribution 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 Care Home. An offer has been received and acceptance is currently being sought from BOI. It is expected to take 4 weeks from acceptance of an offer to exchange of contracts

A going concern sale of Nightingale Care Home is likely to be subject to the approval of the Care Quality Commission ("CQC"). This approval is expected to take eight weeks to obtain, however, this could take up to a maximum of 12 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

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 with BOI

An application has been made to extend the Administration to 26 April 2015 to allow for further trading and a sale of the business and assets

## **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 October 2013 to 7 March 2014	£19,967.50	£NIL
For the period 27 October 2009 to 26 October 2013	£215,517.87	£92,799.94
<b>Total.</b>	<b>£235,485.37</b>	<b>£92,799.91</b>

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the overall value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated or the exact date of the work. In addition, following a change in our time recording system, the analysis below may include an element of time costs already disclosed in the previous period. Should you require further information of details regarding these costs, these will be provided on request.

## 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>
<b>Category 1 Disbursements:</b>		
For the period 27 October 2013 to 7 March 2014	£Nil	£Nil
For the period 27 October 2009 to 26 October 2013	£2,019.79	£1,085.03
<b>Category 2 Disbursements:</b>		
For the period 27 October 2013 to 7 March 2014	£Nil	£Nil
For the period 27 October 2009 to 26 October 2013	£12.32	£Nil
<b>Total</b>	<b>£2,032.11</b>	<b>£1,085.03</b>

## 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 FSI LLP	Legal Fees. Assisting with investigations, applying to court for extensions, drafting and negotiating sale 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](http://www.insolvency-practitioners.org.uk) > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales ([www.icaew.com](http://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 initial extension of the Administration of the Company for a period of six months, and subsequently, the Administration was extended three further times for 12 month periods to 26 April 2014 by Order of the Court

Due to the complexities of the case and the requirement to continue to trade the businesses whilst a sale is completed for the business and assets, an application to Court was made for a further extension to 26 April 2015

Should you require further information, please do not hesitate to contact Jennifer Harrison on 020 3201 8464

  
**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, Dareham, Norfolk, NR20 3LQ
Current Registered Office	11 <sup>th</sup> 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 25 Farringdon Street, London, EC4A 4AB
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 previously of 11 <sup>th</sup> 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.

An application has been made to the Court for a further extension to 26 April 2015.



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

Statement of Affairs	From 27/10/2013 To 7/03/2014	From 27/10/2009 To 07/03/2014
	<b>SECURED ASSETS</b>	
£725,000 00	Spencer Newman House - Freehold	NIL
£2,135 000 00	Nightingale Care Home - Freehold	£450,000 00
		NIL
		£450,000 00
	<b>COST OF REALISATIONS</b>	
	Joint Administrators' Fees	NIL
	Joint Administrators' Expenses	(£37,931 94)
		NIL
		(£105 19)
		(£38,037 10)
	<b>SECURED CREDITORS</b>	
(£12,190,114 00)	The Bank of Ireland	NIL
		(£340,000 00)
		(£340,000 00)
	<b>ASSET REALISATIONS</b>	
£188,224 00	Book Debts	NIL
	Misc Refund	£29,188 08
	Petty Cash	£1,267 93
	Personal Allowances/Third Party Fund	£40 61
	Bank Interest Gross	£1,814 34
	Trading Surplus/(Deficit)	£267 58
	Unallocated Receipt	(£92 369 26)
		NIL
		£875 07
		(£126,705 26)
		(£58,915 65)
	<b>COST OF REALISATIONS</b>	
	Specific Bond	NIL
	Key2Intelligence	(£264 00)
	Joint Administrators' Fees	(£3,640 70)
	Joint Administrators' Expenses	(£54,868 00)
	Joint Administrators' pre-appointment fees	(£979 87)
	Agents' Fees	(£4,835 75)
	Legal Fees	(£21,258 02)
	Redirection of Post	(£11,569 62)
	Storage Costs	(£108 90)
	Security Services	(£628 60)
	Department of Employment	(£9,132 31)
	Bank Charges	(£123 00)
		(£8 825 51)
		(£124,055 56)
		(£7,125 51)
		(£231,464 33)
	<b>PREFERENTIAL CREDITORS</b>	
	DE Arrears & Holiday Pay	NIL
(£8,169 00)	Employee Arrears/Hol Pay	(£1,304 22)
		NIL
		(£1,304 22)
	<b>UNSECURED CREDITORS</b>	
(£159,481 00)	Trade & Expense Creditors	NIL
(£879 00)	Employees	NIL
(£90,572 00)	HM Revenue & Customs - PAYE/NIC	NIL
		NIL
		NIL
<b>(£9,500,991 00)</b>	<b>(£133,830 77)</b>	<b>(£219,721 30)</b>
	<b>REPRESENTED BY</b>	
	Interest Bearing Current Account	(£219,721 30)
		<b>(£219,721 30)</b>

**Notes**

- 1 This summary should be read in conjunction with the Joint Administrators' report dated 7 March 2014
- 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 27/10/2013 To 7/03/2014	From 27/10/2009 To 07/03/2014
<b>POST APPOINTMENT SALES</b>		
Sales	<u>£245,852 25</u>	<u>£3,806,842 03</u>
	<u>£245,852 25</u>	<u>£3,806,842 03</u>
<b>OTHER DIRECT COSTS</b>		
Direct Labour	(£148,081 66)	(£1,833,215 40)
Direct Expenses	<u>NIL</u>	<u>(£190 00)</u>
	<u>(£148,081 66)</u>	<u>(£1,833,405 40)</u>
<b>TRADING EXPENDITURE</b>		
Indirect Labour	(£7,069 33)	(£44,260 63)
Food & Other Supplies	(£28,261 45)	(£349,929 11)
Rates	(£747 00)	(£17,454 14)
Heat & Light	(£14,382 42)	(£196,970 05)
Travel / Mileage	(£3,383 55)	(£21,118 65)
Telephone	(£779 42)	(£18,284 70)
HCMS Disbursements	NIL	(£4,053 85)
Insurance	(£5,513 53)	(£96,185 33)
Heathcare Management Solutions Ltd	(£48,300 00)	(£468,114 34)
Lease/HP Payments	(£200 00)	(£22,036 34)
Hire of Equipment	NIL	(£5,137 63)
Repairs & Maintenance	(£85,613 04)	(£344,845 76)
Petty Cash	(£2,328 98)	(£19,213 81)
Care Quality Commission	(£5,600 00)	(£31,880 00)
Professional Fees	(£280 17)	(£14,137 27)
TV Licence	(£145 50)	(£727 50)
Postages	(£78 54)	(£275 67)
Advertising	(£2,409 30)	(£2,409 30)
PAYE/NIC - Deductions	(£18,411 46)	(£368,111 12)
S Furbey Advance	NIL	(£100 00)
Waste & Other Utilities	(£972 16)	(£39,721 79)
Attachment of Earnings	<u>NIL</u>	<u>(£838 90)</u>
	<u>(£224,475 85)</u>	<u>(£2,065,805 89)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><b>(£126,705 26)</b></u>	<u><b>(£92,369 26)</b></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 – 27 October 2013 to 7 March 2013

For the period from 26 October 2013 to 7 March 2014, a total of 85 7 hours have been spent at an average charge out rate of £233 13 bringing the cost to £19,967 50 For the prior period from 27 October 2009 to 25 October 2013, a total of 1,004 7 hours had been spent at an average charge out rate of £214 50 bringing the cost to £215,517 87

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	27/10/13 – 07/03/14		27/10/09 – 26/10/13		Cumulative	
	Incurred £	Paid £	Incurred £	Paid £	Incurred £	Paid £
<i>Category 1</i>						
Postage	Nil	Nil	1,114 78	1,085 03	1,114 78	1,085 03
Bonding	Nil	Nil	20 00	Nil	20 00	Nil
Case Software	Nil	Nil	28 84	Nil	28 84	Nil
Travel	Nil	Nil	226 26	Nil	226 26	Nil
Supplies & Stationary	Nil	Nil	8 00	Nil	8 00	Nil
External Storage	Nil	Nil	621 92	Nil	621 92	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>2,019 80</b>	<b>1,085 03</b>	<b>2,019 80</b>	<b>1,085 03</b>
<i>Category 2</i>						
Photocopying	Nil	Nil	12 32	Nil	12 32	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>12.32</b>	<b>Nil</b>	<b>12 32</b>	<b>Nil</b>
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>2,032.12</b>	<b>1,085 03</b>	<b>2,032 12</b>	<b>1,085.03</b>

Restructuring & Recovery SIP9 Summary Level 2

Ablecare (UK) Limited  
971008 / 701 - CADM/002 - Corp Administration

For the period 26/10/2013 to 07/03/2014

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
Administration and Planning										
Case Management		0.0	0.0	2.8	0.0	6.3	0.0	9.1	£ 2,474.50	273.43
Closure	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 48.00	240.00
Post-appointment - general	0.0	0.0	0.0	0.0	0.0	3.0	0.0	3.0	£ 720.00	240.00
Receipts and Payments	0.0	0.0	0.0	0.5	0.0	11.1	18.0	29.6	£ 6,349.00	214.49
Tax Matters	0.0	0.0	0.0	0.5	0.0	1.7	9.7	11.9	£ 2,109.50	177.27
Total	0.0	0.0	0.0	3.8	0.0	22.3	27.7	53.8	£ 11,701.00	217.69
Realisation of Assets										
Assets - general/other	0.0	0.0	0.0	1.3	0.0	3.1	0.0	4.4	£ 1,199.00	272.50
Land and Property	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.3	£ 87.50	350.00
Sale of business	0.0	0.0	0.0	1.5	0.0	8.8	0.0	10.3	£ 2,637.00	256.02
Total	0.0	0.0	0.0	3.1	0.0	11.9	0.0	15.0	£ 3,923.50	262.44
Trading										
Trading	0.0	0.0	0.0	4.0	0.0	0.4	0.0	4.4	£ 1,496.00	340.00
Total	0.0	0.0	0.0	4.0	0.0	0.4	0.0	4.4	£ 1,496.00	340.00
Creditors										
1st creditors/shareholders meetings and reports	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.4	£ 56.00	40.00
Other Creditor Meetings and Reports	0.0	0.0	0.0	0.0	0.0	2.8	0.0	2.8	£ 672.00	240.00
Secured Creditors	0.0	0.0	0.0	1.0	0.0	3.0	0.0	4.0	£ 1,070.00	267.50
Unsecured Creditors	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.8	£ 192.00	240.00
Total	0.0	0.0	0.0	1.0	0.0	6.6	1.4	9.0	£ 1,990.00	221.11
Case Specific Matters - Legal Matters										
Legal Matters	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	£ 24.00	240.00
Total	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	£ 24.00	240.00
General										
General Administration	0.0	0.0	0.0	2.3	0.0	0.0	1.2	3.5	£ 833.00	241.45
Total	0.0	0.0	0.0	2.3	0.0	0.0	1.2	3.5	£ 833.00	241.45
Total Hours (From Jan 2003)	0.0	0.0	0.0	14.1	0.0	41.3	30.3	85.7	£ 19,967.50	233.13
Total Time Cost (From Jan 2003)	£ 0.00	£ 0.00	£ 0.00	£ 4,917.50	£ 0.00	£ 9,912.00	£ 5,138.00	£ 19,967.50		
Total Hours	0.0	0.0	0.0	14.1	0.0	41.3	30.3	85.7	£ 19,967.50	233.13
Total Time Cost	£ 0.00	£ 0.00	£ 0.00	£ 4,917.50	£ 0.00	£ 9,912.00	£ 5,138.00	£ 19,967.50		
Average Rates	0.00	0.00	0.00	350.00	0.00	240.00	169.57	233.13		

# Restructuring & Recovery SIP9 Summary Level 2

Ablecare (UK) Limited

971008 / 701 - CADM/002 - Corp Administration

For the period 27/10/2009 to 25/10/2013

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
<b>Administration and Planning</b>										
Appointment	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	£ 58 50	195.00
Case Management	7.3	7.3	0.0	13.4	0.0	22.5	8.3	51.5	£ 14,184 75	275 52
Post-appointment - general	0.0	0.0	0.0	0.0	0.0	2.1	0.0	2.1	£ 504 00	240 00
Pre-appointment matters	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 85 00	170 00
Receipts and Payments	0.0	0.0	0.0	2.0	0.0	10.1	250.4	262.5	£ 42,392 50	161 53
Tax Matters	0.5	0.5	0.0	0.4	0.0	4.2	7.2	12.3	£ 2,176 00	176 91
Total	7.8	7.8	0.0	15.8	0.0	39.4	266.2	329.1	£ 59,400 75	180 48
<b>Investigations</b>										
Investigations/CDDA	0.0	0.0	0.0	7.0	0.0	23.0	0.3	30.3	£ 6,621 50	218 53
Total	0.0	0.0	0.0	7.0	0.0	23.0	0.3	30.3	£ 6,621 50	218 53
<b>Realisation of Assets</b>										
Assets - general/other	16.9	16.9	0.4	12.6	0.0	9.0	7.5	46.4	£ 14,303 50	308 27
Debtors & sales finance	1.0	1.0	0.3	0.0	0.0	1.0	0.0	2.3	£ 781 00	339 57
Land and Property	8.7	8.7	0.0	24.8	0.0	0.2	0.0	33.7	£ 12,808 00	380 62
Sale of business	0.0	0.0	0.0	4.3	0.0	9.5	0.0	13.8	£ 3,767 50	274 00
Total	26.6	26.6	0.7	41.6	0.0	19.7	7.5	96.1	£ 31,660 00	329 45
<b>Trading</b>										
Trading	24.8	24.8	2.5	34.2	0.0	146.3	34.4	242.1	£ 56,036 42	231 43
Total	24.8	24.8	2.5	34.2	0.0	146.3	34.4	242.1	£ 56,036 42	231 43
<b>Creditors</b>										
Employees	0.0	0.0	0.8	2.4	0.0	30.1	12.8	46.1	£ 8,758 50	189 85
Other Creditor Meetings and Reports	0.5	0.5	0.0	9.3	0.0	23.5	8.6	41.9	£ 9,058 50	216 19
Secured Creditors	3.0	3.0	2.8	8.2	0.0	7.6	2.0	23.6	£ 6,938 00	293 98
Unsecured Creditors	2.4	2.4	1.0	1.7	0.0	65.3	3.9	74.3	£ 14,266 50	192 01
Total	5.9	5.9	4.6	21.6	0.0	126.5	27.3	185.9	£ 39,021 50	209 87
<b>General</b>										
General Administration	13.7	13.7	5.1	13.0	0.0	61.6	27.8	121.1	£ 22,777 70	188 04
Total	13.7	13.7	5.1	13.0	0.0	61.6	27.8	121.1	£ 22,777 70	188 04
<b>Total Hours (From Jan 2003)</b>										
Total Time Cost (From Jan 2003)	£ 35,225 25	£ 35,225 25	£ 4,515 00	£ 42,304 75	£ 0 00	£ 77,665 17	£ 55,807 70	1,004.7	£ 215,517 87	214 50
<b>Total Hours</b>										
Total Time Cost	£ 35,225 25	£ 35,225 25	£ 4,515 00	£ 42,304 75	£ 0 00	£ 77,665 17	£ 55,807 70	1,004.7	£ 215,517 87	214 50
Average Rates	447 30	447 30	350 00	317 84	0 00	186 45	153 56	214 50		

**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