

**2.24B**

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Aadams Limited

Company number

05634557

In the High Court of Justice, Chancery Division  
Leeds District Registry

(full name of court)

Court case number  
1276 of 2008(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
Beverley Jayne Marsh  
Vantis Business Recovery Services  
104/106 Colmore Row  
Birmingham  
B3 3AGChristopher David Stevens  
Vantis Business Recovery Services  
104/106 Colmore Row  
Birmingham  
B3 3AG

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

From

To

(b) Insert date

(b) 28 August 2009

(b) 27 February 2010

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

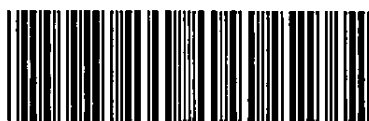
The contact information that you give will be visible to searchers of the public record

Beverley Jayne Marsh  
Vantis Business Recovery Services  
104/106 Colmore Row  
Birmingham  
B3 3AG

DX Number

DX Exchange

SATURDAY



\*APTJWJINC\*

A18

27/03/2010

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COMPANIES HOUSE

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



**Vantis Business  
Recovery Services**  
104/106 Colmore Row  
Birmingham B3 3AG  
Tel +44(0)121 710 1680  
Fax +44(0)121 710 1699  
www.vantisplc.com

**TO ALL MEMBERS AND ALL KNOWN  
CREDITORS**

your ref

our ref BM/RS/RH

date 26 March 2010

please ask for Robbie Harlow

Dear Sirs

**AADAMS LIMITED - IN ADMINISTRATION (the Company)  
T/A Llysfield Nursing & Residential Home (the Home)**



COMPANIES HOUSE

**1. Introduction**

Pursuant to Rule 2 47 of the Insolvency Rules 1986 (as amended), I provide below my report on the progress of the Administration since my last report dated 25 September 2009.

**2. Statutory Information**

Beverley Jayne Marsh and Christopher David Stevens, licensed insolvency practitioners, were appointed Joint Administrators of the Company by the directors on 28 August 2008

Beverley Marsh is licensed by the Institute of Chartered Accountants for England and Wales and Christopher David Stevens is licensed by the Insolvency Practitioners Association.

The Administration is registered in the High Court of Justice, Chancery Division, Leeds District, under reference number 1276 of 2008.

The trading address of the Company is 129 Middleton Road, Oswestry, Shropshire, SY11 2LJ

The registered office of the Company has been changed from 102 Ward End Park Road, Birmingham, B8 3XB to c/o Vantis, 104/106 Colmore Row, Birmingham, B3 3AG, and its registered number is 05634557

In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), the functions of the Administrators may be exercised by either or both, acting jointly or alone.

**3. Administrators Proposals**

As previously advised, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- rescuing the Company as a going concern;
- 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

- realising property in order to make a distribution to one or more secured or preferential creditors.

The rescue of the Company as a going concern was not considered feasible due to concerns over the ongoing viability of the Company and the likely level of funding to meet existing and future working capital commitments. The second objective will be achieved, 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). This has been achieved through continuing to trade the Home and the sale of the business and freehold property to Llysfield Holdings Limited ("Newco").

The Administrators' proposals were sent to all creditors on 22 October 2008. In accordance with Paragraph 52 (1) (b) of Schedule B1 of the Insolvency Act 1986 (as amended), an initial meeting of creditors was not convened because we considered there would be insufficient property to enable a distribution to be made to non preferential creditors (other than the Prescribed Part). Furthermore, we did not receive a request from 10% or more in value of the creditors to requisition a creditors' meeting.

Accordingly, under Rule 2.33 (5) of the Insolvency Rules 1986 (as amended), the proposals were deemed to be approved by creditors.

#### 4. Progress of the Administration

Attached at Appendix A is a cumulative Receipts and Payments Account for the period to 27 February 2010, together with an account for the six months from 28 September 2009 to 27 February 2009 which I trust are self-explanatory.

#### Sale of the Home and Freehold Property

At the time of writing our previous report we had accepted an offer for the sale of the Home and the freehold property and we exchanged contracts on 25 August 2009. The purchaser was successful in their registration application with the Care Quality Commission and therefore I am pleased to report that the sale completed on 22 December 2009 and realised £850k. The sales consideration achieved is detailed below.

	Total Consideration (£)
Goodwill	444,500
Freehold Land & Property	400,000
Furniture & Equipment	5,500
<b>Total</b>	<b>850,000</b>

Acceptance of the offer was recommended by our agents, Edward Symmons, as it exceeded their valuation.

## **Administration Trading**

The Company continued to trade whilst in Administration from 28 August 2008 to 22 December 2009. We are currently in the process of finalising our trading receipts and payments.

### **5. Administrators' Remuneration**

The secured creditor approved the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration.

The Joint Administrators' time costs at 27 February 2010 are £148,654.80. This represents 880.50 hours at an average rate of £168.83 per hour. Attached at Appendix B is a time analysis that provides details of the activity costs incurred by staff grade for the period since our appointment.

Since my last report, time has been spent on progressing the Administration including, running the Home, agreeing contracts with the purchaser, investigations into the Company's affairs and reconciling the trading receipts and payments.

The total fees drawn at the date of this report are £134,483.58 plus disbursement of £1,617.95.

Attached at Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

### **6. Outcome to Creditors**

As previously advised, the Company's indebtedness to Clydesdale Bank ("the Bank") was £1.4m, subject to accruing interest and charges, which is secured by a legal mortgage and debenture.

I am pleased to report that a distribution of £600k was made to the Bank under its fixed charge security.

There is no prospect of a dividend to preferential or unsecured creditors.

### **7. Ending the Administration**

Once we have finalised the trading receipts and payments and in accordance with the Joint Administrators' proposals, which were approved by the creditors, if the Company has no property which might permit a distribution to its unsecured creditors, we will file Form 2.35B, Notice of move from Administration to Dissolution, pursuant to Para 84 of Schedule B1 of the Insolvency Act 1986 (as amended), at Court and with the Registrar of Companies. The appointment will end following the registration of the Notice by the Registrar of Companies.

The Company will be deemed to be dissolved at the end of the three month period beginning from the date of registration of the Notice by the Registrar of Companies.

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 (as amended) immediately upon their appointment as Administrators ceasing to have effect.

## 8. Next Report

The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

Yours faithfully  
For and on behalf of  
Aadams Ltd



**Beverley Jayne Marsh**  
**Joint Administrator**

Licensed by the Institute of Chartered Accountants in England & Wales

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

Appendix A

Receipts and Payments Account for the Period from 28 Aug 2008 to 27 Feb 2009

	28/08/09 to 27/02/10	28/08/08 to 27/02/10
<b>INCOME</b>	<b>Total (£)</b>	<b>Total (£)</b>
Fees	195,738	762,267
Freehold Land & Property	400,000	400,000
Goodwill	444,500	444,500
Rent Receivable	80	280
Furniture & Equipment	5,500	5,500
Bank Interest Gross		29
	<b>1,045,818</b>	<b>1,612,576</b>
<b>EXPENDITURE</b>		
Food	11,722	32,883
Domestic & Nursing Supplies	3,245	10,336
Sub Contractors		117
Direct Wages	129,286	492,351
Payroll Costs	965	2,637
Rates	1,678	2,754
Heat & Light	10,647	34,381
Telephone	810	3,016
Carriage	81	213
Insurance	128	11,927
Management Fees	14,208	44,003
Lease/HP Payments		110
Hire of Equipment		150
Repairs & Maintenance	4,684	10,479
Sundry Expenses	725	2,171
Water	2,577	5,708
Vehicle Running Costs		137
Stationery		1,429
Postages		119
Capital Expenditure	4,060	8,072
Cleaning	9,152	16,304
Training	1,016	1,397
Subscriptions	3,113	3,808
Chargeholder - Clydesdale Bank	600,000	600,000
Rent		259
Bordereau		528
Administrators' Remuneration	134,484	134,484
Administrators' Disbursements	1,618	1,618
Agents/Valuers Fees	19,287	19,287
Legal Fees	44,440	44,440
Petty Cash	1,500	3,088
Statutory Advertising		1,753
PAYE & NI	46,583	122,027
Bank Charges		59
	<b>1,046,008</b>	<b>1,612,048</b>
<b>Balance</b>	<b>(190)</b>	<b>528</b>
<b>MADE UP AS FOLLOWS</b>		
Floating Current A/c	(190)	528
	<b>(190)</b>	<b>528</b>

# Time Analysis for the Period from 28 August 2008 to 27 February 2010

## Appendix B

<u>Classification of Work</u>	<u>Partners Hours</u>	<u>Managers Hours</u>	<u>Administrators &amp; Support Staff Hours</u>	<u>Total Hours</u>	<u>Time Cost</u>	<u>£</u>	<u>Average Rate p/h</u>
Administration and Planning	5 50	39 00	31 65	76 15	12,073 25		158 55
Asset Realisations	25 00	57 50	0 50	83 00	19,802 50		238 58
Meetings	1 50	-	-	1 50	487 50		325 00
Case Accounting	-	0 70	107 85	108 55	8,762 80		80 73
Employees	-	2 50	4 75	7 25	1,047 50		144 48
Statutory Reporting	2 00	20 00	-	22 00	4,580 00		208 18
Freehold/Leasehold Property	3 00	19 50	-	22 50	4,925 00		218 89
Partner Review	2 00	-	-	2 00	680 00		340 00
Travel	-	2 50	3 50	6 00	790 00		131.67
Investigatory Work	-	-	0 50	0 50	45 00		90 00
Legal/Litigation	28 25	16 60	-	44 85	13,095 50		291 98
Tax & VAT	-	-	0 50	0 50	45 00		90 00
Statutory Compliance	-	-	13 75	13 75	1,540 00		112 00
Trading	49 50	176 35	244 10	469 95	77,420 00		164 74
Preferential Creditors	-	-	0 20	0 20	11 00		55 00
Unsecured Creditors	0 30	1 00	11 50	12 80	1,489 75		116 39
Secured Creditors	3 00	-	-	3 00	1,020 00		340 00
Debt Collection	-	3 00	0 75	3 75	637 50		170 00
Chatel Assets	-	-	2 25	2 25	202 50		90 00
<b>Total Hours</b>	<b>120 05</b>	<b>338 65</b>	<b>421 80</b>	<b>880.50</b>			
<b>Total Time Cost</b>	<b>40,205 00</b>	<b>66,960 50</b>	<b>41,489 30</b>		<b>148,654 80</b>		
<b>Average Rate per Grade</b>	<b>334 90</b>	<b>197 73</b>	<b>98 36</b>				<b>168 83</b>

## **1 Policy**

Detailed below is Vantis policy in relation to

- disbursements
- staff allocation and the use of sub-contractors,
- professional advisors,

### **1.1 Disbursements**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice<sup>1</sup> requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

Required professional practice classifies expenses into two broad categories:

- Category 1 expenses (approval not required) – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- Category 2 expenses (approval required) – all other items of expenditure:
  - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
  - Where the cost of the expense incurred is an estimated, unitised cost with the estimated based on external costs or opportunity cost.

### **1.2 Staff Allocation and the use of Sub-contractors**

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) effective from April 2007



The constitution of the case team will usually consist of a Partner, a Manager, an Assistant Manager and an Administrator. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any sub-contractors in this case.

### **13 Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Cobbetts Solicitors	Hourly rate and disbursements
Edward Symmons	Performance related
Care Home Management	Fixed monthly fee

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

## 2 Charge-out Rates

A schedule of Vantis charge-out rates for this assignment until 28 February 2010 is detailed below.

	(Per hour) £
<b>Partner</b>	
Partner	340
<b>Manager:</b>	
Senior Manager	250
Manager	230
Assistant Manager	210
<b>Administrator:</b>	
Senior	170
Administrator	140
Trainee Administrator	90
<b>Support Staff</b>	
Cashier	90
Assistant	75

A schedule of Vantis charge-out rates for this assignment from 1 March 2010 is detailed below

	(Per hour) £
<b>Partner</b>	
Partners	400
<b>Manager:</b>	
Manager	265
Assistant Manager	225
<b>Administrator</b>	
Senior	210
Trainee Administrator	105
<b>Support Staff.</b>	
Case Accountant	90
Assistant	90