

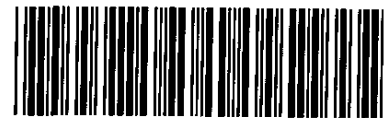
AM03

Notice of administrator's proposals



Companies House

THURSDAY



A26 *A7EF620A* #254
13/09/2018
COMPANIES HOUSE

1 Company details

Company number 0 5 9 6 4 1 4 5

Company name in full SSB Carehomes Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Bob

Surname Maxwell

3 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

4 Administrator's name ①

Full forename(s) Lee

Surname Lockwood

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street


County/Region Leeds

Postcode L S 1 2 H J

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>		
Signature date	<div><div><div>d</div><div>1</div><div>d</div><div>0</div></div><div><div>m</div><div>0</div><div>m</div><div>9</div></div><div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>1</div><div>y</div><div>8</div></div></div>		

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Jonathan Zealand				
Company name	Begbies Traynor (Central) LLP				
Address	Fourth Floor				
	Toronto Square				
Post town	Toronto Street				
County/Region	Leeds				
Postcode	L	S	1	2	H J
Country					
DX					
Telephone	0113 244 0044				



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

SSB Carehomes Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	SSB Carehomes Limited (In Administration)
"the Administration"	The appointment of administrators under Schedule B1 of the Act on 17 July 2018
"the Administrators", "we", "our", "us"	Bob Maxwell of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company:	SSB Carehomes Limited	
Trading names:	The Manor Nursing Home ("The Manor")	
	Eagle Nursing Home ("The Eagle"), collectively ("the Homes")	
Date of Incorporation:	11 October 2006	
Company registered number:	05964145	
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	
Former registered office:	c/o Adie O'Reilly LLP, 3 The Landings, Burton Waters, Lincoln, LN1 2TU	
Trading address:	The Manor Nursing Home, Dog & Duck Lane, Morton, Gainsborough, DN21 3BB and Eagle Nursing Home, Lincoln Road, Eagle, Lincoln, LN6 9DL	
Principal business activities:	Other Human Health Activities	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Sanjiv Basu	90,010,000 (100%)
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	N/A	N/A
Accountants:	Saul Fairholm Limited, 12 Tentercroft Street, Lincoln, LN5 7DB	
Share capital:	90,010,000 1p shares	
Shareholders:	Sanjiv Basu	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	17 July 2018
Date of resignation:	N/A
Court:	Leeds High Courts of Justice
Court Case Number:	593 of 2018
Person making appointment / application:	Sanjiv Basu in his capacity as director of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the

Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.

EU Regulation on Insolvency Proceedings:

Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

Company History

The Company was incorporated on 11 October 2006, having previously traded as a Partnership, and operates two nursing homes in the Lincoln area, providing services for the elderly and offering special care for those suffering from dementia.

The two homes are The Manor Nursing Home, Dog and Duck Lane, Morton, Gainsborough, DN21 3BB ("the Manor") and Eagle Nursing Home, Lincoln Road, Eagle, Lincoln, LN6 9DL ("The Eagle")

The company was run by the parents of Sanjiv Basu, until 2011 when they passed away and he took over the running of the business.

The reasons for the Company's insolvency

In late 2015, the Company purchased the cottage next to the home (11 Dog & Duck Lane), with a view to developing and increasing occupancy. The Company obtained a loan from HSBC Bank plc ("HSBC") to facilitate the purchase and a further loan from HSBC for the building works. However, part way through the project, the builders entered into insolvency so the works were not complete, although they had received significant payments towards this. This problem was further compounded due to changes within the social care service and NHS which resulted in payment terms being extended from 21 days to 120 days which severely impacted the Company's cash flow.

In March 2016, the Company entered into a time to pay arrangement with HMRC and at the same time attempted to raise finance which would have also paid the HMRC debt in full. However, by late 2016, the refinance had proved unsuccessful and the Company was no longer able to meet its obligations to HMRC.

In the spring of 2017, agreement in principle was reached to obtain a further loan against The Homes to enable the increasing HMRC liability to be paid in full together with some other pressing creditors. However, before matters were finalised, HMRC presented a winding up petition on 14 June 2017 which resulted in the loan offer being withdrawn and the Company's bank account was frozen. The winding up petition was scheduled to be heard in court on 31 July 2017.

In order to keep the Company trading, a Validation Order was applied for and this was subsequently granted on 25 July 2017. A further application to adjourn the winding up hearing was also made and with the consent of HMRC, the winding up hearing was adjourned until 25 September 2017, on the basis there remained the prospect of raising finance to clear the HMRC liability and to enable the Company to continue trading.

It subsequently transpired that the Company could not borrow sufficient funds to clear the HMRC liability and there were a number of other trade creditors who could take action. In light of this, the director sought advice from insolvency practitioners, Alexander Lawson Jacobs ("ALJ"), which culminated in the Company entering into a Company Voluntary Arrangement ("CVA") on 10 November 2017. Ninos Koumettou of ALJ was appointed supervisor. It was proposed (with modifications) that creditors would be paid in full and that the arrangement would not exceed a period of 39 months. The winding up petition issued by HMRC was ultimately dismissed on 27 November 2017.

Appointment of Administrators

On 11 June 2018, Lincoln County Council took the decision to remove all residents from The Eagle, which we understand was due to concerns over their wellbeing. The Council had previously made contributions to employee wages, which were then deducted from future fee payments to the Company.

As a result of the above, the Care Quality Commission attended the home and issued a notice withdrawing their registration.

The director therefore met with ALJ and following their assessment it was considered that the best way forward was for the director to seek to put the Company into Administration. Further advice was sought from Begbies Traynor which culminated in Bob Maxwell and Lee Lockwood being appointed Joint Administrators on 17 July 2018.

5. ESTIMATED STATEMENT OF FINANCIAL POSITION

No formal Statement of Affairs has been submitted by the director of the Company to date. In the absence of the Statement of Affairs, an estimated statement of financial position has been prepared by the Administrators as we understand it at 17 July 2018. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement. Our comments on the statement of affairs are included in appendix 2.

6. THE ADMINISTRATION PERIOD

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration to 10 September 2018.

Work undertaken by the Administrators and their staff

Following our appointment, it was necessary to attend The Manor in order to meet with the registered manager and discuss the ongoing requirements whilst it continues to trade under the Administrators' control. The Administrators are in regular communication with the manager, external bookkeeper and HSBC Bank plc ("HSBC") in order to closely monitor ongoing trading.

Premier Care Solutions ("PCS") have been instructed to oversee the running of The Manor and Philippa Williamson of PCS has replaced the former director as the nominated individual registered with the CQC. The Administrators have met with and have continued to liaise with PCS since they were appointed.

The Manor and The Eagle are being jointly marketed by our agents, Eddisons Commercial Limited ("Eddisons") and Bespoke Care, and are currently being offered to the market on a private treaty basis. We remain in regular dialogue with our instructed agents in overseeing the marketing process.

The Eagle effectively ceased to trade on 11 June 2018 when the final residents were removed and has been vacant since then. RemoteZone, a trading style of Eddisons, were therefore instructed to attend The Eagle following our appointment in order to fully secure the home and maintain ongoing security. Eddisons Insurance Services Limited were instructed immediately on appointment to maintain insurance cover over The Homes.

We have also been required to deal with former employees of The Eagle and to liaise with our appointed solicitors, Irwin Mitchell, with regard obtaining advice as to the historic redundancy date for some of these employees. In addition, we were required to make remaining redundancies on appointment. Advice has also been sought relating to a historic TUPE transfer and employment advice generally relating to the ongoing trading of The Manor.

As can be seen from the receipts and payments account at Appendix 1A, a trading loss of £13,706 has been incurred to date. The Administrators are operating a bank account with a modest overdraft facility provided by HSBC. Book debts of £21,303 have been collected that relate to resident fees outstanding at the date of our appointment.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment are as follows:

Secured Creditor

The Company granted the following legal mortgages in favour of HSBC.

Property	Date Created	Date Registered
Eagle Nursing Home	8 June 2011	9 June 2011
The Manor Nursing Home	8 June 2011	9 June 2011
11 Dog & Duck Lane	6 February 2015	9 February 2015

In addition, the Company granted a debenture over the fixed and floating charged assets in favour of HSBC which was created on 8 June 2011 and registered at Companies House on 14 June 2011. At the date of our appointment, the total indebtedness to HSBC was £1,064,932.

Preferential creditors

Preferential claims of employees for arrears of wages and holiday pay are currently estimated at £37,544.

Unsecured creditors

Claims of unsecured creditors are estimated at £541,993. This includes the claims of HM Revenue & Customs ("HMRC") in respect of PAYE, NIC & Corporation Tax in the sum of £343,032 and the Redundancy Payments Office in the sum of £78,622 in respect of redundancy payments and payment in lieu of notice.

On the basis of realisations to date and estimated future realisations, we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

The outcome to HSBC remains dependent upon fixed charge realisations achieved from the sale of The Homes. However, we currently anticipate that there will be insufficient funds, after costs, to satisfy the HSBC indebtedness in full.

Preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

We have estimated, to the best of our knowledge and belief, the Company's net property, to be £Nil and the prescribed part of the Company's net property to be £Nil.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as Administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the Administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the Administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at Section 3 of this report above.

For the reasons set out in this report, we presently consider that the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

It was not possible to rescue the Company on a going concern basis due to the closure of The Eagle, which ultimately led to the termination of the CVA prior to our appointment as the Company was unable to meet its obligations. In addition, the Company had significant secured and unsecured liabilities at the date of appointment and would therefore have required immediate significant working capital which was unrealistic to expect considering the circumstances.

We consider that being able to continue to trade The Manor in the context of an administration as an alternative to an immediate cessation of trade and liquidation of the Company will enhance the prospects for the secured creditor due to the sale as an operational business.

In order that the purpose of the Administration may be fully achieved, we propose to remain in office as Administrators in order to conclude the realisation of the Company's property and to deal with any other issues. The principal matters to deal with in this respect are:

- The continued trading, marketing and sale of The Manor as an operational business.
- The sale of the vacant Eagle Nursing Home.
- The collection of outstanding book debts
- Liaising with the CVA supervisor where necessary with regard to matters relevant to the Administration
- Undertake an assessment into the manner in which the business was conducted prior to the administration of the Company and establish any potential recoveries for the estate.
- Investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure.

Exit from Administration

Dissolution

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as Administrators and that the purpose of the Administration has been fully achieved, we propose to deliver a notice of moving from Administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as Administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Creditors' Voluntary Liquidation

If it transpires that the Company has sufficient funds to make a distribution to unsecured creditors, other than via the prescribed part, it will be necessary to place the Company into Creditors' Voluntary Liquidation.

We have the power to make a distribution of the prescribed part to unsecured creditors in the Administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as Administrators and that the purpose of the Administration has been fully achieved, we propose to deliver a notice of moving from administration to creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as Administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Compulsory Winding Up

Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with via a compulsory liquidation.

In this instance, we, in our capacity as administrators, would make an application to Court under paragraph 79 of Schedule B1 to the Act. The application would be to bring the administration to an end. Simultaneously, we would make an application under Section 124 of the Act to move the Company into compulsory liquidation.

Extending the administration

However, it may transpire that it is not possible to finalise the Administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the Administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered Administration, we carried out work consisting of attending meetings and liaising with the supervisor of the CVA, the Company director, Irwin Mitchell LLP and Bespoke Care. In addition, we also attended both Homes and met with the manager of The Manor and the Company's bookkeeper. It was necessary to work closely with the Company's bookkeeper to fully understand the financial position and ongoing funding support required. Cash flow forecasts were prepared along with an initial report to HSBC which was required in order to obtain their ongoing support by way of an overdraft facility, allowing the Company to continue to trade during the Administration ("the Work"). The Work was carried out pursuant to an agreement made between us and the Company dated 5 July 2018 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered Administration in order to enable us to fully assess the position in light of being able to continue to trade The Manor during the Administration period, with the support of HSBC, which would maximise realisations. For these reasons we consider that the Work has furthered the achievement of the objective of Administration.

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees and costs in relation to the Work	Begbies Traynor	14,133.95	2,826.79	16,960.74
Legal costs and disbursements	Irwin Mitchell LLP	5,503.50	1,100.70	6,604.20
TOTAL PRE-ADMINISTRATION COSTS		19,637.45	3,927.49	23,564.94

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the Administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, the secured creditor of the Company. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff calculated at the prevailing hourly charge out panel rates of HSBC Bank plc. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out panel rates of HSBC Bank plc for attending to matters as set out in the fees estimate. Should HSBC be repaid in full then we reserve our rights to charge our remuneration at the hourly charge out rates of Begbies Traynor (Central) LLP.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules. Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. Our firm is currently on the HSBC panel of approved suppliers of insolvency services. As a result, we consider that our firm has a business relationship with the secured creditor. However, we do not consider that the relationship will give rise to a conflict of interest in this case.

Appendix 3 sets out our firm's hourly charge out rates based on HSBC panel rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the Administration since 17 July 2018.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the Administration. This information also appears at Appendix 3.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As Administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the Administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the Administration of the Company and potential recoveries for the estate in this respect.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 12 September 2018.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

As explained in Section 7 above, the Company has insufficient property to enable a distribution to be made to unsecured creditors.

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 12 September 2018. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



R A H Maxwell
Joint Administrator

Date: 10 September 2018

Trading Account

Period: 17 July 2018 to 10 September 2018

	£	£
POST APPOINTMENT SALES		
Care Fees	<u>75,726.25</u>	75,726.25
OTHER DIRECT COSTS		
Direct Labour	<u>77,453.90</u>	(77,453.90)
TRADING EXPENDITURE		
Waste Collection	71.58	
Payroll Costs	318.63	
Bank Interest & Charges	639.22	
Staff Training	782.58	
Bookkeeping	3,026.90	
Food	2,755.35	
Petty Cash	1,850.00	
Attachment of Earnings	327.61	
Irrecoverable VAT	317.39	
Medical & Cleaning Supplies	1,787.77	
Staff Expenses	<u>101.25</u>	
		(11,978.28)
TRADING SURPLUS/(DEFICIT)		<u><u>(13,705.93)</u></u>

Account of Receipts and Payments

Period: 17 July 2018 to 10 September 2018

S of A £		£	£
	SECURED ASSETS		
Uncertain	Manor Nursing Home/11 Dog & Duck	NIL	
Uncertain	Eagle Nursing Home	NIL	
NIL	Goodwill	<u>NIL</u>	NIL
	SECURED CREDITORS		
(1,064,932.00)	HSBC Bank plc	<u>NIL</u>	NIL
	ASSET REALISATIONS		
Uncertain	Furniture & Equipment	NIL	
200.00	Motor Vehicles	NIL	
Uncertain	Director's Overdrawn Loan Account	NIL	
37,919.00	Book Debts	21,303.17	
	TRADING SURPLUS/(DEFICIT)	<u>(13,705.93)</u>	7,597.24
	COST OF REALISATIONS		
	Re-Direction of Mail	<u>204.00</u>	(204.00)
	PREFERENTIAL CREDITORS		
(37,543.99)	Employees - Arrears & Holiday Pay	<u>NIL</u>	NIL
	UNSECURED CREDITORS		
(118,535.58)	Trade Creditors	NIL	
(1,803.23)	Employees	NIL	
(78,622.12)	RPO	NIL	
(343,032.27)	HMRC - PAYE/NIC/CT	<u>NIL</u>	NIL
	DISTRIBUTIONS		
(900,100.00)	Ordinary Shareholders	<u>NIL</u>	NIL
<u>(2,506,450.19)</u>			<u><u>7,393.24</u></u>
	REPRESENTED BY		
	Bank 1 Current		5,314.76
	Company Bank Account		2,378.48
	Resident personal expenditure		(300.00)
			<u><u>7,393.24</u></u>

ESTIMATED STATEMENT OF FINANCIAL POSITION AS AT 17 JULY 2018

	Book Value £	Estimated to Realise £	£
ASSETS			
Manor Nursing Home/11 Dog & Duck Lane	1,110,888.14	Uncertain	
Eagle Nursing Home	1,039,079.87	Uncertain	
Goodwill	NIL	NIL	
HSBC Bank plc		(1,064,932.00)	
Deficiency c/d		<u>(1,064,932.00)</u>	
Furniture & Equipment	69,211.80	Uncertain	
Motor Vehicles	200.00	200.00	
Director's Overdrawn Loan Account	248,597.37	Uncertain	
Book Debts	110,197.00	<u>37,919.00</u>	
			38,119.00
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employees - Arrears & Holiday Pay		37,543.99	
		<u>37,543.99</u>	
			575.01
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
		<u>NIL</u>	
			575.01
Estimated prescribed part of net property where applicable (to carry forward)			
		<u>NIL</u>	
			575.01
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
Deficiency b/d		1,064,932.00	
		<u>1,064,932.00</u>	
		<u>(1,064,356.99)</u>	
Estimated prescribed part of net property where applicable (brought down)			
		<u>NIL</u>	
			NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors	118,535.58		
Employees	1,803.23		
RPO	78,622.12		
HMRC - PAYE/NIC/CT	<u>343,032.27</u>		
		<u>541,993.20</u>	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(541,993.20)
Shortfall in respect of F.C's post 14 September 2003 (brought down)		<u>1,064,356.99</u>	
			<u>(1,606,350.19)</u>
Issued and called up capital			
Ordinary Shareholders	900,100.00		
		<u>900,100.00</u>	
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(2,506,450.19)</u></u>

Begbies Traynor (Central) LLP
SSB Carehomes Limited
B - Company Creditors

Key	Name	Address	£
CA00	Active8 Managed Technologies Ltd	Unit 1 Halifax Court, Fernwood Business Park, Cross Lane, Fernwood, NEWARK, NG24 3JP	127.70
CA01	Advanced Fire Protection	Broomfield House, Whisby Road, WHISBY, Lincoln, LN6 9BY	782.58
CA02	Alvy Electrical	4 Drake Street, GAINSBOROUGH, Lincs, DN21 1DG	688.92
CA03	Anglian Water	Northumbria House, Abbey Road, Pity Me, DURHAM, DH1 5FJ	0.00
CA04	Aqua Cert	iCon Innovation Centre, Eastern Way, NN11 0QB	213.60
CA05	Arjo UK Ltd	Arjo Huntleigh House, Houghton Hall Business Park, HOUGHTON REGIS, LU5 5XF	59.39
CA06	Ashfield Services	Corby Enterprise Centre, Priors Hall, CORBY, NN17 5EU	191.98
CA07	ABM Trade	Unit 2, Pippin Bank, Bacup, OL13 0BU	0.00
CB00	British Gas	British Gas Payment Area 60, CAMBERLEY, Surrey, GU95 1AW	15,228.64
CC00	Calor Gas	Lincoln Calor Centre, Deacon Road, LINCOLN, LN2 4JB	284.62
CC01	Cambridge Medical	23 Stephenson Road, ST IVES, Cambs, PE27 3WJ	3,228.54
CC02	Care Quality Commission	Financial Accounting CQC North East, 6th Floor, Citygate, Gallowgate, NEWCASTLE UPON TYNE, NE1 4PA	14,646.80
CC03	Care Shop	Warren Bruce Road, Trafford Park, MANCHESTER, M17 1LB	584.92
CC04	Cloister Uniforms	9B Meadow Close, Langage Industrial Estate, PLYPTON, PL7 5EX	147.64
CC05	Complete Business Solutions Group Ltd	Daughters Court, Silkwood Park, WAKEFIELD, WF5 9TQ	1,259.42
CC06	Countryside Healthcare	Springvale Road, Park Springs, GRIMETHORPE, S72 7BA	3,012.56
CC07	City and County Healthcare Group Limited	Birkbeck House, Colliers Way, Nottingham, NG8 6AT	0.00
CC08	Close Brothers Premium	10 Crown Place, London, EC2A 4FT	0.00
CC09	Cathedral Leasing	Unit 3, Willowbridge Way, Whitwood, Castleford, West Yorkshire, WF10 5NP	0.00
CC0A	Complete Office Solutions Ltd	Unit 4, Daughters CT, Silkwood Park, Ossett, Wakefield, WF5 9TQ	0.00
CD00	Drs Green, Jacobs, Jose and Taylor	3 Caskgate Street, AINSBOROUGH, Lincs, DN21 2DJ	60.00
CD01	DVLA	Vehicle Customer Services, DVLA, Swansea, SA99 1AR	165.00
CD02	DCL Business Services Limited	20A Costa Row, Newark, Nottinghamshire, NG23 5DY	0.00
CD03	Delight Care Services	Office 112, 14 Knutton Road, Sheffield, South Yorkshire, S5 9NU	0.00
CD04	Danwood	Harrison Place, Whisby Road, Lincoln, LN6 3DG	0.00
CE00	East Anglia Dairy	Marles Close, Jessop Way, NEWARK, NG24 2FD	861.60
CE01	Employees		39,347.22
CF00	FISC Healthcare	5 Matrix Park, Western Avenue, Buckshaw Village, Chorley, PR7 7NB	0.00

Signature _____

Begbies Traynor (Central) LLP
SSB Carehomes Limited
B - Company Creditors

Key	Name	Address	£
CG00	Gamma Business Communications	The Boathouse, Marina Keep, Port Solent, Portsmouth, PO6 4TH	0.00
CH00	Hamilton Cross	Birkbeck House, Colliers Way, NOTTINGHAM, NG8 6AT	4,636.00
CH01	HCG Heating	Unit 11 Dean Road, LINCORN, LN2 4DR	1,170.00
CH02	Heart to Heart	The Bungalow, Whitwell Street, Reepham, Norwich, Norfolk, NR10 4RA	2,564.63
CH03	HIT Training	24a Cecil Pashley Way, Shoreham Airport, SHOREHAM BY SEA, BN43 5FF	0.00
CH05	HM Revenue & Customs	(Insolvency Claims Handling Unit), Room BP3202 Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	343,032.27
CH06	HSBC Bank plc	Loan Management Unit, Wholesale & Market Risk, Europe, Level 16, 8 Canada Square, London, E14 5HQ	1,064,932.00
CI00	Infection Control Training	Gordon House, 1-6 Station Road, Mill Hill, LONDON, NW7 2JU	350.00
CI01	Ivy Healthcare	Ivy Healthcare, 17 Silkstone House, Pioneer Close, Wath-Upon-Deane, Rotherham, S63 7JZ	0.00
CJ00	JLA Total Care Ltd	Meadowcroft Lane, RIPPONDON, West Yorkshire, HX6 4AJ	963.27
CJ01	JTT Equipment	Unit 6, Belton Lane Industrial Estate, GRANTHAM, NG31 9HN	293.03
CL00	Lincoln Office Services	White House, Eagle Moor, LINCORN, LN6 9DP	6,315.00
CL02	Lincolnshire Chamber of Commerce	2 Carlton Boulevard, Lincoln, LN2 4WJ	0.00
CL03	Lincolnshire Care Association (LINCA)	Greetwell Place, 2 Lime Kiln Way, Greetwell Riad, Lincoln, LN2 4US	705.30
CM00	MAN Environmental	Unit 3 Gateway Court, Dankerwood Road, LINCORN, LN6 9UL	834.00
CM01	Mark Cheetham Produce Limited	73 High Street, Newton on Trent, Lincoln, Lincolnshire, LN1 2JP	41.08
CM03	Medicare	The Malthouse, 139-141 Eastgate, WORKSOP, S80 1QS	513.00
CM04	MJ Services	Railway Street, GRIMSBY, DN32 7BN	63.60
CM05	Move It Mobility	4 Greenholme Close, LINCORN, LN2 4UH	235.00
CN01	Newcross Healthcare	The Chambers, 3A Guildhall Street, Preston, PR1 3NU	0.00
CN02	NKDC	Revenues & Benefits, PO Box 1257, LINCORN, LN5 5PQ	3,280.14
CN03	Notts County Council	County Hall, West Bridgford, NOTTINGHAM, NG2 7QP	3,717.00
CN04	NOW Pensions		0.00
CN05	Nurseplus	Riversway Building Village, 9 Navigation Way, Preston, PR2 2YP	16,917.74
CN06	North Kesteven District Council	District Council Offices, Kesteven Street, Sleaford, NG34 7EF	0.00
CN07	NS Health Staffing	92-96 Lind Road, Sutton, SM1 4PL	0.00
CN08	Namron Healthcare	1 Holly Street, Lincoln, LN5 8RS	12,344.75

Signature

Begbies Traynor (Central) LLP
SSB Carehomes Limited
B - Company Creditors

Key	Name	Address	£
CO00	Obam Stairlifts	Tillbridge Workshop, Tillbridge Lane, STURTON BY STOW, LN1 2BP	876.00
CO01	Orange Skip Co	20 Westminster Industrial Estate, Station Road, LINCOLN, LN6 3QY	200.00
CO02	Otis	Customer Care Centre, 123 Abbey Lane, LEICESTER, LE4 5QX	2,153.25
CP01	P K Garden Services	6 Lee Avenue, Heighington, LN4 1RD	0.00
CP02	PAT Test UK Ltd	Beech House, Freeman Road, North Hykeham, Lincoln, LN6 9AP	406.13
CP03	Pam Interactive t/a Ashfield Services	Corby Enterprise Centre, London Road, Priors Hall, Corby, Northamptonshire, NN17 5EU	243.09
CR00	R P Mitchell t/a RPM Valeting	798 Leeds Road, Huddersfield, HD2 1UR	1,860.00
CR01	Redundancy Payments Office	The Insolvency Service, Colbalt Square, 83-85 Hagley Road, Birmingham, B16 8QG	78,622.12
CS00	Saul Fairholm	12 Tentercroft Street, Lincoln, LN5 7DB	8,431.10
CS01	Severn Trent	PO Box 407, DARLINGTON, DL1 9WD	158.27
CS02	SSE		3,884.59
CS03	Siemens Financial Services	Sir William Siemens House, Princess Road, Manchester, M20 2UR	0.00
CS04	Southern Electric	Unit 25, Concourse House, Dewsbury Road, Leeds, LS11 7DF	0.00
CS05	SRCL Ltd	Indigo House, Sussex Avenue, Leeds, LS10 2LF	0.00
CT00	TempPer Recruitment Services	78 Mary Street, Scunthorpe, DN15 7PX	0.00
CV00	Visionary Trends	West End Farm, 9 Goadby Road, WALTHAM ON THE WOLDS, LE14 4AG	2,989.70
CW01	West Lindsey District Council	Gulldhall, Marshalls Yard, Gainsborough, Lincs., DN21 2NA	846.00
72 Entries Totalling			1,644,469.19

Signature _____

ESTIMATED STATEMENT OF FINANCIAL POSITION

Notes to the estimated statement of financial position

1. The Manor Nursing Home and Eagle Nursing Home are subject to fixed charges granted in favour of HSBC Bank plc. The name and type of security held by each charge holder is as follows:

Type of Charge	Property	Date Created	Date Registered
Legal Mortgage	Eagle Nursing Home	8 June 2011	9 June 2011
Legal Mortgage	The Manor Nursing Home	8 June 2011	9 June 2011
Legal Mortgage	11 Dog & Duck Lane	6 February 2015	9 February 2015
Debenture	Fixed and floating charge assets	8 June 2011	14 June 2011

The estimated to realise value has been listed as uncertain to avoid prejudicing potential future realisations.

2. The furniture and equipment have not at this stage been professionally valued. It is likely that furniture and equipment will be included as part of the sale of The Manor and therefore a proportion of the selling price will be apportioned accordingly.
3. The Company owns a minibus which is currently awaiting repairs and taxing. The realisable value is estimated to be £200.
4. The realisable value of the director's loan account is currently uncertain and further investigations are required to establish the final balance outstanding.
5. Debtors are based on a ledger of £110,197 as at 17 July 2018. However, debts totalling £34,360 have been written off as irrecoverable. A provision of 50% has been applied to the balance of £75,837, resulting in an estimated to realise balance of £37,919.
6. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
 - b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.
7. The claim of HM Revenue & Customs represents PAYE, NIC and Corporation Tax.
 8. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
 9. The estimated total deficiency is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

REMUNERATION AND EXPENSES

Total time spent to 10 September 2018 on this assignment amounts to 204 hours at an average composite rate of £180 per hour resulting in total time costs to 10 September 2018 of £36,762.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor (Central) LLP's charging policy including HSBC Bank plc agreed hourly charge out rates
- ☐ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value
- ☐ The Administrators' fees estimate
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

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 draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates
Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *Ibid* 1

payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
<i>Partner</i>	395
<i>Director</i>	345
<i>Senior Manager</i>	310
<i>Manager</i>	265
<i>Assistant Manager</i>	205
<i>Senior Administrator</i>	175
<i>Administrator</i>	135
<i>Trainee Administrator</i>	110
<i>Support</i>	60 - 110

AGREED HSBC BANK PLC PANEL CHARGE-OUT RATES

The rates agreed with HSBC Bank plc at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
<i>Partner</i>	260
<i>Director</i>	260
<i>Senior Manager</i>	190
<i>Manager</i>	190
<i>Assistant Manager</i>	190
<i>Senior Administrator</i>	130
<i>Administrator</i>	85
<i>Trainee Administrator</i>	85
<i>Support</i>	85

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: SSB Carehomes Limited

CASE TYPE: Administration

OFFICE HOLDERS: Bob Maxwell and Lee Lockwood

DATE OF APPOINTMENT: 17 July 2018

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Full details of the work undertaken prior to appointment were provided in the main body of this report at Section 9.

1.4 Complexity of work undertaken prior to appointment

The proposed administrators believe that the work was of a reasonably complex nature which had to be undertaken in a very short space of time. It was necessary to collate and review various financial information along with preparing cash flow forecasts to establish the ongoing trading position.

1.5 Exceptional responsibilities

There have been no exceptional responsibilities prior to the Administration.

1.6 The proposed Administrators' effectiveness

The proposed Administrators were effective in securing a modest overdraft facility from HSBC Bank plc, allowing the continued trading of the Manor.

1.7 Approval of fees, expenses and disbursements incurred in the period prior to appointment

The Administrators are seeking a resolution in relation to their pre-administration costs as follows:

"That the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment."

- 1.8 **Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group**

Category 2 Disbursements

Pursuant to the resolution being sought in relation to the unpaid pre-administration costs, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements are proposed to be charged in relation to the period prior to appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	189.00
TOTAL	189.00

- 1.9 **Other professionals employed & their costs**
The proposed Joint Administrators instructed solicitors, Irwin Mitchell Solicitors LLP ("IM"), to assist the director with the necessary paperwork to place the Company into Administration and file the documents in Court. IM will be paid on a time costs basis.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3.
- 2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3.

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration			6.8		0.5				0.8	8.10	1,455.00	179.63
Case planning	4.3		7.3		10.8					22.40	4,557.00	203.44
Assets												
Negotiation of sale of business +/- assets												
Creditors												
Other creditors												
Secured - correspondence and meetings			12.9							12.90	2,451.00	190.00
Meetings and correspondence with directors	11.0		3.7		4.0					18.70	4,323.00	231.18
Travel			6.0							6.00	1,140.00	190.00
Total hours by staff grade	15.3		36.7		15.3				0.8	58.1		
Total time cost by staff grade £	3,978.00		6,973.00		2,907.00				68.00		13,926.00	
Average hourly rate £	260.00		190.00		190.00				85.00			204.49
Total fees drawn to date £											0.00	

SSB Carehomes Limited**SUMMARY OF TIME COSTS AND EXPENSES**

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

The Joint Administrators have formulated an appropriate strategy and monitored and reviewed that strategy, including meetings with internal and external parties to agree the same. We are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. Time spent also includes complying with internal filing and information recording practices, including documenting strategy decisions. Banking and other cashiering related activities are also recorded under this heading.

Compliance with the Insolvency Act, Rules and best practice

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the Administration. We have notified all relevant bodies of our appointment, including creditors, the Registrar of Companies and advertised our appointment in the London Gazette.

We have also prepared our Statement of Proposals, as we are obliged to do, to provide creditors with a detailed explanation of the reasons for the failure of the Company, the progress made during the Administration to date and the work which will be undertaken going forward in order to achieve the Administration's objective.

Investigations

A minimal amount of time has been incurred investigating the overdrawn director's loan account position. As detailed in the main body of this report, further investigations will be required to establish the final balance outstanding.

Realisation of assets

Time has been incurred liaising with Eddisons and Bespoke Care in respect of the sale of The Manor and The Eagle. This has involved preparing information for interested parties and reviewing non-disclosure agreements prior to releasing information to interested parties.

In addition, it has been necessary to review the debtor ledger to establish the correct position at the date of our appointment. This has involved liaising with the Company's bookkeeper and reviewing the Company's bank statements for payments made immediately prior to our appointment.

Trading

It has been necessary to liaise with suppliers and staff at The Manor on a regular basis. In addition, we have been in regular communication with the external bookkeeper and HSBC in order to closely monitor ongoing trading. This has been time intensive in order to manage all aspects of an operational care home.

Dealing with all creditors' claims (including employees), correspondence and distributions

As a result of The Eagle closing prior to our appointment, a number of employees were made redundant by the Company at that time and others not. It has therefore been necessary to deal with these employees in terms of confirming the redundancy date of those previously made redundant by the Company and making redundancies on appointment. We have therefore spent time liaising with our solicitors in this regard and dealing with employee queries and assisting them with making their claim to the Redundancy Payments Service.

We have been corresponding with unsecured creditors to explain the situation with regards to the Administration of the Company.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel

The Administrators and their staff have travelled to and from The Manor and The Eagle to attend meetings at the Homes.

Time Costs Analysis

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

As the Administration progresses, updates will need to be made to the strategy dependent upon the outcome of the realisations and investigations. This will include meetings between members of staff to formulate the strategy moving forward and ensure that the strategy is achieved. As detailed above, we are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This will include compliance reviews, internal checklist updates and six monthly case reviews.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require that the Joint Administrators produce interim progress reports on a six monthly basis to provide an update to the creditors of the progression made during the Administration.

In addition, a final progress report will have to be produced once the Administration has reached its conclusion. This will provide creditors with an overview of the Administration, including all realisations, costs and the final outcome for creditors.

Should the Administration need to be extended beyond its statutory term of 12 months, the Administrators have a duty to seek an extension, firstly from the creditors and subsequently by Order of the Court, should a further extension be required.

Progress reports and the other statutory documentation detailed above must also be filed with the Registrar of Companies under the Insolvency Act. The Joint Administrators will also periodically monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

Investigations

As detailed in Section 11 of the main body of the proposals, the Joint Administrators are undertaking an investigation into the Company's affairs prior to our appointment. Although we are not in a position to disclose such details to creditors in this respect, we will update creditors in our future progress reports of our findings into the conduct of the Company. In addition, further investigations will be required in respect of the director's overdrawn loan account.

Realisation of assets

It will be necessary to continue to liaise with Eddisons and Bespoke Care in respect of the ongoing marketing of The Homes. This is likely to involve meetings and general correspondence with our agents and providing current and historic trading information in relation to The Manor.

Time will be incurred pursuing the director's overdrawn loan account which will require investigating and reconciling.

Trading

It will be necessary to continue to trade The Manor whilst we continue to pursue a sale as an operational business. This will involve regular cash flow reconciliations, liaising with the Company's bookkeeper in respect of invoicing etc and regular discussions with the manager of The Manor and liaising with HSBC with regard the operation of the bank account.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to deal with creditors' queries during the entire duration of the Administration.

We will also continue to provide information to the Redundancy Payments Service, as and when required, to process the claims of employees.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

We will be seeking a decision from the secured creditor on approval of our pre-appointment fee and our post appointment remuneration and disbursements.

How much will this further work cost?

As detailed in the fee estimate attached at Appendix 3, we estimate the overall time costs for the Administration to total £154,962 based on HSBC bank panel rates. Please be advised that this is just an estimate based upon the time spent on similar historic cases.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at Appendix 3.

Grade	Case planning	Conciliation/Partner	Director	Sr Mngt	Mngt	Asst Mngt	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and monitoring	Administration		2.1	1.1					4.7	0.9	7.7	347.00	310.00
	Administration		2.1	1.4					4.7	0.9	9.1	1,774.50	195.00
	Total for General Case Administration and Monitoring:			2.5					4.7	0.9	10.2	1,497.00	146.76
Compliance with the Insolvency Act, Rules and best practice	Appointment			4.0		3.8			6.4		13.2	2,613.00	197.95
	Banking and Bonding			1.1						3.6	4.7	737.00	156.81
	Case Closure												0.00
	Statutory reporting and statement of affairs	2.3		0.2		5.5			3.5		11.5	2,483.00	215.91
	Total for Compliance with the Insolvency Act, Rules and best practice:	2.3		5.3		9.3			6.9	3.6	25.4	4,434.50	166.83
Investigations	ODDA and investigations			0.5							0.5	155.00	310.00
	Total for Investigations:			0.5							0.5	95.00	190.00
Realisation of assets	Debt collection			2.9							2.9	899.00	310.00
	Property, business and assets sales			11.8		2.5			1.0		15.9	4,346.50	273.36
	Retention of Third/Third party assets			0.6		1.0					1.6	391.00	244.38
	Total for Realisation of assets:			15.3		3.5			1.6		26.4	3,708.50	181.78
Trading	Trading	2.3	1.3	27.0		32.1			2.3		65.0	16,500.50	254.78
	Total for Trading:	2.3	1.3	27.0		32.1			2.3		65.0	12,360.50	190.16
Working with all creditors claims (including employees), correspondence and distributions	Secured		2.3	18.4		5.5					26.2	7,625.00	291.03
	Others			11.5		22.3	0.3		5.6		30.7	8,405.00	271.70
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:		2.3	29.9		27.8	0.3		6.6		83.9	12,076.00	183.25
Other matters which include litigation decisions of creditors, things, tax, litigation, claims and travel	Seeking decisions of creditors			0.3							0.3	93.00	310.00
	Meetings	5.0				2.5					7.5	2,487.50	331.07
	Other					2.5					2.5	512.50	205.00
	Tax					1.0			1.1		2.1	506.00	155.24
	Litigation												0.00
	Total for Other matters:	5.0		0.3		6.0			1.1		12.4	2,996.50	208.91
	Total hours by staff grade:	8.6	5.7	80.8		78.7	0.3		24.2	4.5	203.8		
	Total time cost by staff grade:	2,486.00	1,482.00	13,352.00		14,953.00	38.00		2,057.00	382.50		38,761.50	
	Average hourly rate £:	280.00	260.00	160.00		190.00	130.00	0.00	85.00	85.00			180.38
	Total fees drawn to date £:											0.00	

SSB CAREHOMES LIMITED

THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis at HSBC Bank plc panel rates. Details these hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below and attached. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	32.00	6,150.00	192.19
Compliance with the Insolvency Act, Rules and best practice	79.90	13,186.00	165.03
Investigations	70.00	12,950.00	185.00
Realisation of assets	163.00	29,815.00	182.91
Trading	320.00	59,400.00	185.63
Dealing with all creditors' claims (including employees), correspondence and distributions	135.60	25,876.00	190.83
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	39.00	7,585.00	194.49
Total hours	839.50		
Total time costs		154,962.00	
Overall average hourly rate £			184.59

Although the fees estimate indicates that the total time costs for this matter will be £154,962, these are based on the agreed reduced HSBC panel rates. However, please note that should HSBC Bank plc be repaid in full, we would look to draw our remuneration based on our normal hourly charge out rates detailed in the charging policy accompanying this report.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 10 September 2018

Staff Grade	Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	2.00											
Administration	2.00	6.00	4.00		2.00					8.00	1,660.00	207.50
Total for General Case Administration and Planning:	4.00	6.00	8.00	-	7.00	-	-	6.00	1.00	32.00	6,160.00	192.19
Compliance with the Insolvency Act, Rules and best practice												
Appointment			4.00		3.60			5.40		13.20	1,941.00	147.05
Banking and Bonding									2.60	3.70	430.00	116.22
Case Closure	1.00		1.10					5.00		13.00	2,015.00	155.00
Statutory reporting and statement of affairs	5.00		15.00		20.00			10.00		50.00	8,800.00	176.00
Total for Compliance with the Insolvency Act, Rules and best practice:	6.00	-	22.10	-	23.60	-	-	20.40	2.60	78.90	13,166.00	166.03
Investigations	10.00		25.00		25.00			10.00		70.00	12,950.00	185.00
Total for Investigations:	10.00	-	25.00	-	25.00	-	-	10.00	-	70.00	12,950.00	185.00
Realisation of assets	1.00		20.00		10.00			20.00		51.00	7,660.00	150.20
Debt collection inc property, loan accounts, assets	20.00		50.00		35.00			5.00		110.00	21,775.00	197.95
Property, business and asset sales			1.00		1.00					2.00	360.00	180.00
Retention of Title/Third party assets												
Total for Realisation of assets:	21.00	-	71.00	-	46.00	-	-	25.00	-	163.00	29,816.00	182.91
Trading	40.00		120.00		120.00			40.00		320.00	59,400.00	185.63
Total for Trading:	40.00	-	120.00	-	120.00	-	-	40.00	-	320.00	59,400.00	185.63
Dealing with all creditors claims (including employees), correspondence and distributions	10.00		40.00		20.00			5.60		70.00	14,000.00	200.00
Secured			20.00		40.00					60.00	11,878.00	197.95
Others												
Creditors committee												
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	10.00	-	60.00	-	60.00	-	-	5.60	-	135.60	25,878.00	190.83
Other matters which includes meetings, tax, litigation, pensions and travel	10.00		5.00		4.00					9.00	1,710.00	190.00
Other					5.00					15.00	3,550.00	236.67
Tax			5.00		5.00			5.00		15.00	2,325.00	155.00
Litigation												
Total for Other matters:	10.00	-	10.00	-	14.00	-	-	5.00	-	39.00	7,585.00	194.49
Total hours by staff grade:	107.00	6.00	317.10	-	300.80	-	-	111.00	3.60	839.50		
Total time cost by staff grade:	26,260.00	1,560.00	60,249.00	-	57,152.00	-	-	9,435.00	306.00		154,962.00	
Average hourly rate £:	260.00	260.00	190.00	190.00	190.00	130.00	85.00	85.00	85.00			184.59
Total fees drawn to date £:												

SSB CAREHOMES LIMITED

**DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY
TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION**

No.	Type of expense	Description	Estimate £ + VAT
1.	Advertisements	Of appointment, dividends etc.	169
2.	Bond	An Insolvency Practitioner is required to have a <i>bond in place to protect the estate from misappropriation of funds</i>	320
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity	20,000
4.	Security Costs	Costs associated with securing the Company's premises	5,000
5.	Storage costs	An Insolvency Practitioner is required to retain <i>relevant books and records of the insolvent entity</i> in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	170
6.	Property agent's sale fees and disbursements	Costs incurred from the sale of the Company's premises and their anticipated disbursement	3% of selling price plus disbursements of 2,000
7.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	40,000
8.	Travel	Travel to and from the Company's premises	500
9.	Accountancy Fees	For assistance with completing the Company's Corporation Tax returns and any tax relief.	5,000

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.