

AM03

Notice of administrator's proposals



Companies House

THURSDAY



A07 *A8DBXNKQ* 05/09/2019 #292
COMPANIES HOUSE

1 Company details

Company number 06076619
Company name in full Abelia Care Services Limited

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

2 Administrator's name

Full forename(s) Joph
Surname Young

3 Administrator's address

Building name/number Leonard Curtis
Street Bamfords Trust House
85-89 Colmore Row
Post town Birmingham
County/Region
Postcode B3 2BB
Country

4 Administrator's name

Full forename(s) Conrad
Surname Beighton


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

5 Administrator's address

Building name/number Leonard Curtis
Street Bamfords Trust House
85-89 Colmore Row
Post town Birmingham
County/Region
Postcode B3 2BB
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	Signature ✕  ✕												
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LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**ABELIA CARE SERVICES LIMITED
(IN ADMINISTRATION)**

Registered Number: 06076619

Court Ref: CR-2019-BHM-000636

High Court of Justice Business and Property Courts in Birmingham - Company & Insolvency
List (CHD)

**Joint Administrators' Report and Statement of Proposals in accordance
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of
the Insolvency (England and Wales) Rules 2016**

Report date: 3 September 2019

Date report deemed to be delivered to creditors: 3 September 2019

Decision date: 19 September 2019

Leonard Curtis contact details:

Bamfords Trust House, 85-89 Colmore Row,
Birmingham B3 2BB

Tel: 0121 200 2111 Fax: 0121 200 2122

General email: recovery@leonardcurtis.co.uk

Email for requests for a physical meeting: Birmingham.meetingreq@leonardcurtis.co.uk

Ref: B/50/AR/AA09C/1040

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**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS**

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of Conrad Beighton and I as Joint Administrators ("the Joint Administrators") of Abelia Care Services Limited ("the Company") on 16 August 2019, and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 (as amended) ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires administrators to perform their 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.
- 1.3 I can confirm that in this case the Joint Administrators are of the opinion that the Company has sufficient property to enable a distribution to be made to unsecured creditors. Accordingly they are required to seek a decision from the Company's creditors as to whether they approve these Proposals. The Joint Administrators are also required to ask the creditors to determine, amongst other things, the basis upon which the Joint Administrators will draw their remuneration and Category 2 disbursements. It is our intention to seek these decisions by correspondence as provided for by the Act and Rules. Formal Notice of this Decision Procedure is attached at Appendix I. A voting form is attached at Appendix J. This form should be completed and returned to this office by 23:59 on the Decision Date, being 19 September 2019, with a completed proof of debt form (attached at Appendix K) or your vote will be disregarded, as will any forms returned after the decision date.
- 1.4 Creditors meeting the following minimum criteria may request in writing that the decisions be made at a creditors' meeting, rather than by correspondence:
- a) 10% in value of the creditors; or
 - b) 10% in number of the creditors; or
 - c) 10 creditors
- 1.5 Such a request must be made not later than five business days after the date on which these Proposals were delivered. The deemed date of delivery of this report is given on the front page. Requests should ideally be made to Birmingham.meetingreq@leonardcurtis.co.uk.
- 1.6 In the event that no such request is received, the Joint Administrators will, as soon as reasonably practicable after the Decision Date specified on 1.3 above, report to creditors on the decisions taken.

Notice of an Invitation to Creditors to Form a Creditors' Committee

- 1.7 Creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.

1.8 Attached at Appendix M is Notice of an Invitation to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by the Decision Date shown on the front of this report and can only be accepted if the Administrators are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016 (as amended) ("the Rules").

1.9 In order to assist creditors in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

2 STATUTORY INFORMATION

2.1 The administration proceedings are under the jurisdiction of the High Court of Justice Business and Property Courts in Birmingham - Company & Insolvency List (CHD) under Court reference CR-2019-BHM-000636.

2.2 During the period in which the administration is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.

2.3 The Company's registered office is 17 West Street, Leominster, Herefordshire HR6 8EP. Following the Joint Administrators' appointment, Form AD01 was submitted to the Registrar of Companies, changing the Company's registered office to 40 – 41 Foregate Street, Worcester WR1 1EE. This is expected to be processed shortly. The registered number is 06076619. The Company traded as its registered name.

2.4 The Company operated from a freehold premises at 17 West Street, Leominster, Herefordshire, HR6 8EP.

2.5 The Company's director is:

Name	Role	Date Appointed
Helen Rooke	Director	31 January 2007

2.6 The Company's authorised share capital is 80 class A ordinary £1 shares and 20 class B ordinary £1 shares. The issued share capital comprises, the shares being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Helen Rooke	Ordinary Class A	80	80
Helen Rooke	Ordinary Class B	20	20
		100	100

2.7 According to the information registered at Companies House, the Company has the following registered charges:

Chargeholder	Date created	Description	Assets Charged
Barclays Bank PLC	14 August 2017	Mortgage	Freehold property at 17 West Street Leominster, Herefordshire HR6 8EP.
Barclays Bank PLC	5 July 2017	All assets debenture	All monies and all assets

- 2.8 The EC Regulation on Insolvency Proceedings 2015 applies to this administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3.1 The Company was incorporated at Companies House on 31 January 2007, and later began trading in January 2008 after receiving registration from the Care Quality Commission ("CQC").
- 3.2 The Company is a domiciliary care agency, providing community care across Herefordshire, Shropshire and Worcestershire. Prior to the Joint Administrators' appointment the Company employed 19 members of staff.
- 3.3 Up until August 2017, the Company traded from a leasehold premises in Leominster. However, due to the ongoing growth of the Company, on 14 August 2017, the Company purchased a freehold property at 17 West Street, Leominster, Herefordshire HR6 8EP ("the Property"), from where it continued to trade up until the date of administration.
- 3.4 The purchase of the property was financed by way of a mortgage provided by Barclays Bank Plc ("Barclays") created on 14 August 2017 and delivered at Companies House at 24 August 2017.
- 3.5 The Company traded well for several years maintaining a steady profit each year. By the end of 2018, the director was hoping to retire in the immediate future, and accordingly, sought to appoint agents to value and advertise the sale of the portfolio of client care packages.
- 3.6 On 15 February 2019, the director subsequently instructed specialist agents at Redwood Dowling Kerr ("RDK") to sell the business and assets, including the Property, on her behalf.
- 3.7 The business and assets were marketed for three months by RDK, during which time little interest had been generated, with only five expressions of interest received. In light of this, in April 2019, the director also approached a local contact within the domiciliary care industry who advised that they wished to receive further information about the opportunity. The interested party signed a non disclosure agreement and a period of correspondence began between the director and the interested party.
- 3.8 During this period of correspondence, and in May 2019, RDK approached the Company with a further interested parties. Of the six expressions of interest RDK received, only one party chose to pursue this further.
- 3.9 With the Company struggling with cash flow, the director advised both parties that any interest would have to be progressed and finalised within a focussed timeframe
- 3.10 On 29 May 2019, a meeting was held between Joph Young, the director and the first interested party to discuss matters relating to the sale of the business. The director provided the interested party with further information for their consideration, however, following this meeting they withdrew their interest.
- 3.11 On 3 June 2019, Services for Independent Living ("the Purchaser") offered to purchase the business and assets, excluding the Property, for £50,000. This offer was recommended for acceptance on the basis that it represented a better outcome for the general body of creditors, than the Company ceasing to trade. The offer would secure the ongoing employment for the majority of the employees and would ensure the ongoing critical care needs of the Company's clients would be met with no hiatus or disruption to the service.
- 3.12 The offer was duly accepted by the Company, and negotiations began with a view to the sale completing at the end of July.
- 3.13 As negotiations continued, the Company was trading through a period of steady decline, with a significant reduction in profits. This affected the Company's cash flow and, accordingly, the Company was becoming increasingly reliant on the finance provided by the director to facilitate ongoing trading.

- 3.14 On 25 July 2019, Joph Young met with the director to discuss the progress of the sale and the Purchaser's request to complete the sale at the end of August 2019. The director advised that she was no longer able to continue financially supporting the Company. Without funding from the director, the Company did not have the cashflow available to continue trading and would be unable to pay its debts as they fell due.
- 3.15 With creditor pressure increasing, Joph Young advised the director that in order to protect the interests of the Company, it was their view that a pre-packaged sale of the Company's business and assets via administration would be appropriate.
- 3.16 Following this meeting, the director formally instructed Joph Young and Conrad Beighton on 1 August 2019, with a view to placing the Company into administration.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the years ended 31 May 2016, 2017 and 2018 are detailed below:

	Financial Statements for the year ended 31 May 2018	Financial Statements for the year ended 31 May 2017	Financial Statements for the year ended 31 May 2016
	£	£	£
Turnover	430,207	602,914	697,439
Administrative expenses	(447,405)	(568,064)	(647,527)
Operating (loss) / profit	(17,198)	34,850	49,912
Interest receivable	10	62	127
	(17,188)	34,912	50,039
Interest payable	(3,771)	-	-
(Loss) / profit before taxation	(20,959)	34,912	50,039
Tax on profit / (loss)	230	(6,919)	(10,007)
(Loss) / profit for the year	(20,729)	27,993	40,032
Dividends paid	(36,557)	(38,116)	(42,000)
Retained profit b/f	118,093	128,216	130,184
Retained profit c/f	60,807	118,093	128,216

4.2 The balance sheets as at 31 May 2016, 2017 and 2018 are detailed below:

	Financial Statements as at 31 May 2018	Financial Statements as at 31 May 2017	Financial Statements as at 31 May 2016
	£	£	£
Fixed assets			
Tangible assets	171,796	3,276	5,949
	<u>171,796</u>	<u>3,276</u>	<u>5,949</u>
Current assets			
Debtors	26,569	44,650	29,616
Cash at bank and in hand	8,815	90,713	150,200
	<u>35,384</u>	<u>135,363</u>	<u>179,816</u>
Creditors: Amounts falling due within one year	(25,644)	(20,246)	(56,772)
Net current assets	<u>9,740</u>	<u>115,117</u>	<u>123,044</u>
Total assets less current liabilities	<u>181,536</u>	<u>118,393</u>	<u>128,993</u>
Creditors: Amounts falling due after more than one year	(120,629)	-	-
Provision for liabilities	-	(200)	(677)
Net assets	<u>60,907</u>	<u>118,193</u>	<u>128,316</u>
Represented by			
Called up equity share capital	100	100	100
Profit and loss account	60,807	118,093	128,216
Shareholders' funds	<u>60,907</u>	<u>118,193</u>	<u>128,316</u>

Statement of Affairs

4.3 The director is required to lodge a statement of affairs as at 16 August 2019 which has to be filed with the Registrar of Companies. This document has not yet been received. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Secured Creditor

4.4 Barclays Bank Plc ("Barclays") hold two charges over the assets of the Company. A debenture incorporating fixed and floating charges over all the Company's assets was created on 5 July 2017 and delivered on 12 July 2017.

4.5 Barclays also hold a mortgage over the Property which was created on 14 August 2017 and delivered at Companies House on 24 August 2017.

4.6 At the date of the Joint Administrators' appointment, Barclays was owed £120,745. Based on the current information, it is anticipated that Barclays will be repaid in full following the sale of the Property.

Prescribed Part

- 4.7 The Act provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.
- 4.8 The method of calculating the prescribed part and additional notes as regards its application are detailed in the notes at Appendix B.
- 4.9 Based upon the information currently available, it is estimated that Barclays will be paid in full following the sale of the Property. Accordingly, there will be no requirement to set aside a prescribed part in this case.

Preferential Claims

- 4.10 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.
- 4.11 The Company's employees have transferred to the Purchaser in accordance to the terms of the Sale and Purchase agreement ("SPA"). Pursuant to the Transfer of Undertakings (Protection of Employment) Regulation ("TUPE"), all liabilities associated with the employees were also transferred to the Purchaser.

Unsecured Claims

- 4.12 Based upon the information currently available, it is anticipated that there will be sufficient funds available to allow a dividend to be paid to unsecured creditors. This may be paid in the administration with the consent of the court or by a subsequently appointed Liquidator, should liquidation be the appropriate exit route from the administration process. Creditors are asked to forward full details of their claims using the proof of debt form attached at Appendix K.

Receipts and Payments

- 4.13 A receipts and payments account for the period of administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

Sale of Business

- 5.1 Prior to and upon appointment, the Joint Administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:
- Maximise asset realisation;
 - Mitigate preferential creditor claims and preserve the employment of staff; and
 - Mitigate the social impact having regard to the specialist and critical nature of the business.
- 5.2 The Purchaser made an offer of £50,000 to the director to purchase the business and assets, excluding the Property. Following their due diligence this offer was subsequently reduced to £25,000. The Purchaser stated that the reduction was to account for the Company's annual turnover reducing from £355,000 to £298,000 and following the resignation of two key members of staff, which could lead to care packages being handed back to the local authority shortly after completion.

5.3 The director approached independent valuation agents at Gordon Brothers International LLC ("Gordon Brothers"), who are RICS registered valuers, for their advice on the offer received. Gordon Brothers advised that the value of the client care packages would be speculative and could range from nil to £50,000. In light of this and based on the Purchaser's offer being the only formal offer received, together with the impact on the community should continuation of the customer contracts not be achieved and the potential for adverse publicity, the Joint Administrators were comfortable that the offer of £25,000 from the Purchaser represented that best offer available, and therefore recommended its acceptance.

5.4 The Company's assets sold to the Purchaser, as detailed in the SPA, consist of the following:

- the Computer Software;
- the Seller's Records;
- the Communications Equipment;
- the IT Equipment; and
- the benefit of the Customer Contracts.

5.5 The sale consideration of £25,000 was apportioned under the SPA as follows:

Category of asset	Value achieved £
Floating charge assets	
Computer software	1.00
Seller's records	1.00
Communications equipment	1.00
IT equipment	1.00
Customer contracts	24,996.00
Total	<u>25,000.00</u>

5.6 The purchase price was paid in full on completion.

5.7 As the purchase price was payable in full upon completion, no guarantees were requested and, accordingly, no guarantees were provided.

5.8 There are no other terms of the sale that could materially affect the asset consideration.

5.9 The sale included a transfer of the Company's employees in accordance with TUPE, preserving 19 jobs.

5.10 All significant assets have been sold as part of the transaction, with the exception of the following:

- the Book Debts;
- the Administrators' Records;
- the goodwill;
- the excluded contracts
- the Third Party Assets;
- any cash in hand or at the bank;
- the freehold property and any and all other real property owned, leased or used by the Seller;

- all policies of insurance and assurance and any actual or potential claim under such policies or similar contracts or in damages against any third party;
- the benefit of any actual or potential claim, or right to make a claim, against any person (other than claims under the manufacturers or suppliers' warranties included in the Assets) including the proceeds of any litigation;
- any shares or other securities owned by the Seller; and
- any other property, rights or assets of the Seller which are not listed as an included asset.

5.11 There are no buy-back arrangements, options, or similar conditions attached to the contract of sale, nor is it part of a wider transaction.

Balance at bank

5.12 The Company operated a current account with Barclays, which is understood to hold a credit balance in the region of £3,000. The Joint Administrators have written to Barclays in the period following their appointment seeking confirmation of the balance held and requested the transfer of this balance.

5.13 It is anticipated that the credit balance will be transferred to the Joint Administrators' account in due course.

Book Debts

5.14 At the date of the Joint Administrators' appointment the gross value of the Company's sales ledger was £3,687. All outstanding invoices have now been issued to clients in respect of services provided up until the Joint Administrators' appointment.

5.15 In accordance with the SPA this category of asset has been excluded and will be collected by the Joint Administrators. It is anticipated that all invoices will be payable in full.

Freehold Property

5.16 In August 2017, the Company purchased the Property, as its new trading premises and head office. As detailed above, Barclays hold a mortgage over the Property which was created on 14 August 2017 and delivered at Companies House on 24 August 2017.

5.17 Prior to the Joint Administrators' engagement and in January 2019, the director instructed independent local agents at Jackson Property and Jonathan Wright Estate Agents to value and sell the property.

5.18 The property was initially marketed at an asking price of £199,950, however, initial marketing proved tough with little interested generated. As a result, the asking price has since been reduced to £190,000.

5.19 The Property will remain on the market and we are continuing to liaise with the local agents in respect of the most appropriate strategy to realise the Property. Creditors will be updated further in this regard in due course.

Office furniture and equipment

5.20 The Company owns various items of office furniture and equipment that were excluded from the SPA. Prior to the sale of the Property the Joint Administrators will instruct agents to value and realise this category of asset.

Professional Advisors and Subcontractors Used

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

Name of Professional Advisor	Service Provided	Basis of Fees
Morgan Phelps Solicitors	Legal advice	Time costs

- 5.22 Details of Leonard Curtis' policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

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

- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved);
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

- 6.2 The first objective is not considered to be capable of being achieved given the extent of historic liabilities.

- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration). In the opinion of the Joint Administrators, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors which would not have been the case if the Company had been wound up without first being in administration.

- 6.4 The third objective is to realise property in order to make a distribution to secured or preferential creditors. In the event that the second objective cannot be achieved, the third purpose will be achieved as it is anticipated that Barclays will be repaid in full following the sale of the Property.

- 6.5 The administration has been, and will continue to be financed by monies received from asset realisations.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

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

- 7.2 The Joint Administrators have considered the various options available to the Company. As previously stated, based on information currently available, the Joint Administrators consider that realisations may be sufficient to enable a dividend to be paid to unsecured creditors. In this situation, the Joint Administrators may apply to court for permission to make such a distribution in the administration. Alternatively, if considered preferable, on completion of the administration, the Joint Administrators will file a notice with the Registrar of Companies in order that the administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL").

- 7.3 In the event that the Joint Administrators choose to place the Company into CVL, the Proposals provide for the appointment of myself and/or Conrad Beighton as Joint Liquidators. Creditors may nominate a different person to be liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of Joint Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:
- each secured creditor of the Company; and
 - if the company has unsecured debts, the unsecured creditors of the Company.
- 8.3 Based on the information currently available the Joint Administrators do not believe that an extension to the administration will be necessary in this case.

9 PRE-ADMINISTRATION COSTS

- 9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

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

- 9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Dealing with the formalities of the administration appointment, providing advice on the ongoing strategy and negotiating the sale of the Company's business and assets to the Purchaser.	£30,582.50	-	N/a	£30,582.50
Morgan Phelps	Appointment formalities, drafting and dealing with sale contract.	£17,582.00	-	N/a	£17,582.00

- 9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £30,583 have been incurred which represents 75.90 hours at a rate of £402.93.
- 9.4 Leonard Curtis were engaged by the director on 15 May 2019.
- 9.5 The work undertaken by Leonard Curtis and Joint Administrators included attending meetings and liaising with the director of the Company, negotiating with potential interested parties, dealing with the formalities relating to the sale of the business including negotiating a sale to the Purchaser and reviewing the sale and purchase agreement, liaising with instructed agents and preparing the necessary appointment documents.
- 9.6 The Joint Administrators' pre-appointment costs total £30,583, they propose to limit these costs to £22,500 in order to enhance the return to the unsecured creditors.

- 9.7 Morgan Phelps Solicitors ("Morgan Phelps") were instructed to provide legal assistance in relation to the formalities of the Joint Administrators' appointment, as well as the preparation of the sale and purchase agreement.
- 9.8 The payment of unpaid pre-administration costs (set out above) as an expense of the administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Joint Administrators' Proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively will be by a decision of the general body of creditors.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

- 10.2 The Joint Administrators think that the Company will have sufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, it is for the Creditors' Committee to determine the basis of remuneration. If there is no Committee, or if the Committee fail to make the requisite determination then the basis of remuneration must be fixed by a decision of the creditors.
- 10.3 The outcome of this decision will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the administration is set out at Appendix E. It includes the following:
- Details of the work that the Joint Administrators and their staff propose to undertake;
 - The hourly rate or rates that Joint Administrators and their staff propose to use; and
 - The time that the Joint Administrators anticipate that each part of the work will take.
- 10.6 Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £2,220 have been incurred to date which represents 6.5 hours at a rate of £341.46 per hour.

- 10.7 The total amount of time costs as set out in the Fees Estimate is £19,308. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.8 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to creditors for further approval.
- 10.9 Details of Leonard Curtis' charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H. Please be aware that Leonard Curtis' charge out rates have been amended with effect from 1 August 2019.
- 10.10 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
- 10.11 If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Amy Richardson of this office on 0121 200 2111

Statement of Likely Expenses

- 10.12 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information of this information, it has been separated into the following categories:
- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
 - (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the creditors in the same way as fees and creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

Further Updates

- 10.13 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.
- 11.2 The Estimated Outcome Statement assumes the following:
- a) That asset realisations are in line with those estimated at Appendix B;
 - b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
 - c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.
- 11.3 In summary:
- Secured creditors - It is currently anticipated that Barclays will be paid in full following the sale of the Property.
 - Preferential creditors – There are no preferential creditors in this case.
 - Unsecured creditors – Based on the information currently available it is anticipated there will be sufficient funds to enable a dividend to unsecured creditors.

12 RELEASE OF JOINT ADMINISTRATORS FROM LIABILITY

- 12.1 As soon as all outstanding matters in the administration have been attended to it is anticipated that the Joint Administrators will file a notice with the Registrar of Companies in order that the administration will cease and the Company will move automatically to Creditors' Voluntary Liquidation.
- 12.2 On the registration of the relevant notice with the Registrar of Companies, the administration and the appointment of the Joint Administrators will automatically cease.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the administration. The Voting Form at Appendix J includes a decision that we be discharged from liability immediately upon our appointment ceasing to have effect.

13 VOTING PROCEDURE AND CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Details of all decisions to be made by creditors are included on Appendix I – Notice of a Decision Procedure by Correspondence. In order for your vote to count, you should ensure that your completed voting form (see Appendix J) has been delivered to the Joint Administrators on or before the Decision Date given on the front of this report and in Appendix I. Your vote should be accompanied by a proof of debt, unless one has previously been provided, failing which your vote may be disregarded.
- 13.3 Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.
- 13.4 Creditors will be notified of the outcome of the decision procedure in due course.

Abelia Care Services Limited - In Administration

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

Yours faithfully
for and on behalf of

ABELIA CARE SERVICES LIMITED



JOPH YOUNG
JOINT ADMINISTRATOR

Joph Young and Conrad Beighton are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 20290 and 9556, respectively

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

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Joph Young and/or Conrad Beighton be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65(3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Joph Young and/or Conrad Beighton be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 16 AUGUST 2019

	Notes	Book Value £	Estimated to Realise £
Assets specifically pledged			
Freehold property	1	169,942	190,000
Less: Amount due Barclays Bank Plc	2	(120,745)	(120,745)
Surplus as regards Barclays Bank Plc		<u>49,197</u>	<u>69,255</u>
Assets not specifically pledged			
Surplus as regards Barclays Bank Plc	2	49,197	69,255
Customer contracts	3	-	24,996
Computer software	4	-	1
Seller's records	5	-	1
Communications equipment	6	-	1
IT Equipment	7	-	1
Balance at bank	8	3,000	3,000
Books debts	9	3,687	3,687
Office furniture and equipment	10	<u>1,759</u>	<u>250</u>
Available for preferential creditors		<u>57,643</u>	<u>101,192</u>
Preferential Creditors	11		-
Net property available for prescribed part			<u>101,192</u>
Less: Prescribed part calculation	12		-
Available for floating charge creditors b/d			101,192
Owing to secured creditors			-
Available for unsecured creditors			<u>101,192</u>
Prescribed part calculation c/f			-
Unsecured creditors			
HM Revenue and Customs	13		(17,439)
Director's loan account	14		(49,000)
Trade and expense creditors	15		<u>(9,475)</u>
Surplus as regards unsecured creditors			<u>25,278</u>
Issued share capital			<u>(100)</u>
Estimated surplus as regards members			<u><u>25,178</u></u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1. Freehold Property ("the Property")

The Company owns a freehold property situated and known as 17 West Street, Leominster HR6 8EP which is registered at HM Land Registry under Title Number HE20870. The book value of the Property has been extracted from the Company's most recent financial statement as at 31 May 2018.

The estimated to realise value is based on the current asking price of the Property marketed by Jackson Property and Jonathan Wright Estate Agents.

2. Barclays Bank Plc ("Barclays")

Barclays hold a mortgage over the Property, created on 14 August 2017 and delivered on 24 August 2017.

Barclays also hold a debenture that incorporates fixed and floating charges over all of the Company's assets, created on 5 July 2017 and delivered on 12 July 2017.

At the date of appointment, the Company's indebtedness to Barclays totalled, £120,745.

3. Customer Contracts

This asset was not attributed a book value in the Company's financial statements.

The estimated to realise figure is based upon the amount attributed to this asset in the sale agreement. No specific valuation was provided for this particular category of asset.

4. Computer software

This asset was not attributed a book value in the Company's financial statements.

The estimated to realise figure is based upon the amount attributed to this asset in the sale agreement. No specific valuation was provided for this particular category of asset.

5. Seller's records

This asset was not attributed a book value in the Company's financial statements.

The estimated to realise figure is based upon the amount attributed to this asset in the sale agreement. No specific valuation was provided for this particular category of asset.

6. Communications equipment

This asset was not attributed a book value in the Company's financial statements.

The estimated to realise figure is based upon the amount attributed to this asset in the sale agreement. No specific valuation was provided for this particular category of asset.

7. IT Equipment

This category of asset was attributed a book value of £95 in the latest Company's accounts as at 31 May 2018. Due to the nominal value the book value have not been reported.

The estimated to realise figure is based upon the amount attributed to this asset in the sale agreement. No specific valuation was provided for this particular category of asset.

8. Balance at bank

The Company operated a current account with Barclays, which holds an estimate credit balance of £3,000. The Joint Administrators have written to Barclays in the period following their appointment and requested the transfer of this balance in full.

9. Book debts

The book value shown in the estimated financial position has been extracted from the Company's sales ledger as at the date of the Joint Administrators' appointment.

Due to the nature of the services provided by the Company and the continuation of the client care packages by the Purchaser, all book debts are expected to be payable in full.

10. Office furniture and equipment

The book value of this category of asset has been extracted from the Company's most recent financial statement as at 31 May 2018. A nominal value of £250 has been attributed to this category of asset for the purpose of the estimated to realise figure.

The Joint Administrators will instruct independent agents in due course to value and realise these assets.

11. Preferential creditors

The only categories of claims which have preferential status are those of employees in respect of wages, accrued holiday pay and certain pension contributions.

The Company's employees have transferred to the Purchaser, in accordance to the terms of the sale agreement and the Transfer of Undertakings (Protection of Employment) Regulations. Accordingly, no preferential claims are anticipated in this case.

12. Prescribed part

The Act provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The method of calculating the prescribed part is given below:

Where the net property does not exceed £10,000 (the prescribed minimum) it may be considered that the cost of making a distribution is disproportionate to the benefits and no prescribed part is required to be set aside.

Where the net property exceeds £10,000 the prescribed part is calculated at a value of 50% of the first £10,000 plus a further 20% of the net property which exceeds £10,000, up to a maximum prescribed part of £600,000.

Based upon the information currently available, it is estimated that Barclays will be paid in full following the sale of the Property, therefore, there is no requirement to set aside a prescribed part in this case.

13. HM Revenue and Customs

The liability to HMRC has been extracted from the Company's books and records as provided by the Company's director. The amount shown should not be regarded as agreed.

14. Director's loan account

Details of the director's loan account due to Helen Rooke, have been extracted from the Company's books and records as provided by the director. The values shown should not be regarded as agreed amounts.

15. Trade and expense creditors

Details of the Company's trade and expense creditors have been extracted from the Company's books and records as provided by the director. It is understood that there are contracts in place with various creditors through to 2012 which is likely to increase the value of the creditor's claim significantly. These will need to be reviewed in the event of a dividend becoming payable to the unsecured creditors.

A detailed list of the amounts presently understood to be due has been provided at Appendix B (continued). The amounts shown should not be regarded as agreed.

APPENDIX B (CONTINUED)

CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

SECURED CREDITOR

Name	Address	Per Estimated Financial Position (£)
Barclays	1 Churchill Place	120,744.72
Total	London E14 5HP	120,744.72

UNSECURED CREDITORS

Name	Address	Per Estimated Financial Position (£)
Grenke	Saxon House	3,542.40
PMGC	4 Station Court	24.99
Vodafone	Vodafone House	1,096.10
Barclaycard	PO Box 3333	1,590.44
Microsoft	One Microsoft Place	25.20
PC Logix Ltd	Unit 2 Mortimer Business Park	90.72
Peninsula Business Services	Victoria Place	2,027.25
Unique Copiers Ltd	St Georges House	66.60
V8Media Limited	Suite 203	19.20
Close Brothers	Wimbleton Bridge House	213.46
Information Commissioner Office	Wycliffe House	43.00
Safeland Recruitment Limited	Manor Park Place	480.45
	3 Onslow Street	
	Old Station Road	
	The connection	
	Debt Service Team	
	South County Business Park	
	Mortimer Road	
	Manchester	
	St George Industrial Estate	
	Berroes Business Centre	
	1 Hartfield Road	
	Water Lane	
	Rutherford Way	
	Guildford	
	Hampton in Arden	
	Newbury	
	3rd Floor, One Snowhill	
	Leopards Town	
	Hereford	
	M4 4FB	
	Telford	
	Bath Street	
	London	
	SW19 3RJ	
	SK9 5AF	
	GL51 9TU	

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Name	Address	Per Estimated Financial Position (£)
HMRC	BX5 5AB	17,439.43
Total		26,914.24

CONNECTED CREDITOR

Name	Address	Per Estimated Financial Position (£)
Helen Rooke	The Rookery	
	87 South Street	
	Leominster	HR6 8JH
Total		49,000.00

APPENDIX C

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
16 AUGUST 2019 TO 29 AUGUST 2019**

	Estimates Financial Position £	Received to date £
RECEIPTS		
-		-
		-
PAYMENTS		
-		-
		-
BALANCE IN HAND		-

The funds from the sale of the business and assets are presently held by our solicitors and we will request these funds are transferred over shortly.

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS

	Total		Average
	Units	Cost	hourly rate
	No	£	£
Strategy and purpose evaluation	206	10,077.00	489.17
Preparation of documents	174	4,345.00	249.71
Planning and strategy	364	15,785.50	433.67
Chargeholder	15	375.00	250.00
	759	30,582.50	402.93

APPENDIX D (CONTINUED)

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Strategy & Purpose Evaluation

Time was spent planning the strategy of the administration, including but not limited to:

- Agreeing the best strategy to maximise asset realisation and achieve the best outcome for creditors;
- Liaising with the director to advise her of all insolvency options available to the Company.
- Advice and discussion with the director regarding the offer from the Purchaser;
- Liaising with the Purchaser to negotiate the terms of the offer and subsequent sale. This included numerous calls and emails with Morgan Phelps in the period leading up to completion;
- Liaising with agents at RDK and Gordon Brother regarding the valuation and marketing of the business and assets; and
- A significant amount of time was spent liaising with Morgan Phelps regarding the preparation of the SPA and appointment documents.

Preparation of Documents

This category includes time spent dealing with the formalities of the administration appointment, including but not limited to:

- Review of the Notice of Intention and minutes of the board meeting resolving that the Company is insolvent;
- Setting up case files to ensure that all statutory requires were adhered to;
- Circulating a conflict of interest email to all staff of Leonard Curtis;
- Instruction letter to Morgan Phelps;
- Preparing and estimated outcome statement and advising Barclays of the proposed strategy of the administration and the outcome for creditors;
- Review of the SPA agreement as prepared by Morgan Phelps; and
- Compiling the information required to prepare the initial letter to creditors pursuant to SIP 16 in the days leading up to the Joint Administrators appointment.

Planning and Strategy

Time was spent planning the course of the administration, including but not limited to:

- Significant time has been spent liaising with the director, including telephone calls, emails and attending meeting to discuss the progress of the proposed sale of the client care packages and TUPE transfer of the employees to potential interested parties, the potential administration strategy and matters relating the sale of the business and assets;
- Attending internal meetings regarding the overall strategy of the administration and the sale of the Company's business and assets; and
- Liaising with Morgan Phelps regarding planning matters in terms of filling the Notice of Intention and Notice of Appointment.

Chargeholder

This category includes time spent liaising with Barclays regarding their security and the ongoing trading of the Company up until the Joint Administrators' appointment.

APPENDIX E

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO DATE

	FEES ESTIMATE			INCURRED TO DATE		
	Units	Cost	Average	Units	Cost	Average
	No	£	hourly rate £	No	£	hourly rate £
Statutory and review	72	2,275.00	315.97	-	-	-
Receipts and payments	23	795.00	346.65	-	-	-
Insurance	16	565.00	353.13	-	-	-
Assets	100	3,467.00	346.70	-	-	-
Liabilities	87	2,797.50	321.55	-	-	-
Debenture holder	22	825.00	375.00	-	-	-
General administration	28	1,010.50	360.71	-	-	-
Appointment	74	2,540.00	343.24	65	2,219.50	341.46
Planning and strategy	16	637.50	398.44	-	-	-
Post appointment creditors' decisions	80	2,556.00	319.50	-	-	-
Investigations	56	1,840.00	328.57	-	-	-
	574	19,308.00	336.38	65	2,219.50	341.46

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by Leonard Curtis' Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The Joint Administrators are required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of director's sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

To date the following tasks have been completed:

- Allocation of staff, management of staff, case resourcing and budgeting
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9; and
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts;
- Management of case bank account(s) to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. It is estimated that three statutory reports will be issued, this includes the Joint Administrators' Report and Proposals;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

To date the following tasks have been completed:

- Opening of the case bank accounts; and
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports.

Insurance

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Notification and progression of post-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of any unpaid contributions to the scheme.
- Liaising with the pension trustees to arrange for prompt wind up of schemes.

To date the following tasks have been completed:

- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005; and
- Completion and submission of statutory notifications under the Pensions Act 2004.

Assets

- Agreeing strategies for realisation of Company assets as follows:
 - Business and assets – Liaising with solicitors at Morgan Phelps and the Purchaser regarding the completion of the sale of the business and assets.
 - Books debts – Liaising with debtors to ensure payment of the outstanding balances due to the Company.
 - Freehold property – The Property owned by the Company is currently on the market with Jackson Property and Jonathan Wright, time will be spent liaising with the property agents and any interested parties to facilitate a sale of the Property.
 - Balance at bank – Liaising with Barclays in order to arrange the transfer of the credit balance held in the Company's pre-appointment bank account to the liquidation account.
 - Office furniture and equipment – Liaising with agents to obtain a valuation of the office furniture and equipment remaining at the Company's premises. Further time will also be spent liaising with interested parties.
- Instruction of and liaising with agents as detailed above;
- Liaising with Company's bankers re pre-appointment bank accounts; and
- Identification and return of third party assets.

Abelia Care Services Limited - In Administration

To date the following tasks have been completed:

- Agreeing strategies for realisation of Company assets as follows;
- Liaising with agents; and
- Liaising with Company's bankers re pre-appointment bank accounts.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors – The Company has 13 known unsecured creditors and one secured creditor. All claims received from creditors will be logged as received but have not yet been formally agreed. As a distribution to creditors is likely in this case, claims will either be formally agreed in due course, or by a subsequently appointed liquidator;
- Preparation, review and submission of pre-appointment tax and VAT returns; and
- Preparation and submission of periodic progress reports to creditors – As outlined above, it is anticipated that three statutory reports will be issued during the period of the administration, including this report.

Non-statutory

- Dealing with enquiries from the Company's creditors – This includes correspondence with creditors via email, post and telephone; and
- Dealing with enquiries from the Company's former employees.
-

To date the following tasks have been completed:

- Dealing with enquiries from the Company's creditors; and
- Dealing with enquiries from the Company's former employees.

Debenture Holder

- Liaising with Barclays, in relation to their security.

General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the administrators' records;
- Arranging collection and storage of company records. and
- Dealing with general correspondence and communicating with the director and shareholder.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks are completed in order to ensure the administration is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Planning and Strategy

- Correspondence with professional advisors;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions

Post Appointment Creditors' Decisions

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

Investigations

- Collecting and reviewing the Company's records.
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML checks	Electronic client verification	5.00
Bond fee	Insurance bond	260.00
Document hosting	Hosting of documents for creditors	35.00
Software licence fee	Case management system licence fee	87.00
Statutory advertising	Advertising	166.00
Storage costs	Storage of books and records	50.00
	Total standard expenses	603.00

Case Specific Expenses

Type	Description	Amount £
Agents' fees	Costs of valuing and realising assets	2,280.00
Legal fees	Costs of appointed solicitors	17,697.00
Legal fees	Solicitors costs to be incurred in respect of the Property sale	3,000.00
	Total case specific expenses	22,977.00

ESTIMATED OUTCOME STATEMENT

Assets Specifically Pledged	£
Freehold Property	190,000
Less: Agents costs at 1.2% of the property sale	(2,280)
Less: Solicitors	(3,000)
Less: Irrecoverable VAT	(1,056)
Less: Amount owing to Barclays Bank Plc	(120,745)
	<u>62,919</u>
Fixed Charge Creditor Dividend Rate	100 p / £
Assets Not Specifically Pledged	£
Surplus as regards Barclays Bank Plc	62,919
Customer contracts	24,996
Computer software	1
Seller's records	1
Communications equipment	1
IT Equipment	1
Balance at bank	3,000
Books debts	3,687
Office furniture and equipment	250
	<u>94,856</u>
Less: Joint Administrators' Pre-Appointment Fee per Appendix D	(22,500)
Less: Joint Administrators' Fees Estimate per Appendix E	(19,308)
Less: Expenses per Appendix F	(23,580)
Less: Irrecoverable VAT	(13,078)
Funds Available for Distribution	<u>16,390</u>
Preferential Creditor Claims	-
Net Property available for Unsecured Creditors	<u>16,390</u>
Unsecured Creditor Claims	(75,913)
Unsecured Creditor Dividend Rate	21.59 p / £

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search

Abelia Care Services Limited - In Administration

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p a</td><td>or £25 for life of case</td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p a	or £25 for life of case
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CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 p a	or £25 for life of case																								
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

NOTICE OF A DECISION PROCEDURE BY CORRESPONDENCE

Re: ABELIA CARE SERVICES LIMITED (IN ADMINISTRATION) ("the Company")

Previously known as: ABSOLUTE CARE SERVICES (HEREFORDSHIRE) LIMITED

Registered number: 06076619

Court details: High Court of Justice Business and Property Courts in Birmingham - Company & Insolvency List (CHD) Court Ref: CR-2019-BHM-000636

**NOTICE TO CREDITORS OF A DECISION PROCEDURE TO BE CONSIDERED BY CORRESPONDENCE
IN ACCORDANCE WITH PARA 51(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986 AND RULES 15.8
AND 18.18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

We, Joph Young and Conrad Beighton, of Leonard Curtis, 40 – 41 Foregate Street, Worcester WR1 1EE, were appointed Joint Administrators of the Company on 16 August 2019.

NOTICE IS HEREBY GIVEN pursuant to Para 51(1) of Schedule B1 to the Insolvency Act 1986 and Rules 15.8 and 18.18 of the Insolvency (England and Wales) Rules 2016 that the creditors are being asked to make a decision as to whether they approve the Joint Administrators' proposals set out at Appendix A, agree the basis of the Joint Administrators' remuneration and approve three other decisions by way of correspondence.

To participate in the vote creditors will need to have delivered a completed voting form to my office at 40 – 41 Foregate Street, Worcester WR1 1EE or via email to amy.richardson@leonardcurtis.co.uk by 23:59pm on 19 September 2019 together with a proof of debt form if one has not previously been lodged. Failure to deliver a proof of debt will result in your vote being disregarded.

NB. Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.

The resolutions to be considered are:

1. That the Joint Administrators' Proposals are approved.
2. In the absence of a creditors' committee, that the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £19,308).
3. That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals be approved for payment as an expense of the administration.
4. That the basis of the recharge of the Joint Administrators' category 2 disbursements be fixed by reference to the rates set out in the Joint Administrators' Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit.
5. That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

Statutory Information and Creditors' Entitlement To Vote

In accordance with Rule 15.8 of the Insolvency (England and Wales) Rules 2016 please be aware of the following information:

- Creditors are only entitled to vote if they have delivered a proof of debt prior to the decision date and the claim has been accepted in whole or in part, together with a voting form. Whilst I am permitted to agree claims below £1,000 without a proof of debt, a creditor whose claim is less than £1,000 is not able to vote without having lodged a proof of debt. Creditors who have opted out from receiving notices may, nevertheless, vote if a proof of debt has been lodged.
- Creditors must deliver their voting form no later than 23:59pm on 19 September 2019. Forms should be posted to Abelia Care Services Limited at Leonard Curtis, 40 – 41 Foregate Street, Worcester WR1 1EE. Alternatively voting forms can be faxed to 0121 200 2122 or submitted by email to amy.richardson@leonardcurtis.co.uk.
- I am obliged to advise creditors that applications to have any decision reviewed must be made to High Court of Justice Business and Property Courts in Birmingham - Company & Insolvency List (CHD) under reference CR-2019-BHM-000636. Any such application should be made within 21 days of the decision date.
- If creditors are not satisfied with the decision procedure being used, they may request a physical meeting be convened providing their claim is 10% of the value of the creditors or 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a physical meeting should be made in writing but can be made by email to Birmingham.meetingreq@leonardcurtis.co.uk. Requests for a physical meeting should be made within five business days of delivery of this notice.

Dated 3 September 2019

Signed



**JOPH YOUNG
JOINT ADMINISTRATOR**

Contact details

Joph Young and Conrad Beighton
Leonard Curtis
40 – 41 Foregate Street
Worcester
WR1 1EE
Tel: 01906 677 490

VOTING FORM FOR CREDITORS

Re: ABELIA CARE SERVICES LIMITED (IN ADMINISTRATION) ("the Company")
Previously known as: ABSOLUTE CARE SERVICES (HEREFORDSHIRE) LIMITED
Registered number: 06076619
Court details: HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN BIRMINGHAM -
COMPANY & INSOLVENCY LIST (CHD) REF: CR-2019-BHM-000636

Please indicate whether you are in favour or against each of the decisions set out below.

Please note that this form should be returned prior to 23:59pm on 19 September 2019 to my offices at Abelia Care Services Limited. Alternatively the form can be faxed to Leonard Curtis on 0121 200 2111 or submitted by email to amy.richardson@leonardcurtis.co.uk. In order for your vote to be valid a proof of debt should also have been lodged.

RESOLUTIONS TO BE CONSIDERED

Decision 1

That the Joint Administrators' Proposals are approved.

I am *in Favour / Against

Decision 2

In the absence of a creditors' committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £19,308).

I am *in Favour / Against

Decision 3

That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals be approved for payment as an expense of the administration.

I am *in Favour / Against

Decision 4

That the basis of the recharge of the Joint Administrators' category 2 disbursements be fixed by reference to the rates set out in the Joint Administrators' Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit.

I am *in Favour / Against

Decision 5

That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

I am *in Favour / Against

****delete as appropriate***

TO BE COMPLETED BY CREDITOR:

Dated: _____

Signed: _____

Name of creditor: _____

Position: _____

Proof of Debt – General Form

Relevant date: 2019-08-16

recovery@leonardcurtis.co.uk quoting ref: AA09C/AR/PROOF

Name of Company in Administration:

Abelia Care Services Limited

Company registered number:

06076619

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

Abelia Care Services Limited - In Administration

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

--

8. Details of any document by reference to which the debt relates

--

9. Signature of creditor (or person authorised to act on the creditor's behalf)

--

10. Date of signing:

--

11. Address of person signing (if different from 2 above)

--

12. Name in BLOCK LETTERS

--

13. Position with, or relation to, creditor

--

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. **Please e-mail completed form to:**

recovery@leonardcurtis.co.uk quoting ref: AA09C/AR/PROOF

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

Please ask for : Amy Richardson
Our ref : B/50/AR/AA09C/1040
Your ref :

22 August 2019

**TO ALL CREDITORS
TO ALL EMPLOYEES
TO THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES**

Dear Sirs

**ABELIA CARE SERVICES LIMITED - IN ADMINISTRATION ("the Company")
FORMERLY: ABSOLUTE CARE SERVICES (HEREFORDSHIRE) LIMITED
HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN BIRMINGHAM - COMPANY & INSOLVENCY
LIST (CHD) NUMBER CR-2019-BHM-000636
COMPANY NUMBER: 06076619**

I write to advise you that Conrad Beighton and I were appointed as Joint Administrators of the Company on 16 August 2019. Attached is formal Notice of our Appointment.

You are receiving this notice because the Company's records show that you are a creditor of the Company. The Company's creditors will fall into one of the following categories:

- Secured creditors – a creditor who has the benefit of a security interest over some or all of the assets of the Company (e.g. banks, factoring providers);
- Preferential creditors – creditors who have a preferential right to payment out of the Company's assets once realised (e.g. employees in respect of arrears of pay and holiday pay, subject to certain limits); and
- Unsecured creditors – a creditor other than a preferential creditor that does not have the benefit of any security interests in the assets of the Company (e.g. ordinary trade suppliers; employees (to the extent that their claims are not preferential).

In our role as Joint Administrators, we are obliged to perform our functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of creditors as a whole.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the sale immediately on, or shortly after, appointment this is known as a pre-packaged sale or "pre-pack".

It is in the nature of a pre-packaged sale in an administration that unsecured creditors are not given the opportunity to consider the sale of the business or assets before it takes place. It is important, therefore, that you are provided with a detailed explanation and justification of why a pre-packaged sale was undertaken, so that you can be satisfied that we have acted, where necessary, with due regard for your interests.

Abelia Care Services Limited - In Administration

In this case, a sale of the Company's business and assets to Services for Independent Living ("the Purchaser") was completed on 16 August 2019. Set out at Appendix A is a summary of the circumstances and information relevant to this sale that we are required to disclose.

With regard to orders placed by the Company prior to administration but not yet delivered, suppliers should obtain confirmation from the Purchaser that the goods or services are still required and, if so, an order may be placed with the purchasing company. It should be noted that goods sold and delivered by the Company since administration commenced must be paid for in full and cannot be set off against any claims against the Company.

You will appreciate that, as a result of the administration, your previous account with the Company is frozen and neither the Joint Administrators nor the Purchaser are in a position to deal with claims of unsecured creditors. Nevertheless, we should be grateful if you would let us have a detailed account of the amount owing to you as at the date of administration. Your account, and any future correspondence in connection with the Company, should be sent to our address. Please remember to provide your full name, address, telephone number and email address for our records. If you are claiming title to goods supplied by you, please let us have full details, including your conditions of sale. If you believe you have a claim to goods it is imperative that you contact us as soon as possible and, if necessary, arrange a date to identify the goods in question. Failure to do so may prejudice your claim if any goods to which you claim title have been sold. We will not be liable in the event that goods are sold prior to notice of any valid retention of title claim being received.

Under the provisions of Paragraph 43 of Schedule B1 to the Insolvency Act 1986 (as amended) ("the Act") no steps may be taken by any creditor to enforce any security over the Company's property or to repossess goods in the Company's possession under any hire purchase agreement (which includes conditional sale agreements, chattel asset leasing agreements and retention of title agreements) without the consent of the Joint Administrators or leave of the Court.

Also no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied against the Company or its property except with the consent of the Joint Administrators or leave of the Court.

Where a pre-packaged sale has been undertaken, the Joint Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with this notification. In this case, the Joint Administrators will provide the director with the opportunity to provide a statement of affairs before issuing the Proposals. The Joint Administrators are currently in the process of formulating their proposals and these along with details of a decision procedure for their approval will be sent to creditors as soon as practicable. At that time, the Joint Administrators will be seeking, from the appropriate body of creditors, approval of the basis upon which their remuneration is to be calculated. A Creditor's guide to Administrators' fees (Version 4 issued April 2017), which sets out the rights of creditors in this respect, is available from our office free of charge or may be downloaded from:

https://www.r3.org.uk/what-we-do/publications/professional/fees_

You are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

www.creditorinsolvencyguide.co.uk

If you have any information regarding the conduct of the director which you feel should be brought to our attention, any concerns regarding the way in which the Company's business has been conducted or information on potential recoveries or any particular matters which you consider require investigation, please send full details to this office at the address given below. This request forms part of our statutory investigation procedures and does not necessarily imply any criticism of the directors.

Data Protection

Finally, when submitting details of your claim in the administration, you may disclose personal data to us. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. We act as Data Controller in respect of personal data we obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data we process. Our privacy notice, which is attached to this letter at Appendix B, explains how we process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

We remind you that the Joint Administrators are agents of the Company and contract without personal liability.

Yours faithfully
for and on behalf of

ABELIA CARE SERVICES LIMITED



JOPH YOUNG
JOINT ADMINISTRATOR

Joph Young and Conrad Beighton are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 20290 and 9556, respectively

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

Enc

**ABELIA CARE SERVICES LIMITED ("the Company")
(IN ADMINISTRATION)**

**INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
ABELIA CARE SERVICES LIMITED**

1 INITIAL INTRODUCTION

- 1.1 The Company was introduced to Joph Young of Leonard Curtis by Daniel Crowther of Thorne Widgery, 5 Parkway, Off Corve Street, Ludlow SY8 2PG on 25 April 2019. It should be noted that Thorne Widgery is currently engaged as the Company's accountant.
- 1.2 It was originally envisaged that the sale may be completed on a solvent basis and then the 'shell' wound down and either liquidated or struck off as was most appropriate.
- 1.3 Following the initial introduction, the Company instructed Leonard Curtis in May 2019, to advise on the sale of the portfolio of client care packages to an unconnected third party.
- 1.4 Advice was provided to the Company following a number of discussions and meetings with the director, professional advisers and interested parties.
- 1.5 The process of obtaining a formal offer from interested parties and negotiating the sale took longer than anticipated. During a meeting with Joph Young and the director on 25 July 2019, it was concluded that a sale was unlikely to complete until the end of August 2019. With the director unable to continue financially supporting the Company, Joph Young advised the director that in order to protect the Company's creditors, administration was appropriate.
- 1.6 Following this meeting the director formally engaged Joph Young and Conrad Beighton to act as Joint Administrators of the Company on 1 August 2019.
- 1.7 The Joint Administrators do not believe that the above involvement constitutes a significant personal or professional relationship which would affect their ability to deal with this matter objectively and prevent them from accepting this appointment.

2 PRE-APPOINTMENT CONSIDERATIONS

The extent of the Joint Administrators' involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

- 2.1 Following the Joint Administrators' instruction, they formally wrote to the director of the Company informing her that their role before any formal appointment would involve providing the following services:
 - i) advising her on which insolvency process would be most appropriate for the Company;
 - ii) dealing with all formalities relating to the appointment of Joint Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
 - iii) preparing any report(s) necessary and attending Court hearings if appropriate;
 - iv) advising her on the financial control and supervision of the business between the date of their engagement and the date of the appointment of Joint Administrators;

- v) advising her on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.
- 2.2 The Joint Administrators made it clear that these services were to be given for the benefit of the creditors of the Company and that their role was not to advise the director in her personal capacity. The Joint Administrators recommended that she seek her own independent advice if she was uncertain on any matter, particularly if she had expressed, or were likely to express, an interest in purchasing the Company's business and trading assets. As all interested parties are not believed to be connected to the Company, the Joint Administrators are not required to advise them of the IP's obligations under Statement of Insolvency Practice 16 ("SIP 16") regarding the marketing of the business and assets of the Company and of their ability to make a submission, or submissions, to the Pre-Pack Pool.
- 2.3 Finally, the Joint Administrators explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its directors. At this stage of the process the IP will assist the director in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances. In this case, the Joint Administrators advised the director that the Company was insolvent and that steps be taken to place it into administration.
- 2.4 Once the Company has been placed into administration, the IPs become the Joint Administrators with different functions and responsibilities. The Joint Administrators are obliged to perform their functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the administration is to realise property in order to make a distribution to secured or preferential creditors, they have a duty not to unnecessarily harm the interests of creditors as a whole.

Background

- 2.5 The Company was incorporated at Companies House on 31 January 2007, and later began trading in January 2008 after receiving registration from the Care Quality Commission ("CQC").
- 2.6 The Company is a domiciliary care agency, providing community care across Herefordshire, Shropshire and Worcestershire. Prior to the Joint Administrators' appointment the Company employed 19 members of staff.
- 2.7 Up until August 2017, the Company traded from a leasehold premises in Leominster. However, due to the ongoing growth of the Company, on 14 August 2017, the Company purchased a freehold premises at 17 West Street, Leominster, Herefordshire HR6 8EP ("the Premises"), from where it continued to trade up until the date of administration.
- 2.8 The purchase of the property was financed by way of a mortgage provided by Barclays Bank Plc ("Barclays") created on 14 August 2017 and delivered at Companies House at 24 August 2017.
- 2.9 The Company traded well for several years maintaining a steady profit each year. By the end of 2018, the director was hoping to retire in the immediate future, and accordingly, sought to appoint agents to value and advertise the sale of the portfolio of client care packages.
- 2.10 On 15 February 2019, the director subsequently instructed specialist agents at Redwood Dowling Kerr ("RDK") to sell the business and assets, including the Premises, on her behalf.
- 2.11 The business and assets were marketed for three months by RDK, during which time little interest had been generated, with only five expressions of interest received. In light of this, in April 2019, the director also approached a local contact within the domiciliary care industry who advised that they wished to receive further information about the opportunity. The interested party signed a non disclosure agreement and a period of correspondence began between the director and the interested party.

- 2.12 During this period of correspondence, and in May 2019, RDK approached the Company with a further interested party. Of the six expressions of interest RDK received, only one party chose to pursue this further.
- 2.13 With the Company struggling with cash flow, the director advised both parties that any interest would have to be progressed and finalised within a focussed timeframe
- 2.14 On 29 May 2019, a meeting was held between Joph Young, the director and the first interested party to discuss matters relating to the sale of the business. The director provided the interested party with further information for their consideration, however, following this meeting they withdrew their interest.
- 2.15 On 3 June 2019, Services for Independent Living ("the Purchaser") offered to purchase the business and assets, excluding the Premises, for £50,000. This offer was recommended for acceptance on the basis that it represented a better outcome for the general body of creditors, than the Company ceasing to trade. The offer would secure the ongoing employment for the majority of the employees and would ensure the ongoing critical care needs of the Company's clients would be met with no hiatus or disruption to the service.
- 2.16 The offer was duly accepted by the Company, and negotiations began with a view to the sale completing at the end of July.
- 2.17 As negotiations continued, the Company was trading through a period of steady decline, with a significant reduction in profits. This affected the Company's cash flow and, accordingly, the Company was becoming increasingly reliant on the finance provided by the director to facilitate ongoing trading.
- 2.18 On 25 July 2019, Joph Young met with the director to discuss the progress of the sale and the Purchaser's request to complete the sale at the end of August 2019. The director advised that she was no longer able to continue financially supporting the Company. Without funding from the director, the Company did not have the cashflow available to continue trading and would be unable to pay its debts as they fell due.
- 2.19 With creditor pressure increasing, Joph Young advised the director that in order to protect the interests of the Company, it was their view that a pre-packaged sale of the Company's business and assets via administration would be appropriate.
- 2.20 Following this meeting, the director formally instructed Joph Young and Conrad Beighton on 1 August 2019, with a view to placing the Company into administration.

Alternative courses of action considered by the Administrator

- 2.21 The following courses of alternative action were considered with management prior to the Joint Administrators' appointment and the pre-packaged sale:

Distressed sale of the business and assets as a going concern by management

- 2.22 As detailed above, the director instructed specialist agents from RDK to sell the business and assets on her behalf.
- 2.23 The director had hoped that a sale would be completed on a solvent basis, however, the business was initially marketed in February 2019 for some 3 months, and little interest was generated during this time.
- 2.24 As the process had taken longer than originally anticipated, and with the director unable to continue financially supporting the Company, it was considered that administration would be the most appropriate route to protect the interests of the Company.

Time To Pay Arrangement ('TTP')

- 2.25 A TTP with HM Revenue and Customs ('HMRC') was not applicable in this case, as the Company has been effectively managing its payments to HMRC up until the past three months. HMRC does not represent a majority creditor and, as such, repayment to HMRC would not resolve the Company's issues, including its short term cash requirements.

Company Voluntary Arrangement ('CVA')

- 2.26 A CVA is a formal insolvency procedure whereby a contract is agreed between a company and its creditors, pursuant to which some or all of its liabilities will be repaid over an agreed period of time, often five years. In order for a CVA to be approved, 75% by value of creditors who vote on the proposal must vote in favour of it, as well as a majority of unconnected creditors. If approved, a CVA binds all creditors who were entitled to vote on the terms of the arrangement.
- 2.27 A CVA works by preserving the business which in turn would allow the continuation of trading and enable a company to make voluntary contributions for the benefit of creditors. These contributions are commonly funded by profits, or the realisation of assets which can be used to repay creditors.
- 2.28 A CVA was not considered a viable option in this case as the Company has recently been making substantial losses and it was unlikely that it would be able to make significant contributions into a CVA whilst servicing ongoing costs and overheads. Any contributions that the Company would be able to make would be reliant on future profits, which were uncertain, and the financial support of the director which has been withdrawn.
- 2.29 Furthermore, in the period prior to creditors considering a CVA, the Company would be unnecessarily exposed to legal proceedings.
- 2.30 Accordingly, a CVA was not considered appropriate in these circumstances.

Administrative Receivership

- 2.31 As there are no pre-Enterprise Act charges registered against the Company, it was not possible for an administrative receiver to be appointed in this case.

Liquidation

- 2.32 Liquidation is a terminal event, pursuant to which the Company ceases to trade and is ultimately dissolved.
- 2.33 The formalities of this option are such that the Company would cease to trade with immediate effect and the client care packages would be returned to the relevant local authority. This would result in a total loss of the value in the client care packages meaning that a sale of the business would have been extremely unlikely. This would ultimately result in a significantly worse outcome for the Company's unsecured creditors, and for vulnerable persons for whom the Company was providing care packages.
- 2.34 In the event of the Company entering into liquidation, all employees would be made redundant. This would increase the Company's overall liabilities, as it would result in both preferential and non-preferential claims, in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.
- 2.35 Furthermore, in a compulsory liquidation scenario, in addition to the above, any assets realised would also be subject to Secretary of State fees and petitioner's costs, further reducing the amount available for creditors.
- 2.36 Based upon the information available, it was considered that a liquidation process would not be appropriate as the cessation of the business would significantly impact upon the realisable value of the

Company's assets. It was also considered that a liquidation process would not be in the best interest of the general body of creditors as the business has viability if a purchaser could be identified.

Sale of the business and assets as a going concern by the Joint Administrators

- 2.37 Administration is a rescue process, the primary purpose of which is to rescue the company as a going concern, or to the extent that this is not achievable, to ensure a better outcome for creditors than would be achievable by first being in liquidation.
- 2.38 The second purpose, to ensure a better outcome for creditors than would be achievable by first being in liquidation, was, in the Joint Administrators' view, achievable in this case. It was understood that this purpose could be facilitated by a sale of the Company's business and assets to a purchaser, which would allow for a greater realisation in respect of the Company's assets than if it was placed immediately into liquidation.
- 2.39 The third purpose of an administration is to realise property in order to make a distribution to one or more secured or preferential creditors. This purpose is also likely to be achieved in this case, as Barclays holds security over the Company's fixed and floating charge assets, including the freehold of the Premises. The Premises is currently for sale on the property market and, following the sale, a distribution will be made to Barclays pursuant to its charge.
- 2.40 The two most common ways of appointing an administrator are either by the directors, or a qualifying charge holder, making the appointment. In this case, the director has sought to appoint Joint Administrators of the Company.
- 2.41 An administrator has the power to sell the business free of the majority of the Company's liabilities, and to negotiate the terms of such a sale with a potential purchaser prior to appointment, with a sale completed immediately on appointment. This is commonly referred to as a 'pre-pack'. Alternatively, the administrator may decide to trade the business once appointed, and seek a buyer for the business during this period. In order to facilitate this, the administrator must be confident that sufficient working capital is available and that the overall outcome is likely to improve. Sufficient working capital to fund a period of trading was not available in this case.
- 2.42 It was considered that a pre-pack would best allow for a sale of the business and assets to be negotiated and completed, which should result in an improved realisation.

Why was a pre-pack necessary?

- 2.43 A pre-pack was deemed appropriate for the following reasons: -
- Maximise asset realisations. As stated above, it was considered that the cessation of trade would severely impact on the realisable value of the business and assets, as there would be a total loss in value of the client care packages. In order to preserve the value of the client care packages it was agreed that a sale of the business was required. This would ultimately maximise realisation for the benefit of the general body of creditors.
 - Mitigation of employee claims and preservation of employment for staff. A pre-pack sale allowed for the Company's 19 employees to be transferred to the Purchaser in accordance with the Transfer of Undertaking (Protection of Employment) Regulations 2006 ("TUPE"). This mitigated claims for wages, holiday pay, notice pay and redundancy, which would have otherwise been due, had the employees been made redundant on a cessation of trade.
 - Social impact. Having regard to the specialist and critical nature of the business the effect of the Company's cessation of trade would result in 41 clients being without care. It was considered crucial that there was no unnecessary delay and ultimately, no cessation of trade as this would

have caused considerable risk to vulnerable people. The pre-pack allowed for the continuity of care packages with no disruption to clients.

- 2.44 Based on the above, the Joint Administrators are, therefore, of the opinion that a pre-pack sale of the Company's business and assets was the most appropriate process to maximise asset realisations and is in the best interest of creditors as a whole.

Whether efforts were made to consult with major creditors and the outcome of any consultations

- 2.45 Prior to their appointment, the Joint Administrators approached Barclays regarding the proposed administration to ensure the Company's bank account was not frozen on receipt of the notice of intention, as is their normal practice.
- 2.46 The Joint Administrators discussed the proposed strategy with Barclays who was supportive and provided its consent. Barclays also permitted the account to continue operating in order to make payment of critical expenses.

Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the administration

- 2.47 Trading the business in an administration followed by a sale of the business was considered, although this was not considered to be the optimal process for the following reasons:
- The considerable cost involved with the Joint Administrators supervising a period of trading would not have resulted in any increased realisation, thus worsening the overall position for creditors.
 - A period of uncertainty whilst trading during the administration would likely lead to a loss of clients, which would ultimately reduce the value of the client care packages.
 - There is a high risk associated with trading a domiciliary care provider due to the number of employees and their responsibilities and duties to the individuals and the type of care they provide.
 - Due to the specialist nature of the business, approval from the CQC would be required in order to allow the Joint Administrators to trade the business. There is no guarantee that this approval would have been received.
 - The Company has no access to funding to facilitate ongoing trading.

Details of requests made to potential funders to fund working capital requirements

- 2.48 As the sole director and shareholder of the Company was seeking to retire in the immediate future, therefore a request for further funding was not deemed appropriate in this case.

Details of registered charges and dates of creation

- 2.49 According to Companies House, the following charges are registered against the Company:

Date of creation	Chargee	Type of charge	Amount secured and assets charged
14 August 2017	Barclays Bank PLC	Mortgage	Freehold property at 17 West Street Leominster, Herefordshire HR6 8EP.
5 July 2017	Barclays Bank PLC	All assets debenture	All monies and all assets

Details of any acquisition of business assets from an insolvency practitioner

- 2.50 The Joint Administrators can confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to their appointment.

3 MARKETING OF THE BUSINESS AND ASSETS

- 3.1 In the appropriate circumstances, marketing a business is an important element in ensuring that the best available consideration is obtained. In this case the marketing of the business commenced prior to the Joint Administrators' engagement. As detailed above the Company's director approached RDK in January 2019, with a view to valuing and marketing the business, prior to the Joint Administrators' engagement. The Company formally instructed RDK on 15 February 2019.
- 3.2 Despite the Joint Administrators having no direct involvement with the marketing, they are of the opinion that the marketing undertaken conformed to the marketing essentials set out in the Appendix to SIP16.
- 3.3 It is considered that exposing the opportunity to acquire the business and assets via a specialist healthcare broker allowed the healthcare sector to determine the best achievable price for the assets.
- 3.4 RDK organised a marketing campaign to target purchasers who have an interest within the Company's specialist sector, whilst the director undertook a more localised campaign liaising with industry professionals within the local area. The marketing campaign aimed to broadcast the opportunity to acquire the business and its assets to the healthcare sector. It was considered that to expose the opportunity to the healthcare sector would obtain the best achievable price of the client care packages. The key features of the marketing process are summarised below:
- RDK is the UK's leading healthcare and childcare broker, providing a bespoke service aimed at clients who are looking to acquire a business and those looking to sell, to realise maximum value for their investment. RDK maintains close relationships with buyers from a global network, which allows them to track the current economic climate and market trends.
 - Initially RDK produced a teaser summary, showing the most attractive and valuable aspects of the business. The next step in the marketing process by RDK was to produce an information memorandum which included an overview of the business, a summary of the key strengths and opportunities, key financials, key milestones, staff structure, details of the surrounding area and infrastructure, market and competitor analysis and testimonials.
 - The teaser summary was advertised on businessbuyers.co.uk, an industry leading sales website for approximately six months.
 - The teaser summary was also circulated to a selected database of parties by RDK, specifically parties and contacts within the domiciliary care industry.
 - With a wide range of contacts within the domiciliary care industry, the director also conducted her own marketing of the Company approaching several parties, however, an offer to purchase the Company was not received via this outlet.

Rationale and Outcome of Marketing

- 3.5 The marketing campaign of RDK and the director resulted in two expressions of interest from unconnected third parties. At this time, Joph Young had been engaged by the Company to advise on the financial position of the Company and the options available to achieve a sale of its client care packages.

- 3.6 On 15 May 2019, Joph Young began liaising with both interested parties and supported the director throughout the negotiation process, providing details of the Company's assets and financial position.
- 3.7 Upon further consideration, on 30 May 2019, one of the interested parties advised that they would no longer be pursuing their interest in the business, resulting in one interested party remaining.
- 3.8 The Purchaser, who is an unconnected third party trading as a charity based in Leominster, offered £50,000 to purchase the business and assets, excluding the Premises. The Purchaser subsequently reduced its offer to £25,000 shortly before completion. The Purchaser stated that the reduction was to account for the Company's annual turnover reducing from £355,000 to £298,000 and following the resignation of two key members of staff, which could lead to care packages being handed back to the local authority shortly after completion.
- 3.9 The director approached independent valuation agents at Gordon Brothers International LLC ("Gordon Brothers"), who are RICS registered valuers, for their advice on the offer received. Gordon Brothers advised that the value of the client care packages would be speculative and could range from nil to £50,000. In light of this and based on the Purchaser's offer being the only formal offer received, together with the impact on the community should continuation of the customer contracts not be achieved and the potential for adverse publicity, the Joint Administrators were comfortable that the offer of £25,000 from the Purchaser represented that best offer available, and therefore recommended its acceptance.
- 3.10 The Joint Administrators considered the period in which the business was marketed for sale to be proportionate to the Company's financial position, having due regard to the specialist nature and expertise of RDK. Furthermore the Company did not have sufficient cash reserves available to continue ongoing trade for a prolonged period, nor which would allow the Joint Administrators to trade in an administration.
- 3.11 Based on the information which they have available, the Joint Administrators are satisfied with the adequacy and independence of the marketing undertaken.

4 VALUATION OF THE BUSINESS AND ASSETS

Details of valuers/advisors

- 4.1 RDK provided the valuation of the Company's assets. This valuation was carried out in February 2019, under the instruction of the Company's director, and was carried out with a view to a solvent sale of the Company's business and assets including the freehold property. A further valuation was not considered necessary by the Joint Administrators, as this would have involved the instruction of a chartered surveyor with business valuation expertise, which would be at a high cost, and this was not deemed economical considering the level of offers being received for the business.
- 4.2 The Joint Administrators have not received direct confirmation of RDK's independence and indemnity insurance, as the instruction was carried out by the director.
- 4.3 Instead, on 11 April 2019, Gordon Brothers was approached for its independent advice on the final offer received, Gordon Brothers are RICS registered valuers. The table below is based on the advice received from Gordon Brothers.

The valuations obtained of the business or the underlying assets

Category of asset	Note	Book value £	High value £	Low value £	Value achieved £
Fixed charge assets					
-		-	-	-	-
Floating charge assets					
Customer Contracts	1	-	50,000.00	-	24,996.00
Computer Software	2	-	-	-	1.00
Seller's Records	3	-	-	-	1.00
Communications	4	-	-	-	1.00
Equipment					
IT Equipment	5	-	-	-	1.00
TOTAL		-	50,000.00	-	25,000.00

Book Value – It should be noted that customer contracts, seller's records and communications equipment were not attributed a value in the Company's accounts as at 31 May 2018. IT equipment was attributed a value of £95, however, this has not been reported due to the nominal value.

High Value – The best price at which the Company's assets could be sold assuming a willing purchaser.

Low Value – An estimate of the value expected to be achieved for the assets if sold on a break-up basis, or the lower end of the valuation acceptable according to Gordon Brothers.

Value achieved – The value achieved for the business and assets.

An explanation of the sale of the assets compared to those valuations

1. Customer Contracts – The offer received from the Purchaser was accepted on the basis of the advice provided by Gordon Brothers, that the value of the client care packages would be speculative and could range from nil to £50,000. The range of values given was also dependent upon whether the director would be involved with the business going forward, as the director's Care Quality Commission approval may have been pivotal.
2. Computer Software – No specific valuation was provided for this particular category of asset, so it was attributed a nominal value for the purpose of the sale.
3. Seller's records – This category of asset includes the books, accounts, lists of clients, Customers and suppliers (including the Customer Database), credit reports, cost records, work tickets, and all the other data, documents, papers and records (including the Employee Database and the Promotional Literature) however stored of the Seller exclusively relating to the Business, Employees or any of the Assets, to include but without limitation to any clinical and/or care management software data. No specific valuation was provided for this particular category of asset, so it was attributed a nominal value for the purpose of the sale.
4. Communications Equipment – the category of assets includes the mobile / smart telephone and communications equipment owned or licenced by the Company. No specific valuation was provided for this particular category of asset, so it was attributed a nominal value for the purpose of the sale.

5. IT Equipment – No specific valuation was provided for this particular category of asset, so it was attributed a nominal value for the purpose of the sale.

5 THE TRANSACTION

- 5.1 The Joint Administrators were appointed on 16 August 2019, with a sale of the Company's business and assets to the Purchaser being completed later on the same day.

- 5.2 The Company's assets sold to the Purchaser, as detailed in the Sale and Purchase Agreement ("SPA"), consist of the following:

- the Computer Software;
- the Seller's Records;
- the Communications Equipment;
- the IT Equipment; and
- the benefit of the Customer Contracts.

- 5.3 The sale consideration of £25,000 was apportioned under the SPA as follows:

Category of asset	Value achieved £
Floating charge assets	
Computer software	1.00
Seller's records	1.00
Communications equipment	1.00
IT equipment	1.00
Customer contracts	24,996.00
Total	<u>25,000.00</u>

- 5.4 The purchase price was paid in full on completion.
- 5.5 As the purchase price was payable in full upon completion, no guarantees were requested and, accordingly, no guarantees were provided.
- 5.6 There are no other terms of the sale that could materially affect the asset consideration.
- 5.7 The sale included a transfer of the Company's employees in accordance with the Transfer of Undertaking (Protection of Employment) Regulations 2006 ("TUPE"), preserving 19 jobs.
- 5.8 All significant assets have been sold as part of the transaction, with the exception of the following:
- the Book Debts;
 - the Administrators' Records;
 - the goodwill;
 - the excluded contracts
 - the Third Party Assets;
 - any cash in hand or at the bank;

- the Premises and any and all other real property owned, leased or used by the Seller;
- all policies of insurance and assurance and any actual or potential claim under such policies or similar contracts or in damages against any third party;
- the benefit of any actual or potential claim, or right to make a claim, against any person (other than claims under the manufacturers or suppliers' warranties included in the Assets) including the proceeds of any litigation;
- any shares or other securities owned by the Seller; and
- any other property, rights or assets of the Seller which are not listed as an included asset.

5.9 There are no buy-back arrangements, options, or similar conditions attached to the contract of sale, nor is it part of a wider transaction.

5.10 The Purchaser did seek independent legal advice in relation to the purchase and the SPA.

6 STATUTORY PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the objective of:

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved)
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

6.2 As outlined earlier in this report, the Joint Administrators are obliged to perform their functions in the interests of the Company's creditors as a whole and, where the objective of the administration is to realise property in order to make a distribution to secured or preferential creditors, they have a duty not to unnecessarily harm the interests of the creditors as a whole.

6.3 In this instance, objective (a) is not considered to be achievable given the level of historic liabilities.

6.4 Objective (b) is, however, considered to be achievable in this case, as the administration has enabled a sale of the business has resulted in a greater realisation than had the Company been wound up and placed in liquidation.

6.5 Notwithstanding the above, it is also considered that objective (c) will be achieved, as the sale of the property owned by the Company will result in a distribution to the secured creditor, Barclays, pursuant to its fixed charge security.

6.6 The Joint Administrators confirm that, in their opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

PRIVACY NOTICE FOR CREDITORS

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

Abelia Care Services Limited - In Administration

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5th Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS

NOTICE OF AN INVITATION TO CREDITORS TO FORM A CREDITORS' COMMITTEE

In the:	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN BIRMINGHAM - COMPANY & INSOLVENCY LIST (CHD)	No:	CR-2019-BHM-000636
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Re:	ABELIA CARE SERVICES LIMITED (IN ADMINISTRATION)
Previous Name:	ABSOLUTE CARE SERVICES (HEREFORDSHIRE) LIMITED
Registered No:	06076619

Address of Company	17 WEST STREET, LEOMINSTER, HEREFORDSHIRE HR6 8EP
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NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Joph Young and Conrad Beighton invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by:
and should be delivered to:

19 September 2019
Joph Young and Conrad Beighton
40 – 41 Foregate Street
Worcester
WR1 1EE
Tel: 01906 677 490
Email: recovery@leonardcurtis.co.uk

Signed:		Dated:	3 September 2019
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Creditors are referred to section 1.17 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if they have proved for a debt, which is not fully secured, and the proof has not been wholly disallowed for voting purposes or rejected for the purposes of distribution or dividend. A body corporate may be a member of a committee, but it cannot act otherwise than by a duly appointed representative. No person can be a member as both a creditor and a contributory.

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	Amy Richardson
Company name	Leonard Curtis
Address	Bamfords Trust House
	85-89 Colmore Row
	Birmingham
Post town	
County/Region	
Postcode	B 3 2 B B
Country	
DX	
Telephone	0121 200 2111



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