

The Insolvency Act 1986

Administrator's progress report

Name of Company A & R Healthcare Ltd	Company number 06127530
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 3516 of 2011

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

I / We (a) Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road Leeds LS14 1PQ and David Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road Leeds

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

(b) Insert dates


from

to

(b) 4 May 2011

(b) 3 November 2011

Signed


 Joint / Administrator(s)

Dated

18 November 2011

Contact Details:

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

Begbies Traynor (Central) LLP	
Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ	
	Tel Number 0113 2375560
Fax Number 0113 2375561	DX Number

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



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COMPANIES HOUSE

TUESDAY

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

A & R Healthcare Ltd (In Administration)

Progress report pursuant to Rule 2.47 of the
Insolvency Rules 1986

Period: 4 May 2011 to 3 November 2011

Important Notice

This progress report has been produced to comply with our statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	A & R Healthcare Ltd (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 4 May 2011
"the administrators" "we" "our" and "us"	Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ and David Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. COMPANY INFORMATION

Trading name(s)	Seaview Nursing Home
Date of Incorporation	26 February 2007
Company registered number	06127530
Company registered office	Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	4 May 2011
Date of administrators' resignation	N/A
Court	High Court of Justice
Court Case Number	3516 of 2011
Person(s) making appointment / application	Qualifying floating charge holder – Santander UK Plc
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 May 2011 to 3 November 2011.

The Joint Administrators' proposals indicated that the Company is continuing to trade the business, the Joint Administrators have appointed specialist care home managers, Goldcare Future Management Limited "Goldcare" to run the home on a day to day basis.

Goldcare are taking steps to ensure regulatory compliance is maintained and improving staffing and other costs. Since the proposals these costs have become stabilised.

The attached receipts and payments account includes trading sales and receipts. The account demonstrates an accrued loss to date of £52,819.43, after the deduction of management fees during the Administration.

These losses have been funded, by a working capital advance of £70,000 from Santander Plc. The main objectives of the trading period have been to rationalise payroll and overhead costs, attempt to attract new residents and ultimately to sell the nursing home.

In the circumstances we have no reason to doubt that the Company can continue to trade for the foreseeable future, providing occupancy does not materially decline.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

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

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

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

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

Pursuant to Rule 2.33(3), we consider it in the best interests of the creditors not to disclose estimates of the prescribed part of the Company's net property at this time on the grounds that the disclosure could seriously prejudice the commercial interests of the Company.

Unsecured creditors

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

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 4 May 2011 to 3 November 2011 amount to £38,751 which represents 197.10 hours at an average rate of £196.61 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2.

- ❑ Narrative summary of time costs incurred
- ❑ Table of time spent and charge-out value for the period to
- ❑ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ❑ Begbies Traynor (Central) LLP's charge-out rates

To date, we have drawn the total sum of £0 00

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £262 64 are provided in the narrative summary of time costs incurred which is at Appendix 2

7. ASSETS THAT REMAIN TO BE REALISED

The assets yet to be realised are as follows

Seaview Nursing Home, Saltburn by the Sea

We are currently dealing with various occupancy issues but we are looking to shortly place the home on the open market for sale as a trading unit once these issues have been resolved

8. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the director. We have complied with our duties in this respect

Investigations completed and action taken

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect

Extension of administration

Whilst it would not be appropriate for the Administrators to apply to extend the Administration after just 6 months, when there are a further 6 months of the statutory maximum return left to run, we consider that an extension will be likely

We will revert to creditors before the statutory terms expires to formally seek consent for the extension

Proposed exit route from administration

As previously mentioned in the Company's proposals until the care home is marketed for sale we cannot estimate the total amount which a secured creditor of the Company is likely to receive. However we consider it unlikely that there will be sufficient surplus after discharging the costs and expenses of the Administration to enable a distribution to creditors therefore it is likely that the Company will be dissolved or that the Administration period will have to be extended after the 1 year period

9. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2 48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 2 109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

10. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner



J N R Pitts
Joint Administrator

Dated 18 November 2011

**A & R Healthcare Ltd
(In Administration)**

**Income and Expenditure Account
04 May 2011 to 03 November 2011**

INCOME	Total (£)
Sales	208,347 58
Bank Funding Advance	70,000 00
	<hr/> 278,347.58 <hr/>
 EXPENDITURE	
Purchases (1)	18,955 32
Sub Contractors	9,363 59
Direct Labour	210,760 46
Rates	1,178 31
Heat & Light	6,600 52
Travel	35 80
Telephone	1,229 12
Professional Fees	632 70
Bank Charges	546 00
Hire of Equipment	2,965 24
Repairs & Maintenance	7,042 92
Advertising	416 40
Stationery	172 36
Postages	39 17
Waste / Hygiene	3,516 94
Statutory Registration	3,383 60
RoT Creditors	459 60
Training	1,194 00
Agents/Valuers Fees (1)	600 00
Statutory Advertising	91 80
	<hr/> 269,183.85 <hr/>
Balance	<hr/> 9,163.73 <hr/>
 MADE UP AS FOLLOWS	
Bank 2 Current	7,039 32
Petty Cash	2,124 41
	<hr/> 9,163.73 <hr/>

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