

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



A09 *A7Z7PK81* #93
13/02/2019
COMPANIES HOUSE

1 Company details

Company number 06279275
Company name in full Safehands Nurseries Limited

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

2 Administrator's name

Full forename(s) Gareth
Surname Harris

3 Administrator's address

Building name/number 3 Hardman Street
Street
Post town Manchester
County/Region
Postcode M33HF
Country

4 Administrator's name

Full forename(s) Lindsey J
Surname Cooper

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

5 Administrator's address

Building name/number 3 Hardman Street
Street
Post town Manchester
County/Region
Postcode M33HF
Country

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

AM03

Notice of Administrator's Proposals

6

Statement of proposals



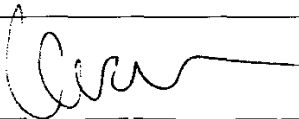
I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature
X



X

Signature date

d

d

m

m

y

y

y

y

1 1 0 2 2 0 1 9

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	Matthew Woodcock
Company name	RSM Restructuring Advisory LLP
Address	3 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 3 3 H F
Country	
DX	
Telephone	0161 830 4000



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

In the matter of

**Safehands Nurseries Limited In Administration
(‘the Company’)**

**In the High Court of Justice
Business and Property Courts in Leeds
Insolvency and Companies List (ChD)
No 1325 of 2018**

Joint Administrators' proposals and report: 8 February 2019

Date of delivery of Proposals: 8 February 2019

**Gareth Harris and Lindsey Cooper
Joint Administrators
Appointed 21 December 2018**

**RSM Restructuring Advisory LLP
3 Hardman Street
Manchester
M3 3HF
Tel: 0161 830 4000
Email: restructuring.manchester@rsmuk.com**

Sections

1. Purpose of report
2. Events leading up to the Administration
3. Estimated statement of financial position
4. Purpose of the Administration
5. Conduct of the Administration
6. Creditors' claims and dividend prospects
7. Joint Administrators' receipts and payments
8. Joint Administrators' statement deemed approval
9. Joint Administrators' proposals
10. Proposed exit from Administration
11. Discharge from liability
12. Costs and Joint Administrators' remuneration
13. EC regulations

Appendices

- A. Statutory, dividend and other information
- B. Estimated statement of financial position
- C. Summary of receipts and payments
- D. Proof of debt
- E. Charging, expenses and disbursements policy statement
- F. Joint Administrators' current charge out and disbursement rates
- G. 'Category 2' disbursement table
- H. Joint Administrators' fee estimate
- I. Estimate of all expenses likely to be incurred by the Joint Administrator
- J. Joint Administrators' post appointment time cost analysis
- K. Joint Administrators' Pre-appointment time cost analysis
- L. Analysis of pre-administration costs

1 Purpose of report

The Joint Administrators are pleased to present their Proposals and Report pursuant to Paragraph 49, Schedule B1 to the Insolvency Act 1986 and other relevant legislation.

This proposal has been prepared solely to comply with the statutory requirements of Paragraph 49, Schedule B1 to the Insolvency Act 1986. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Joint Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

2 Events leading up to the Administration

Brief background

The Company is one of a family owned group of companies controlled by Simon Rigby and is wholly owned by Safehands Group Limited, another company controlled by Mr Rigby, which is not subject to insolvency proceedings.

The Company was incorporated on 14 June 2007 as YSG Trading Co. Limited and changed its name to Safehands Green Start Nurseries Limited on 15 August 2007 and to the present style on 16 July 2015.

It has traded as a registered provider of children's nursery services from various locations in the North West of England. Immediately prior to the date of the Administration the Company operated 12 nurseries, four of which were based in properties owned by the Company and a further five nurseries in properties owned by other connected entities, occupied under the terms of informal agreements. A further three nurseries were based in properties rented from third party landlords. Further details of the nurseries are set out in Appendix A.

Nursery provision has been provided under the terms of contracts with parents in each area and has been subject to statutory regulation by Ofsted. At the date of the Joint Administrators' appointment the Company had approximately 150 employees.

In recent years the turnover and profitability of the business have increased and the financial accounts as at 31 December 2017 show that the business generated a net profit of £111,445 and that the Company had net assets of £903,753. The Company's subsequent management accounts show that trading losses were incurred in 2018 as a consequence of lower occupation rates but the Directors were hopeful that the business would return to profitability in 2019 following the closure of loss making nurseries.

The Safehands group of companies ('the Group') has been funded by Clydesdale Bank PLC ('the Bank') and the Company has provided an unlimited guarantee to the Bank in respect of this debt, supported by fixed and floating charges over all the Company's assets dated 1 July 2013.

During 2018 the Group has encountered cash flow difficulties, partly due to losses elsewhere in the Group and has been in excess of its agreed borrowing facilities with the Bank. In October 2018 the Bank instructed RSM Restructuring Advisory LLP to undertake a review of the Group's cash flow forecasts and refinancing proposals. The forecasts indicated that the Group would not be able to trade beyond the end of December 2018 without further funding. The proposed refinancing proposals were subsequently delayed and RSM was additionally instructed to undertake contingency planning and an options review should the refinancing not take place in the timeframe required.

On 19 November 2018 RSM was further instructed by the Directors to undertake an accelerated marketing process with a view to achieving a sale of the Company's share capital and/or its business and assets. This did not result in any offers being received for the business and assets although some expressions of interest were received. On 17 December 2018, in the continued absence of an agreed refinancing proposal, the Directors instructed RSM to make arrangements for the Company to be placed into Administration. In conjunction with this, the Bank appointed fixed charge receivers over the freehold properties owned by connected entities from which the Company has been trading.

On 20 December 2018, shortly before the Administrators' appointment, the Directors completed the sale of two of the nursery businesses operating from leasehold premises, at Preston Guild Hall and

Blackpool to two connected companies (via common Directors), Young Steps Preston Limited and Young Steps Blackpool Limited.

The sale consideration for the business and assets (including a long-term leasehold of the property it occupied) of Preston Guild Hall nursery was £25,000. The sale consideration for the business and assets of Blackpool nursery was £1. Blackpool nursery was occupied on a short-term lease and owned by a third-party landlord. The Bank confirmed to the Directors, prior to the appointment of Administrators, that they were happy to release their security over the business and assets of the Blackpool and Preston Guild Hall nurseries once the Company had received the sale consideration.

The Directors believe they have sold the assets at market value and received the best outcome for creditors and twenty one employees have transferred under TUPE regulations, reducing the level of preferential claims in this Administration. We have investigated the transactions and established that it was in the best interests of the Company and its creditors on the basis that the assets sold were worthless in a closure scenario and the purchaser has assumed the contingent liabilities of employees, who would otherwise have had claims against the Company.

Company's trading history

Relevant extracts from the Company's audited financial statements and management accounts are summarised below.

	Statutory Accts Period ended 31 December 2017 £	Statutory Accts Period ended 31 December 2016 £	Statutory Accts Period ended 31 December 2015 £
Profit and Loss Account			
Turnover	3,225,782	3,111,856	3,024,796
Cost of Sales	(1,926,525)	(1,965,987)	(1,796,942)
Gross Profit	<u>1,299,257</u>	<u>1,145,869</u>	<u>1,227,854</u>
Administrative expenses	(1,136,368)	(1,116,090)	(827,458)
Operating Profit	<u>162,889</u>	<u>29,779</u>	<u>400,396</u>
Interest Payable	(36,048)	(1,806)	-
Profit/(Loss) on Ordinary Activities Before Taxation	126,841	27,973	400,396
Taxation	(15,396)	2,121	-
Profit for Financial Year	<u>111,445</u>	<u>30,094</u>	<u>400,396</u>
Balance Sheet			
Fixed Assets			
Goodwill	71,500	88,500	105,500
Tangible	3,753,786	3,798,294	1,991,578
	<u>3,825,286</u>	<u>3,886,794</u>	<u>2,097,078</u>
Current Assets			
Debtors	629,944	623,352	692,655
Cash at bank and in hand	1,359	2,028	2,329
	<u>631,303</u>	<u>625,380</u>	<u>694,984</u>
Creditors falling due within 1 year	<u>(3,308,015)</u>	<u>(3,642,941)</u>	<u>(1,950,802)</u>
Net Current Liabilities	<u>(2,676,712)</u>	<u>(3,017,561)</u>	<u>(1,255,818)</u>
Total Assets Less current Liabilities	<u>1,148,574</u>	<u>869,233</u>	<u>841,260</u>
Provision for liabilities	(92,321)	(76,925)	(79,046)
Net Assets/(Liabilities)	<u>1,056,253</u>	<u>792,308</u>	<u>762,214</u>
Capital and Reserves			
Called Up Share Capital	100	100	100
Revaluation Reserve	28,000	28,000	28,000
Profit and Loss Account	875,653	764,208	734,114
Shareholder Funds	<u>903,753</u>	<u>792,308</u>	<u>762,214</u>

3 Estimated statement of financial position

The Directors have not yet lodged a Statement of Affairs with the Joint Administrators. Accordingly, pursuant to the relevant legislation, we attach an Estimated Statement of the Financial Position of the Company as at 21 December 2018 as Appendix B. This records the assets and liabilities at their estimated book value at the date of our appointment together with details of the names, addresses and the estimated amounts due to the Company's creditors and any security held at the date of our appointment.

4 Purpose of the Administration

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 sets out the purposes of an Administration. The Joint Administrators' must perform their functions with the objective of either:

- (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.

It was not possible to achieve statutory purpose (a) because no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

Due to the level of secured creditor liability statutory purpose (b) also could not be achieved, as unfortunately a purchaser for the whole business and assets could not be achieved. However, realisations from the sale of the Company assets should be sufficient to enable the secured creditor and preferential creditors to be paid a distribution, achieving objective (c).

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to court, or seek approval from creditors to extend the duration of the Administration.

Strategy

The Company's forecasts demonstrated that trading the business in Administration was not viable in the absence of additional funding.

In the absence of any offers capable of being accepted the Administrators' strategy has been to arrange an orderly closure of the Company's nursery businesses and to secure the Company's assets to ensure that realisations can be maximised. Immediately on appointment on 21 December 2018, we attended each nursery to make all employees redundant and take control of the assets.

The Administrators remain open to pursuing a sale of any of the nurseries in which interest has been expressed and which have been capable of being reopened.

Our agents, GVA, are assisting with the marketing of the sites owned by the Company at Penrith, Rishton, Stalybridge and Thornton details of which are provided at section 5.

5 Conduct of the Administration

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 12.

Realisation of assets

The Joint Administrators are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to result in a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

Property

As referred to previously in this report, the Company has four freehold properties, as set out below:

- Penrith - Oak Road, Penrith CA11 8TS
- Rishton - 16 Noble Street, Rishton, Blackburn BB1 4HX
- Staleybridge - 83 Huddersfield Road, Staleybridge SK15 2PT
- Thornton - 82-84 Lawsons Road, Thornton-Cleveleys FY5 4PW

Independent valuations of the properties have been undertaken by our agents, GVA, and our legal advisors, Addleshaw Goddard LLP, have conducted a review of the Bank's security and title documentation.

The properties are being marketed for sale via our agents. We have therefore withheld individual property valuations.

Debtors

The Company's books and records show debtors of c£107,000 due at the date of appointment.

The Administrators are currently in the process of reconciling the ledger and will then instruct a debt collection specialist to collect the amounts due.

Fixtures and fittings

The fixtures and fittings remain situated in the nurseries. Our agents have confirmed it is not commercial to remove the fixtures and fittings from the individual nurseries. However, if a property is sold to a nursery service provider then there may be an element of the sale proceeds apportioned to fixtures and fittings, subject to agent's advice.

Motor vehicles

The Company owns two minibuses which our agents are in the process of realising.

Intercompany/connected party loans

As at the date of appointment it appears from the Company's records that there are intercompany/connected party balances due to the Company. The Joint Administrators are in the process of investigating this matter and are not presently in a position to comment on the level of potential realisations from this source.

Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators' investigations have so far been inconclusive in determining if the Company may have been mis-sold an IRHP.

The Joint Administrators are currently in discussions with Clydesdale Bank PLC and are unable to conclude the Administration while we preserve creditors' rights to any potential compensation.

Administration and planning

Certain aspects of the work that the Joint Administrators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Administrators are complying with both of their legislative and best practice responsibilities and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy;
- Maintaining and updating computerised case management records;
- Dealing with routine correspondence not attributable to other categories of work;
- Ongoing consideration of ethical and anti-money laundering regulations;
- General taxation matters, including seeking tax clearance from HMRC;
- Preparation of receipts and payments accounts, maintenance of cashiering records;
- Preparing, reviewing and issuing final report to creditors and other parties;
- Filing of final documentation at Companies House, Court and other relevant parties;
- General administrative matters in relation to closing the case;
- Pension schemes, liaising with PPF/Pensions Regulator/Trustees; and

- Consideration of Health and Safety and environmental regulations.

6 Creditors' claims and dividend prospects

The value at which creditors' claims are stated in the Estimated Financial Position are, as is required by legislation, those which are reflected in books and records of the Company. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the Prescribed Part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

The amount of the Net Property and Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 are uncertain as it is dependent on realisations from intergroup/connected entities being achieved. If no realisations from this source occur then the Bank will receive no recovery under their floating charges and there would be no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986.

7 Joint Administrators' receipts and payments

We attach at Appendix C a summary of our receipts and payments.

VAT basis

Receipts and payments are shown net of VAT as the Company was not VAT registered, and consequently VAT is not recoverable from HM Revenue and Customs. The irrecoverable VAT is shown in the receipts and payments account as a 'cost of realisation'.

8 Joint Administrators' statement deemed approval

The Joint Administrators are not seeking a decision from creditors because in their opinion the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part.

Under the relevant legislation the Joint Administrators' Proposals shall be deemed to be approved unless sufficient creditors request that a decision be sought by a qualifying decision procedure within 8 business days of delivery of these Proposals.

The Joint Administrators may require any such creditor to lodge with them a deposit, at an amount to be determined by the Joint Administrators, as security for expenses of seeking a decision.

You may wish to note that R3 have also produced general guidance on the different insolvency processes, which can again be located at their website, www.R3.org.uk.

9 Joint Administrators' proposals

The Joint Administrators' proposals in relation to the Company are:

The Joint Administrators should investigate and collect in the residual assets of the Company.

The Joint Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.

The Joint Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the Administration or their proposals.

The Joint Administrators will arrange for the Company to exit Administration in accordance with paragraph 10 below.

10 Proposed exit from Administration

If, as anticipated, there are no funds available to enable a dividend to be paid to unsecured creditors other than under the Prescribed Part it is proposed that the Company shall exit Administration by Dissolution or Creditors Voluntary Liquidation.

If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution, which is not a Prescribed Part distribution, will be made to unsecured creditors, then the Company shall exit Administration by Creditors' Voluntary Liquidation.

If the Company exits Administration by moving into Creditors' Voluntary Liquidation, it is proposed that Gareth Harris and Lindsey Cooper of RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF be appointed Joint Liquidators of the Company following the cessation of the Administration. The Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the Liquidators may be done by all or any one or more of the persons holding the office in question.

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that:

- (a) the nomination is made, through a decision procedure, before the proposals (or any revised proposals) are approved; and
- (a) where the nomination relates to more than one person, or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the Liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

11 Discharge from liability

In accordance with legislation, the Joint Administrators will be seeking a resolution from the secured and preferential creditors, as appropriate for discharge from liability in respect of any action of ours as Joint Administrators to take effect immediately following our cessation to act as Joint Administrators.

12 Costs and Joint Administrators' remuneration

Pre-administration costs

Details of time costs and expenses incurred by the Joint Administrators prior to appointment, all of which are unpaid, are set out in Appendix L. These costs were incurred in making arrangements for the Company to go into Administration and dealing with the secured creditor, Clydesdale Bank.

I would advise you that payment of unpaid pre-administration costs as an expense of the Administration is:

- (i) Subject to approval under the relevant legislation; and
- (i) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986.

I can confirm that I have unpaid pre-administration costs of £11,532.

In addition, there are pre-appointment costs in respect of agents and solicitors totalling £2,653, which are detailed further at Appendix L.

As there will only be a prescribed part distribution to unsecured creditors we will, in accordance with legislation, seek approval for the outstanding pre-appointment costs, fees and disbursements from the secured creditor and preferential creditors, as appropriate. Please note that, if a Creditors' Committee is appointed, it would be for the Committee to approve these costs.

We shall propose to them that:

- The Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix L, in the sum of £14,184, such disbursements to include 'category 2' disbursements at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I.

Joint Administrators' post appointment remuneration and disbursements

As there is unlikely to be any return to unsecured creditors other than by the Prescribed Part we will, in accordance with legislation, agree our fees and disbursements with the secured and preferential creditors ('the specified creditors'), as appropriate.

Please note that, if a Creditors' Committee is appointed, it would be for the Committee to approve these costs.

We shall propose to the specified creditors or, if one is appointed, to the Committee that:

- In accordance with the fee estimate provided to creditors at Appendix H to these Proposals the Administrators shall be authorised to draw their remuneration based upon their time costs limited to the sum of £121,457 (plus VAT).

Our estimate has been prepared to incorporate the work that we anticipate will be done during the life of the appointment.

Should the scope change or the assumptions prove to be inaccurate, it may result in additional costs being incurred in dealing with the Administration. That may be as a result of certain work that has already been identified proving to be more complex and time-consuming than anticipated, a greater level of stakeholder engagement, or because new matters come to light of which the Administrators are not presently aware.

Joint Administrators' post appointment costs incurred in the period from 21 December 2018 to 1 February 2019

Since appointment, the Joint Administrators have incurred time costs of £55,724, an analysis of which is attached at Appendix J.

Details of the work that has been done to date and the benefit to creditors are explained in Section 5 above.

The Administrators are required by statute to carry out much of that work, for example, issuing progress reports to creditors and reporting to the Department of Business, Energy and Industrial Strategy on the conduct of the Company's Directors. Other work will be determined by the particular circumstances of the appointment.

Post appointment expenses and category 1 disbursements

The Joint Administrators consider that post-appointment expenses (including category 1 and category 2 disbursements) of £58,483.00 are likely to be incurred in the Administration. A breakdown of these estimated expenses and disbursements is attached at Appendix I. Based on the information currently available, we do not expect the expenses will exceed this estimate.

Post appointment category 2 disbursements

Category 2 disbursements include elements of shared or overhead costs. Insolvency guidelines require these to be identified separately and are subject to approval as if they were remuneration. The current rates are attached at Appendix F and details of category 2 disbursements already incurred are attached at Appendix G. No category 2 disbursements have been drawn and none can be drawn until creditor approval has been obtained.

We shall propose to the specified creditors or, if one is appointed, to the Committee, that:

- The Administrators shall be authorised to draw category 2 disbursements as an expense of the Administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix G. In the event that the Administration exits by way of Liquidation and the Administrators are appointed Liquidators, such resolution shall be treated as being passed in the Liquidation.

Guide to Joint Administrators' fees

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

13 EC regulations

It is considered that the EC regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC regulations as the centre of main interest of the Company is in the UK.



Gareth Harris
RSM Restructuring Advisory LLP
Joint Administrator

Encls

Gareth Harris and Lindsey Cooper are licensed to act as Insolvency Practitioners in the UK by the ICAEW
insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency
appointment

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

Appendix A

Statutory, dividend and other information

Company Information	
Company registered name and number:	Safehands Nurseries Limited (Company No. 06279275)
Date of incorporation:	14 June 2007
Previous company names:	Safehands Green Start Nurseries Limited (until 16 July 2015)
Previous registered name(s) in the last 12 months:	None
Trading name:	Safehands Nurseries Limited
Trading addresses:	<p>Head office, Unit 3 Neptune Court, Whitehills Business Park, Blackpool, FY4 5LZ</p> <p>Edmonson Street, Barnoldswick, BB18 5EY</p> <p>Derby Street, Colne, BB8 9AA</p> <p>56-58 Haywood Rd, Accrington, BB5 6AT</p> <p>16 Noble Street, Rishton, BB1 4HX</p> <p>Neuman Street, Northwich, Cheshire, CW9 5RE</p> <p>83 Huddersfield Rd, Staleybridge</p> <p>Oak Road, Penrith, CA11 8TS</p> <p>Captain French Lane, Kendall, LA9 4HP</p> <p>162 Ribblesdale Avenue, Preston, PR2 6DB</p> <p>82-84 Lawson Rd, Thornton Cleveleys, FY5 4PW</p> <p>Blackpool FC, Seaside Way, FY1 6JJ</p> <p>Units 9 & 1, Preston Guild Hall, PR1 1HT</p>
Principal activity:	Other human health activities
Registered office:	<p>RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF</p> <p>Previous: Unit 3 Neptune Court, Whitehills Business Park, Blackpool, FY4 5LZ</p>
Share capital:	Authorised share capital:
Nominal & issued share capital	<p>Ordinary shares</p> <p>Issued: 100 Ordinary Shares at a par value of £1</p>
Shareholders:	Safehands Group Limited – 100 shares
Directors:	William Simon Rigby, Thomas Adam Flack, Paul Dixon Manning and Linda Rigby
Secretary:	N/A
Mortgages & charges:	Debenture created 30 December 1899 and registered on 30 December 1899 in favour of Clydesdale Bank PLC
Appointer:	Directors

Appendix A continued

Administration information		
Joint Administrator:	Gareth Harris and Lindsey Cooper	
Date of appointment:	21 December 2018	
Functions of Administrator(s):	<p>The Joint Administrators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>	
Correspondence address & contact details of case manager	<p>Matthew Woodcock 0161 830 4121</p> <p>RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF</p>	
Name, address & contact details of Joint Administrator	<p>Primary Office Holder</p> <p>Gareth Harris</p> <p>RSM Restructuring Advisory LLP</p> <p>3 Hardman Street, Manchester, M3 3HF</p> <p>0113 285 5000</p> <p>IP Number: 14412</p>	<p>Joint Office Holder:</p> <p>Lindsey J Cooper</p> <p>RSM Restructuring Advisory LLP</p> <p>3 Hardman Street, Manchester, M3 3HF</p> <p>0161 830 4000</p> <p>IP Number: 8931</p>

Dividend prospects	Owed	Paid to date	Estimated future prospects
Secured creditor (1) Clydesdale Bank PLC	£7,300,547	NIL	Uncertain, dependent on sale of property
Preferential creditors	£22,000	NIL	Uncertain
Unsecured creditors	£607,204	NIL	Uncertain
Estimated net property	Uncertain		
Estimated prescribed part available for unsecured creditors	Uncertain		

Appendix B

Estimated statement of financial position as at 20 December 2018

	Book value £	Estimated outcome £
Assets subject to fixed charge		
Goodwill	60,000	0
Freehold property	1,812,000	Uncertain
Leasehold property	1,042,000	Uncertain
Less: due to Clydesdale	(109,500)	<u>(7,300,547)</u>
Fixed charge deficit		(7,300,547)
Assets subject to floating charge		
Book debts	107,000	30,000
Fixtures and fittings	842,000	Uncertain
Inter-company debtors	2,327,840	<u>Uncertain</u>
		30,000
Preferential Creditors		<u>(150,000)</u>
Net property available to Prescribed Part		(120,000)
Prescribed Part to carry down		<u>0</u>
Available to floating chargeholder		(120,000)
Available from specific charge		Uncertain
Fixed charge deficit		<u>(7,300,547)</u>
Deficiency under floating charge		(7,420,547)
Prescribed Part brought down		0
Less costs attributable to Prescribed Part		<u>Uncertain</u>
Available to unsecured creditors		0
Unsecured creditors		
Trade creditors		(145,383)
Directors' loan account		(1,433,733)
Employee claims		(213,000)
Inter-company creditors		<u>(3,175,236)</u>
		(4,967,352)
Estimated Deficiency regards unsecured creditors		(4,967,352)
Estimated Dividend to Unsecured Creditors (p in the £ subject to costs)		0.00

Notes

The book values of amounts due to the Bank have been provided by the Bank.

The book values of fixed assets are taken from the 31 December 2017 filed financial accounts and do not take into account subsequent depreciation charges.

The values attributed to the directors' and inter-company loan accounts have been taken from the Company's records.

Appendix C

Safehands Nurseries Limited (In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of Financial Position £	From 21/12/2018 To 05/02/2019 £	From 21/12/2018 To 05/02/2019 £
RECEIPTS			
Freehold property	1,812,000	0.00	0.00
Book Debts	107,000	0.00	0.00
Inter-company debtors	2,327,840	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
PAYMENTS			
Clydesdale Bank Plc	(7,300,547)	0.00	0.00
Employee Arrears	(22,000)	0.00	0.00
Trade Creditors	(145,383)	0.00	0.00
Employees	(213,000)	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
BALANCE - 5 February 2019			<u><u>0.00</u></u>

Note:



Gareth Harris
Joint Administrator

Appendix D

Rule 14.4 Insolvency (England and Wales) Rules 2016

Proof of Debt

In the High Court of Justice Business & Property Courts in Leeds No 1325 of 2018 Safehands Nurseries Limited In Administration Company No: 06279275 Gareth Harris and Lindsey Cooper appointed as Joint Administrator to the above company on 21 December 2018	
Relevant date for creditors' claims: 21 December 2018	
1	Name of creditor If a company please also give company registration number
2	Address of creditor for correspondence.
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date. Less any payments made after that date in relation to the claim, any deduction in respect of discounts and any adjustment by way of mutual dealings and set off in accordance with relevant legislation
4	Details of any documents by reference to which the debt can be substantiated. There is no need to attach them now, but you should retain them safely as the Joint Administrator may ask you at a future date 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.
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.
6	Particulars of how and when debt incurred If you need more space append a continuation sheet to this form
7	Particulars of any security held, the value of the security, and the date it was given.
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	Date
	Position with or in relation to creditor
	Address of person signing (if different from 2 above)

Notes:

1. This form can be authenticated for submission by email, to restructuring.manchester@rsmuk.com, 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 a company, please state your relationship to the company.

Appendix E

RSM RESTRUCTURING ADVISORY LLP

Charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP MANCHESTER are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP MANCHESTER will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix F

RSM Restructuring Advisory LLP

Joint Administrators' current charge out and disbursement rates

Hourly charge out rates	Rates at commencement £	Current rates £
Partner	525	525
Directors / Associate Directors	385-475	385-475
Manager	245-335	245-335
Assistant Managers	240-245	240-245
Administrators	105-240	105-240
Support staff	195	195

Category 2 disbursement rates	
Subsistence	£25 per night
Travel (car)	42.5p per mile
'Tracker' searches	£10 per case

Appendix G

Category 2 disbursement table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest			
Recipient, type and purpose	Incurred to date	£	
		Paid to date	Unpaid to date
Mileage	17.85	-	17.85
Total	17.85	-	17.85

Appendix H

Joint Administrators' fee estimate

Budgeted hours									
Partners	Directors / Associates	Managers	Assistant Managers	Administrators	Assistants / Support Staff	Other	Total Hours	Total Cost	
£525	£402	£284	£241	£163	£190	£0			
Charge rate (average per hour)									
Administration and planning									
Appointment documentation	0.3	10.0	3.4	-	20.3	-	34.0	£8,495	
Background information	1.5	-	3.5	-	29.8	-	34.8	£9,704	
Case Management	3.4	7.9	16.8	-	13.9	9.0	50.8	£13,823	
Closure	0.5	-	2.0	-	5.0	-	7.5	£1,968	
Director(s) / debtor / bankrupt	-	-	2.0	-	3.5	-	5.5	£1,160	
Pension Scheme (administration)	-	-	1.0	-	9.4	-	10.4	£2,716	
Post-appointment general	-	-	4.8	2.5	19.8	6.7	33.8	£8,823	
Pre-appointment matters	-	-	-	-	-	-	-	£0	
Receipts & payments	0.5	-	2.0	-	12.3	0.4	15.2	£2,937	
Statement of Affairs preparation	-	-	1.0	-	9.7	4.5	15.2	£2,734	
Tax Matters	-	-	1.2	-	2.0	-	3.2	£850	
Investigations	6.2	17.8	37.5	2.5	124.8	20.6	209.5	£46,350	
Realisation of Assets:									
- fixed charge assets									
Chattels	-	-	-	-	-	-	-	£0	
Debtors & Sales Finance	-	-	-	-	-	-	-	£0	
Land & Property	6.5	7.2	28.2	-	0.6	-	42.5	£14,656	
Sale of Business	-	-	-	-	-	-	-	£0	
Realisation of Assets:	6.5	7.2	28.2	-	0.6	-	42.5	£14,656	
- floating & uncharged assets									
Assets general - Other	2.0	-	6.0	3.0	15.0	-	26.0	£5,988	
Chattels	-	-	-	-	0.6	-	0.6	£98	
Debtors & Sales Finance	3.8	-	7.1	-	11.2	-	22.1	£5,913	
Hire purchase / leasing creditors	-	-	0.1	-	-	-	0.1	£24	
Land & Property	-	-	-	-	-	-	-	£0	
Retention of Title / Third party assets	-	-	-	-	-	-	-	£0	
Sale of Business	-	-	-	-	-	-	-	£0	
Stock & WIP	5.8	-	13.1	3.1	26.8	-	48.8	£12,024	
Trading	12.3	7.2	41.3	3.1	27.4	-	91.3	£26,720	
Creditors									
1st creditors / shareholders meetings & reports	1.2	1.7	15.3	0.1	4.2	-	22.5	£5,823	
Committee	-	-	-	-	-	-	-	£0	
Deferred / Postponed creditors	-	-	-	-	-	-	-	£0	
Employees	1.7	5.7	20.7	-	9.4	21.0	58.5	£14,796	
Other creditor meetings & reports	0.5	-	4.5	-	9.7	2.5	-	£3,646	
Preferential creditors	-	-	-	-	-	-	-	£0	
Secured creditors	0.9	-	3.8	-	2.2	-	6.9	£1,949	
Unsecured creditors	0.5	-	5.3	9.4	35.0	0.5	50.7	£9,900	
Case Specific Matters	4.8	7.4	48.6	9.5	60.9	24.0	155.8	£39,816	
Legal Matters									
Legal Matters	-	-	-	-	-	-	-	£0	
Shareholders	-	-	-	-	-	-	-	£0	
Total Hours	27.1	32.5	182.4	15.1	220.9	50.6	496.6		
Total time costs	£14,228	£13,063	£44,810	£3,637	£36,106	£9,614	£0	£121,457	
Average hourly rate								£244	
Total time costs for approval								£121,457	

SCOPE	
Administration and planning	Work that must be carried out in order to comply with statutory requirements imposed by the insolvency legislation. This includes filing and advertising of appointment documents, filing of Statement of Affairs, handling of receipts and payments, submission of VAT and Corporation Tax returns, undertaking file reviews, case planning and strategy, dealing with redirected mail, converting any non-statutory meetings, dealing with the winding up of pension scheme(s), liaising with the Company's directors and case closure formalities. The budget assumes that the Company's records are up to date, that no creditors' committee is appointed, and that the case can be concluded in 12 months.
Investigations	Collection and review of the Company's accounting records in order to identify any potential or actual asset recoveries, antecedent transactions, transactions at under value or voidable dispositions. Reporting to the Department of Business Innovation and Skills on the conduct of the Company's directors.
Realisation of assets - Fixed	All aspects of the realisation of fixed charge assets including identifying, securing and insuring property with no contentious matters. The budget assumes there will be no legal action required to realise these assets; the Office Holder receives full co-operation of the Company directors and that no contentious matters will arise; that the property will be sold within 12 months on the open market with no order of possession required etc. The budget also assumes that there are no environmental and/or health and safety issues.
Realisation of assets - Floating	All aspects of the realisation of assets including identifying, securing and insuring assets such as book debts and chattels with no contentious matters. Dealing with Retention of Title claims and the return of third party assets. The budget assumes there will be no legal action required to realise these assets; the Office Holder receives full co-operation of directors and that no contentious matters will arise; that book debt collectors will be completed within 6 months. The budget also assumes that there are no environmental and/or health and safety issues.
Trading	No trading is expected.
Creditors	Includes dealing with creditor queries, agreement of claims, distributions to creditors. Also includes preparation of statutory formal reports to creditors. Fee estimate assumes claims will be agreed without any dispute, litigation or contentious matters arising and that the Company's records are complete and up to date.
Case Specific Matters	No case specific matters are expected.

Appendix I

Estimate of all expenses likely to be incurred by the Joint Administrator

		£	
	Incurred to date	Expected future	Expected total
Bond	85.00	-	85.00
Statutory advertising	90.00	-	90.00
Website fee	8.00	-	8.00
Storage agent (collection/storage of records)	-	500.00	500.00
Mileage	-	1,000.00	1,000.00
Legal fees – Addleshaw Goddard LLP	-	10,000.00	10,000.00
Insurance	-	20,000.00	20,000.00
GVA agents costs 2% of property sales	-	15,800.00	15,800.00
GVA agents disbursements	-	4,000.00	4,000.00
EK Employment	-	5,000.00	5,000.00
Pension consultancy – Clumber Consultancy Limited	-	2,000.00	2,000.00
Total	183.00	58,300.00	58,483.00

Appendix J

Joint Administrators' post appointment time cost analysis for the period from 21 December 2018 to 5 February 2019

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	0.3	10.0	3.4	0.0	20.3	0.0	34.0	£ 9,456.50	278.13
Background information	0.0	0.0	1.0	0.0	24.9	0.0	25.9	£ 3,232.00	124.79
Case Management	1.9	7.9	14.1	0.0	5.7	0.0	29.6	£ 9,680.50	327.04
Director(s)/debtor/bankrupt	0.0	0.0	2.0	0.0	3.5	0.0	5.5	£ 937.50	170.45
Pension Scheme	0.0	0.0	0.0	0.0	3.4	0.0	3.4	£ 646.00	190.00
Post-appointment - general	0.0	0.0	3.8	0.0	1.8	0.7	6.3	£ 1,644.00	260.95
Receipts and Payments	0.0	0.0	0.0	0.0	2.3	0.4	2.7	£ 462.00	171.11
Statement of Affairs	0.0	0.0	0.0	0.0	3.7	0.0	3.7	£ 630.00	170.27
Tax Matters	0.0	0.0	0.2	0.0	0.0	0.0	0.2	£ 57.00	285.00
Total	2.2	17.9	24.5	0.0	65.6	1.1	111.3	£ 26,745.50	240.30
Investigations									
Investigations/CDDA	0.3	0.0	17.0	0.0	4.2	0.0	21.5	£ 5,487.50	255.23
Total	0.3	0.0	17.0	0.0	4.2	0.0	21.5	£ 5,487.50	255.23
Realisation of Assets									
Assets - general/other	0.0	0.0	0.0	0.0	1.0	0.0	1.0	£ 162.00	162.00
Chattels	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 130.50	217.50
Debtors & sales finance	1.3	0.0	1.1	0.0	0.2	0.0	2.6	£ 1,031.00	396.54
HP/Leasing creditors	0.0	0.0	0.0	0.1	0.0	0.0	0.1	£ 24.00	240.00
Land and Property	1.5	7.2	8.2	0.0	0.6	0.0	17.5	£ 6,020.00	344.00
Total	2.8	7.2	9.3	0.1	2.4	0.0	21.8	£ 7,367.50	337.96
Creditors									
1st creditors/shareholders meetings and reports	0.0	1.7	11.6	0.1	0.7	0.0	14.1	£ 4,231.50	300.11
Employees	0.2	5.7	14.7	0.0	3.4	0.0	24.0	£ 7,500.00	312.50
Other Creditor Meetings and Reports	0.0	0.0	0.0	0.0	1.7	0.0	1.7	£ 337.50	198.53
Secured Creditors	0.4	0.0	1.8	0.0	0.7	0.0	2.9	£ 796.50	274.66
Unsecured Creditors	0.0	0.0	3.8	0.4	11.5	0.0	15.7	£ 3,258.50	207.55
Total	0.6	7.4	31.9	0.5	18.0	0.0	58.4	£ 16,124.00	276.10
Total Hours	5.9	32.5	82.7	0.6	90.2	1.1	213.0	£ 55,724.50	248.26
Total Time Cost	£ 3,097.50	£ 13,611.00	£ 24,306.00	£ 144.50	£ 14,356.50	£ 209.00	£ 55,724.50		
Average Rates	525.00	418.80	293.91	240.83	159.16	190.00	248.26		

Appendix K

Joint Administrators' pre appointment time cost analysis

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	1.1	1.0	0.0	0.0	1.5	0.0	3.6	£ 1,185.00	329.17
Case Management	0.4	2.6	0.0	0.0	0.7	0.0	3.7	£ 1,284.50	347.16
Pre-appointment matters	0.6	4.1	13.7	0.0	2.2	0.0	20.6	£ 6,304.50	306.04
Total	2.1	7.7	13.7	0.0	4.4	0.0	27.9	£ 8,774.00	314.48
Realisation of Assets									
Chattels	0.0	0.5	0.0	0.0	0.0	0.0	0.5	£ 192.50	385.00
Land and Property	1.3	0.7	0.0	0.0	0.0	0.0	2.0	£ 952.00	476.00
Total	1.3	1.2	0.0	0.0	0.0	0.0	2.5	£ 1,144.50	457.80
Creditors									
Employees	0.0	3.0	0.1	0.0	0.0	0.0	3.1	£ 1,175.50	379.19
Secured Creditors	0.0	1.0	0.0	0.0	0.0	0.0	1.0	£ 385.00	385.00
Unsecured Creditors	0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 52.50	105.00
Total	0.0	4.0	0.1	0.0	0.5	0.0	4.6	£ 1,613.00	350.65
Total Hours	3.4	12.9	13.8	0.0	4.9	0.0	35.0	£ 11,531.50	329.47
Total Time Cost	£ 1,785.00	£ 5,064.00	£ 3,935.50	£ 0.00	£ 747.00	£ 0.00	£ 11,531.50		
Average Rates	525.00	392.56	285.18	0.00	152.45	0.00	329.47		

Appendix L

Analysis of pre-appointment time costs

Pre-administration costs incurred	£		
	Incurred	Paid	Unpaid
Administrators' fees	11,531.50	-	11,531.50
Administrators' expenses	-	-	-
Total	11,531.50	-	11,531.50
GVA's fees	600.00	-	600.00
Addleshaw Goddard LLP's	703.00	-	703.00
Hilco Valuation Services	1,250.00	-	1,250.00
Hilco Valuation Services expenses	100.00	-	100.00
Total	2,653.00	-	2,653.00
Total	14,184.50	-	14,184.50