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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 7 0 4 8 8 7 2

Company name in full M & S Care Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Martin C

Surname Armstrong

### 3 Administrator's address

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 4 L A

Country

### 4 Administrator's name ①

Full forename(s) Andrew R

Surname Bailey

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 4 L A

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 2	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*Alan A. J.*

X

Signature date	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
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**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 **Adele Sheridan**

Company name **Turpin Barker Armstrong**

Address **Allen House**

**1 Westmead Road**

Post town **Sutton**

County/Region **Surrey**

Postcode **S M 1 4 L A**

Country

DX **tba@turpinba.co.uk**

Telephone **020 8661 7878**

**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 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.

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Joint Administrators' Progress Report to Creditors for the 6 Months Ending 28 March 2023**

**M & S Care Limited (“the Company”) – In Administration  
In the High Court of Justice Number 003171 of 2022**

## **Table of Contents**

- 1.** Executive summary
- 2.** Statutory information
- 3.** Joint Administrators' actions since appointment
- 4.** Receipts and Payments account
- 5.** Assets
- 6.** Pre -administration costs
- 7.** Investigation into the affairs of the Company
- 8.** Joint Administrators' Remuneration
- 9.** Dividend prospects
- 10.** Further information
- 11.** Summary

## **APPENDICES**

- Appendix 1** A description of the routine work undertaken since appointment
- Appendix 2** Joint Administrators' receipts and payments account (including trading receipts and payments)
- Appendix 3** Time cost summary and comparison with fees estimate

## 1. EXECUTIVE SUMMARY

This is my first progress report to creditors since my appointment as Joint Administrator on 29 September 2022. The report covers the period 29 September 2022 to 28 March 2023 (“the Reporting Period”). The detailed report is provided below, but in summary:

### Objective of the Administration

As Joint Administrators of the Company, Andrew Bailey and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation.

As stated in the Joint Administrators’ Proposals (“the Proposals”), the purpose of the Administration of the Company is to achieve objective (c) i.e., realising property in order to make a distribution to one or more secured or preferential creditors. This has been achieved by the sale of the property at Seven Gables and the resultant distribution of funds to the secured creditor.

### Trading

By way of background, the Company was part of the Churchlake Care group of companies which operates care and nursing homes cross the UK (“the Group”). The Company operated and owned the freehold at Seven Gables, York Lane, Totland Bay, Isle of Wight, PO39 0ER (“the Property”), which was subject to a mortgage and fixed and floating charge over Company assets, in favour of Ortus Secured Finance Limited (“Ortus”). The Property was sold via an online auction held on 2 November 2022 for £601,000. Completion took place on 30 November 2022 and Ortus was repaid in full following the sale of the Property. Further details are provided later in this report.

The care home remained open for a short period following Administration and the Joint Administrators continued to trade to assist with the orderly relocation of residents. The care home was subsequently closed on 11 October 2022.

The Joint Administrators liaised with the Isle of Wight Council (“IOW Council”) in relation to funding the trading period including payment of wages to staff and the general operating costs of the home. Despite IOW Council being made aware from the outset that they would be required to meet the costs of trading, on 20 October 2022 (after the home had closed) they declined to provide funding. In addition, IOW Council paid monthly in advance for residents’ care (and had therefore made an overpayment given that residents relocated mid-month) so there was no prospect of receiving funds from them for ongoing fees although it appears that they may have made the payment for October 2022 care after the date of Administration. The Joint Administrators have been liaising with the Company’s bankers in order to obtain all post-administration credits. When received these funds will be used to meet the costs of trading.

### Asset realisations

The Company’s assets upon Administration comprised the Property, some residual tangible assets (being stock and care home fixtures and fittings), book debts owing for care provided to residents prior to Administration, and balances owed by other members of the Group. I have sought to realise these assets as follows:

- The Property was sold via online auction whilst the remaining tangible assets have been sold by my appointed agents, Middleton Barton Asset Valuation Limited (“MBV”), or abandoned where the costs of sale were prohibitive.
- The debtor ledger provided shortly prior to Administration indicated that £14,562 was owed to the Company in respect of sums due from private residents for services

provided in the pre-Administration period. I have written to the debtors to request repayment of the outstanding debts. The sum of £3,729.60 has been recovered in the Reporting Period.

- The sums owed by other Group companies do not appear to be recoverable since these companies are also in Administration with no prospect of a return to unsecured creditors.

### **Estimated outcome for creditors**

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to make a distribution to preferential creditors.

Based on current known information about the Company's assets and liabilities, and after taking into account the anticipated fees and expenses, there is no prospect of a dividend to non-preferential unsecured creditors.

## **2. STATUTORY INFORMATION**

Company name:	M & S Care Limited
Registration number:	07048872
Registered Office:	Allen House, 1 Westmead Road, Sutton, London, SM1 4LA
Joint Administrators' names:	Martin C Armstrong and Andrew R Bailey
Joint Administrators' address:	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Joint Administrators' contact details:	adele.sheridan@turpinba.co.uk and 020 8661 7878.
Date of appointment:	29 September 2022
Actions of Joint Administrators:	Any act required or authorised under any enactment to be done by a Joint Administrator may be done by either or both of the Joint Administrators acting jointly or alone.
Court name and reference:	In the High Court of Justice Number 003171 of 2022



### 3. JOINT ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Since we were appointed Joint Administrators, work has been undertaken in respect of the matters set out below:

#### **Trading / Relocation of Residents**

As previously reported in the Proposals, the Property and the Company's residual assets were marketed for sale. The Administrators continued to trade the care home to establish whether sales could be achieved and, if not, assist with the orderly relocation of residents. As no sale was possible, the relocation of the residents became a priority.

As part of the above, we entered into correspondence and communication with IOW Council to relocate all residents in a managed way, with the Joint Administrators' supervision. All residents were relocated to alternative care homes and the home was subsequently closed on 11 October 2022.

It was necessary to continue trading the home to ensure that residents continued to receive appropriate care whilst new care homes were identified for them. It was also important to ensure that the costs of trading the home were not, where possible, borne by assets in the Administration estate. As the home was loss making, it was appropriate for us to negotiate with IOW Council to ensure that they would provide requisite funding for ongoing trading, otherwise the Joint Administrators would have had no option but to abruptly close the home.

Unfortunately, despite the Joint Administrators making IOW Council aware both prior to and after Administration that they would be expected to fund the trading, IOW Council refused to fund the payroll and the essential operating costs. However, they did not confirm this until such time as the home had already closed and the payroll was due to be paid.

The Joint Administrators' solicitors issued correspondence to IOW Council to set out the position and to seek funding. Ultimately however, IOW Council continued to refuse to provide funding. Since then, it has transpired that the Council made payments in advance for the month of October 2022 to the Company's bank account shortly after the date of Administration. The Joint Administrators are seeking to recover these funds from the Company's bankers. Once received, these funds will be used to meet the costs of trading. As a result, whilst the Receipts and Payments Account currently shows a trading loss to the estate, I anticipate that this will likely be eradicated following receipt and reconciliation of the post-administration credits received into the Company's bank account.

The work undertaken in this regard includes, but is not limited to, the following:-

- Correspondence with IOW Council to arrange for the safe and orderly relocation of residents to new care homes.
- Negotiations with the Council in relation to the funding of pre and post Administration employees' wages together with essential operating costs of the homes up to closure.
- Issuing correspondence to residents and their families/representatives.
- Daily correspondence with the care home manager to ensure that the care home could continue to trade in an orderly manner until residents were relocated.
- Liaising with employees in relation to their continued employment.
- Corresponding with payroll provider in respect of payroll for the employees.
- Liaising with suppliers in relation to essential supplies.
- Ensuring sufficient insurance was in place.

## **Employees**

As at the date of appointment, the Company utilised 26 staff and work has been required to be undertaken to correspond with these staff regarding their employment position, ongoing trade, and their redundancy. Following the closure of the care home on 11 October 2022, all staff have now been made redundant.

The work undertaken by the Joint Administrators regarding the Company's employees was as follows:

- Corresponding with appointed ERA agents, Evolve IS, in respect of redundancies and strategy generally.
- Liaising with IOW Council in relation to the funding of payments to employees.
- Liaising with retained staff to co-ordinate communications with employees.
- Issuing letters to all retained staff.
- Dealing with ad hoc queries from employees (including those who were made redundant and those who were retained).
- Liaising with payroll provider to process and approve payroll for retained staff.
- Liaising with payroll provider to reverse payroll for staff following notification that IOW Council would not fund staff payments.
- Instructing solicitors to write to IOW Council regarding staff wages (and other essential operating costs).
- Updating employees on the position regarding wages.
- Liaising with payroll provider to process payroll for staff following receipt of the Property sale proceeds.
- Issuing payslips and P45s to staff.
- Making payments to staff and making payments to relevant authorities regarding staff deductions.

As the IOW Council refused to fund the post-administration wages, these have been paid as an expense of the Administration following receipt of the surplus proceeds from the sale of the Property.

## **Pension**

The Company operated a pension scheme with Nest and, whilst agents have been engaged to assist with our obligations in respect of this scheme, the following work has been required in this regard:

- Dealing with the formalities of the instruction.
- Liaising with pension agents and dealing with queries raised.
- Reviewing and authorising statutory notifications.

## **Books and Records (Physical and Electronic)**

As part of any Administration, it is important to take steps to deal with security and preservation of electronic and paper records. This encompasses various aspects whether that be secured premises, assets, IT and personal data. The Company's books and records and resident files were stored at the trading premises and at the Company's head office.

Time has been spent liaising with staff, MBV, File Lady Limited and other parties regarding the collection and listing of these records.

### **Creditors and other stakeholders**

The Company has around 34 known creditors and due to the nature of the business various other stakeholders, including residents, their families/representatives, IOW Council and the CQC have been affected by the Administration. Work has therefore been required to deal with these various stakeholders, a summary of which is as follows:

- Inputting the names, addresses and amounts for creditors into my firm's database to enable post-appointment notifications to be issued.
- Regular team meetings to discuss internally.
- Maintaining up to date creditor information on the case management system.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims. Correspondence with IOW Council.
- Dealing with queries from residents and their representatives regarding prepayments for services and associated claims.

### **Routine statutory and compliance work**

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since the appointment of the Joint Administrators is contained in Appendix 1.

## **4. RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 29 September 2022 to 28 March 2023 is attached at Appendix 2. All amounts are shown net of VAT, although creditors should note that the Company is not VAT registered and therefore VAT is not recoverable. I have reconciled the account against the financial records that I am required to maintain.

Since the reporting period end date, the following payments have been made from the estate bank account:

<b>Date</b>	<b>Payments</b>	<b>Details</b>
21/04/2023	£116.28	Statutory advertising (inc. VAT)
21/04/2023	£0.45	Bank charge

The balance of funds are held in a non-interest bearing estate bank account.

## **5. ASSETS**

The following assets have been realised, or otherwise dealt with, in the Reporting Period:

### **The Property**

MBV, a firm of professional, independent valuation agents, were instructed to provide a valuation of the Property. Neil Duckworth, who is a Member of The Royal Institution of Chartered Surveyors (RICS), was responsible for the Property valuation. He has the appropriate knowledge to oversee an instruction of this nature on the basis that he has considerable experience in dealing with similar assets and knowledge of the industry. It was therefore considered that MBV were suitable for assisting in this matter. MBV also confirmed that they have adequate professional indemnity insurance in place and that they had no previous involvement in respect of the Company and no conflict of interest. MBV



valued the Property at £550,000. The Property was placed on the open market on 3 October 2022, however, despite a level of interest, no offers were received.

Simultaneously with being placed on the open market, the Property was also placed into an online auction with Clive Emson auctioneers which was held on 2 November 2022. Based on advice from the auctioneers, the Property was listed with a reserve of £600,000. MBV and Clive Emson auctioneers acted as joint agents in relation to the sale.

The Property sold at auction on 2 November 2022 for the sum of £601,000 with completion occurring on 30 November 2022. In addition to the sale price of £601,000, a contribution towards searches and a solicitors' fee was received from the purchaser totalling £1,296.88, as shown in the attached Receipts and Payments account.

### **Fixtures, Fittings and Equipment and Stock**

MBV were also instructed to provide an independent professional valuation of the Company's chattel assets. The valuer responsible for preparing the valuation was Damian Short PgDip Val and the report was also verified by Neil Duckworth. On 29 September 2022, a valuation of the assets was prepared by MBV on the following bases:

Market Value (In-Situ) – Market Value (as defined in the RICS Valuation – Global Standard, Valuation Practice Statement 4.4) with the added assumption that assets are valued as a whole for continued use in their working space.

Market Value (Ex-Situ) – Market Value (as defined in the RICS Valuation – Global Standard, Valuation Practice Statement 4.4) with the added assumption that assets are valued for removal from the premises at the expense of the purchaser.

A summary of MBV's valuation is shown below:

<b>Asset category</b>	<b>Valuation basis &amp; amount (£)</b>		<b>Sale Consideration (£)</b>
	<b>Market value in-situ</b>	<b>Market value ex-situ</b>	
Office furniture and equipment	2,000	1,000	NIL
Mobility assistance equipment	1,000	500	NIL
Kitchen equipment	2,000	1,000	NIL
Stock	4,000	2,000	3,500
<b>Total</b>	<b>9,000</b>	<b>4,500</b>	<b>3,500</b>

Shortly following appointment MBV negotiated a sale of new uninstalled fire door stock to an unconnected third party, for the sum of £3,500. This has been received in full. The remaining assets were unable to be sold in-situ and MBV advised that the cost of collection and realisation of the remaining contents would substantially outweigh their realisable value. In the circumstances, these residual assets were abandoned.

### **Book Debts**

As at the date of Administration, the Company was owed £14,562, comprising sums due from private residents and Councils for services provided to residents in the pre-Administration period. The sum of £3,729.60 has been recovered in the Reporting Period. We are continuing to pursue payment of the remaining unpaid debts.



In addition, there are sums owed by other Group companies although these do not appear to be recoverable since these companies are also in Administration with no prospect of a return to unsecured creditors.

## PRE-ADMINISTRATION COSTS

On 21 February 2023, the following pre-administration costs were approved by the relevant creditors.

Description	Paid Pre Appointment	To be Paid in the Administration
Joint Administrators' pre appointment remuneration	NIL	£10,000.00
Legal Fees	NIL	£4,164.50
Legal Disbursements	NIL	£50.00
<b>Total</b>	<b>NIL</b>	<b>£14,214.50</b>

The Joint Administrators' pre appointment remuneration has been paid in full, as detailed in the attached receipts and payments account. An invoice for the legal fees and disbursements has not yet been received but has been requested.

## INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 24 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

I identified matters where I consider that further investigation was required as they could lead to identifying potential recovery actions for the benefit of creditors. These matters are:

- Further investigation into amounts due to the Company from group undertakings and how balances have accrued.
- Further investigations into payments made from the Company's bank account which require further clarity.

The above enquiries are ongoing.

Finally, within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit

to be concerned with the management of the Company. I would confirm that my report has been submitted.

## **JOINT ADMINISTRATORS' REMUNERATION**

My remuneration was approved by the unsecured creditors on 21 February 2023 on a time cost basis based on a fees estimate of £137,582.50. Although not required under Insolvency Legislation, for completeness my remuneration was also approved by Ortus, the secured creditor, on 10 March 2023. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the unsecured creditors.

My total time costs to 28 March 2023 amount to £109,816, representing 259.6 hours of work at a blended charge out rate of £423.02 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £319.96 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate because, partly due to the complexity involved in trading the homes and relocating residents, more experienced staff have been required to be utilised to undertake work.

A detailed schedule of my time costs incurred to 28 March 2023 is attached as Appendix 3. Furthermore, a comparison of these costs with my fee estimate for the Administration is also attached as Appendix 3.

I have drawn £73,333.33 to 28 March 2023.

I have not drawn remuneration in excess of my fees estimate.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Joint Administrators' Fees' published by the R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

Please note that there are different versions of the Guidance Notes, and in this case you should refer to the most recent version.

## **JOINT ADMINISTRATORS' EXPENSES**

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

#### Category 1 expenses

I have incurred the following category 1 expenses in the Administration:

<b>Nature of category 1 expense</b>	<b>Amount incurred in Reporting Period</b>	<b>Amount paid to date</b>	<b>Amount unpaid</b>
Auctioneers	£9,015.00	£9,015.00	-
Auctioneers online auction entry fee	£350.00	£350.00	-
MBV – Agents' commission, time costs	£30,179.11*	£22,500.00	-
Walker Morris – Legal fees and disbursements	£34,676.50	£5,046.88	£29,629.62
Engrossment fee	£250.00	£250.00	-
Ortus' solicitors' fees	£486.00	£486.00	-
Evolve IS - ERA fees	£1,345.00	£1,345.00	-
Evolve IS - Pension fees	£150.00	£150.00	-
Insurance	£5,870.24	£5,870.24	-
Specific bond	£550.00	£550.00	-
Statutory advertising	£90.80	£90.80	-
Storage/listing costs	£2,799.17	£66.12	£2,733.05
Postage costs	£88.00	-	£88.00
<b>Total</b>	<b>£85,849.82</b>	<b>£45,720.04</b>	<b>£32,450.67</b>

*\*Whilst MBV have incurred costs to date totalling £30,179.11, it was agreed that their fees be capped at £22,500. Accordingly there are no amounts outstanding in respect of their fees.*

I have used the following professional advisors in the reporting period:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
MBV	Sale of the Property / Valuing and Realising Assets / Records Uplift	% of the Property sale proceeds plus time costs for other work undertaken
Clive Emson Auctioneers	Online auction of the Property	% of the Property sale proceeds
Evolve IS	ERA Specialists	Fixed Fees
Evolve IS	Pension Specialists	Fixed Fees
Walker Morris Solicitors	Legal Advice	Time Costs
File Lady Limited	Records Storage	Fixed fees for rolling storage charges and time cost basis for listing records.

#### MBV

MBV were engaged by the Joint Administrators to assist with valuing and realising the Company's assets, including assisting in the Property sale in which they acted as joint agents together with the



auctioneer for a combined fee of 3% of the sale proceeds.

MBV's work related to dealing with the Property, as well as supporting the Joint Administrators with their requirements. The work undertaken by MBV is as follows:

- Attending the Property and preparing a red book valuation.
- Attending the Property to prepare an inventory and valuation of the fixtures and fittings.
- Attending the Property to take possession and to secure it.
- Arranging access to third parties to the Property as necessary.
- Undertaking marketing of the Property.
- Undertaking regular site inspections and ensuring compliance with the insurers' requirements.
- Liaising and assisting in respect of the appointment of auctioneers.
- Attending site to uplift the Company's records.
- Liaising with rental companies in respect of leased/rented equipment and ensuring return of assets.

#### Clive Emson auctioneers

The Property was placed into an online auction on 2 November 2022 with Clive Emson. They attended the Property and provided an indication of the reserve price. Their fees were agreed as a joint agency fee of 3% of the Property sale proceeds.

#### Evolve IS – ERA work

Evolve IS were engaged to provide support and assistance in dealing with employee claims and queries. The work undertaken following appointment relates to the following:

- Liaising with Directors regarding information required.
- Collating employee information from the Company's records.
- Completing a 13-week average wage check for all employees due to shift work.
- Reviewing employee claims received.
- Preparing and submitting RP14 and RP14a forms to the Redundancy Payments Service ("RPS").
- Dealing with all employees' queries in respect of the termination of their employment and any claims they were making to the RPS.

#### Evolve IS – Pension work

Evolve IS have been instructed to assist the Joint Administrators in dealing with the Company's pension schemes and the associated obligations. The work undertaken to date is as follows:

- Completion and submission of statutory Pensions Act notifications for all relevant schemes.
- Liaising with pension provider.
- Liaising with Directors regarding information required.
- Ongoing advice and assistance to the Joint Administrators in respect of pension matters.

#### Walker Morris - Solicitors

Walker Morris have been instructed to provide legal advice and assistance to the Joint Administrators on a number of matters, including the following:

- Reviewing a Court claim brought against the Company and preparing/issuing correspondence to the Court and the Company's former solicitors.
- Preparing an auction pack and dealing with the sale of the Property.



- Regulatory advice on the Care Act 2014 and IOW Council's obligations and drafting and issuing correspondence to IOW Council.
- Drafting and issuing letter to occupiers/employees residing at the Property.

#### File Lady Limited

File Lady Limited have been engaged to assist with the listing and storage of the Company's books and records held at the former trading premises and head office.

Our choice of professional advisors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also confirmed that they hold appropriate regulatory authorisations. We consider that the basis on which they charge their fees represents value for money.

#### Comparison of estimated expenses with actual expenses incurred

<b>Nature of expense</b>	<b>Estimated expenses</b>	<b>Expenses incurred to date</b>
Bonding	£550.00	£550.00
Gazetting	£188.00	£90.80
Postworks – postage	£100.00	£88.00
Conference call charges	£10.00	£nil
Insurance	£5,870.00	£5,870.24
File Lady Ltd	£1,297.00	£2,799.17
Evolve -ERA Fees	£1,345.00	£1,450.00
Evolve – Pensions fees	£150.00	£150.00
Ortus	£486.00	£486.00
Walker Morris, Solicitors	£32,427.05	£34,676.50
Clive Emson Auctioneers	£9,365.00	£9,365.00
MBV, Valuation Agents	£22,500.00	£22,500.00
<b>Total</b>	<b>£74,363.05</b>	<b>£78,025.71</b>

As you can see above, total expenses which I have incurred to date are slightly higher than the total expenses I estimated I would incur when my remuneration was approved. Some expenses were higher than I estimated and some were lower than I estimated. The reasons for the slight increase in Evolve's expenses relate to additional pension advice which they have provided to us. In addition, File Lady Ltd's expenses have increased due to the volume of books and records and the work undertaken by them in listing them and storing the boxes recovered. Walker Morris' expenses have increased due to additional legal advice being required during the Administration.

#### **LIABILITIES**

##### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

Chargeholder	Date created	Date registered	Description
Ortus Secured Finance Ltd	31 March 2021	12 April 2021	Fixed and floating charge

The sum of £404,192.58 was paid to Ortus under their fixed charge from the sale proceeds of the Property and there is therefore no longer any liability owing under this charge. Whilst the floating charge remains registered, and technically the prescribed part provisions will apply, as there is no liability owing to the charge holder there will be no prescribed part to calculate.

#### Preferential Creditors

The Statement of Affairs anticipated £19,863 in respect of ordinary preferential creditors relating to employee claims, and £16,438 in respect of secondary preferential creditors relating to HMRC's claim. A preferential claim has been received from HMRC for £59,529.28. However, a claim has not yet been received from The Redundancy Payments Services in relation to sums paid to employees.

#### Crown Creditors

The Statement of Affairs suggested that a sum was owing to HMRC for Employers' National Insurance Contributions, which would have been unsecured. HMRC have not submitted an unsecured claim in the Administration.

#### Non-preferential unsecured Creditors

The Statement of Affairs included 81 non-preferential unsecured creditors with an estimated total liability of £948,450.32 (which included unsecured employment entitlements owing to former employees. I have received claims from 9 creditors at a total of £113,749.29. I have not received claims from 72 creditors with original estimated claims in the Statement of Affairs of £834,701.03.

### **DIVIDEND PROSPECTS AND ALLOCATION OF COSTS**

#### Fixed charge assets

I have provided details of the assets secured by a fixed charge that I have realised in the assets section above and in my receipts and payments account. The following costs are those incurred to date that are directly attributable to the realisation of the Company's assets subject to a fixed charge. As such they have been paid from fixed charge realisations, as follows:

Description	£
Legal Fees – conveyancing	4,000.00
Legal Disbursements – searches	1,046.88
Legal fees – engrossment	250.00
Legal fees and disbursements – release	486.00
Auction Entry Fee	350.00
Auctioneer Fee – Clive Emson - Joint Agents	9,015.00
Joint Agent's Fee – MBV	9,015.00
Agent's Fees & Expenses – security/clearance	13,485.00
Total	38,594.76

In view of the sale price of the Property it was not considered appropriate to allocate any further costs to fixed charge assets as it was apparent that, even after a re-allocation of certain "general" Administration costs and expenses, Ortus would still be paid in full. Accordingly, any further apportionment would have no practical effect. All other Administration costs and expenses have therefore been allocated to floating charge assets.

As previously reported, Ortus were discharged in full from the sale of the Property.

#### Preferential creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to pay any dividend to preferential creditors.

#### Non-preferential unsecured Creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to pay any dividend to non-preferential unsecured creditors.

As previously advised, the Company gave a floating charge to Ortus on 31 March 2021. The money due to Ortus has been fully repaid from the fixed charge they held over the Property. As a result, I have not have to pay them any money under their floating charge there will be no prescribed part to calculate.

### **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Administrators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Administrators as being excessive, and/or the basis of the Joint Administrators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

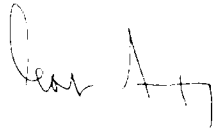
Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Andrew R Bailey and I. The Joint Administrators act as agents of the Company and contract without personal liability.

### **SUMMARY**

The Administration will remain open until book debt realisations are complete and our investigations are concluded. I estimate that this will take approximately 4 months (unless any rights of action arise from my investigations) and once resolved the Administration will cease and my files will be closed.



If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact Adele Sheridan on 020 8661 7878, or by email at [adele.sheridan@turpinba.co.uk](mailto:adele.sheridan@turpinba.co.uk).



**Martin C Armstrong FCCA FABRP FIPA MBA FNARA**  
**Joint Administrator**

## **APPENDIX 1**

### **A DESCRIPTION OF THE ROUTINE WORK UNDERTAKE SINCE APPOINTMENT**

## **APPENDIX 1 - DETAILS OF WORK UNDERTAKEN TO DATE**

### **Administration**

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Setting up electronic case files

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holders' appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).

Preparing, reviewing and issuing proposals to the creditors and members.

Filing the proposals at Companies House.

Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court.

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the estate bank account.

Creating, maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Overseeing and controlling the work done on the case by case administrators.

Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

### **Realisation of assets**

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Corresponding with debtors and attempting to collect outstanding book debts.

Liaising with the bank regarding the closure of the account and post-administration credits.

Instructing agents to value known assets.

Liaising with agents and auctioneers to realise known assets.

Instructing solicitors to assist in the realisation of the freehold property.

Obtaining details from mortgagees about debts secured over the Company's freehold property.

Liaising with the secured creditors over the realisation of the assets subject to a mortgage or other charge.

Review and reconciliation of the inter-company debt position.

Monitoring receipts and reconciling the position in relation to the various debtors.

### **Creditors**

Obtaining information from the case records about employee claims.

Reviewing documentation for submission to the Redundancy Payments Service.

Corresponding with agents and employees regarding claims.

Supervising the work of advisors instructed on the case to assist in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

### Investigations

Recovering the books and records for the case.

Listing the books and records recovered.

Submitting an online return on the conduct of the Directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.

### Trading

Issuing correspondence to residents and their families/representatives.

Arranging suitable insurance for the business.

Setting up suitable systems and controls in respect of purchases and sales for the business.

Liaising with staff.

Negotiations with IOW Council in relation to the funding of pre and post Administration employees' wages together with essential operating costs of the homes up to closure.

Monitoring and controlling the day-to-day trading of the business

Monitoring compliance with Health and Safety obligations in respect of the business.

Dealing with suppliers.

Daily correspondence with care home manager in order that the care home could continue to trade in an orderly manner.

### Case Specific Matters:

Dealing with regulatory matters and liaising with IOW Council generally.

Dealing with patient records.

## **APPENDIX 2**

### **JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT (INCUDING TRADING RECEIPTS AND PAYMENTS)**

M & S Care Limited  
(In Administration)  
Joint Administrators' Trading Account  
To 28/03/2023

S of A £	£	£
POST APPOINTMENT SALES		
Post Appointment Trading Receipts	4,604.94	4,604.94
OTHER DIRECT COSTS		
PAYE/NIC	542.51	
Electricity costs	785.90	
Bank charges	11.70	
Pension	304.65	
Wages & Salaries	14,045.62	(15,690.38)
TRADING SURPLUS/(DEFICIT)		(11,085.44)

M & S Care Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments  
To 28/03/2023

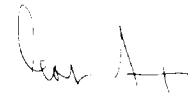
S of A £		£	£
	<b>FIXED CHARGE ASSETS</b>		
601,000.00	Freehold Property - Seven Gables	601,000.00	
	Searches Fees Contribution	1,046.88	
	Solicitors' Engrossment Fee Contributi	250.00	
			602,296.88
	<b>FIXED CHARGE COSTS</b>		
	Legal Fees - Conveyancing	4,000.00	
	Legal Disbursements - Searches	1,046.88	
	Legal Fees - Engrossment	250.00	
	Legal Fees + Disbursements - Release	486.00	
	Auctioneer Fee - Joint Agents	9,015.00	
	Joint Agents' Fees	9,015.00	
	Agents' Fees + Expenses - security/cle	13,485.00	
	Auction entry fee	350.00	
			(37,647.88)
	<b>FIXED CHARGE CREDITORS</b>		
(404,192.00)	Fxd Charge Cr - Ortus Secured Financ	404,192.58	
			(404,192.58)
	<b>ASSET REALISATIONS</b>		
NIL	Fixtures & Fittings	NIL	
3,500.00	Stock	3,500.00	
10,922.00	Book Debts	3,729.60	
NIL	Intercompany Debts	NIL	
	Trading Surplus/(Deficit)	(11,085.44)	
			(3,855.84)
	<b>COST OF REALISATIONS</b>		
	ERA Agents - Post-App	2,342.00	
			(2,342.00)
	<b>COST OF ADMINISTRATION</b>		
	Specific Bond	550.00	
	Joint Administrators' Pre Appt Rem	10,000.00	
	Statutory Advertising	90.80	
	Record retrieval / Storage Costs	66.12	
	ERA Agents' Fees - Post-App	1,345.00	
	Pension Agents' Fees	150.00	
	Insurance of Assets	5,870.24	
	Non-recoverable VAT	24,838.45	
	Bank Charges	6.55	
	Joint Administrators' Remuneration	73,333.33	
			(116,250.49)
	<b>PREFERENTIAL CREDITORS</b>		
(19,358.34)	Employees Accrued Wages and Hol P	NIL	
			NIL
	<b>SECONDARY PREFERENTIAL CREDITORS</b>		
(16,438.00)	HMRC - PAYE	NIL	
			NIL

M & S Care Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments  
To 28/03/2023

S of A £		£	£
	UNSECURED CREDITORS		
(73,989.74)	Trade & Expense Creditors	NIL	
(88,028.74)	Employees - PILON, Red and Arrs of P	NIL	
(722,819.00)	Intercompany Creditors	NIL	
(27,816.70)	Prepayments - Residents	NIL	
Uncertain	HMRC - Employers NIC	NIL	
			NIL
	DISTRIBUTIONS		
(50.00)	A Ordinary Shareholders	NIL	
(50.00)	B Ordinary Shares	NIL	
			NIL
(737,320.52)			38,008.09
	REPRESENTED BY		
	Bank - Current non-interest bearing		38,008.09
			38,008.09

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.



Martin C Armstrong  
Joint Administrator

### **APPENDIX 3**

#### **TIME COSTS SUMMARY AND COMPARISON OF FEES ESTIMATE**

Time Entry - Detailed SIP9 Time & Cost Summary

XM0359 - M & S Care Limited  
To: 28/03/2023  
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
402 : Cashiering	10.20	0.00	0.00	10.50	20.70	6,395.00	308.94
508 : Convening & holding meetings of creditors	1.00	0.00	0.00	0.20	1.20	629.00	524.17
510 : Convening decision procedures	3.30	0.00	0.00	0.00	3.30	1,567.50	475.00
600 : Administration	6.10	3.50	0.20	7.20	17.00	5,528.50	325.21
603 : Statutory filing	0.30	0.00	0.00	5.60	5.90	417.50	70.76
604 : Appointment notification	1.10	0.00	0.00	2.40	3.50	1,316.50	376.14
605 : Case review	4.00	2.40	0.00	0.00	6.40	2,944.00	460.00
606 : MLR/Ethics/Bribery checklists	1.40	0.00	0.00	0.00	1.40	903.00	645.00
608 : Pension matters	1.00	0.00	0.00	0.00	1.00	577.00	577.00
700 : Formalities	0.50	6.60	0.00	0.00	7.10	2,547.50	358.80
701 : Strategy (incl Sales)	0.00	0.20	0.00	0.00	0.20	70.00	350.00
504 : Statutory Reporting to Creditors	19.20	13.50	0.00	18.00	51.70	19,499.00	377.16
Administration & Planning	48.10	26.20	0.20	44.90	119.40	42,394.50	355.06
601 : Case Specific 1	6.40	0.00	0.00	0.00	6.40	3,465.00	541.41
Case Specific Matters	6.40	0.00	0.00	0.00	6.40	3,465.00	541.41
500 : Preferential Creditors	0.00	0.00	0.00	0.70	0.70	182.00	260.00
501 : Unsecured Creditors	4.70	1.80	0.00	5.00	12.30	4,608.50	374.67
502 : Employee Matters	7.00	1.70	0.00	1.30	10.00	4,258.00	425.80
505 : Report / Secured Creditor	1.00	0.00	0.00	0.10	1.10	535.00	486.36
Creditors	12.70	3.50	0.00	7.90	24.10	9,583.50	397.66
201 : CDDA Reports	4.40	0.40	0.00	8.40	13.20	4,856.00	367.88
203 : Investigations (other)	8.80	4.60	0.00	0.80	14.20	6,882.00	484.65
204 : Reviewing/listing books and records	0.50	0.00	0.00	0.00	0.50	237.50	475.00
205 : Bank statement analysis	0.80	0.00	0.00	4.10	4.90	1,446.00	295.10
Investigations	14.50	5.00	0.00	13.30	32.80	13,421.50	409.19
300 : Ident / Securing & Insuring	3.60	0.00	0.00	0.50	4.10	1,840.00	448.78
302 : Property	41.20	0.00	0.00	0.00	41.20	24,296.00	589.71
303 : Book Debts/retentions	3.10	0.70	0.00	1.10	4.90	2,071.50	422.76
304 : Plant & Machinery / Motor Vehicles	0.20	0.00	0.00	0.00	0.20	95.00	475.00
306 : Other Assets	0.50	0.00	0.00	0.40	0.90	341.50	379.44
307 : Cash at bank	0.50	0.00	0.00	0.40	0.90	358.50	398.33
Realisation of Assets	49.10	0.70	0.00	2.40	52.20	29,002.50	555.60
400 : Trading	12.00	0.00	0.00	0.50	12.50	6,102.00	488.16
404 : Trading employee issues	11.40	0.30	0.00	0.00	11.70	5,622.00	480.51
405 : Trading dealing with suppliers	0.40	0.10	0.00	0.00	0.50	225.00	450.00
Trading	23.80	0.40	0.00	0.50	24.70	11,949.00	483.77

# Time Entry - Detailed SIP9 Time & Cost Summary

XM0359 - M & S Care Limited  
To: 28/03/2023  
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Total Hours	154.60	35.80	0.20	69.00	259.60	109,816.00	423.02
Total Fees Claimed						73,333.33	

	ADM FEE ESTIMATE			TIME COSTS INCURRED IN PERIOD			
Classification of Work Function	Fee Estimate £	Total hours of work	Blended Rate £	Time Costs incurred to 28 March 2023 £	Total hours of work	Actual Blended Rate £	Reason blended rate has been/is likely to be exceeded
Administration & Planning	58,345.00	192.00	303.88	42,394.50	119.40	355.06	Higher level of staff utilised due to nature of the case and to prepare and issue reports to creditors.
Investigations	17,405.00	78.00	223.14	13,421.50	32.80	409.19	Higher grade of staff required to deal with investigative matters.
Realisation of Assets	30,692.50	72.00	426.28	29,002.50	52.20	555.60	Higher level of staff utilised due to nature of asset realised (property).
Creditors	13,452.50	39.50	340.57	9,583.50	24.10	397.66	Higher level of staff required to deal with certain claims/creditors (mainly the LLP members).
Case Specific Matters	2,305.00	7.00	329.29	3,465.00	6.40	541.41	Work is still ongoing in respect of the provision of patient records to the Councils. A higher level of staff required to liaise with CQC and Council to ensure there are no breaches of sensitive information.
Trading	15,382.50	41.50	370.66	11,949.00	24.70	483.77	Higher level of staff utilised due to nature of business (care home operation).
<b>Total</b>	<b>137,582.50</b>	<b>430.00</b>	<b>319.96</b>	<b>109,816.00</b>	<b>259.60</b>	<b>423.02</b>	