

AM23

Notice of move from administration to dissolution



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 9 3 1 9 9 0 9

Company name in full TFHC Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice

Court number 0 0 4 1 7 3 2 0 1 9

3 Administrator's name

Full forename(s) Martin C Armstrong FCCA FABRP

Surname FIPA

4 Administrator's address

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

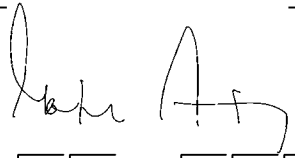
County/Region Surrey

Postcode S M 1 4 L A

Country

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		① Other administrator Use this section to tell us about another administrator.
Full forename(s)	James E Patchett FCCA		
Surname	FABRP		
6	Administrator's address ②		② Other administrator Use this section to tell us about another administrator.
Building name/number	Allen House		
Street	1 Wesmead Road		
Post town	Sutton		
County/Region	Surrey		
Postcode	S M 1 4 L A		
Country			
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature 		
Signature date	d 2 2 m 0 5 y 2 0 y 2 3		

**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 **Martin C Armstrong**

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.

**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

TFHC Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

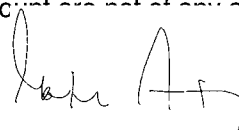
Statement of Affairs £	From 03/07/2019 To 17/05/2023 £	From 03/07/2019 To 17/05/2023 £
FIXED CHARGE ASSETS		
Social Media Assets	1.00	1.00
Domain Names and Websites	4,995.00	4,995.00
Goodwill	1.00	1.00
Intellectual Property	30,000.00	30,000.00
Database & Database records	1.00	1.00
Contracts	1.00	1.00
Books and Records	1.00	1.00
Business Name	4,995.00	4,995.00
	<u>39,995.00</u>	<u>39,995.00</u>
FIXED CHARGE CREDITORS		
Fixed Charge Distribution	39,995.00	39,995.00
	<u>(39,995.00)</u>	<u>(39,995.00)</u>
ASSET REALISATIONS		
Customer Deposits	1.00	1.00
Plant & Machinery	150,000.00	150,000.00
Stock	210,000.00	210,000.00
Prepayments	4.00	4.00
Included Debts	32,500.00	32,500.00
Insurance Refund	13,887.84	13,887.84
Cash at Bank	64,933.39	64,933.39
Tax Losses Consideration	5,205.64	5,205.64
Gross Bank Interest	821.09	821.09
Licence Fee - Transform Hospital Gro	51,801.29	51,801.29
Residual Refunds	900.00	900.00
Business Rates Refund	14,568.02	14,568.02
	<u>544,622.27</u>	<u>544,622.27</u>
COST OF ADMINISTRATION		
Specific Bond	276.00	276.00
Statutory Advertising	240.80	240.80
ERA Advisor's Fees - Pre Appointment	325.00	325.00
PR Advisor's Fees - Post Appointment	647.50	647.50
Pensions Agent's Fees - Post Appoint	1,175.00	1,175.00
Valuation Agent's Fees - Pre Appointm	12,500.00	12,500.00
ERA Advisor's Fees - Post-Appointme	4,650.04	4,650.04
Legal Fees - Pre Appointment	23,158.06	23,158.06
Legal Fees - Post Appointment	78,596.02	78,596.02
Corporation Tax	103.93	103.93
CT Penalty	100.00	100.00
Telephone Telex & Fax	39.39	39.39
Stationery & Postage	40.81	40.81
Rent Payable	163,037.25	163,037.25
Taxation Matters	750.00	750.00
Joint Administrators' Remuneration-Po	175,000.00	175,000.00
Joint Administrators' Remuneration - P	22,500.00	22,500.00
HMLR	6.00	6.00
	<u>(483,145.80)</u>	<u>(483,145.80)</u>
PREFERENTIAL CREDITORS		
Preferential creditors	26,492.55	26,492.55
	<u>(26,492.55)</u>	<u>(26,492.55)</u>
FLOATING CHARGE CREDITORS		
Floating Charge Creditor	34,983.92	34,983.92

TFHC Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 03/07/2019 To 17/05/2023 £	From 03/07/2019 To 17/05/2023 £
	(34,983.92)	(34,983.92)
	0.00	0.00
REPRESENTED BY		NIL

Note:

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



Martin C Armstrong FCCA FABRP FIPA
Joint Administrator

TFHC Limited ("the Company") – In Administration

JOINT ADMINISTRATORS' FINAL PROGRESS REPORT TO CREDITORS

Partners

M.C. Armstrong FCCA FABRP FIPA MBA FNARA, D.C. Clark FCCA, J.E. Patchett FCCA FABRP, D.A. Payne BA (Hons) FCA,
B.I. Suckling BSc (Hons) FCCA, M.C. Card FPFS Certs CII (MP & ER), A.R. Bailey FABRP MIPA,
S-J. Crean FCCA, R.A. Russell MABRP MIPA, K.M. Drake FABRP MIPA
Consultant - A.W. Payne FFA/FIPA FFTA DipPFS CeMAP

Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants.

M. C. Armstrong, J. E. Patchett and A. R. Bailey are licensed to act as Insolvency Practitioners in the United Kingdom
by the Institute of Chartered Accountants in England and Wales.

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We are pleased to support



TFHC LIMITED- In Administration

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1. EXECUTIVE SUMMARY

This is our final progress report to members and creditors for the period ending 17 May 2023. This report should be read in conjunction with the previous reports issued by the Joint Administrators.

On 16 June 2020, the secured creditors agreed to extend the Administration of the Company for a period of 12 months. The Administration was extended until 2 July 2021.

In May 2021, upon an application made to Court for a further extension of the Administration, a Court Order was made on 30 June 2021 that the Administration be further extended until 3 July 2022.

A further application was made to Court for an extension of the Administration in May 2022 and a Court Order was made on 22 June 2022 that the Administration be extended until 3 July 2023.

The Joint Administrators have decided not to apply for an extension of the Administration. It will therefore end upon filing and acceptance of the AM23 form at Companies House and will move to dissolution.

According to the Joint Administrators' Proposals, the purpose and objective of the Administration was to achieve a better result for the Company's creditors as whole than would be likely if the Company were wound up (without first being in Administration- Schedule B1 para 3 (b) and this has been achieved by doing a pre-pack sale of the business and making a distribution to the secured creditors and preferential creditors. Further details are provided further below in the report.

As mentioned to creditors previously, the Company provided cosmetic surgery and aesthetics services and traded under the name "Transform". The Company operated in conjunction with a connected company, Combine Opco Limited, which also provided cosmetic surgery and aesthetics services and traded as "The Hospital Group". The Company had purchased the business and assets of Transform Medical Group (CS) Limited out of Administration in June 2015 whilst Combine Opco Limited had purchased the business and assets of The Hospital Group Healthcare Limited out of Administration in October 2016.

As a result of the various financial difficulties faced by the Company, it was considered that the Administration and the immediate sale of the Company's business and assets on pre-agreed terms would present the best outcome to all stakeholders. On 3 July 2019, a pre-pack sale of the Company's business and assets was undertaken to Transform Hospital Group Limited ("THGL"). James Patchett and I were therefore appointed as Joint Administrators of the Company on 3 July 2019.

The detailed progress report is provided below, but in summary:-

- Immediately following our appointment, we sold the Company's business and assets to Transform Hospital Group Limited. This preserved the jobs of 197 staff thereby minimising claims in the Administration in respect of staff redundancies.
- In accordance with the terms of the Sale Purchase Agreement, we liaised with THGL in connection with the deferred sale consideration. The full sale consideration was received soon after.
- We also sought to realise and deal with any refunds due to the Company.

- The actions taken by the Joint Administrators enabled distributions to the secured creditor, Aurelius Finance Company Limited under their fixed and floating charge.
- A dividend of 100p/£ was declared to the preferential creditors of the Company.
- Legal advice was also sought regarding the viability of a prescribed part distribution to the unsecured creditors.
- There were some rent arrears payable to the Company by THGL. I was made aware that THGL was placed into Administration in October 2022 and according to the Administrator's proposals, a dividend to the unsecured creditors of THGL was very unlikely. We therefore decided that we would no longer be pursuing the rent arrears, and these were written off as bad debts.

I have detailed the matters dealt in respect of the realisation of assets, creditors' claims and investigations under the appropriate headings later in the report.

2. STATUTORY INFORMATION

Company name:	TFHC Limited
Formerly known as:	BX3 Trading Limited
Court name and reference:	In the High Court of Justice Number 004173 of 2019
Registered office:	Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA
Former registered office:	Pines Hospital, 192 Altrincham Road, Manchester M22 4RZ
Registered number:	09319909
Joint Administrators' names;	Martin C Armstrong and James E Patchett
Joint Administrators' address:	Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA
Joint Administrators' date of appointment:	3 July 2019
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

3. SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS

The Joint Administrators' Proposals were deemed approved by the creditors on 25 July 2019. As mentioned above, the objective of the Administrators' Proposal was to achieve purpose under Schedule B1 Para 3 (b) Insolvency Act 1986, which is to achieve a better result for the Company's creditors as whole

than would be likely if the Company were wound up.

4. JOINT ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Sale of Business and Assets

As advised above, the Company's business and assets were sold to THGL on 3 July 2019 via a pre-pack sale. The total sale consideration payable was £432,500. In accordance with the terms of the sale agreement, the initial consideration of £242,200 was paid on 3 July 2019. The balance of £190,300 in respect of the deferred sale consideration was received on 31 October 2019 following THGL's registration with the CQC.

Cash at Bank

The Company operated a banking facility with Barclays Bank Plc. Immediately upon appointment the Company's bankers were notified of the appointment. The balance as at appointment incorporated monies due to THGL (in respect of payments made by customers for procedures that THGL would be undertaking). In addition, a high volume of receipts was anticipated to be received into the Company's bank accounts which were to also be due to THGL (again, in respect of payments made by customers for procedures that THGL would be undertaking) until such time as arrangements had been made to transfer the existing merchant services accounts to THGL.

Arrangements were made with the Company's bankers and THGL to ensure that the receipts in question were remitted to THGL. In this regard, we were required to undertake regular reconciliations of the Company's bank statements and cross reference the appropriate receipts with the schedules prepared by the Company's merchant service provider, First Data. We were also required to complete and send regular payment requests to Barclays to arrange for the release of the relevant funds to THGL. Whilst it had initially been anticipated that the card terminals would be transferred imminently following appointment, THGL had experienced difficulties and delays in transferring their card terminals. In order to expedite the transfer, we also liaised with the Company's card merchants, First Data.

Once the card terminals were transferred, the residual balance were transferred to the Administration estate.

Whilst creditors have not directly benefitted from the work undertaken in this regard, it was considered appropriate in the circumstances as, without the efficient transfer of the funds due to THGL, there was a risk that the deferred consideration could not be paid and/or that THGL could not undertake procedures for patients.

The Company's credit balance of £64,933.39 held with Barclays Bank was realised in full.

Properties

As creditors will be aware, the Company traded from 19 locations in the United Kingdom which were occupied subject to a lease or licence. Upon completion, the Joint Administrators afforded THGL a Licence to Occupy in respect of 16 of its premises. The Licence to Occupy allowed THGL to occupy the premises for 6 months from appointment whilst it sought to negotiate and agree separate arrangements for future use of the premises directly with the respective landlords. Some properties were not retained for the purposes of the Administration as they were not required by the Licensees.

THGL were unable to make direct arrangements with all affected landlords during the term of the initial Licence to Occupy and therefore requested an extension of 6 months. Whilst an extension to the Licence to Occupy was not, on the face of it, considered to provide any benefit to the Administration, it was considered appropriate on the basis that it would facilitate the ongoing services provided by THGL to its patients. It was also agreed that any legal costs incurred in connection with the Licence to Occupy would be paid by THGL and not borne as an expense of the Administration (albeit our solicitors agreed that due to nominal work involved they would not charge for preparing a new Licence to Occupy). Further, in accordance with arrangements made with landlords during the initial Licence to Occupy, THGL would maintain the contractual payments where were to continue to discharge rent payable to landlords directly (thus keeping the involvement of the Administrators to a minimum).

Initially, THGL were discharging most of the rental payments directly with the landlords, however they fell into arrears as a result of COVID-19. It therefore fell to THGL to maintain the contractual payments which were paid as an expense of the Administration and the Administrators would recover the money from THGL into the estate.

There was a formal agreement in place between the Administrators of the Company and THGL that the Administrators would be collecting the monies from THGL.

The Administrators had paid £163,037.25 plus VAT to the landlords of the various properties in respect of the rent. During the course of the Administration, £51,801.29 was received from THGL. We had been liaising with the director of THGL for settlement of the outstanding rent in the administration where THGL were disputing some of the invoices and therefore delaying payments. Solicitors were instructed to recover the outstanding rent payments.

THGL was placed into Administration in October 2022 and according to the Administrators' Proposals, it is very unlikely that the unsecured creditors (including TFHC) would receive a dividend. Accordingly, we decided that we would no longer be pursuing the rent arrears and these were written off.

Medical Negligence Claims

A number of claims from former patients were received in relation to medical negligence. The following work were undertaken in this regard:

- Reviewing the details of the patients claims;
- Liaising with the patients and their representatives in connection with their claims;
- Liaising with the Company's insurers and our solicitors to devise and agree an appropriate strategy in respect of dealing with the claims;
- Issuing correspondence to patients and their representatives pursuant to the agreed strategy with the Company's insurers;
- Liaising with THGL in connection with requests made from patients for their medical records (which are being held by THGL);
- Reviewing arguments made by patients and their representatives in connection with their requests for the moratorium which arises under paragraph 43(6) of Schedule B1 to the Insolvency Act 1986 to be lifted for the purposes of pursuing their claim. This involved

balancing the interests of the patients against the interests of creditors as a whole, liaising with solicitors in respect of the request and agreeing an appropriate response.

Secured Creditor

The following work were undertaken in connection with the secured creditor:

- Correspondence with AFC regarding their claims and proposed distributions;
- Correspondence with the Company's director and company secretary in connection with the treatment of assets during the course of trade (which affects the legal advice provided in connection with the validity of the security held by AFC);
- Correspondence with AFC regarding the application for the extension of the administration.

Investigations

In accordance with Statement of Insolvency Practice 2, we undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that required further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In addition, we had prepared and submitted our confidential report to the Secretary of State regarding the conduct of current and former directors. Further details of these investigations can be found in Section 8 of this report.

General

In addition, there is certain work that I am required by the Insolvency legislation to undertake in connection with the Administration that provides no benefit for the creditors. A description of the routine work undertaken since our appointment is contained in Appendix 1.

5. OUTCOME OF ADMINISTRATION

The purpose of the Administration was to achieve a better result for the Company's creditors as whole than would be likely if the Company were wound up. This was in accordance with Schedule B1 Para 3 (b) Insolvency Act 1986. I am pleased to advise that this purpose has been achieved by undertaking a pre-pack sale of the business and making a distribution to the preferential creditors and distribution to the secured creditor.

A dividend of 100p in the £ was declared to the preferential creditors totalling £26,492.55 on 18 January 2023. The secured creditor, Aurelius Finance Company received £74,978.92 as dividend in respect of their fixed and floating charges. This dividend was paid partly in cash for the sum of £59,772.76 and the remaining £15,206.16, as a debt, distributed in specie as we are currently waiting for a VAT refund from HM Revenue & Customs. For completeness, this VAT refund has been shown as received in the attached Receipts and Payments account.

As the prescribed part element to the unsecured creditors was less than £10,000, the Joint administrators took the view that this cost would be disproportionate to the benefits were we to pay a distribution to the unsecured creditors. As a result, the prescribed part was disappplied and a dividend to the unsecured creditors was not paid.

The Administration will automatically end when this report and form AM23 are filed and accepted at Companies House. A notice of termination will be sent to Court accordingly. The Company will then move to dissolution.

6. RECEIPTS AND PAYMENTS ACCOUNT

Our Receipts & Payments Account for the period from 3 July 2019 to 17 May 2023 is attached at Appendix 2. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

Since the reporting period end date, the following transactions have taken place through the estate:

Date	Receipt/(Payment) Amount	Details
25/01/2023	£68.85	Gross Bank Interest
17/01/2023	£4,986.07	Business rates refund
19/01/2023	(£26,492.55)	Preferential Creditors
05/04/2023	(£50,000.00)	Joint Administrators' Fees
15/05/2023	(£26,044.00)	Legal fees
04/05/2023	(£39,995.00)	Fixed Charge distribution
04/05/2023	(£34,983.92)	Floating Charge distribution
02/05/2023	(£6.00)	Land Registry charges
02/05/2023	(£90.80)	Statutory advertising

The balance of funds was initially held in an interest-bearing bank account and eventually moved into in a non-interest-bearing estate bank account.

7. ASSETS

The following assets were dealt with during the Administration:

Tangible/Intangible Assets

As previously reported, the Company's tangible and intangible assets were sold to THGL for £432,500.

The terms of the sale were broadly as follows:-

- Initial consideration of £242,000 payable upon completion.
- Balance of £190,300 payable following THGL's registration with CQC.

As mentioned above, the balance of the sale consideration has been paid.

Gross Bank Interests

As previously reported, funds were held in an interest-bearing bank account. Gross bank interest totalling £68.85 was received since my last progress report.

Business Rates Refund

A refund of £4,986.07 was received from Manchester City Council regarding business rates since my last progress report.

Legal fees

£26,044 was paid to Russell Cooke Solicitors since my last progress report in respect of their legal advice and work carried out on different matters in the administration.

8. 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 charge:

Charge Holder: Aurelius Finance Company Limited ("AFC")

Created: 7th December 2018

Delivered: 14th December 2018

Description: Fixed and Floating Charge

Amount owed to Charge Holder: £2,857,000

Following our appointment, we sought legal advice as to the validity of the security held; confirmation of the treatment of various assets; and the extent to which the charge held by AFC over them is fixed or floating (or that the asset is not subject to any charge).

On 3 May 2023, a fixed and floating charge distribution was made to AFC amounting to £74,978.92. the fixed charge distribution made was for £39,995. Floating Charge distribution amounted to £34,983.92 where £19,777.76 was paid in cash and the remainder as a VAT debt, distributed in specie as we are currently awaiting a VAT refund to be paid into the Administration account.

Preferential Creditors

The estimated outcome statement ("EOS") provided in our Proposals anticipated £40,800 would be owed to preferential creditors in respect of arrears of wages and holiday pay.

Following appointment, claims were received from former employees in respect of arrears of wages and outstanding holiday pay. These claims are understood to have been met by the Redundancy Payments Service to the extent required.

The Secretary of State, on behalf of Redundancy Payment Office have submitted its preferential claim in the Administration for the sum of £17,179.83.

We have also received a breakdown and calculation of the employees' residual preferential claims of £9,312.72 from our agent, Clumber Consultancy.

Crown Creditors

According to the Proposals, £362,658 is owed to HMRC. HMRC's claim of £521,951.50 has been received which is wholly unsecured.

Non-preferential unsecured Creditors

A summary of the other non-preferential categories of unsecured creditors included in the Joint Administrators' Proposals and the claims received in respect of these categories of creditors, is as follows:

Unsecured Creditors	Estimated Outcome Statement	Claims Received
Trade and Expense, Councils and Banks	£4,291,062	£4,756,350.12
Employees – redundancy pay, pay in lieu of notice and other payroll deductions	£75,403	£121,057.39

We would comment on the above creditor categories as follows:

Trade and Expense, Councils and Banks

To date, I have received claims from non-preferential unsecured creditors giving rise to an estimated total liability of £4,756,350.12. This includes claims from HMRC and from Redundancy Payments Service.

Employees

Claims from former employees of the Company were received in respect of outstanding redundancy pay and pay in lieu of notice. These claims are understood to have been met by the Redundancy Payments Service to the extent required, whose unsecured claim total £174,878.26. The estimated employees' unsecured residual claims amounted to £121,057.39. A full review and reconciliation of the residual employees' claims was undertaken.

9. DIVIDEND PROSPECTS

Fixed charge creditors

In accordance with Statement of Insolvency Practice 14, we must apportion the costs incurred between fixed charge, floating charge and uncharged asset realisations.

We had sought legal advice as to the validity of the security held by AFC; confirmation of the treatment of various assets; and the extent to which the charge held by AFC over them is fixed or floating (or that the asset is not subject to any charge).

On 3 May 2023, a fixed charge distribution was made to AFC amounting to £39,995.

Preferential creditors

A dividend was declared to the preferential claims of 100p in the £ on 18 January 2023 amounting to £26,492.55. This included the Secretary of State's preferential claim of £17,179.83 and employees' residual preferential claims of £9,312.72.

Floating charge creditors

As above, in accordance with Statement of Insolvency Practice 14, we must apportion the costs incurred between fixed charge, floating charge and uncharged asset realisations.

As previously reported, we have sought advice as to the validity of the security held by AFC; confirmation of the treatment of various assets; and the extent to which the charge held by AFC over them is fixed or floating (or that the asset is not subject to any charge).

A floating charge distribution was made to AFC on 3 May 2023 for the sum of £34,983.92. This was paid cash for £19,777.76 and the remainder distributed in specie, payable upon receipt of the VAT refund in the Administration.

Non-preferential Unsecured creditors

Similarly, and as advised above, in accordance with Statement of Insolvency Practice 14, we must apportion the costs incurred between fixed charge, floating charge and uncharged asset realisations.

The Company gave a floating charge to Aurelius Finance Company Limited on 7 December 2018 and the prescribed part provisions should therefore apply. However, the net property of the Company was £33,370 from which a prescribed part of £9,674 was payable. As the prescribed part element was less than £10,000 and following legal advice received, the Joint Administrators were of the opinion that it would be disproportionate to distribute this to the unsecured creditors and therefore decided that no prescribed part distribution would be made.

10. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

We 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. We are 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, we recovered and listed the Company's accounting records; obtained and reviewed copy bank statements for the 6 months prior to Administration 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.

No matters were identified that justified further investigation into the circumstances of this appointment.

Creditor Allegations

Various allegations were made in connection with the management of the business and the treatment of patients. Time was spent investigating the concerns raised in line with the documentation and information available to me. We can confirm that our investigations into the concerns raised have now been concluded.

Conduct Report

Within three months of our appointment as Administrator, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our 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. We can confirm that our report has been submitted.

11. PRE-ADMINISTRATION COSTS

On 7 August 2019 and 21 October 2019, the following pre-administration costs were approved by the preferential and secured creditors respectively:

Description	Total	Paid in Reporting Period	Total paid
Joint Administrators' Remuneration	£22,500.00	£nil	£22,500.00
Valuation Agents/Marketing	£12,500.00	£nil	£12,500.00
Legal Fees	£23,158.06	£nil	£23,158.06
ERA Services	£325.00	£nil	£325.00
Total	£58,483.06	£nil	£58,483.06

12. JOINT ADMINISTRATORS' REMUNERATION

Our remuneration was previously authorised by the preferential and secured creditors on 7 August 2019 and 21 October 2019 respectively.

Secured and preferential creditors authorised me to draw a fixed fee of £125,000 for our work in respect of all categories of work, namely Administration, Creditors, Realisation of Assets, Creditors (distributions) and Investigations.

A further increase in our fees for the sum of £50,000 plus VAT was approved by the secured creditor on 22 March 2023 and this fee has been raised in full.

I can confirm that the full amount was drawn in respect of work done for which our fees were approved as a fixed fee.

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 Administrators' Fees' also published by R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy are available at the link <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 April 2017 version.

13. 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.

A summary of the expenses incurred and paid since my last progress report are as follows:-

Type of Expense	Incurred	Paid
Legal Fees & disbursements	£26,044.00	£26,044.00
Statutory Advertising	£90.80	£90.80
HM Land Registry	£6.00	£6.00
Total	£26,140.80	£26,140.80

We have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Russell Cooke LLP	Legal advice/assistance	Time costs + disbursements
Altus Group	Rates Refund	Fixed fee
Clumber Consultancy Ltd	Employees' claim	Fixed fee

Legal Costs

Russell Cooke LLP were engaged to provide legal advice and assistance to the Joint Administrators throughout the Administration and in relation to a number of matters. The work undertaken in the administration can be summarised as follows:

- Legal advice and assistance with the extension of the Administration
- Providing advice as to the validity of the security held by AFC;
- Confirmation of the treatment of various assets and the extent to which the charge held by AFC over them is fixed or floating (or that the asset is not subject to any charge);
- Dealing with former patient's negligence claims;
- Dealing with the advice on the prescribed part distribution; and
- Dealing with ad hoc queries as and when appropriate.

As previously reported, the costs incurred exceeded our initial estimate because of a number of matters which have arisen which were not anticipated when our estimate was prepared.

Rates Refund

Altus Group was instructed to assist the Joint Administrators in recovering some rates refund from the Council in respect of the various leased properties of the Company.

Clumber Consultancy

Clumber Consultancy was instructed to calculate the various employees' claims in the Administration and liaise with employees in this matter.

As at the date of this report, the expenses we have incurred in this matter have exceeded the total expenses we estimated we would incur when our remuneration was authorised by the preferential and secured creditors. The reasons we have exceeded the expenses estimate are as stated previously.

The choice of professionals used was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. We have reviewed the fees charged and we are satisfied that they are reasonable in the circumstances of this case.

14. 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 receipt of this report. Any secured creditor may request the same details in the same time limit.

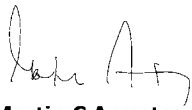
An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of 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>.

15. SUMMARY

The Administration as approved in the Proposals is now complete and our files will be closed. The purpose of the Administration has been achieved. If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Vedeena Haulkhory by email at vedeena.haulkhory@turpinba.co.uk, or by phone on 0208 661 7878.

Yours faithfully



Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Adminsitrator

The affairs, business and property of the Company are being managed by the Joint Administrators, James Patchett and Martin Armstrong. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Administration of electronic case files.
- Maintenance of the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Preparing application for extension of the Administration.
- Preparing, reviewing and issuing Administrators' progress reports to creditors and members.
- Filing the progress reports at Companies House.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank accounts.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank accounts containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a monthly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Dealing with Bribery, Anti Money Laundering and Code of Ethics requirements and considerations.

2. Creditors

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). The office holder is required to undertake this work as part of their statutory functions.

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

A summary of the work undertaken is as follows:

- Liaising with agents and obtaining information from the case records (and former employees) about employee claims.
- Corresponding with agents regarding employee claims.
- Correspondence with employees regarding claims and queries.
- Reviewing documentation for submission to the Redundancy Payments Office.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.
- Requesting additional information from creditors in support of their proofs of debt.