In accordance with Rule 3.35 of the Insolvency (England & Wales) Rules 2016 & Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986

AM03
Notice of administrator's proposals

Companies House

TUESDAY

A95EMØKA
A18 19/05/2020 #116
COMPANIES HOUSE

1 Company details

Company number	0 9 6 9 6 5 7 3
Company name in full	Brighterkind (Quercus) Limited

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

2 Administrator's name

Full forename(s)	Adrian Peter
Surname	Berry

3 Administrator's address

Building name/number	1 City Square
Street	Leeds
Post town	West Yorkshire
County/Region	
Postcode	L S 1 2 A L
Country	

4 Administrator's name ❶

Full forename(s)	Clare
Surname	Boardman

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	1 City Square
Street	Leeds
Post town	West Yorkshire
County/Region	
Postcode	L S 1 2 A L
Country	

❷ **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 ✕ [signature] ✕
Signature date	d1 d9 m0 m5 y2 y0 y2 y0

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: Narinder Aheer

Company name: Deloitte LLP

Address: Four Brindleyplace
Birmingham

Post town: B1 2HZ

County/Region:

Postcode:

Country:

DX:

Telephone: +44 121 632 6000

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

Deloitte.

Four Seasons (FJBK) Limited ("FJBK")
Four Seasons (DFK) Limited ("DFK")
Laurels Lodge Limited ("Laurels")
Brighterkind (Quercus) Limited (Brighterkind")
All in Administration
(together "the Companies" or "the Group")

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

Registered Office: c/o
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2 HZ

Adrian Peter Berry and Clare Boardman ("the Joint Administrators") were appointed Joint Administrators of the Companies on 24 March 2020 by Aedifica UK Limited of Sackville Street, London, W1S 3DG ("The Secured Creditor"). The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

19 May 2020

Deloitte.

Deloitte LLP
Four Brindleyplace
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UK
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Fax:+44 (0) 121 695 5678
www.deloitte.co.uk

Four Seasons (FJBK) Limited,
Four Seasons (DFK) Limited,
Laurels Lodge Limited &
Brighterkind (Quercus) Limited (all in administration)

This Statement of Joint Administrators' Proposals ("the Proposals" or "our Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our Proposals to achieve the purpose of the administrations.

We do not think that the Companies have sufficient property to enable a distribution to be made to unsecured creditors. As such we are not required to ask creditors to approve our Proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of the Companies.

If you would like to ask us to hold a decision procedure to consider our Proposals please complete a Form for Requisitioned Decisions which is available for download from the website set up for the administrations at www.ips-docs.com and return it to us by post or email no later than 2 June 2020. Please note that a deposit of £1,000 will be required towards the costs of initiating the decision procedure; such deposit may be refunded as an expense of these proceedings under Rule 15.19(4) Insolvency (England & Wales) Rules 2016 ("the Rules"), if so decided by creditors.

In the event that a request for a decision procedure is not received by us within the above deadline, our Proposals will be deemed approved on 2 June 2020 and a notice to that effect will be filed at Companies House.

Please refer to the Frequently Asked Questions section on the case website for more information about decision procedures in insolvency proceedings.

Please also note that hard copies of any of these documents will be provided free of charge on request.

We have also included the following information in this report:

- background of the Group;
- the circumstances giving rise to the appointment of the Joint Administrators;
- the progress of the administrations to date; and,
- the Joint Administrators' Proposals for achieving the objective of the administrations (Appendix E).

Yours faithfully
For and on behalf of the Companies

Joint Administrators

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

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Key messages

Key messages

Joint Administrators of the Companies

Adrian Peter Berry

Clare Boardman

c/o Deloitte LLP

1 City Square

Leeds

LS1 2AL

Contact details

Email: [illegible]@deloitte.co.uk

Website: www.ips-docs.com

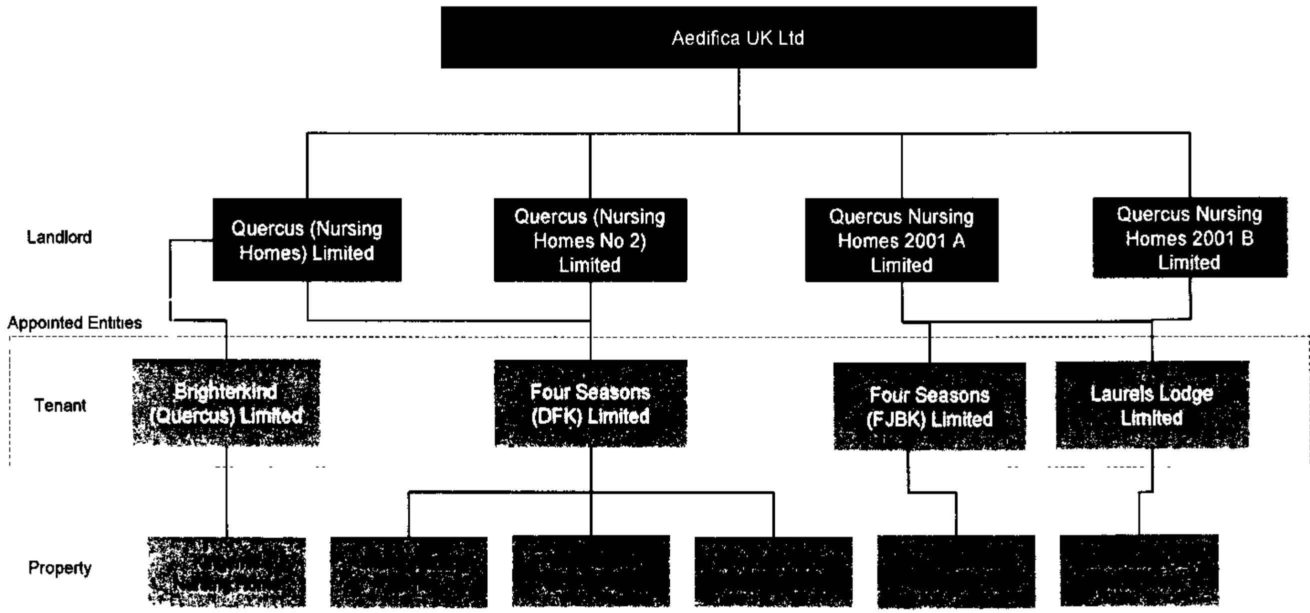
Tel: 0121 695 5052

Date Proposals delivered to creditors: 19 May 2020

Purpose of the administrations	• The purpose of the administrations is to make a distribution to the secured creditors.
Joint Administrators' strategy	• The Companies are continuing to trade. • The Administrators are being assisted by interim operators, the homes will eventually transfer to these new operators once they have secured their Care and Quality Commission registration and negotiated terms with the landlord. • Two of the six homes have sold so far following the completed registrations being received. Please refer to page 11 for further details.
Approval of the Proposals	• As there is no prospect of any funds being returned to unsecured creditors, our Proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to page 1 for further details. • Please note that hard copies of any of these documents will be provided to you free of charge on request using any of the contact details provided to the left of this page.
Estimated Timescale	• On current information the duration of the administrations is not likely to exceed 12 months following which it is anticipated that the Companies will move to dissolution as detailed at page 15.
Estimated Costs	• We propose to charge our fees on a fixed basis, split between each entity as noted: – FJBK £100k – Brighterkind £100k – Laurels £100k – DFK £200k. • We have provided an outline of the work we propose to undertake and our anticipated costs for so doing in Appendix D. • We anticipate that disbursements of approximately £3.8k will be incurred over the duration of the appointments as detailed in Appendix D. • We anticipate that third party costs in relation to legal and agents fees will be in the region of £200k over the duration of the appointments, in addition monthly professional costs to assist with trading will be £50k as detailed on page 18.
Estimated Outcomes	On current information, we anticipate the following outcome for each category of creditor in each Company: – Secured Creditor – The Secured Creditor will not be repaid in full. – Preferential creditors – As no redundancies are expected and all employees will transfer to the purchaser, no preferential creditor claims are expected in any of the administrations. – Unsecured creditors – There will be no distribution for unsecured creditors.
Proposals	• Our Proposals for managing the business and affairs of the Companies can be found in appendix E.

Background

Background
The Companies/Group



Background

The Companies are part of the wider Four Seasons Health Care Group and operate six care homes across England and Scotland. The homes provide long-term, respite, residential and nursing care for older people.

At the date of our appointment the care homes had 295 residents all of which will continue to be cared for during the period of our appointment. The occupation of residents per home is below:

- FJBK / Riverside – 53
- DFK / Ashurst – 46
- DFK / Hilltop – 36
- DFK / Meadowbrook - 46
- Laurels / Grosvenor - 57
- Brighterkind / Kingsmill – 57

Employees

As at date of appointment, the Companies employed the staff detailed in the below table:

- FJBK– 55 Employees
- DFK – 167 Employees
- Laurels - 56 Employees
- Brighterkind – 163 Employees

Summarised Group Structure Chart

A summarised group structure chart (at the date of our appointment) is set out above.

The landlord and freeholder of all six properties is the Secured Creditor Aedifica UK Ltd ("Aedifica") who has security over all four Companies.

For details of the directors of the Companies and the Company Secretaries please refer to appendix A.

Background
Summary financials

Group Summary profit and loss account

£	Management Accounts for 2 months to 29-Feb-20	Management Accounts for 12 months to 31-Dec-19	Management Accounts for 12 months to 31-Dec-18
Turnover	2,975,254	10,944,113	10,625,344
Cost of Sales	(2,241,531)	(8,769,159)	(8,898,936)
Gross Profit	**733,723**	**2,174,955**	**1,726,408**
EBIT	**733,723**	**2,174,955**	**1,726,408**

Group Summary balance sheet

£	Management Accounts as at 29-Feb-20	Management Accounts for 12 months to 31-Dec-19	Management Accounts for 12 months to 31-Dec-18
Tangible assets	2,282,185	2,167,874	2,491,803
Intangible assets	(297,968)	(297,968)	(316,591)
Fixed assets	**1,984,217**	**1,869,906**	**2,175,213**
Debtors	1,010,825	632,398	689,775
Other debtors	55,808	50,760	50,809
Bank & cash in hand	(608)	(2,107)	9,734
Current Assets	**1,066,025**	**681,051**	**750,318**
Creditors	(857,764)	(832,741)	(978,156)
Other creditors	(4,285,349)	(3,459,207)	(1,229,138)
Total Liabilities	**(5,143,113)**	**(4,291,948)**	**(2,207,294)**
Net (Liabilities)/Assets	**(2,092,871)**	**(1,740,990)**	**718,236**

Overview of financial information

Extracts from the Group's unaudited management accounts for the two months to 29 February 2020, along with the unaudited accounts for 2018 and 2019 are shown opposite.

Please note that this information has not been verified by the Joint Administrators or by Deloitte.

Profit and loss commentary

EBIT for the year to 31 December 2019 was £350k higher than the previous year, however the profit and loss account provided does not take into account payments to the landlord for each care home.

Balance sheet commentary

Tangible assets principally comprise plant, machinery and the fittings in each of the care homes. However an increase can be seen in respect of the amounts owed to creditors.

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The Four Seasons Healthcare Group ("Four Seasons") had been experiencing financial difficulties for some time and has been going through a restructuring exercise. Four Seasons stopped paying its rent commitments to its landlords in October 2019.

Steps taken to remedy/turnaround

Aedifica was hoping to reach a consensual agreement with the Companies in respect of the outstanding rent but this was not possible.

As a result Aedifica was left with no other option than to appoint Administrators over the Group to extricate them from the current tenancy arrangements and enable them to transition the six homes to new operators.

When decision to appoint was made

Once it became clear that Aedifica would be unable to reach a consensual agreement with the tenant entities, Aedifica approached Deloitte to assist placing the Companies into administration.

Involvement of Deloitte pre-appointment

Having failed to reach a consensual agreement with Four Seasons, in March 2020 the Secured Creditor, Aedifica, via it's UK asset manager, Layland Walker, asked Deloitte to assist them in undertaking a phase of contingency planning in respect of the likely Administration of the Group.

Deloitte did not produce a formal report but liaised with Four Seasons and attended calls with the Secured Creditor and their agents, and supported the process by way of a review of the trading forecasts produced by Layland Walker. Discussions were also held to facilitate the terms of the interim manger agreement with alternative care home management companies.

When a consensual agreement could not be reached, Adrian Berry and Clare Boardman of Deloitte were asked to take the pending appointments as Joint Administrators by the Secured Creditor.

Post-appointment

Post-appointment

Purpose

Appointment of the Joint Administrators

Adrian Peter Berry and Clare Boardman of Deloitte were appointed Joint Administrators of the Companies on 24 March 2020, following the filing of Notices of Appointment of Joint Administrators by the Qualifying Fixed Charge Holder, Aedifica, of Sackville Street, London, W1S 3DG.

Purpose of the administrations

The Companies have significant levels of creditor arrears, primarily rent which would need to be restructured in order to rescue the business as a going concern. However, having regard to the likely value of the underlying business and assets, as based on available financial information, there is no interest from third parties in a debt restructuring.

We consider that it is unlikely we will be able to achieve a better result for all creditors as a whole than would be obtained through an immediate liquidation of the Companies due to the lack of asset realisations.

Accordingly, the purpose of the administrations will be to make distributions to the Secured Creditor.

Post-appointment

Joint Administrators' strategy

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved

Receipts and Payment accounts

Receipts and payments accounts, detailing asset realisations achieved and costs paid up to 19 May 2020 are provided at Appendix C.

Sale of business

Upon appointment it was communicated to key stakeholders including residents (and their families), staff and creditors that it was the Joint Administrators' intention to continue trading the Companies as normal and ensure that the highest standard of care and best practice were maintained (and where possible enhanced) with four interim operators in place. Four separate operator managers were appointed to run the six homes under interim management agreements for the Joint Administrators, as noted.

- FJBK / Riverside – Burlington Care Limited ("Burlington")
- DFK / Ashurst – Bondcare (London) Limited ("Bondcare")
- DFK / Hilltop – Harbour Healthcare Limited ("Harbour")
- DFK / Meadowbrook - Bondcare
- Laurels / Grosvenor - Burlington
- Brighterkind / Kingsmill – Renaissance Care UK Limited ("Renaissance")

The four operators have submitted applications to the Care and Quality Commission to register them as the permanent incoming operators of the homes.

The Administrators are working closely with the interim operators and the home management teams following the appointments particularly in light of the current Covid-19 epidemic to ensure that all homes have the equipment and support they require.

The Administrators have been working to negotiate sale agreements for the transfer of the homes and the associated assets to each of the interim operators.

On 20 April 2020 the sale of Kingsmill was completed to Renaissance for £35,500.

On 1 May 2020 the sale of Hilltop Manor was completed to Harbour for £38,000.

The sale of both homes preserved care for all residents, and all employees transferred to the purchasers under TUPE.

We will continue to liaise with the operators post sale to progress any unresolved issues or future matters that may arise and which require our support/assistance.

Trading

As discussed, trading will continue until such time as the interim operators have their registration in place and the businesses and assets can be sold as going concerns.

To date, trading income, including funding and costs have been received and incurred for each home as summarised below;

Trading summary to Date

£'000s	Receipts	Payments	Surplus
Ashurst	328	159	168
Hilltop	260	143	117
Meadowbrook	319	180	139
Kingsmill	364	221	143
Grosvenor	257	113	144
Riverside	249	104	145
	1,777	920	857

A detailed trading account for each home is provided at Appendix C.

Please note, as the Companies are continuing to trade, these figures do not reflect the final trading outcome.

The Secured Creditor has provided £500k of funding to the Joint Administrators to be used during the trading period. This will enable the payment of payroll and other trading costs ahead of resident fees being received. The funding has been split as detailed in the trading accounts provided at Appendix C.

Post-appointment

Joint Administrators' strategy

Leasehold property

The four Companies operate care homes from six leasehold properties, which are occupied under lease agreements with the Secured Creditor.

The Joint Administrators have in place a consensual rent agreement with the Secured Creditor whereby during the trading period there is no requirement to pay rent for the homes prior to a transfer to a purchaser unless there are surplus funds available to do so.

Books debts

As at the date of our appointment, the Companies' sales ledgers showed the following amounts of pre-appointment book debts. As detailed in the statement of Affairs at Appendix B these are estimated to be realised in full.

Book Debts

£000's	Estimated
FJBK	117
Brighterkind	299
Laurels	170
DFK	329
Total	**915**

Layland Walker, as the agent for the Secured Creditor, are providing support to the Administrators including reconciling the pre and post appointment debtors ledgers. With the exception of Brighterkind (which was reconciled first as it sold first) we are awaiting a full update with regards to the level of collections relating to the pre appointment book debt collections.

With regards to Brighterkind £9k has been collected to date and is in the process of being allocated to the account.

A full update will be provided in the Joint Administrators' progress report.

Chattel assets

As at the date of appointment the Companies owned a quantity of tangible assets including plant and machinery, fixtures and fittings and other items across the care home premises, with a combined in-situ book value of £1.1m.

As detailed in the statement of Affairs at Appendix B these assets are estimated to be realised for full value. However upon appointment an independent valuer, Sanderson Weatherall LLP ("SW"), was instructed to secure and value these assets. This process has been completed and assets have been valued at £198k.

These assets will form part of any sale of the care homes as they are essential to the trading of the homes. A further update will be provided in the Joint Administrators' progress report.

Post-appointment

Joint Administrators' Proposals

The Joint Administrators' Proposals

Our Proposals for the administrations include:

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses; and
- assessing the affairs of the Companies and reviewing and reporting on the conduct of the directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or its management; and
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution; and
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application; and
- that, following the realisation of assets and resolution of all matters in the administrations, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administrations; and
- that, if the Companies are ~~is~~ to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

We will seek specific approval from the appropriate body to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administrations.

Please refer to Appendix E for further details.

Secured creditor

The Secured Creditor, Aedifica who has security over all four Companies, under the terms of the occupational leases.

The Directors' statement of affairs shows that, at the date of our appointment, the following amounts were owed to Secured Creditor £1.872m.

Secured Debt

£000's	Book
Laurels	111
FJBK	111
Brighterkind	967
DFK	683
	1,872

As mentioned above these amounts are secured by way of fixed and floating charges granted by the Companies throughout 2016. Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditor in full.

Preferential creditors

No redundancies are expected during the period of the administrations. As trading has continued during the administrations all employee arrears have been paid and all employees are expected to transfer to the purchaser on completion of each home sale, accordingly we do not anticipate any preferential claims will be made in any of the Companies.

Unsecured creditors

The directors' statement of affairs shows 443 unsecured creditors with estimated non-preferential claims totalling £3.177m. Split as noted below.

Unsecured Creditor Summary

	Number	Value
Laurels	67	93,471
FJBK	71	98,323
Brighterkind	216	365,976
DFK	89	2,618,921
	443	**3,176,691**

As detailed, it is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors, in any of the Companies.

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company.

Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

Based on current information, we anticipate the that there will be no payment to unsecured creditors under the Prescribed Part as their will be insufficient asset realisations under the floating charge in all Companies.

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.

Post-appointment

Extensions & exit routes

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administration and to make an order to wind up the Companies.
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies. The administration will cease on the date that notice is registered and the Companies will be wound up.

Please note that if the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the Proposals are deemed approved i.e. by 2 June 2020.

- Any creditors' committee appointed in the administrations will become a liquidation committee and the basis of the Joint Administrators' remuneration fixed during the administration will apply in the liquidation.
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the Secured Creditor for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.

Remuneration and expenses

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administration;
- as a set amount;
- or, any combination of the above.

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration as a set amount with the consent of each secured creditor.

Estimate of work required – Set Amount (Fixed Fee)

As agents have been instructed to assist with the trading of the business, our remaining tasks are primarily administrative/statutory in nature. Based on previous appointments of this nature and having regard to the likely number and grades of staff required to fulfil these obligations, we intend to seek approval to draw a set fee, a breakdown of which is in the table below. Full details of the work anticipated to be performed are provided at Appendix D.

Joint Administrators Set Fee Estimate

£ (net)	Estimated during appointment
Four Seasons (FJBK) Limited	100,000
Brighterkind (Quercus) Limited	100,000
Laurels Lodge Limited	100,000
Four Seasons (DFK) Limited	200,000
Total	**500,000**

Joint Administrators' Expenses

We anticipate that we will incur the following disbursements during the appointments:

- Statutory Advertising - we are required to give notice by advert in the London Gazette of the following matters: our appointment and dividends. Costs in this regard will be £95 plus VAT for each company.

Expenses - Professional costs

Legal costs - We have instructed the following firms of lawyers with the appropriate expertise and experience in dealing with these types of administrations, to advise on the following legal matters and to prepare required legal documentation in relation to the sale of the care homes:

- Squire Patten Boggs LLP ("Squires") are instructed to review the validity of our appointment. They estimate their fee for so doing will be £12k plus VAT, split as noted below;
- CMS Cameron McKenna Nabarro Olswang LLP ("CMS") are instructed with the preparation, negotiation and completion of the assignation of the leases. They estimate their fee will be £150k plus VAT, split as noted below.
- Anderson Strathern LLP "Anderson") – were instructed with the preparation, negotiation and completion of the assignation of the lease of Brighterkind. They estimated their fee will be £31.5k plus VAT. To date they have they have been paid £1.5k plus VAT.

Legal Costs

£	Squires	CMS	Anderson	Total
Laurels	2,000	25,000	-	27,000
FJBK	2,000	25,000	-	27,000
Brighterkind	2,000	25,000	31,500	58,500
DFK	6,000	75,000	-	81,000
Total	**12,000**	**150,000**	**31,500**	**193,500**

Agent's Costs – we have instructed agents with the appropriate expertise and experience, to assist in the following matters:

- Leyland Walker have been instructed to assist with trading via head office support until the sale of each home is completed. These costs are being paid by the Secured Creditor directly.
- SW were instructed to value the assets of the Companies. They estimate their fee will be £6k plus VAT, split as noted below.

Agents Costs

£	SW
Laurels	1,000
FJBK	1,000
Brighterkind	1,000
DFK	3,000
Total	**6,000**

Monthly management costs - As detailed on page 11 interim operators Bondcare, Harbour, Renaissance and Burlington have been engaged to assist with day to day trading. Their estimated monthly fees are set out in the table below, split as noted.

Monthly Management Costs

£	Bondcare	Harbour	Renaissance	Burlington	Total
Laurels	-	-	-	5,000	5,000
FJBK	-	-	-	5,000	5,000
Brighterkind	-	-	5,000	-	5,000
DFK	30,000	5,000	-	-	35,000
Total	**30,000**	**5,000**	**5,000**	**10,000**	**50,000**

All professional costs are reviewed by us and analysed in detail before payment is approved or made.

Additional information

Additional information

Case specific matters and Investigations

EU Regulations

As stated in the administration appointment documents, Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' premises at the date of our appointment please contact us as soon as possible.

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Energy and Industrial Strategy. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to a website which has been set up specifically for the Companies. The web address is www.ips-docs.com.

All documents will be retained on the website which will remain live until two months after the conclusion of the proceedings. Please contact Narinder Aheer using any of the contact details given on page 4 if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the website.

Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six monthly reports on progress.

Appendices

Statutory Information

Statutory information

	Four Seasons (FJBK) Limited	Four Seasons (DFK) Limited	Laurels Lodge Limited	Brighterkind (Quercus) Limited
Company number	2950630	1938282	3138898	9696573
Registered office	Four Brindleyplace, Birmingham, B1 2HZ			
Trading names	Riverside View Care Home	Ashurst Park Nursing Home Hilltop Manor Nursing Home Meadowbrook Nursing Home	Grosvenor Park Care Home	Kingsmill Nursing Home
Court	High Court of Justice, The Busines & Property Court of England & Wales			
Court reference	1999 of 2020	2001 of 2020	1998 of 2020	2000 of 2020
Company directors	Mareen Royston Benjamin Taberner	Mareen Royston Benjamin Taberner	Mareen Royston Benjamin Taberner	Mareen Royston Jeremy Richardson Phillip Thomas
Company Secretary	Abigail Mattison	Abigail Mattison	Abigail Mattison	Abigail Mattison

Joint Administrators' comments

The Directors' statements of affairs are available online at www.ips-docs.com, including schedules of the names and addresses of all known creditors. Please note that in accordance with Rule 3.35(4) of the Insolvency Rules 2016, names and addresses for employees and consumers who have paid deposits or in advance for the supply of goods and services will not be shown.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).

Brighterkind

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Bank & Cash in Hand	10,975	1,952
Book Debts	298,606	298,606
Plant & Machinery	88,213	88,213
Fixtures & Fittings	385,721	385,721
Carpets & Curtains	33,442	33,442
Office & Computer Equipment	4,310	4,310
Pre-payments & Other Debtors	46,797	
Intercompany	1,139,555	-
Estimated total assets available for preferential creditors	2,007,619	812,244
Preferential creditors		(91,476)
Estimated deficiency / surplus to preferential creditors		720,768
Estimated prescribed part of net property		(147,154)
Estimated total assets available for floating charge holders		573,614
Debt secured by floating charges		(966,656)
Estimated deficiency / surplus after floating charges		(393,042)
Estimated prescribed part of net property (brought down)		147,154
Total assets available to unsecured creditors		147,154
Unsecured non-preferential claims		(218,823)
Estimated deficiency / surplus to creditors		(611,864)
Called up share capital		(1)
Estimate deficiency / surplus to members		**(611,865)**

FJBK

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Bank & Cash in Hand	14,646	10,814
Book Debts	117,096	117,096
Plant & Machinery	5,268	5,268
Fixtures & Fittings	36,586	36,586
Carpets & Curtains	13,262	13,262
Office & Computer Equipment	730	730
Pre-payments & Other Debtors	1,681	
Intercompany	565,350	-
Estimated total assets available for preferential creditors	754,619	183,756
Preferential creditors		(51,936)
Estimated deficiency / surplus to preferential creditors		131,820
Estimated prescribed part of net property		(29,364)
Estimated total assets available for floating charge holders		102,456
Debt secured by floating charges		(110,966)
Estimated deficiency / surplus after floating charges		(8,510)
Estimated prescribed part of net property (brought down)		29,364
Total assets available to unsecured creditors		29,364
Unsecured non-preferential claims		(68,960)
Estimated deficiency / surplus to creditors		(77,469)
Called up share capital		(2)
Estimate deficiency / surplus to members		**(77,471)**

DFK

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Bank & Cash in Hand	25,293	18,098
Book Debts	328,859	328,859
FA Plant & Machinery	88,407	88,407
FA Fixtures & Fittings	278,303	278,303
FA Carpets & Curtains	45,346	45,346
FA Office & Computer Equipment	3,965	3,965
Prepayments & Other Debtors	187	150
Intercompany	16,658,210	-
Estimated total assets available for preferential creditors	17,428,570	763,128
Preferential creditors		(99,135)
Estimated deficiency / surplus to preferential creditors		663,993
Estimated prescribed part of net property		(19,350)
Estimated total assets available for floating charge holders		644,643
Debt secured by floating charges		(683,343)
Estimated deficiency / surplus after floating charges		(38,700)
Estimated prescribed part of net property (brought down)		19,350
Total assets available to unsecured creditors		(19,350)
Unsecured non-preferential claims		(2,618,921)
Estimated deficiency / surplus to creditors		(2,638,271)
Called up share capital		(9,298,792)
Estimate deficiency / surplus to members		**(11,937,063)**

Laurels

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Bank & Cash in Hand	41,164	30,664
Book Debts	170,239	170,239
FA Plant & Machinery	4,921	4,921
FA Fixtures & Fittings	131,112	131,112
FA Carpets & Curtains	13,706	13,706
FA Office & Computer Equipment	54	54
Prepayments & Other Debtors	1,842	-
Intercompany	1,047,884	-
Estimated total assets available for preferential creditors	1,410,922	350,697
Preferential creditors		(49,251)
Estimated deficiency / surplus to preferential creditors		301,446
Estimated prescribed part of net property		(63,289)
Estimated total assets available for floating charge holders		238,157
Debt secured by floating charges		(110,966)
Estimated deficiency / surplus after floating charges		127,191
Estimated prescribed part of net property (brought down)		63,289
Total assets available to unsecured creditors		190,480
Unsecured non-preferential claims		(93,471)
Estimated deficiency / surplus to creditors		97,009
Called up share capital		(2)
Estimate deficiency / surplus to members		**97,007**

Notes to all accounts and DFK Receipts and Payments account

Notes to the receipts and payments account

A receipts and payments account together with a separate trading accounts for each company is provided on the following pages, detailing the transactions since our appointment on 24 March 2020.

The following notes apply to all receipts and payments accounts.

Notes to receipts and payments account

A - All funds were held in an interest bearing account. The associated corporation tax on interest will be accounted for to HM Revenue & Customs ("HMRC").

B - All sums shown opposite are shown net of VAT, which is irrecoverable as care homes are a non vatable sector in accordance with HMRC guidance.

C – All Personal Allowance Account funds are held on behalf of residents who are able to purchase items using the funds held.

D – All Resident Account funds are held on behalf of fund raising in the home, from such things as cake sales and other social events for residents.

E – Deductions from employee wages (including attachment of earnings) for ongoing payment to the relevant authorities.

F - Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

G – An intercompany loan has been made between Brighterkind and DFK, this is in the process of being repaid following the Kingsmill sale.

H – Following the sale of Kingsmill residents fees were received into the administrators account in error. These are in the process of being paid to the purchaser.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

DFK - Ashurst, Hilltop and Meadowbrook

Joint Administrators' receipts and payments account
24 March 2020 to 19 May 2020

£	SoA values	Notes	To date
Receipts			
Trading Surplus - Ashurst	-		168,300
Trading Surplus - Hilltop	-		117,355
Trading Surplus - Meadowbrook	-		138,774
Book Debts	*328,859*		4,301
Cash at Bank	*18,098*		22,774
Hilltop Sale Proceeds	-		38,000
Bank Interest Gross	-	A	9
Plant & Machinery	*88,407*		-
Fixtures & Fittings	*278,303*		-
Carpets & Curtains	*45,346*		-
Office & Computer Equipment	*3,965*		-
Prepayments & Other Debtors	*150*		-
Total receipts	*763,128*		**489,513**
Payments			
Statutory Advertising			95
Bank Charges			260
Irrecoverable VAT		B	18,542
Total payments			**18,897**
Balance			**470,617**
Made up of:			
Floating Chge Current A/c		A	432,868
Personal Allowance Account		C	20,782
Resident Account		D	1,536
Payroll Deductions		E	6,535
Trade Creditors		F	(1,104)
Inter-company loan - DFK		G	10,000
Balance in hand			**470,617**

DFK trading account

DFK - Ashurst, Hilltop and Meadowbrook
Joint Administrators' trading account
24 March 2020 to 19 May 2020

£	Notes	Ashurst	Hilltop	Meadowbrook	Total
Receipts					
Contribution to Trading		75,000	75,000	75,000	225,000
Fee Income		247,822	179,279	230,952	658,054
Personal Account Funds	C	3,415	5,695	12,602	21,713
Resident Account Funds	D	1,398	390	-	1,788
Total receipts		**327,635**	**260,365**	**318,555**	**906,555**
Payments					
Payroll		127,525	109,309	125,974	362,808
Agency Staff		7,417	1,002	13,719	22,138
Rates		-	1,383	-	1,383
Consumable Supplies		1,486	4,798	900	7,184
Waste Management		-	753	-	753
Telephone and Broadband		-	676	366	1,042
Office Supplies		157	-	13	171
Food and Catering		443	-	-	443
Medical Supplies		1,920	4,466	2,227	8,613
Maintenance and Repair		61	18,215	321	18,596
Petty Cash		1,000	200	900	2,100
Entertainment		80	-	-	80
Personal Account Expenditure		375	-	-	375
Capital Expenditure		-	-	16,490	16,490
Management Fees		18,871	-	18,871	37,742
Head Office Costs		-	2,207	-	2,207
Total payments		**159,335**	**143,010**	**179,781**	**482,125**
Trading Surplus		**168,300**	**117,355**	**138,774**	**424,430**

FJBK receipts and payments account and trading account

FJBK - Riverside

Joint Administrators' receipts and payments account 24 March 2020 to 19 May 2020

£	SoA values	Notes	To date
Receipts			
Trading Surplus	-		145,417
Cash at Bank	10,814		16,102
Bank Interest Gross	-	A	1
Book Debts	*117,096*		-
Plant & Machinery	*5,268*		-
Fixtures & Fittings	*36,586*		-
Carpets & Curtains	*13,262*		-
Office & Computer Equipment	*730*		-
Total receipts	*183,756*		**161,520**
Payments			
Statutory Advertising			95
Bank Charges			344
Irrecoverable VAT		B	235
Total payments			**674**
Balance			**160,847**
Made up of:			
Floating Chge Current A/c		A	148,333
Personal Allowance Account		C	3,832
Resident Account		D	578
Payroll Deductions		E	10,773
Trade Creditors		F	(2,669)
Balance in hand			**160,847**

FJBK - Riverside

Joint Administrators' trading account 24 March 2020 to 19 May 2020

£	Notes	To date
Receipts		
Contribution to Trading		75,000
Fee Income		169,508
Personal Account Funds	C	3,832
Resident Account Funds	D	578
Total receipts		**248,918**
Payments		
Payroll		99,434
Rates		2,985
Head Office Costs		1,082
Total payments		**103,501**
Trading surplus		**145,417**

Appendices

Appendix C

Receipts and Payments Account

Laurels receipts and payments account and trading account

Laurels - Grosvenor Park

Joint Administrators' receipts and payments account
24 March 2020 to 19 May 2020

£	SoA values	Notes	To date
Receipts			
Trading Surplus	-		143,781
Cash at Bank	*30,664*		30,075
Bank Interest Gross	-	A	1
Book Debts	*170,239*		-
Plant & Machinery	*4,921*		-
Fixtures & Fittings	*131,112*		-
Carpets & Curtains	*13,706*		-
Office & Computer Equipment	*54*		-
Total receipts	*350,696*		**173,858**
Payments			
Statutory Advertising			95
Bank Charges			349
Irrecoverable VAT		B	331
Total payments			**775**
Balance			**173,083**
Made up of:			
Floating Chge Current A/c		A	152,755
Personal Allowance Account		C	10,500
Resident Account		D	587
Payroll Deductions		E	11,910
Trade Creditors		F	(2,669)
Balance in hand			**173,083**

Laurels - Grosvenor Park

Joint Administrators' trading account
24 March 2020 to 19 May 2020

£	Notes	To date
Receipts		
Contribution to Trading		75,000
Fee Income		170,978
Personal Account Funds	C	10,500
Resident Account Funds	D	587
Total receipts		**257,065**
Payments		
Payroll		108,736
Rates		2,985
Consumable Supplies		474
Head Office Costs		1,089
Total payments		**113,284**
Trading surplus		**143,781**

Brighterkind receipts and payments account and trading account

Brighterkind - Kingsmill

Joint Administrators' receipts and payments account
24 March 2020 to 19 May 2020

£	SoA values	Notes	To date
Receipts			
Trading Surplus	-		143,289
Home Sale Proceeds	-		35,500
- Plant & Machinery	*88,213*		-
- Fixtures & Fittings	*385,721*		-
- Carpets & Curtains	*33,442*		-
- Office & Computer Equipment	*4,310*		-
Bank Interest Gross	-	A	2
Book Debts	*298,606*		-
Cash at Bank	*1,952*		
Total receipts	*812,244*		**178,790**
Payments			
Statutory Advertising			95
Bank Charges			336
Legal Fees			1,500
Irrecoverable VAT		B	3,361
Total payments			**5,292**
Balance			**173,498**
Made up of:			
Floating Chge Current A/c		A	147,148
Personal Allowance Account		C	5,827
Resident Account		D	441
Payroll Deductions		E	30,082
Inter-company loan - DFK		G	(10,000)
Balance in hand			**173,498**

Brighterkind - Kingsmill

Joint Administrators' trading account
24 March 2020 to 19 May 2020

£	Notes	To date
Receipts		
Contribution to Trading		125,000
Fee Income		137,034
Personal Account Funds	C	5,827
Resident Account Funds	D	441
Funds Received in Error	H	96,193
Total receipts		**364,495**
Payments		
Payroll		197,999
Agency Staff		835
Waste Management		627
Food and Catering		7,299
Cleaning and Laundry		2,563
Telephone and Broadband		213
Petty Cash		300
Management Fees		8,877
Head Office Costs		2,494
Total payments		**221,206**
Trading Surplus		**143,289**

Appendices
Appendix D

Estimate of work to be undertaken

Joint Administrators' Estimate of Work to be undertaken – set fee basis

Details of work that the we anticipate will be undertaken and for which a set fee will be charged are provided below.

The following tasks apply to all Companies.

Statutory tasks

- Some of the work we perform is required by statute or best practice guidance and will not result in any financial benefit for creditors other than to ensure that our work is conducted in a competent and compliant manner. Such work includes but is not limited to matters such as;
  - Case set up;
  - Case reviews;
  - Cashiering;
  - Bank reconciliations;
  - Statutory progress reporting;
  - Storage and destruction of data;

Investigations

- Review of each Companies records in line with statutory reporting obligations.
- CDDA reporting.

Trading and realisation of assets

- Trading the homes to ensure the care of the residents is maintained to a high standard, while a sale of the business is sought. The activities we will undertake are listed below:
  - Reviewing invoices for payment;
  - Reconciling receipts;
  - Processing employee payroll;
  - Liaising with agents managing the care homes;
  - Property issues;
  - Sale of homes; and
  - Post sale handover matters.
- Realise any assets excluded from the sales.

Creditors

- Make distributions to the Secured Creditor.
- Provide support to employees.
- If relevant, make a distribution to the preferential creditors.
- Make a distribution under the Prescribed Part to the unsecured creditors.
- Answer any queries employees or unsecured creditors made have.

Case specific matters

- Tax/VAT compliance and review.
- Litigation that may arise following the review of the excluded assets.

Disbursements

Disbursements

These are costs and expenses initially paid by us and for which we will seek reimbursement as and when funds permit.

We estimate that the following disbursements are likely to be incurred in relation to the administrations.

Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required.

Our estimate of Category 1 disbursements is given below, all figures are shown excluding VAT.

Category 1 disbursements

	FJBK		DFK		Laurels		Brighterkind	
£ (net)	Estimated	Incurred in report period	Estimated	Incurred in report period	Estimated	Incurred in report period	Estimated	Incurred in report period
Travel	200	-	600	-	200	-	200	-
Postage/Couriers	200	78	500	130	200	83	200	104
Specific Penalty Bond	230	230	230	230	230	230	230	230
Total disbursements	**630**	**308**	**1,330**	**360**	**630**	**313**	**630**	**334**

These disbursements will be recovered during the period of the administrations.

Category 2 disbursements

These are costs and expenses which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estate.

Category 2 disbursements

	FJBK		DFK		Laurels		Brighterkind	
£ (net)	Estimated	Incurred in report period	Estimated	Incurred in report period	Estimated	Incurred in report period	Estimated	Incurred in report period
Mileage	100	-	300	-	100	-	100	-
Total disbursements	**100**	**-**	**300**	**-**	**100**	**-**	**100**	**-**

Joint Administrators' Proposals

Our Proposals will be deemed approved on 2 June 2020 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditor:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed as a set fee, plus VAT.
   - 1a. FJBK - £100,000
   - 1b. Brighterkind - £100,000
   - 1c. Laurels - £100,000
   - 1d. DFK - £200,000
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage (as detailed at Appendix D) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estates.
3. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

A creditors' committee will not be formed unless we are requested to hold a decision procedure for purposes of forming a creditor's committee; please refer to page 1 of the Proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration and in any follow on liquidation should a creditors' committee be formed.

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their Proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies.

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these Proposals.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration.

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