

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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COMPANIES HOUSE

1 Company details

Company number 03074361

Company name in full Isle of Wight Care Limited

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

2 Administrator's name

Full forename(s) Andrew

Surname Fender

3 Administrator's address

Building name/number Sanderling House

Street Springbrook Lane

Earlswood

Post town Solihull

County/Region

Postcode B94 5SG

Country

4 Administrator's name ①

Full forename(s)

Surname

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

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 2	d 0	m 0	m 1	y 2	y 0	y 2	y 0
To date	d 1	d 9	m 0	m 7	y 2	y 0	y 2	y 0

7 Progress report

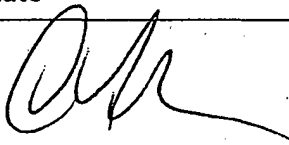
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	d 1	d 2	m 0	m 8	y 2	y 0	y 2	y 0
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Birmingham Business and Property Courts

No. 40 of 2020

Isle of Wight Care Limited (IN ADMINISTRATION)

The Administrator's Progress Report to 19 July 2020

Andrew Fender

**Sanderlings LLP
Sanderling House
Springbrook Lane
Earlswood
Solihull
B94 5SG**

01564 700 052

info@sanderlings.co.uk

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Andrew Fender was appointed Administrator of Isle of Wight Care Limited on 20 January 2020. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as an agent of the Company and contract without personal liability.

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1. EXECUTIVE SUMMARY

This report describes the progress since [the last progress report dated [date] / the commencement of the Administration] ("the Review Period").

A summary of key information in this report is detailed below.

Asset realisations

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
None	N/a	Nil	Not known	Not known

Expenses

Expense	Estimated per Proposals	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Administrator's fees	30,230	5,860	24,370	30,230
Category 1 expenses	286	256	Nil	256
Category 2 expenses	375	375	Nil	375

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	Nil	Not known
Preferential creditors	N/a	N/a
Unsecured creditors	Nil	Not known

1.1 Summary of key issues outstanding

- Continued review of the sale of business and assets in the pre-Administration period

2. THE PROGRESS OF THE ADMINISTRATION

2.1. The Administrator's final receipts and payments account

Attached at Appendix II is a receipts and payments account for the Review Period.

The rest of this report describes the key developments in the Administration over the Review Period. In this section, we have summarised the main asset realisations during the Review Period and an estimation of the assets yet to be realised, together with details of the associated costs incurred but as yet remaining unpaid.

2.2. Administration (including statutory reporting)

The Administrator has met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Administrator and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Informing all relevant persons of the commencement of the Administration, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Issuing the Administrator's Proposals, seeking relevant creditors' approvals and issuing notice of the outcome;
- Drafting and issuing the progress report to creditors;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Administrator that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

2.3. Trading

As outlined in the Administrator's Proposals Report, the Company ceased trading in July 2019 following a sale of the business and assets undertaken by the directors.

2.4. Realisation of assets

The Administrator's Proposals Report detailed the information available at that point regarding the sale by the directors of the Company's business and assets in the pre-Administration period.

It will be recalled that the directors advised there was no consideration paid in respect of the sale of business and assets on the basis that the new company, Isle of Wight Homecare Limited, took on the employees of the business including accrued entitlements and liabilities of the contracts.

Owing to the difficulties resulting from the Covid-19 position, which has particularly affected the sector of nursing homes, the Administrator has so far received a partial response to requests for information and documentation from the directors. In particular, the directors

advise that the storage unit where the Company records are located has been inaccessible and the Administrator is continuing to liaise with the directors in this regard.

2.5. Estimated future realisations

The extent of future realisations is unclear while the investigations outlined above are still on-going.

2.6. Costs incurred but remaining unpaid

During the Review Period, the Administrator has incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out below.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

3.1. Secured creditors

The Company granted a fixed and floating charges to Venture Capital Europe Investments Limited on 1 February 2018 and 19 December 2018, including legal mortgages over the properties at Capri Rest Home and Portland Lodge.

It is understood the legal mortgages were discharged when the properties were sold however the director has advised that the secured creditor is owed £300,000. It is not anticipated that the secured creditor will be paid within the Administration.

3.2. Preferential creditors

There are no known preferential creditors.

3.3. Unsecured creditors

Unsecured claims were estimated at £362,283 in the Director's Estimated Statement of Affairs. It is not anticipated that a dividend will be paid to unsecured creditors, from the prescribed part or otherwise.

4. INVESTIGATIONS

4.1. Investigations

As part of the Administrator's statutory duties, an investigation into the conduct of the Company Directors was completed. In this regard, a confidential report was submitted to the Insolvency Service on 20 April 2020.

4.2. Initial Assessment of Potential Recoveries

As part of my duties as Administrator, I am obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This review has been completed and we are still investigating the sale of business and assets in the pre-Administration period as outlined above. It is not clear at this stage whether there will be a recovery for creditors.

5. THE ADMINISTRATOR'S FEES AND EXPENSES

5.1. Pre-Administration Costs

The Administrator decided not to seek approval of the unpaid Pre-Administration Costs.

5.2. The Administrator's Fees

The basis of the Administrator's fees was fixed on 19 March 2020 by the secured creditor as follows:

- By reference to the time properly given by the Administrator and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Sanderlings LLP at the time when the work is performed;

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix III and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix IV.

"A Creditors' Guide to Administrators' Remuneration" is available for download at <http://www.sanderlings.co.uk/creditors-guides/administration.pdf>.

Should you require a paper copy, please send your request in writing to the Administrator at the address on the front of this report and this will be provided to you at no cost.

5.3. Comparison of estimates

The Administrator's time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows:

Work category	Original fees estimate			Actual time costs incurred during the Review Period		
	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	50.0	256.00	12,800	19.2	209.38	4,020
Realisation of assets	25.0	301.60	7,540	0.3	200.00	60
Creditors (claims and distribution)	22.0	204.09	4,490	1.3	246.15	320
Investigations	23.0	234.78	5,400	7.3	200.00	1,460

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Advertising	86.65	86.65	N/a
Bonding	70.00	40.00	N/a
VisionBlue fee	110.00	110.00	N/a
AML check	20.00	20.00	N/a
Stationery, printing, postage, telephone	175.00	175.00	N/a
Storage	200.00	200.00	N/a
TOTAL	661.65	631.65	

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in Appendix IV.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fees estimate is unlikely to be exceeded; and
- the original expenses estimate is unlikely to be exceeded.

5.4. Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Administrator to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

5.5. Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Administrator is entitled to charge or otherwise challenging some or all of the expenses incurred.


Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

6. CONCLUSION

The Administration will continue in order to pursue the outstanding matters detailed above.

If you require any further information please contact Edwin Lee on 01564 700 052.



Andrew Fender

Dated: 12 August 2020

Andrew Fender was appointed Administrator of Isle of Wight Care Limited on 20 January 2020. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as an agent of the Company and contract without personal liability.

Isle of Wight Care Limited (IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Isle of Wight Care Limited
Proceedings	In Administration
Court	Birmingham Business and Property Courts
Court Reference	40 of 2020
Date of Appointment	20 January 2020
Administrator	Andrew Fender
Registered office Address	Sanderling House, Springbrook Lane, Earlswood, Solihull, B94 5SG
Company Number	03074361
Appointment by	Appointed by Charge Holders

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency (England & Wales) Rules 2016
The Administrator	Andrew Fender of Isle of Wight Care Limited
The Company	Isle of Wight Care Limited (in Administration)
The Court	Birmingham Business and Property Courts
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 20.01.20 to 19.07.20

APPENDIX II

Isle of Wight Care Limited (IN ADMINISTRATION)

THE ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

Isle of Wight Care Limited - In Administration
Receipts and Payments Account from 20 January 2020 to 19 July 2020

<u>Receipts</u>	£
None	Nil
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	<hr/>
	-
	<hr/>
	<hr/>
<u>Payments</u>	
None	Nil
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	<hr/>
	-
	<hr/>
	<hr/>
<u>Closing Balance</u>	<hr/>
	<hr/>
	0.00

Where funds are held, they are held in an Interest Bearing Account

Isle of Wight Care Limited (IN ADMINISTRATION)

THE ADMINISTRATOR'S TIME COSTS

Sanderlings**TIME & CHARGEOUT SUMMARIES**

Isle Of Wight Care Ltd - Post Admin

From 20/01/2020 to 19/07/2020

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.00	0.00	1.20	18.00	19.20	4,020.00	209.38
Investigations	0.00	0.00	0.00	7.30	7.30	1,460.00	200.00
Realisation of Assets	0.00	0.00	0.00	0.30	0.30	60.00	200.00
Creditors	0.00	0.00	0.40	0.90	1.30	320.00	246.15
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	0.00	0.00	560.00	5,300.00		5,860.00	
Total Hours	0.00	0.00	1.60	26.50	28.10		
Average Rate	0.00	0.00	350.00	200.00			

APPENDIX IV

Isle of Wight Care Limited (IN ADMINISTRATION)

CHARGE-OUT RATES AND BASES OF CATEGORY 2 DISBURSEMENTS

Fees

The fees of the Trustee/Liquidator/Supervisor/Administrator (appointed IP) are fixed by reference to time properly spent by the appointed IP and his staff in attending to all matters arising in the Bankruptcy/liquidation/Voluntary Arrangement/Administration (case) unless otherwise agreed with the creditors. The appointed IP and his staff charge time to all Insolvency cases in units of 6 minutes. The Trustee/Liquidator/Supervisor/Administrator reserves the right to charge interest at a rate of 2% above bank base rate on unrecovered work in progress.

The charge-out rates for the various categories of staff are as follows:-

	Charge Out Rate per Hour £
Appointed Partner (Trustee, Supervisor, Liquidator, Administrator, Administrative Receiver)	480
Partner/Senior Manager	350
Manager	250
Case Administrator	200
Support staff (only to be chargeable for periods of 1 hour or more)	110
Junior	50

Standard Activity	Examples of Work
Statutory Compliance, administration & planning	Statutory reporting and compliance, compliance with other regulatory requirements case planning, administrative set up, appointment notification, maintenance of records, SIP 2 review, CDDA reports, Investigating antecedent transactions
Investigations	Identifying, securing, insuring assets, Retention of title, Debt collection
Realisation of assets	Property, business and asset sales
Trading	Management of operations, accounting for trading, on going employee issues
Creditors	Communication with creditors, Creditors' claims (including employees and other preferential creditors)

Disbursements - Category 2 Disbursements

In dealing with the case, the appointed IP will incur expenses and disbursements that are recoverable from the assets available in the case in accordance with the Insolvency (England and Wales) Rules 2016 where appropriate (e.g. Rule 3.51 in Administrations and Rule 6.42 in CVLs). In addition to out of pocket expenditure, the appointed IP will also recover shared or allocated costs. These may be referred to as category 2 disbursements. Where applicable, such category 2 type disbursements are calculated as follows: -

Expense Type	Basis of Charge
For all official stationery, printing postage and telephone charges, including notices to creditors and contributories in respect of the first meetings of creditors and contributories:	(i) for a number of creditors and Contributories not exceeding 25, £175 (ii) for every additional 10 creditors and contributories or part thereof, £40
Where any other meetings of creditors or contributories are held, for summoning and holding the meetings and for statutory circulars:	(iii) for a number of creditors and Contributories not exceeding 25, £155 (iv) for every additional 10 creditors and contributories or part thereof, £20

All other expenses and disbursements are recovered as follows:

Expense Type	Basis of Charge
Room Hire (for each statutory meeting of creditors)	£175.00 per meeting
Mileage	35-95p per mile
Company search costs	£45 per search
Storage of company books and records	£2.50 per box per quarter*

* Where funds permit, a charge for storage of boxes for 12 months after closure of the case is made to cover storage costs until such time as destruction of the records is permitted. Minimum charge of £200 to cover administration.
Should any creditor require further clarification in respect of fees or expenses, then please contact the appointed IP or case manager as identified in the correspondence concerning the case in question.

INFORMATION

Within 21 days of receipt of this progress report a creditor may request that I provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made by a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) or the permission of the court. You also have a right to challenge my remuneration and expenses.

I am obligated to provide the requested information within 14 days, unless I consider that the time or cost involved in preparing the information would be excessive, or disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or I am subject to an obligation of confidentiality in relation to the information requested, in which case I must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of my refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information. As an insolvency practitioner I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

A guide to fees is available on request or at: www.lcaew.com/en/technical/insolvency/creditors-guides - Updated 1 January 2020

APPENDIX V

Isle of Wight Care Limited (IN ADMINISTRATION)

FEES & EXPENSES ESTIMATES AS CIRCULATED

Details of the work I propose to undertake:-	Time anticipated in hours (charged in 6 minute units)		Cost £
Compliance matters and cashing, including but not limited to calculation and payment of the Bordereau liability and monitoring the Bordereau level, preparation and submission of statutory returns and statutory requirements for advertising, reviewing ethical, anti-money laundering and anti-bribery safeguards, completion of post appointment formalities, bank account administration, periodic reviews and updating checklists, preparation and documentation for creditor decisions, proposals reports and 6 month reports and associated compliance requirements, final report and formalities at completion of the Administration	Administrator	9.0	4,320
	Other Senior Professional	4.0	1,400
	Case Administrator	26.0	5,200
	Junior	5.0	250
Case planning and discussions regarding strategies to be pursued, meetings with staff, directors and advisors to consider the practical, technical and legal aspects of the case	Administrator	1.0	480
	Other Senior Professional	1.0	350
	Case Administrator	4.0	800
Realisation of assets to include potential Cash at Bank and reviewing the previous sale of the business and assets including communication with agents and third parties, reviewing other potential assets such as directors' loan accounts and Company's debtors together with associated transactions, correspondence and communication regarding Hire Purchase assets and Retention of Title claims if applicable, review of records in respect of any potential claims for intellectual property, VAT, corporation tax, insurance, and any inter-company accounts	Administrator	8.0	3,840
	Other Senior Professional	2.0	700
	Case Administrator	15.0	3,000
Communication with creditors including dealing with all enquiries, any applicable employee claims, to include where appropriate communication with former staff, the Redundancy Payments Service and pension scheme administrators, as well as agreement of claims and distribution of funds if appropriate, review of correspondence, receipt of Proofs of Debt, consideration of HMRC correspondence, tax liabilities and requirements as to compliance, agreement of unsecured claims and distribution of Prescribed Part fund if appropriate, seeking advice on the validity of the secured creditor's claim and distribution of funds where applicable	Administrator	3.0	1,440
	Other Senior Professional	1.0	350
	Case Administrator	12.0	2,400
	Junior	6.0	300
Completion of duties in respect of the Company Directors Disqualification legislation and investigation of company's affairs, including recovery of books and records, information from third party sources such as bank statements, review of secured creditors and the validity of security, review and comparison of the last available set of accounts against the Statement of Affairs. Review of records and bank statements for at least the last 12 months, looking for any anomalous payments, analysing the position of creditors including hire purchase and Crown liabilities. Consideration as to whether any antecedent transactions have occurred, such as preference or transactions at undervalue, liaising with solicitors in this regard, and reviewing questionnaires and information submitted by directors and creditors. Submission of findings to the Insolvency Service. Investigation of specific matters including the Company's tax position and transactions involving dividends and directors' loan accounts	Administrator	5.0	2,400
	Other Senior Professional	0.0	0
	Case Administrator	14.0	2,800
	Junior	4.0	200
Estimate total maximum fees to be charged			30,230

Expenses Estimate for Isle of Wight Care Limited

Below are the expenses estimates in respect of category 1 direct expenses and category 2 indirect expenses which will have an element of shared or allocated costs.

My estimate for my category 1 expenses for the period of the case is £286.65.

My estimate for my category 2 expenses for the period of the case is £375.00 and I am seeking a resolution for approval of the basis of calculation of these expenses.

Expenses Category 1	Basis	Estimate of total £
Advertising	Fixed	86.65
Bonding	Fixed	70.00
VisionBlue/INSOLV fee	Fixed	110.00
Anti-money laundering check	Calculated per search	20.00
Total		286.65

Expenses Category 2	Basis	Estimate of total £
Stationery / printing / postage / telephone	Fixed	175.00
Storage	Estimated cost	200.00
Total		375.00