

AM10

Notice of administrator's progress report



Companies House



1 Company details

Company number 03277059

Company name in full Ringdane Limited

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

2 Administrator's name

Full forename(s) Rebecca Jane

Surname Dacre

3 Administrator's address

Building name/number The Pinnacle

Street 160 Midsummer Boulevard

Post town Milton Keynes

County/Region

Postcode MK9 1FF

Country

4 Administrator's name ①

Full forename(s) Simon David

Surname Chandler

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

5 Administrator's address ②

Building name/number 45 Church Street

Street Birmingham

Post town B3 2RT

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	1	0	m	1	2	y	2	0	y	1	9
To date	d	0	9	m	0	6	y	2	0	y	2	0

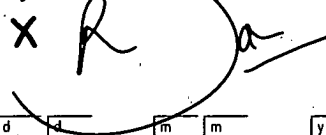
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date	d	0	9	m	0	7	y	2	0	y	2	0
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AM10

Notice of administrator's progress report



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 **Jonathan Baker**

Company name **Mazars LLP**

Address **90 Victoria Street**
Bristol

Post town **BS1 6DP**

County/Region

Postcode

Country

DX

Telephone **0117 928 1700**



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.



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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

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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Scott Christian

Surname

Bevan

3 Insolvency practitioner's address

Building name/number

45 Church Street

Street

Birmingham

Post town

B3 2RT

County/Region

Postcode

□ □ □ □ □ □ □ □

Country

Ringdane Limited

In Administration

**Joint Administrators' progress report covering the period from
10 December 2019 to 9 June 2020**

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Ringdane Limited - In Administration (the “Company”)

Joint Administrators’ progress report covering the period 10 December 2019 to 9 June 2020

To all known creditors

1. Introduction

- 1.1. This report is prepared pursuant to Rule 18.3 and 18.6 of the Insolvency Rules (England and Wales) 2016, the purpose of which is to provide creditors with details of the progress of the administration covering the first six-month period to 9 June 2020.
- 1.2. I was appointed Administrator of the Company, jointly with my colleagues, Simon Chandler (a Partner at Mazars LLP) and Scott Bevan (a director at Mazars LLP), on 10 December 2019. I am a director at Mazars LLP and I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales. Simon Chandler and Scott Bevan are both authorised to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.
- 1.3. The report should be read in conjunction with the Joint Administrators’ proposals issued to creditors on 31 January 2020.
- 1.4. The purpose of the administration is to achieve a better result of the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in administration).
- 1.5. Identification details regarding the Company and the Joint Administrators are attached at *Appendix A1*.

2. Joint Administrators’ Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 10 December 2019 to 9 June 2020 is attached at *Appendix B*. A comparison of the estimates provided in the director’s Statement of Affairs to actual realisations made to date is provided.
- 2.2. A Trading Receipts & Payments Account is also enclosed at *Appendix B*, to give creditors an indication of the Company’s estimated trading turnover and costs. Due to the reporting deadlines that have been agreed with the Managers, actual figures for the complete period are yet to be fully received and accounted for, but will follow after the period end. In addition, as the receipts and payments account is recorded on a cash basis, and as certain accrued expenses relating to the period are not yet ascertained or finalised, the trading profit (or loss), for the period is yet to be fully determined.

- 2.3. The current balance in hand is shown at **Appendix B** and further details of the realisations and expenses paid is provided below. These funds are held at Lloyds Bank Plc in an interest-bearing account.

3. Asset Realisations and Details of Progress

Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that no assets have been sold to a connected party following my appointment.

Unconnected Party Transactions:

3.2. Background

- 3.2.1. The Company is part of the Four Seasons Healthcare Group ("the Group"), with Elli Investments Limited ("EIL"), a Guernsey registered company under number 55185, and Elli Finance (UK) Plc ("EFUK"), being holding companies in the Group. The Group is a leading care home and specialist care provider in the UK.
- 3.2.2. Eleven companies, including the Company, within the Group ("the Companies") provided healthcare services to residential patients in care homes, and a childcare nursery, from properties which are leased from either Healthcare Property Holdings Limited ("HPH") or Healthcare Holdings Limited ("HHL") ("the Landlords"). A schedule of the 11 Companies, their respective care homes and the trading addresses is provided at **Appendix A2**. HPH and HHL are also sole secured creditors of a number of the Companies. HPH and HHL had the benefit of separate contractual call options under the terms of the leases which, in the event of a default arising and if exercised, gave them the option to acquire certain assets of the Companies which the leases define, but which broadly cover the fixtures and fitting necessary to operate a care home, chattels and other tangible and intangible assets, for £1 ("the Call Options").
- 3.2.3. The objective of the administration and the Joint Administrators' strategy of allowing the Companies' businesses to continue to operate and trade was pursued for the reasons set out in detail in the Administrators' Proposals.
- 3.2.4. As reported in the Administrators' Proposals, four experienced and independent care operators were engaged by the Joint Administrators to act as the managers of the Companies' Care Homes ("the Managers") and operate and trade the Care Homes on behalf of the Administrators. The Managers are Barchester Healthcare Homes Limited ("Barchester"), Belsize Healthcare (Scotland) Limited ("Belsize"), Harbour Healthcare Limited ("Harbour"), and Roseberry Care Centres GB Limited ("Roseberry"). The appointment of the Managers has allowed for a seamless transition in services and to maintain high standards of care to residents, whilst the

Companies are in administration. Management Services Agreements were entered into with the Managers with effect from 10 December 2019.

- 3.2.5. As at our appointment, Dr M Royston was director of the Companies, Medical Director of the Group and, in relation to each of the Companies' care homes, the Nominated Individual (as defined in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014) in the UK and the Relevant Person (in terms of The Social Care and Social Work Improvement Scotland (Requirements for Care Services) Regulations 2011) in Scotland. Dr Royston has continued in the role of Nominated Individual and Relevant Person during the reporting period.

3.3. **Stabilisation**

- 3.3.1. Arrangements were put in place so that the Managers were in situ, ready to manage and operate the homes, as well as essentially securing the Companies' assets, immediately upon the appointment of the Joint Administrators at 8.00am.
- 3.3.2. The Joint Administrators communicated their appointment and the operation of homes by the Managers to employees, customers (residents / next of kin) and Local Authorities, having already consulted with Regulators pre-appointment. Letters from the Joint Administrators were issued, some of which were hand-delivered by Managers in the first instance. The Managers also issued their own communications to relevant parties. Follow-up discussions with stakeholders were held if teams or individuals required them. The Managers have commonly dealt with a significant proportion of these requests.
- 3.3.3. The Joint Administrators liaised closely with the Group in order to obtain information needed with regard to the Companies. The Group have appointed staff who have been specifically tasked with co-ordinating responses to the Joint Administrators' queries, by liaising with their colleagues in the Group, obtaining information from the Group and providing access to file-sharing sites. The Joint Administrators are grateful for the co-operation and assistance that has been received to date from the Group.

3.4. **Trading**

- 3.4.1. HPH and HHL entered into a funding deed immediately upon the Joint Administrators' appointment. This deed gives, on a company by company basis, the Companies, via the Joint Administrators, access to loan funding from HPH and Healthcare Property Investments Limited ("HPI") to meet administration expenses, particularly given limitations to accessing cash and the estimated significant working capital shortfalls which would need to be met immediately following the Joint Administrators' appointment. The Companies are only required to repay the loan funding once all other administration expenses incurred by the Administrators have been discharged. HPH and HPI also indemnified, to certain limits, the Joint Administrators' costs and expenses (in acting as their capacity as such) on a company by company basis. Finally, the costs and expenses incurred by our solicitors Shakespeare Martineau LLP ("our solicitors"), up to an aggregate limit, across the Companies has also been indemnified.
- 3.4.2. The amount of the loan funding currently received from HPH and HPI is detailed in the Receipts and Payments Account, attached at **Appendix B**.

- 3.4.3. The Joint Administrators and the Managers have engaged with the Companies' suppliers and new accounts have been set up where required. Several suppliers have required that the Joint Administrators provide undertakings in order to continue trading with the Companies during administration.
- 3.4.4. It has been necessary for the Joint Administrators and the Group to collaborate with regard to certain trading issues that have arisen, or to deal with certain ongoing tasks. It was also cost effective to engage the Group (for a fee) to assist with processing payroll for the Companies, as payroll was undertaken centrally for all of the Companies in the past; taking into account the cost and complexities of implementing alternative solutions in the short term, and considering the effect on levels of care that errors in payroll would have if employees were not paid correctly and didn't return to work. This continued until April 2020, when the Group no longer had the resource to be able to assist the Joint Administrators in this regard. As a consequence, new payroll processes had to be set up with the Managers.
- 3.4.5. Arrears of wages to retained employees were paid as part of the December 2019 payroll to assist with the retention of staff in the early stages of the administration and to ensure continuity of care.
- 3.4.6. We instructed JLT Speciality Limited (trading as JLT and Marsh) ("our Insurers") to undertake site visits of a sample of the Companies' businesses, for both Insurance and Health and Safety purposes. We have provided their reports to the Managers so that any recommendations and/or requirements, which are typically listed by priority and on a risk basis, can be implemented. We have also asked the Managers to consider and implement matters not only at the home inspected, but across the other homes relating to the Companies being managed by them and to update us and our Insurers on progress.
- 3.4.7. Following feedback and Marsh's further advice, additional site visits and work to examine the Managers' existing policy documentation were undertaken. In addition, an additional external resource was put in place, so certain managers could use it as a formal reference point on Health and Safety matters.
- 3.4.8. We instructed Clumber Consultancy Limited ("Clumber"), specialist pension consultants to companies in formal insolvency procedures, to assist us with regard to the Companies' pension schemes and to ensure compliance in this regard. Clumber were instructed to provide a Forensic Audit Report for each Company/Employer's involvement in the respective pension schemes and to assist the Joint Administrators with their statutory reporting obligations with regard to pension schemes. In addition, Clumber were instructed to undertake the work to oversee that re-enrolment is undertaken compliantly where it was identified the Companies' employees had a re-enrolment date of 1 January 2020.
- 3.4.9. On 1 May 2020, the Joint Administrators were notified that Dr Royston's employment at the Group ended on 30 April 2020, but that the Group had made arrangements that she could continue as Nominated Individual and Relevant Person through to 30 June 2020. The Joint Administrators have sought advice from our solicitors in this regard and steps to replace Dr

Royston with a representative from the Managers, or by the Joint Administrators, have been taken, as appropriate.

3.5. Residents' Funds and Personal Allowances

- 3.5.1. The Companies operated bank accounts holding residents' funds and their personal allowances.
- 3.5.2. It was ascertained that whilst these accounts were not formally set up on a 'trust' basis, that is how they were always historically operated, so the Joint Administrators treated the accounts and funds contained therein on this basis.
- 3.5.3. Once new bank accounts were set up by the Managers, the balances were transferred over to these new accounts, in full, as detailed at *Appendix B*, where relevant.

3.6. Covid-19

- 3.6.1. In early March 2020, following awareness of Covid-19 spreading to the UK, the Joint Administrators engaged specialist solicitors in the healthcare sector, Lester Aldridge LLP ("LA"), in order to obtain advice and guidance as to the steps that should be taken to protect employees, residents and visitors at homes in response to the outbreak in the UK.
- 3.6.2. LA reviewed limited Government guidance at that point and the risk assessments and policies in place by each of the Managers. Thereafter, LA produced a protocol document that detailed preventative measures that should be put in place and policies and procedures that should be implemented in response to any outbreak, which was then circulated and to be adopted by all of the Managers to ensure consistency in each of the homes operating in administration.
- 3.6.3. The advice and policies to be followed have been reviewed and updated thereafter, following Government guidance and the Coronavirus Act 2020 subsequently being implemented. This is to ensure that, as time has progressed and knowledge has increased, best practice is being adhered to.
- 3.6.4. The Managers, on behalf of the Joint Administrators, have complied with the statutory duty to report to the Regulators on the impact of Covid-19 on the care homes.

3.7. Ongoing Monitoring

- 3.7.1. The Joint Administrators are in regular contact with the Managers and review the information provided, pursuant to the Management Services Agreements, to assess and ensure the quality of care, health and safety and financial performance at the various care homes and nursery.
- 3.7.2. In response to Covid-19, daily monitoring of the specific position in this regard has been carried out.
- 3.7.3. Based on concerns raised, and following discussions with the unions, the Joint Administrators had to take the difficult decision to close the Gosmore care home. The position inherited by the Joint Administrators at the Gosmore home meant that a significant amount of expenditure would have been necessary to bring the home up to the necessary standard, which was something that could not be proceeded with, given the administration. It was determined that it was therefore in the interests of the residents, many of whom had complex needs, to relocate them to services

which were better able and equipped to provide the care they deserved. The Manager assisted with this process.

- 3.7.4. Consultation with employees regarding redundancies commenced on 23 January 2020 and employees were formally made redundant on 13 March 2020. The care home closed on that date.

3.8. Call Options and Sale of Businesses and Certain Assets

- 3.8.1. At the outset of the administration, HPH and HHL indicated that they would wish to exercise the Call Options included within their lease agreements. As referred to earlier in this report, these contractual Call Options give them the option to acquire certain assets of the Companies which the leases define, but which broadly cover the fixtures and fitting necessary to operate a care home, chattels and other tangible assets and goodwill, for £1.
- 3.8.2. Accordingly, we instructed our solicitors to advise us on the effect, application and extent of the Call Options. Given the complexities surrounding these agreements, Barrister James Morgan QC of St Philips Chambers ("Counsel") was instructed to also assist in this regard. Advice received from Counsel confirmed that the Call Options were effective, and the Joint Administrators would be obliged to comply in order to effect an orderly transfer of the business and assets.
- 3.8.3. HPH and HHL indicated that the current Managers, as appointed by the Joint Administrators to manage the homes during the administration, were their preferred tenants and that sale agreements in line with the provisions of the Call Options could be entered into with them directly, otherwise they would, in the alternative, exercise the Call Options themselves.
- 3.8.4. As well as Sale Agreements to be entered into with the Managers, the Companies would enter into Deeds of Release with HPH and HHL, as appropriate, given their security interests in certain assets of certain Companies, and in order that these assets could be transferred. In addition, surrenders of certain Companies' interests in leasehold properties, would need to be entered into, as both the Landlord and Managers wished to enter into new agreements between themselves, rather than having existing leasehold interests assigned.
- 3.8.5. The Managers prepared applications to the Regulators to register themselves as operators of the care homes and liaised with Group to ensure that their applications contained the necessary information to enable prompt re-registration.
- 3.8.6. It was envisaged that the re-registration process could take up to six months, but given the Covid-19 situation, this will take longer in certain circumstances. Following confirmation that the re-registration applications by the appropriate Manager had been approved by the Regulators, the sale of business and certain assets would proceed to exchange and completion shortly thereafter.
- 3.8.7. My solicitors prepared the necessary Sale Agreements, as well as the necessary Deeds of Release. My solicitors also reviewed and advised me with regard to the Deeds of Surrender prepared by HPH and HHL.

- 3.8.8. The position with regard to the various sales of businesses and certain assets to the Managers are as follows:

Barchester Healthcare Homes Limited (“Barchester”)

- 3.8.9. Completion of the multiple Sale Agreements, Deeds of Release and Surrenders with regard to certain leasehold properties, as appropriate, took place on 7 April 2020.

- 3.8.10. Details on a care home by care home basis is detailed at ***Appendix A2***.

Roseberry Care Centres GB Limited (“Roseberry”)

- 3.8.11. Completion of the multiple Sale Agreements, Deeds of Release and Surrenders with regard to certain leasehold properties, as appropriate, took place on 18 May 2020.

- 3.8.12. Details on a care home by care home basis is detailed at ***Appendix A2***.

Belsize Healthcare (Scotland) Limited (“Belsize”)

- 3.8.13. Work remains ongoing finalising the Sale Agreements, pending receipt of the re-registration applications and approvals from the Regulators being received.

- 3.8.14. It is currently anticipated that this will be received within the coming weeks.

Harbour Healthcare Limited (“Harbour”)

- 3.8.15. Completion of the multiple Sale Agreements, Deeds of Release and Surrenders with regard to certain leasehold properties, as appropriate, took place on 1 June 2020.

- 3.8.16. Details on a care home by care home basis is detailed at ***Appendix A2***.

- 3.8.17. Work remains ongoing finalising one final Sale Agreement, pending receipt of the re-registration applications and approvals from the Regulator being received.

- 3.8.18. It is currently anticipated that this will not be received until 1 September 2020.

3.9. Closed Homes (Pre-Administration)

- 3.9.1. A number of closed homes had been vacant for some time prior to the administrations, and are detailed at ***Appendix A2***.

- 3.9.2. We instructed Orbis Protect Limited (“Orbis”), a specialist provider of vacant property services to continue to provide alarm, CCTV, guarding and inspection services, as appropriate, that it provided to the Companies with regard to their closed homes.

- 3.9.3. We consulted with Marsh and arranged for site inspections to undertake Health and Safety and fire risk assessments. Having reviewed Marsh’s advice, along with Orbis’ weekly and bi-weekly reports, we shared the findings with the Landlords. Thereafter, we instructed Orbis to seek quotes from third parties and then arrange to oversee and implement the remedial action which was agreed upon.

- 3.9.4. Periodically we have had to deal with ad-hoc issues at the closed homes, such as trespassers. When these situations have arisen, this has meant liaising with the Police, Orbis and the Landlords, as appropriate.
- 3.9.5. We instructed PHD Property Advisory Limited ("PHD"), Chartered Surveyors and specialist business rates recovery consultants, to value the leases of the closed homes. The leases were full repairing and insuring and the closed homes had been shut for some time and their physical conditions were diminished. There was also no underlying goodwill or continuation of trade for any potential incoming tenant to rely upon, which would also impact potential demand. As a result of these factors, PHD advised that it is unlikely that any of the leases have any premium value.
- 3.9.6. Given the above and the level of holding costs, the Joint Administrators have liaised with the Landlords with regard to seeking to surrender the leases of closed homes.
- 3.9.7. Where leases of certain closed homes have been able to be surrendered to date, details are provided at *Appendix A2*.
- 3.10. **Other Assets**
- 3.10.1. The following other asset realisation work has been undertaken:
- Cash at bank*
- 3.10.2. Following my appointment, we formally notified the Company's bankers Barclays Bank Plc ("the Bank" or "Barclays") of our appointment and sought that the Company's bank accounts be frozen and that the credit balances be remitted to us.
- 3.10.3. The cash balance the Bank remitted to us is detailed at *Appendix B*.
- Debtors / Operator control account*
- 3.10.4. We have sought and obtained information concerning the Companies' outstanding debtor ledgers from the Group and have undertaken work allocating further funds that Barclays had received and which were being held to our order.
- 3.10.5. Reconciliation work is still ongoing by the Managers, identifying pre-liquidation debtor receipts from post-administration trading income. As this work is ongoing, an assessment on the likely recoverability of debtors on the ledger cannot be made, particularly as errors in the ledger have also been identified. Given that the care homes have continued trading it is anticipated that the residual ledger should be largely recoverable, once errors in the ledger have been excluded.
- 3.10.6. At present, until this allocation work has been completed, surplus cash receipts are simply allocated to an operator control account, as detailed at *Appendix B*.
- Rates refund*
- 3.10.7. We have instructed PHD to assist us with regard to investigating the Companies' business rates positions and determine whether there have been overpayments resulting in refunds being due.

In addition, PHD will consider whether rates have been correctly calculated, reliefs applied and appealing rateable values, if appropriate.

- 3.10.8. Some refunds have been received by the Companies, but PHD's work is ongoing in this regard. Accordingly, it is not possible to provide an estimate of whether further realisations will be possible at this stage.

4. Assets still to be realised

- 4.1. As detailed above in Section 3, primarily, asset realisation work remains ongoing with regard to potential assets of the Companies, as follows:
- a. The sale of businesses and certain assets.
 - b. Debtors
 - c. Rates refunds

5. Estimated Outcome Statement

- 5.1. We are still to ascertain the profitability, or otherwise, of trading the Company's businesses in administration. In addition, asset realisation work remains ongoing. Accordingly, we are not able to accurately estimate anticipated realisations and are therefore unable to provide any meaningful estimated outcome statement at this time.
- 5.2. Further details will be provided in subsequent reports.

6. Liabilities

6.1. Secured Creditors

- 6.1.1. According to the director's Statement of Affairs, the Company had no secured creditors with debts totalling £nil.
- 6.1.2. It is understood that the benefit of certain security documents granted by the Companies, held in favour of Care Home Properties Limited, Carlton Healthcare Properties Limited and IHP Limited, have been effectively assigned to HPH, notwithstanding that the respective Companies House entries indicate that security is held by those entities. We understand that this was following a hive-up arrangement in 2007 pursuant to which assets, including the benefit of the security obtained, were transferred to HPH.
- 6.1.3. It is understood from HPL and HHL that copies of the security instruments which are in existence had been lost by in the majority of cases given the age of the leases and as there was historically no requirement to file full-form copies of security instruments at Companies House. Accordingly, I made enquiries of the Group for copies and sought the advice of my solicitors.

6.1.4. Details of security granted by the Company, per Companies House, are as follows:

- Debenture dated 31 March 1998 in favour of Carlton Healthcare Properties Limited, conveying fixed and floating charges over the undertaking and all property and assets present and future including over the leasehold properties Coventry Beaumont, South Park 1 & 2, South Quay 1 & 2, South Bebside, Ringshill, Dane House Beaumont and Cameron House 2.
- Charge dated 14 May 1999 in favour of Carlton Healthcare Properties Limited, over the Stonehaven nursing home property.
- Debenture dated 17 May 1999 in favour of Carlton Healthcare Properties Limited, conveying fixed and floating charges over the undertaking and all property and assets present and future.

6.1.5. Our solicitors were instructed to advise us in respect of the validity of the security and whether the security is enforceable, with regard to all of the Companies. Where fixed charge security has been deemed to be valid and sales have taken place with the agreement of the secured creditor pursuant to sale agreements, the small proportion of the £1 sale consideration received attributed to fixed charge assets, is shown as a fixed charge realisation in the receipts and payments account at *Appendix B*. Nominal returns to the fixed charge holder under its fixed charge will be received by it in this regard.

6.1.6. As detailed above, we are still to ascertain the profitability, or otherwise, of trading the Company's businesses in administration. In addition, asset realisation work remains ongoing. Accordingly, we not able to accurately estimate anticipated realisations and are therefore unable to provide any meaningful estimated outcome statement and potential return to secured creditors.

6.1.7. The prospect and quantum of any distribution to secured creditors will be dependent upon the final total of realisations of the Company's assets and the costs of the administration, including the repayment of loan funding received from HPH and HPI and the prior claims of the Company's preferential creditors.

6.2. **Preferential Creditors**

6.2.1. Preferential creditors' claims relates to the Company's employees' unpaid wages, holiday pay and pension contributions, subject to certain limits.

6.2.2. The director's Statement of Affairs detailed that preferential claims would amount to £281,567, but preferential creditors' claims were anticipated to amount to £nil. There was no pre-administration wage arrears or outstanding pension contributions owed.

6.2.3. Employees' December 2019 wage arrears were paid as part of the December 2019 payroll. Employees' holiday entitlements accrued have been honoured and are able to be taken by employees, as the Company's businesses continue to operate and trade.

- 6.2.4. Following the closure of the Gosmore home on 13 March 2020, it was established that certain employees had outstanding pre-administration holiday entitlement outstanding.
- 6.2.5. I have assisted the former employees in submitting claims under the provisions of the Employment Rights Act 1996 to the Redundancy Payments Service ("RPS") and it is understood that payments have been made to them by the RPS, up to the relevant statutory limits. The balance (if any) of each employee's preferential claim over and above the RPS's statutory limit, will form a residual preferential claim in the administration. The value of preferential claims will include the amount due to the RPS.
- 6.2.6. I estimated that preferential claims may total some £10,000, but I am yet to receive details of the RPS's payments to former employees.
- 6.2.7. As detailed above, we are still to ascertain the profitability, or otherwise, of trading the Company's businesses in administration. In addition, asset realisation work remains ongoing. Accordingly, we are not able to accurately estimate anticipated realisations and are therefore unable to provide any meaningful estimated outcome statement and potential return to preferential creditors.
- 6.2.8. The prospect and quantum of any distribution to preferential creditors will be dependent upon the final total of realisations of the Company's assets and the costs of the administration, including the repayment of loan funding received from HPH and HPI.

6.3. **Unsecured Creditors**

- 6.3.1. According to the director's Statement of Affairs, the Company had unsecured creditors with debts totalling £25,159,414.
- 4.1.1. As detailed above, we are still to ascertain the profitability, or otherwise, of trading the Company's businesses in administration. In addition, asset realisation work remains ongoing. Accordingly, we are not able to accurately estimate anticipated realisations and are therefore unable to provide any meaningful estimated outcome statement and potential return to unsecured creditors.
- 4.1.2. The prospect and quantum of any distribution to unsecured creditors will be dependent upon the final total of realisations of the Company's assets, the costs of the administration, including the repayment of loan funding received from HPH and HPI, and the prior claims of the Company's preferential and secured creditors, as appropriate. Should there be sufficient funds following available to be transferred to the subsequent Creditors' Voluntary Liquidation, whereby a distribution to unsecured creditors can be made, the level of any dividend will be dependent on the costs of any subsequent Creditors' Voluntary Liquidation and the final level of agreed unsecured creditors' claims.

7. Prescribed Part

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of a Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.
- 7.2. As the floating charges pre-date 15 September 2003, the Prescribed Part does not apply in this instance.

8. Investigations

- 8.1. As advised in the Administrators' proposals, under the Company Directors Disqualification Act 1986, the Joint Administrators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the administration. The Joint Administrators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 9 March 2020.
- 8.2. In accordance with Statement of Insolvency Practice 2, the Joint Administrators also carried out an initial assessment to identify any actions which may lead to recoveries in the administration and to consider any further investigations which may be required. Following this initial review no further assets were identified which would lead to a recovery for creditors.
- 8.3. Certain company records are still being awaited to be delivered up to the Joint Administrator from the Group and investigations will be finalised following receipt.
- 8.4. Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Joint Administrators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

9. Pre-Administration Costs

- 9.1. The pre-administration costs relating to the Companies totalled £161,551 plus VAT. A summary of the costs incurred is provided in the table below and it is not possible to allocate these time costs between the Companies or to the Company.

Firm	Fees (£)	Disbursements (£)	Description of work undertaken
Mazars LLP	83,219	78,332	<p>Assist HPH and HHL with an administration application in respect of the Companies, including:</p> <p>Reviewing the appropriateness of the proposed administrations of the Companies, statutory objectives and proposing strategies for achieving the objectives.</p> <p>Preparation and provision of the proposed Joint Administrators' witness statements for the Court, as part of the Application and the proposed Joint Administrators' consents to act as Joint Administrators of the Companies.</p> <p>Liaising with proposed Managers, proposing a form of Management Services Agreement that would be entered into immediately following the appointment of the Joint Administrators to the Companies.</p> <p>Of the £78,332 of disbursements incurred, £78,162 relates to the legal fees of Shakespeare Martineau LLP who were instructed by Mazars LLP to assist them with elements of the above work.</p>
Total	83,219	78,332	

- 9.2. The costs of Mazars LLP were approved by HPH and HHL in an engagement letter dated 24 October 2019 and entered into on 25 October 2019.
- 9.3. These costs were incurred before the Companies entered administration. Certain costs related to the process of applying for the Companies to be placed into administration by the Court, so by their very nature had to be undertaken before the Companies entered into administration.
- 9.4. For the reasons and rationale detailed in the Proposals, in order to further the achievement of the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), elements of the work, particularly relating to the Management Services Agreement, also had to be undertaken before the Companies entered into administration. This was in order to achieve continuity of the Companies' businesses upon the Joint Administrators' appointment. This work also assisted the Joint Administrators forming the opinion that the purposes of the administrations were reasonably likely to be achieved.
- 9.5. You may recall that approval of the pre-administration costs did not form part of the Proposals and no agreement for the payment of the outstanding costs was sought from either the creditors' committee, or, as a committee was not formed, from the creditors. This was because they were to be settled by HPH and HPI, under the engagement with HPH and HHL.

- 9.6. As at the date of the Proposals, of the total costs of £161,551 plus VAT incurred, £87,403 plus VAT had been paid. An amount £74,293 plus VAT was paid by HPH and £13,110 plus VAT was paid by HPI.
- 9.7. The balance of £74,148 plus VAT of costs that remained unpaid as at the date of the Proposals, have subsequently been paid in full. An amount of £63,026 plus VAT was paid by HPH and £11,122 plus VAT was paid by HPI.
- 9.8. No pre-administration costs now remain outstanding.

10. Joint Administrators' Remuneration

- 10.1. A decision was passed by the creditors by correspondence on 18 February 2020, enabling the Joint Administrators to draw remuneration by reference to the time properly spent by the Joint Administrators and their staff in dealing with the matters arising during the administration, subject to the Fees Estimate of £272,500 plus VAT, issued to creditors on 31 January 2020.
- 10.2. Attached at **Appendix E1** is a comparison of the Joint Administrators' Fees Estimate to actual time costs for the six month period 10 December 2019 to 9 June 2020, which total £140,486, representing 600.9 hours at an average hourly rate of £234.
- 10.3. Attached at **Appendix E2** is a narrative summary of the Joint Administrators' time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 10.4. As at 9 June 2020, an amount of £76,000 plus VAT has been drawn against the Joint Administrators' time costs in respect of the administration.
- 10.5. Based on the current level of time costs and expected future work for the completion of the administration, the Joint Administrators' total time costs are expected to be within the approved Fees Estimate.
- 10.6. Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team members and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 10.7. The charge out rates of the team members employed on the assignment during the period covered by this report remain the same as those disclosed in the Joint Administrators' proposals, and which is available upon request.

11. Joint Administrators' Disbursements

- 11.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments to independent third parties) and Category 2 (costs incurred by the Joint Administrators or the firm that can be allocated to the case on a proper and reasonable basis).
- 11.2. Category 2 disbursements require approval in the same manner as remuneration, and creditors will recall that a decision was passed by the creditors by correspondence on 18 February 2020 in agreement of the anticipated Category 2 disbursements of the Joint Administrators.
- 11.3. Further details of the rates agreed are provided within the Rates and Disbursements policy which was provided in the Joint Administrators' proposals on 31 January 2020 and which is available upon request.

Details of disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, is provided below. Details of disbursements paid during the period is provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)
Category 1		
Specific bond	It is a legal requirement that I take out a specific bond in respect of the value of the assets. On the basis the assets recovered were estimated likely to total £2.9 million at the outset of the administration, the bond paid to JLT Specialty Ltd was £1,485.	1,485
Accommodation	This expense represents the costs of the Office Holders and staff living away from home, when traveling between multiple sites.	98
Subsistence	This expense represents the costs of subsistence when the Office Holders and staff are living away from home, when traveling between multiple sites.	13
Rail fare	This expense represents the costs of travelling by the Office Holders and / or staff between multiple sites.	13
Taxi fare	This expense represents the costs of travelling by the Office Holders and / or staff between multiple sites.	2
Parking	This expense represents the costs of travelling by the Office Holders and / or staff between multiple sites.	9

Legal fees	This expense represents the legal fee of Lester Aldridge LLP, providing advice and guidance as to the steps that should be taken in response to a likely outbreak in the UK.	119
Postage	This expense represents the costs of posting circulars to creditors	41
	Total Category 1	1,780
Category 2		
Mileage	This expense represents the costs of travelling by the Office Holders and / or staff between multiple sites.	28
Photocopying	This expense represents the costs of photocopying circulars to creditors	10
	Total Category 2	38
Total		1,818

12. Expenses

- 12.1. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at **Appendix D**. This also includes a comparison to the original Expense Estimate.
- 12.2. Further details of expenses paid during the period of the report are shown in the receipts and payments account at **Appendix B**.
- 12.3. I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

13. Creditors' Rights

13.1. Further information

- 13.1.1. I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Joint Administrators for further information about the remuneration and expenses set out in this progress report.

13.2. Apply to Court

13.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:

- a. That the remuneration charged by the Joint Administrators, or
- b. That the basis fixed for the Joint Administrators' remuneration, or
- c. That the expenses incurred by the Joint Administrators,

is in all of the circumstances, excessive or inappropriate.

13.3. Further guidance

13.3.1. Creditors can find additional information on their rights relating to Administrators' fees in a copy of the publication "A creditors guide to Administrators' Fees", which is available to download from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/> or alternatively will be provided free of charge upon written request to this office.

14. Data protection

14.1. Where the Joint Administrators hold or require personal data from you we will only do so in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

15. Extension of Administration

15.1. It is currently envisaged that an extension of the administration will not be required. Should an extension be necessary, the Joint Administrators are likely, in the first instance, to seek the consent of creditors, rather than applying to Court.

16. Discharge of liability

16.1. In accordance with Para 98(2) of Schedule B1 of the Insolvency Act 1986, I am seeking a decision in respect of my discharge from liability, which I would like to propose commences 14 days after my final progress report is issued.

16.2. Accordingly, a deemed consent notice has been issued for creditors to consider. Assuming creditors concur with this decision, then they need not return any documents in this regard.

17. Ending the Administration

- 17.1. As detailed above, asset realisations work is ongoing.
- 17.2. In the event that there are insufficient funds available to pay an unsecured dividend to creditors, the Joint Administrators propose to file a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the administration, with the Company being dissolved three months thereafter.
- 17.3. Alternatively, if sufficient funds in the administration are realised to allow a dividend to be paid to unsecured creditors, following the settlement of the prior claims and after payment of the costs of the administration, under the provisions of the Insolvency Act, the Joint Administrators have limited powers to agree the claims of unsecured non-preferential creditors and make distributions without permission of the Court.
- 17.4. Accordingly, in such a scenario, the exit route will be by placing the Company into Creditors' Voluntary Liquidation in order to allow a Liquidator to be appointed to agree the claims of the unsecured creditors and to make the dividend payment to them.
- 17.5. If the Company is placed into Creditors' Voluntary Liquidation then Rebecca Jane Dacre, Simon David Chandler and Scott Christian Bevan (or if appropriate, their successors) will be appointed as Joint Liquidators as set out in the Joint Administrators' Proposals and as approved by the Company's creditors by a decision by correspondence, dated 18 February 2020.
- 17.6. It is currently envisaged an extension of the administration will not be required and either exit route will take place prior to 9 December 2020.



Rebecca J Dacre
Joint Administrator

Dated 8 July 2020

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

The affairs, business and property of the Company are being managed by the Joint Administrators.

The Joint Administrators act as agents of the Company and without personal liability

Ringdane Limited - In Administration

Identification Details

Details relating to the Company

Company name	Ringdane Limited
Previous names	Tamaris (England) Limited Ross Pear Limited Continental Shelf 74 Limited
Trading name	See Care Home names at <i>Appendix A2</i>
Company number	03277059
Registered office	c/o Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
Previous registered office	Norcliffe House, Station Road, Wilmslow, SK9 1BU
Trading address	See Care Home trading addresses at <i>Appendix A2</i>
Court	The High Court of Justice
Court reference	CR-2019-008117 of 2019

Details relating to the Joint Administrators

Date of appointment	10 December 2019
Joint Administrators	Rebecca Jane Dacre, Simon David Chandler and Scott Christian Bevan of Mazars LLP (addresses as below). IP No(s) 009572, 008822 and 9614
Joint Administrators' functions	All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone
Joint Administrators' addresses	R J Dacre - Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF S D Chandler and S C Bevan - Mazars LLP, 45 Church Street, Birmingham, B3 2RT
Appointed by	The Court
Joint Administrators' contact telephone number	0117 928 1700

Ringdane Limited - In Administration
Companies in Administration, Care Homes, Trading Addresses, New Managers and Dates of Disposals

Company	Registered Number	Care Home Name	Care Home Trading Address	New Manager engaged by the Joint Administrators *	Date Care Home closed by Joint Administrators (if applicable)	Date business and certain assets sold and leasehold property surrendered by Joint Administrators
Acegold Limited	03484784	Begbrook House	Stern Court Rd, Bristol, BS16 1LB	Barchester	-	7-April 2020
		Carlton Mansions	8 Apsley Rd, Bristol, BS8 2SP	Barchester	-	7 April 2020
		Cossins House	Downside Rd, Cobham, Surrey, KT11 3LZ	Barchester	-	7 April 2020
		Hallhouse	21 Main Rd, Fenwick, Kilmarnock, KA3 6AH	Belsize	-	-
		Hamilton House	West Street, Buckingham, Buckinghamshire, MK18 1HL	Roseberry	-	18 May 2020
		Maryfield West	31 Queens Rd, Aberdeen, AB15 4ZN	Belsize	-	-
		Oakfield	Weston Park, Weston Village, Bath, BA1 4AS	Barchester	-	7 April 2020
		Wimborne	179-181 Wimbourne Rd, West, Stapehill, Dorset, BH21 2DJ	Barchester	-	7 April 2020
		Maryfield East [CLOSED]	9 Fonthill Rd, Aberdeen AB11 6UN	n/a	n/a	-
Cotswold Spa Retirement Hotels Limited	03047890	Dolphin View	Harbour Rd, Amble, Northumberland, NE65 0AP	Roseberry	-	18 May 2020
		Rosemount	Earsdon Rd, West Monkseaton, North Tyneside, NE25 9YF	Roseberry	-	18 May 2020

		Willow Court	Osborne Gardens, North Shields, Tyne & Wear, NE29 9AT	Roseberry	-	18 May 2020
		Willow Lodge	Osborne Gardens, North Shields, Tyne & Wear, NE29 9AT	Roseberry	-	18 May 2020
		Albany House [CLOSED]	Albany Way, Washington NE37 1BJ	n/a	n/a	-
		Beacon Farm [CLOSED]	Beacon Lane, Cramlington NE23 8AZ	n/a	n/a	-
Dounemead Limited	03138896	Dounemount	Gellymill Street, Macduff, Aberdeen, AB45 3QL	Belsize	-	-
		The Meadows	Burnside Rd, Huntly, AB54 8UH	Belsize	-	-
Grandcross Limited	03488922	Chichester Court	Chichester Rd, South Shields, Tyne & Wear, NE33 4HE	Roseberry	-	18 May 2020
		Gotton Manor	West Monkton, Taunton, Somerset, TA2 8LL	Harbour Healthcare	-	-
		Kingswood Court	220 Soundwell Rd, Kingswood, Bristol, BS15 1PN	Barchester	-	7 April 2020
		Yatton Hall	High Street, Yatton, BS49 4DW	Barchester	-	7 April 2020
		Highfield House [CLOSED]	28 Clifton Road, Ashbourne, Derbyshire	n/a	n/a	-
Irvine Care Limited	02647877	Ty Eirin	Tonyrefail, Rhondda, Cynon Taf, CF39 8EE	Harbour Healthcare	-	1 June 2020
		Ty Gwynno	Hafod Lane, Pontypridd, Mid-Glamorgan, CF37 2SD	Harbour Healthcare	-	1 June 2020
		Banks O' Dee [CLOSED]	Abbotswell Rd, Aberdeen AB12 3AB	n/a	n/a	-
		Chiltern Court [CLOSED]	Aylesbury Rd, Wendover, Weston Turville, Aylesbury, HP22 6BD	n/a	n/a	-

		Coombe Lodge [CLOSED]	Nash Lee End, Aylesbury, HP22 6BH	n/a	n/a	-
		Highground [CLOSED]	7 Waterford Road, Oxton, Birkenhead, Wirral, Merseyside, CH43 6US	n/a	n/a	-
Meadowvale Care Limited	03408575	Meadowvale	Glasgow Rd, Bathgate, EH48 2BF	Belsize	-	-
Ringdane Limited	03277059	Beaufort	56 Kenilworth Rd, Coventry, CV4 7AH	Roseberry	-	18 May 2020
		Cameron House	2 Cameron Street, Bury, Greater Manchester, BL8 2QH	Roseberry	-	18 May 2020
		Earlsferry House	Williamsburgh, Elie, Fife, KY9 1BA	Belsize	-	-
		Gosmore	Hitchin Rd, Hitchin, Hertfordshire, SG4 7QH	Barchester	13 March 2020	7 April 2020
		Havencourt	Woodcot Gardens, Stonehaven, AB39 2ZH	Belsize	-	-
		South Bebside	Patterdale Rd, Blyth, NE24 5JU	Roseberry	-	18 May 2020
		South Park	Gale Lane, Acomb, York, YO24 3HX	Roseberry	-	18 May 2020
		South Quay	1 & 2 Cowpen Rd, Blyth, Northumberland, NE24 5TT	Roseberry	-	18 May 2020
		Woodside	Mugiemoss Rd, Woodside, Aberdeen, AB21 9XQ	Belsize	-	-
		Beach Court [CLOSED]	64 Constitution Street, Aberdeen	n/a	n/a	-
		Hollycroft [CLOSED]	16 Heber's Ghyll Dr, Ilkley, LS29 9QH	n/a	n/a	7 April 2020
		Ringshill [CLOSED]	Sallowbush Rd, Huntingdon, PE29 7AE	n/a	n/a	7 April 2020
		Rosemount [CLOSED]	Perth Rd, Blairgowrie and Rattray, Blairgowrie, PH10 6PY	n/a	n/a	-

		Uphill Grange [CLOSED]	Uphill Road South, Weston Super Mare, Somerset, BS23 4TX	n/a	n/a	-
Roseguard Properties Limited	03378572	Craighead	Norwood, Newport-on-Tay, DD6 8DW	Belsize	-	-
		Gowrie House	18-20 West Albert Rd, Kirkcaldy, KY1 1DL	Belsize	-	-
		Henderson House	2 Link Rd, Dalgety Bay, Dunfermline, KY11 6GW	Belsize	-	-
Springfield House (Oaken) 2001 Limited	04167221	Springfield House	Oaken Drive, Codsall, Wolverhampton, WV8 2EE	Roseberry	-	18 May 2020
Tamaris (South East) Limited	02896337	Bearehill	Castle Street, Brechin, DD9 6JU	Belsize	-	-
		Lydfords	23 High Street, East Hoathly, Wealden, East Sussex, BN8 6DR	Barchester	-	7 April 2020
		Laurels Lodge	Don Court, Station Road, Woodside Aberdeen, AB24 2UL	Belsize	-	-
		Turriff [CLOSED]	Turriff, Aberdeen, Scotland	n/a	n/a	-
Tamhealth Limited	03655610	Buchanan House	Grampian Way, Bearsden, Glasgow, G61 4SP	Belsize	-	-
		Buchanan Lodge	Grampian Way, Bearsden, Glasgow, G61 4SP	Belsize	-	-
		Buchanan Nursery	Grampian Way, Bearsden, Glasgow, G61 4SP	Belsize	-	-
		Flowerdown	50 Harestock Rd, Winchester, Hampshire, SO22 6NT	Barchester	-	7 April 2020
		Garioch	Commercial Rd, Inverurie, AB51 3TX,	Belsize	-	-
		Highfield	34-36 Hoe Lane, Ware, Hertfordshire, SG12 9NZ	Barchester	-	7 April 2020



		Sutton Valence	North Street, Sutton Valence, Maidstone, Kent, ME17 3LW	Barchester		7 April 2020
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* The Manager is an independent contractor who has contracted to provide the Services to the Joint Administrators for the purpose of allowing the businesses of the Companies to operate whilst the Companies are in administration. Barchester Healthcare Homes Limited ("Barchester"), Belsize Healthcare (Scotland) Limited ("Belsize"), Harbour Healthcare Limited ("Harbour"), Roseberry Care Centres GB Limited ("Roseberry")

[CLOSED] homes listed above were already closed at the date of the Joint Administrators' appointment.

TRADING RECEIPTS AND PAYMENTS ACCOUNT

AND

RECEIPTS AND PAYMENTS ACCOUNT

AS AT 9 JUNE 2020

Ringdane Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 10/12/2019 To 09/06/2020 £	From 10/12/2019 To 09/06/2020 £
POST APPOINTMENT SALES		
Sales	5,156,136.68	5,156,136.68
	<u>5,156,136.68</u>	<u>5,156,136.68</u>
OTHER DIRECT COSTS		
Direct Labour	3,974,502.41	3,974,502.41
	<u>(3,974,502.41)</u>	<u>(3,974,502.41)</u>
TRADING EXPENDITURE		
Operating expenditure	810,461.68	810,461.68
Insurance	20,772.79	20,772.79
Home Operator/Manager Fees	403,957.45	403,957.45
Bank Charges	1,329.22	1,329.22
FSHC Support	6,954.55	6,954.55
Pension advisor fee- scheme re-enrolment	120.00	120.00
FSHC payroll processing	11,781.00	11,781.00
Health & safety reviews	3,133.14	3,133.14
VAT Irrecoverable (Trading)	233,047.15	233,047.15
	<u>(1,491,556.98)</u>	<u>(1,491,556.98)</u>
TRADING SURPLUS/(DEFICIT)	<u>(309,922.71)</u>	<u>(309,922.71)</u>

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

Statement of Affairs £	From 10/12/2019 To 09/06/2020 £	From 10/12/2019 To 09/06/2020 £
SECURED ASSETS		
Sale proceeds (fixed charge)	3.08	3.08
	<u>3.08</u>	<u>3.08</u>
ASSET REALISATIONS		
Sale proceeds	3.92	3.92
135,376.00 Plant & Machinery	NIL	NIL
944,872.00 Fixtures & Fittings	NIL	NIL
140,492.00 Carpets & Curtains	NIL	NIL
4,178.00 Office & Computer equipment	NIL	NIL
724,400.00 Book Debts	NIL	NIL
234,899.00 Prepayments & other debtors	NIL	NIL
450,948.00 Cash at Bank	391,274.64	391,274.64
Resident/personal fund account	59,673.02	59,673.02
Rates refund	318.79	318.79
Bank interest (gross)	146.44	146.44
Trading Surplus/(Deficit)	<u>(309,922.71)</u>	<u>(309,922.71)</u>
	141,494.10	141,494.10
COST OF REALISATIONS		
Resident/personal fund account	59,673.02	59,673.02
Joint Administrators' fees	76,000.00	76,000.00
Joint Administrators' disbursements	1,699.51	1,699.51
Pension advisor's fees	750.00	750.00
Legal fees (Shakespeare Martineau)	22,762.00	22,762.00
Counsel fees	1,091.00	1,091.00
VAT Irrecoverable	34,023.31	34,023.31
Agents' fees (PHD - Lease review)	1,000.00	1,000.00
Vacant property security	66,381.56	66,381.56
Statutory Advertising	87.48	87.48
Other property expenses	1,381.77	1,381.77
	<u>(264,849.65)</u>	<u>(264,849.65)</u>
2,635,165.00	<u>(123,352.47)</u>	<u>(123,352.47)</u>
REPRESENTED BY		
Current account (interest bearing)		71,084.08
Loan pursuant to Admin Funding Deed		(99,223.00)
Working capital held by the Manager(s)		(95,213.55)
		<u>(123,352.47)</u>

Note:

- Sale proceeds (fixed charge) relates to the apportionment of the sale proceeds to Goodwill, Intellectual Property and The Lease.
- Sale proceeds relates to the apportionment of the sale proceeds to, The Business Contracts and the Seller's Records, The Equipment, The Fixtures and Fittings and The Stock.
- VAT Irrecoverable - following a review by VAT specialists it was determined that input VAT is not recoverable in this matter, so is shown separately as an expense.
- Due to the notional value of the fixed charge monies in this matter, it was not determined to be cost effective to segregate the funds into a separate fixed charge bank account.
- Loan pursuant to Administration Funding Deed represents the funds advanced by HPH and HPI to the Company to date.
- Working capital held by the Managers represents the balancing figure from trading, this sum is currently not fully reconciled, and is made up cash held by the managers, various accruals in relation to the trading accounts, and pre-appointment debtors collected but not yet allocated.

ESTIMATED OUTCOME STATEMENT

The Joint Administrators are yet to ascertain the profitability, or otherwise, of trading the Company's businesses in administration. In addition, asset realisation work remains ongoing. Accordingly, we are not able to accurately estimate anticipated realisations and are therefore unable to provide any meaningful estimated outcome statement at this time.

Further details will be provided in subsequent reports.

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Professional advisors' costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.					
Legal fees and disbursements	Shakespeare Martineau LLP ("our Solicitors") have been instructed to provide legal advice to the Joint Administrators in relation to various matters arising during the administration. This firm of solicitors was chosen based on their experience in insolvency matters. In particular, our Solicitors are advising us on the effect, application and extent of the Call Options and the disposal of Company's interest in operating Care Homes. In addition, our Solicitors are providing general legal advice with regard to matters arising during the administration. Their fees have been agreed on a time cost basis.	20,000	30,332	Uncertain	Uncertain
Legal fees and disbursements	Lester Aldridge LLP ("LA") have been instructed in order to provide guidance as to the steps that should be taken in response to what was at the time a likely Covid-19 outbreak in the UK. This firm of solicitors was chosen as they are specialist solicitors in the healthcare sector. Their fees have been agreed on a time cost basis.	-	-	Uncertain	Uncertain

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
	The fee of £119 was paid by my firm as a disbursement, so is included in disbursements below.				
Counsel's fees and disbursements	<p>James Morgan QC of St Philips Chambers ("Counsel") has been instructed to provide a legal opinion to the Joint Administrators in relation to the effect, application and extent of the Call Options.</p> <p>Counsel was chosen based on his experience in insolvency matters.</p> <p>His fees have been agreed on a time cost basis.</p>	1,550	1,091	-	1,091
Agent's fees re pension investigation / review	<p>Clumber Consultancy Limited ("Clumber"), specialist pension consultancy providers to companies in formal insolvency procedures, are engaged to assist us with regard to the Companies' pension schemes and ensure compliance in this regard.</p> <p>They were chosen because of their pension experience in an insolvency scenario.</p> <p>Their fee basis has been agreed on a fixed fee basis.</p> <p>Clumber have also been instructed to oversee that any pension re-enrolments are undertaken compliantly, where appropriate. This this work has been agreed to be undertaken on a time cost basis.</p>	<p>900</p> <p>300</p>	<p>750</p> <p>120</p>	Uncertain	Uncertain
Agent's fees re rates refund review and lease	PHD Property Advisory Limited ("PHD"), Chartered Surveyors and specialist business rates recovery consultants, have been engaged to assist us with regard to investigating	Uncertain	1,000	Uncertain	Uncertain

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
valuation re closed homes	<p>the Companies' business rates positions and determining whether there have been overpayments resulting in refunds being due. In addition, PHD will consider whether rates have been correctly calculated, reliefs applied and appealing rateable values, if appropriate.</p> <p>PHD will also determine whether there is any premium value within the leases of the closed homes.</p> <p>They were chosen because of their experience in this work and also in an insolvency scenario.</p> <p>Their fee basis has been agreed on a percentage of recoveries basis, at 17.5% of any recoveries regarding rates refund work and a fixed fee of £200 plus VAT per lease for valuation work.</p>				
Agent's fees re vacant property services	<p>Orbis Protect Limited ("Orbis"), specialist provider of vacant property services, have been engaged to provide relevant services, with regard to closed homes.</p> <p>They were chosen because of their experience and as they were previously engaged by the Company to provide such services, which aided continuity.</p> <p>Their fee basis has been agreed on fixed fee basis per month for site inspections and on an agreed fee basis for ad-hoc work (i.e. repairs, etc).</p>	86,247	66,382	Uncertain	Uncertain

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
FSHC payroll processing fees	<p>Four Seasons Healthcare Group ("FSHC" or "the Group") has been engaged to assist with providing payroll services to the Companies' businesses.</p> <p>The Group was chosen because of their experience, as they were previously engaged by the Company to provide such services, which aided continuity, and after taking into account the cost and complexities of implementing alternative solutions in the short term</p> <p>Their fee basis has been agreed on fixed fee basis.</p>	18,942	11,781	-	11,781
FSHC Support re Nominated Individual and Relevant Person	<p>On 1 May 2020, the Joint Administrators were notified that Dr Royston's employment at the Group ended on 30 April 2020, but that the Group had made arrangements that she could continue as Nominated Individual and Relevant Person through to 30 June 2020.</p> <p>A fixed fee was agreed with FSHC in this regard, while steps to replace Dr Royston with a representative from the Managers, or by the Joint Administrators, were taken</p>	-	6,955	Uncertain	Uncertain
Health and Safety review	<p>Our specialist insurance brokers JLT Specialty Limited were engaged to undertake Health and Safety reviews, provide recommendations and competent person support services, as appropriate.</p>	-	3,133	Uncertain	Uncertain

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
	Their fee basis has been agreed on an agreed fee basis.				
Agent's fees re management and operation of care homes	<p>The Managers have been engaged to provide Services to the Joint Administrators and act as the managers of the Companies' Care Homes, pursuant to Management Services Agreements.</p> <p>They were chosen based on their experience in the sector.</p> <p>Their fee basis has been agreed on fixed fee basis, based on the aggregate number of registered beds at the care homes. Assistance with debt collection was agreed on 5% of recoveries. The original expenses estimate is on the basis of services for six months.</p>	432,600	403,957	Uncertain	Uncertain
Other expenses					
Loan pursuant to Funding Deed	<p>Loan funding from Healthcare Property Holdings Limited ("HPH") and Healthcare Property Investments Limited ("HPI") was secured to meet administration expenses, particularly given limitations to accessing cash and the estimated significant working capital shortfalls which would need to be met.</p> <p>The Companies are only required to repay the loan funding once all other administration expenses incurred by the Joint Administrators have been discharged. HPH and HPI also indemnified, to certain limits, the Joint Administrators' costs and expenses (in acting as</p>		99,223	Uncertain	Uncertain

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
	their capacity as such) on a company by company basis. Finally, the costs and expenses incurred by our solicitors Shakespeare Martineau LLP ("our solicitors"), up to an aggregate limit, across the Companies has also been indemnified.				
Direct labour	Employees' salaries, PAYE and NIC from Care Home trading activity.	-	3,974,502	Uncertain	Uncertain
Operating expenditure	Operating expenditure incurred by the Managers relating to Care Home trading activity.	-	810,462	Uncertain	Uncertain
Capital expenditure and repairs	Capital expenditure and repairs incurred by the Managers relating to Care Home trading activity.	-	-	Uncertain	Uncertain
Sundry trading expenses	Sundry trading expenses incurred regarding Care Home trading activity.	-	-	Uncertain	Uncertain
Other property expenses	Utility charges regarding closed care homes	-	1,382	Uncertain	Uncertain
Corporation tax	It is likely that corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account. It is currently uncertain whether any corporation tax or capital gains tax will be payable in respect of the disposal of assets, pending preparation of the return for the period.	Uncertain	Uncertain	Uncertain	Uncertain
Statutory Advertising	Costs are to be paid to Courts Advertising for statutory advertising requirements including	87	87	-	87

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
	London Gazette advertisements for notice of the appointment.				
Specific bond	<p>It is a legal requirement that we take out a specific bond in respect of the value of the assets. On the basis the assets likely to be recovered was estimated to total £2.9m immediately upon our appointment, the bond will be as stated.</p> <p>The fee of £1,485 was paid by my firm as a disbursement, so is included in disbursements below.</p>	1,485	-	-	-
Insurance of assets	<p>We are required to insure the Company's assets until they are disposed of.</p> <p>Cover has also been received via our insurance brokers JLT Specialty Limited for business interruption, employer's liability and public liability cover.</p>	19,104	20,773	Uncertain	Uncertain
Bank charges	While we currently have free banking services, the Company's pre-Administration bankers Barclays levy charges per account for ongoing operation and transfer out of funds which are being received post-Administration and are being held to my order.	5,400	1,329	4,071	5,400
Joint Administrators' remuneration	Management of the Company's affairs in order to achieve the objective of the administration. Realising and distributing the Company's assets and performing those tasks required as dictated by statute, best practice and ethical requirements.	272,500	140,486	132,014	272,500

EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
	Please see the report and further information is provided in the Appendices referred to.				
Joint Administrators' disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A further breakdown of the disbursements incurred in the period is provided within the report.	1,000	1,818	Uncertain	Uncertain
Irrecoverable VAT	As the supplies being made by the Care Homes are VAT exempt, there is no right to recover VAT on any of the costs incurred.	-	267,070	Uncertain	Uncertain
Total		<i>Uncertain</i>	Uncertain	Uncertain	Uncertain

**JOINT ADMINISTRATORS' ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE**

The Joint Administrators' total Fees Estimate as approved by creditors on 18 February 2020 was £272,500 plus VAT.

As detailed in the report, total time costs incurred to date are £140,486 plus VAT.

The following table provides details of the Joint Administrators' actual time costs incurred in the current reporting period, 10 December 2019 to 9 June 2020, compared to the estimated costs in accordance with the Fees Estimate.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors, is provided within the narrative summary of the Joint Administrators' time costs at *Appendix E2*.

Creditors will note that a blended hourly charge-out rate has been provided. This is calculated as the average cost per hour based upon the time spent by each grade of staff at their specific charge out rate. Details of the hourly rates of staff anticipated to work on this case can be found on the Rates and Disbursements policy attached to this report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

**JOINT ADMINISTRATORS' ANALYSIS OF TIME COSTS
AND COMPARISON TO FEES ESTIMATE**

	<i>Fees Estimate Approved on 18 February 2020</i>			Actual time costs for the period 10 December 2019 to 9 June 2020		
Description of Work	<i>Total Time (hours)</i>	<i>Total Costs (£)</i>	<i>Blended Hourly Rate (£)</i>	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	4.0	1,000	250	11.3	3,091	274
Taxation	40.0	10,000	250	14.8	3,350	226
Investigations	40.0	10,000	250	5.5	1,468	267
Realisation of Assets	280.0	70,000	250	68.3	21,411	313
Trading	548.0	137,000	250	399.2	88,138	221
Employees	34.0	8,500	250	20.2	4,539	225
Creditors	20.0	5,000	250	8.3	1,787	215
Reporting	48.0	12,000	250	26.1	7,243	278
Distributions	-	-	-	-	-	-
Cashiering	56.0	14,000	250	27.9	5,410	194
Statutory compliance	20.0	5,000	250	19.3	4,049	210
Totals	1,090.0	272,500	250	600.9	140,486	234

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS
FOR THE PERIOD 10 DECEMBER 2019 TO 9 JUNE 2020**

<p>Introduction</p> <p>The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.</p> <p>This summary should be read together with the Joint Administrators' Time Costs Analysis at <i>Appendix E1</i>. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.</p>
<p>Work carried out in the current period</p> <p>Administration and planning</p> <p>The Joint Administrators have undertaken the following work:</p> <ul style="list-style-type: none"> • Case acceptance and ethical reviews. • Completing case strategy notes. • Holding strategy meetings. • Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system. <p>The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.</p> <p>Taxation</p> <p>The following activities were undertaken in order to ensure the Company is compliant with tax requirements:</p> <ul style="list-style-type: none"> • Notifying HM Revenue & Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations. • Reviewing the Company's VAT position and in the context that it is part of a VAT Group. • Establishing the correct accounting treatment for the VAT element of costs incurred during the administration and the recoverability, or otherwise, of such VAT. • Investigating the pre-appointment VAT account. • Deregistering the Company for VAT. • Review of potential Terminal Loss Relief. • Assessment of tax position re. Potential chargeable gains on the disposal of assets. <p>The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.</p> <p>Investigations</p> <p>Further details of the investigation required to be carried out is provided within the report.</p> <p>A summary of the work undertaken to date is as follows:</p> <ul style="list-style-type: none"> • Seeking to secure the Company's statutory and accounting records. • Investigating the Company's affairs to include a review of the Company's books and records made available to me and in particular, the bank statements to identify any potential transactions that were outside the ordinary course of business. • Correspondence with directors regarding the reasons for the Company's failure. • Review of creditor questionnaires and investigation into any matters notified. • Reporting to the Insolvency Service on the directors' conduct. <p>The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.</p>

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS
FOR THE PERIOD 10 DECEMBER 2019 TO 9 JUNE 2020**

Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets is detailed in the report. The main assets comprise those detailed in the report.

Actions required to realise the Company's assets included:

- Liaison with the Managers and arranging attendance at the Company's premises and securing of the Company's assets, immediately upon the appointment of the Joint Administrators.
- Liaison the Group in order to obtain information with regard to the Company.
- Liaising with the Company's pre-appointment bank regarding cash balances held and investigating and ascertaining nature of post-appointment receipts received and held to our order. Banking of cash as appropriate.
- Arranging insurance cover over assets and ensuring their security.
- Liaising with insurers, the Group and Managers re insurance, health & safety, security, etc.
- Reviewing and obtaining any potential refunds on insurance policies paid up to a future period by the Company.
- Discussions with HPH and HLL regarding Call Options. Liaison and instruction of our Solicitors and Counsel with regard to Call Options and subsequent discussions, conference and advice therein.
- Disposal of assets under sale agreements in line with the provisions of the Call Options, Counsel having advised that the Call Options are effective and can be exercised. Seeking advice from our solicitors with regard to this process, as appropriate.
- Surrender of certain interests in leasehold properties, as both the Landlord and Managers wished to enter into new agreements between themselves; rather than having existing leasehold interests assigned. Seeking advice from our solicitors with regard to this process, as appropriate.
- Liaising with the Group with regard to the book debt position and seeking information to ascertain outstanding debts, so they can be pursued. Pursuing outstanding debtors after formulating a debt collection strategy, dealing with the physical receipt and banking of debts, decisions on further steps should be undertaken to pursue outstanding debtors.
- Investigating prepayments / potential refunds and seeking repayments therein.
- Liaising with PHD with regard to the value of the Company's leases and the business rates positions and to determine whether there have been overpayments resulting in refunds being due and to consider whether rates have been correctly calculated reliefs applied and appealing rateable values, if appropriate.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

Trading

The Joint Administrators' strategy of allowing the Company's businesses to continue to operate and trade was pursued for the reasons set out in detail in the Joint Administrators' Proposals.

Work undertaken in respect of this category includes:

- Considering the viability of ongoing trading. Cash flow forecasts and financial analysis, as appropriate.
- Liaison with the Regulators, as appropriate.
- Liaison with the Group and the Managers and gathering relevant Company information, particularly financial information.
- Monitoring of trading, including liaison with the Managers concerning reporting requirements pursuant to the Management Services Agreements. Liaison with the Managers concerning cash flow and funding requirements.
- Liaison with HPH and HPI regarding the funding deed, accessing loan funding and drawing down / repaying, as appropriate.
- Dealing with customers (residents / next of kin) queries and correspondence.
- Liaison with the Group and the Managers regarding Payroll, processing of payments and reporting requirements.
- Liaison with the Managers regarding HR/Employee related issues and staff management.
- Liaison with Clumber to oversee pension re-enrolment work during the trading period.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS
FOR THE PERIOD 10 DECEMBER 2019 TO 9 JUNE 2020**

- Liaising with suppliers and utilities to set up administration accounts to maintain supplies. Providing undertakings as appropriate.
- Liaison with our insurers and the Managers concerning insurance and Health and Safety reviews, recommendations and / or requirements. Monitor and ongoing liaison with insurers and the Managers.
- Engaging specialist healthcare solicitors Lester Aldridge LLP in order to obtain advice and guidance as to the steps that should be taken in response to the Covid-19 outbreak in the UK. Implementing policies and procedures via the Managers. Ongoing monitoring and reporting.
- Review of purchase orders / invoices and processing payments, where appropriate, or approving expenditure pursuant to the Management Services Agreements.
- Reviewing debtor invoices from trading period and debt recovery work.
- Trading bank account management including liaison with the Company's bankers, bank account maintenance, including periodic reconciliations, issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.
- Removal of undertakings once services no longer needed

The above work is required to offer a period of stability for the Company's businesses and remove uncertainty. Continuing to trade allows the Joint Administrators a period of time to assess the viability, whilst the Managers manage the day-to-day operations and work with the Joint Administrators to return each care home to profitability, where possible.

Continuing to trade enhances the prospect of maximising asset realisations and lowers the potential quantum of creditor claims, for the benefit of creditors as a whole. The costs associated are considered appropriate in the circumstances.

The Joint Administrators also have the benefit of the funding deed from HPH and HPI should working capital shortfalls arise during the trading period and the Joint Administrators are only required to repay the loan funding once all other Administration Expenses incurred by the Joint Administrators have been discharged

Employees

Work required in respect of the employees has included:

- Writing to employees following the Joint Administrators' appointment and to communicate their appointment and the operation of homes by the Managers.
- Investigating pension scheme matters and seeking information from the Group.
- Liaison with Clumber with regard to pension scheme/s and complying with statutory reporting obligations with regard to pension schemes.
- Liaison with Clumber to oversee pension re-enrolment work during the trading period.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

Creditors

In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Dealing with queries received from creditors, by telephone and in correspondence.
- Logging claims on case management systems.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

- Drafting and issue of the Proposals and associated documents.
- Reporting to Creditors in respect of fee and expenses approvals.
- Reporting the outcome of any Creditors' decisions.
- Initial drafting of the six-monthly progress report.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS
FOR THE PERIOD 10 DECEMBER 2019 TO 9 JUNE 2020**

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Cashiering

Cashiering work undertaken includes:

- Establishing set up of case details on our insolvency software system.
- Setting up bank accounts, including deposit accounts as necessary.
- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves:

- Preparation and lodgement of statutory appointment documents.
- Initial notices and advertisements following appointment.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.