

The Insolvency Act 1986

**Administrators' progress report**

Name of Company  
CHILTERN CARE HOLDINGS LIMITED

Company number  
03295752

In the HIGH COURT OF JUSTICE, CHANCERY DIVISION,  
COMPANIES COURT

Court case number  
3247 of 2010

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We, Daniel Smith of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU, appointed as administrator for the above company on 19 April 2010 and David Dunckley also of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU, appointed as administrator for the above company on 3 February 2011 attach a progress report for the period

from

to

19 April 2011

6 September 2011

(b) Insert dates

Signed

Joint Administrator

Dated

20/10/11

TUESDAY



\*AVMXBYOL\*

A09

25/10/2011

391

COMPANIES HOUSE

Our Ref MBB/OGH/DRS/L00168/PF7

## **TO THE CREDITORS**

### **Recovery and Reorganisation**

**Grant Thornton UK LLP**  
30 Finsbury Square  
London EC2P 2YU

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[www.grantthornton.co.uk](http://www.grantthornton.co.uk)

20 October 2011

Dear Sirs

**Loyds Nursing Homes UK Limited**  
**Churchill Court Propco Limited**  
**Loyds Crown Chiltern Limited**  
**Loyds Propco Holdco Limited**  
**Crown Albany Care Limited**  
**Chiltern Care Holdings Limited**  
**Loyds Propco No 1 Limited**  
**Loyds Propco No 2 Limited**  
**Loyds Careco UK Limited**  
**- All in Administration (together "the Group")**

**In the High Court of Justice, Chancery Division, Companies Court: Cases**  
**3246, 3252, 3251, 3243, 3247, 3242, 3249, 3235 & 3237 of 2010**

### **1 INTRODUCTION**

- 1 1 I refer to the appointment of Robert Pick and I as joint administrators of the Group by the security trustee, The Royal Bank of Scotland plc (RBS), acting on behalf of the senior lenders on 19 April 2010
- 1 2 As advised in my previous progress report to creditors dated 17 May 2011, on 3 February 2011, David Dunkley, a licensed insolvency practitioner also from Grant Thornton UK LLP, replaced Robert Pick as joint administrator of the Group
- 1 3 I am now in a position to provide a report on the progress of the administrations and I enclose Form 2 24B

#### **Chartered Accountants**

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

## **2 REPORT AND OUTCOME**

- 2 1 Information regarding the progress of the administrations can be found at Appendix A in my report to the Court dated 6 September 2011

## **3 EXTENSION OF THE ADMINISTRATIONS**

- 3 1 The request for an extension referred to in the attached report, at paragraph 7 12, was granted by the Court on 30 September 2011 in accordance with with paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986, giving a revised date for the automatic termination of the administrations of 18 October 2013
- 3 2 The extensions were principally obtained in order to allow the time required to transition the homes from Southern Cross to a new operator and restore them to the previous trading performance and value
- 3 3 Should you have any queries, please contact Mark Birbeck on 020 7728 2079

Yours faithfully  
For and on behalf of the Group



**11** Daniel Smith  
Joint Administrator

The affairs, business and property of the Group are being managed by Daniel Smith and David Duncley, appointed as joint administrators on 19 April 2010 and 3 February 2011 respectively

Our Ref MBB/OGH/DRS/L00168/PF9

## TO THE COURT

6 September 2011

### Recovery and Reorganisation

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

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Dear Sirs

**Loyds Nursing Homes UK Limited  
Churchill Court Propco Limited  
Loyds Crown Chiltern Limited  
Loyds Propco Holdco Limited  
Crown Albany Care Limited  
Chiltern Care Holdings Limited  
Loyds Propco No 1 Limited  
Loyds Propco No 2 Limited  
Loyds Careco UK Limited  
Loyds Securities No.14 Limited  
- All in Administration (together "the Group")**

**In the High Court of Justice, Chancery Division, Companies Court: Cases  
3238, 3246, 3252, 3251, 3243, 3247, 3242, 3249, 3235 & 3237 of 2010**

## 1 INTRODUCTION

- 1.1 Following the appointment of Robert Pick and I as joint administrators of the Group by the security trustee, The Royal Bank of Scotland plc (RBS), acting on behalf of the senior lenders on 19 April 2010, I now provide a report to the Court on the progress of the administrations to accompany my application for an extension of the automatic end date

#### Chartered Accountants

Member firm within Grant Thornton International Ltd  
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1 2 The following are attached to this report

- Appendix A - Statutory information
- Appendix B - An account of our receipts and payments for the period ended 5 September 2011 in accordance with Rule 2 47
- Appendix C - An analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D - A statement of expenses incurred in the period
- Appendix E - An extract from the Insolvency Rules 1986 relating to the creditors' rights to request additional information from the Administrators (Rule 2 48A)
- Appendix F - An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive (Rule 2 109)

1 3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them

## **2 STATUTORY INFORMATION**

2 1 As advised in my previous progress report to creditors dated 17 May 2011, on 3 February 2011, David Dunkley, a licensed insolvency practitioner also from Grant Thornton UK LLP, replaced Robert Pick as joint administrator of the Group

2 2 The Companies' statutory information is attached at Appendix A

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2 3 The administrations constitute "main proceedings" under the EC Regulation on Insolvency Proceedings

## **3 STATEMENT OF PROPOSALS**

3 1 The joint administrators' proposals for the Group, which were circulated to creditors on 7 June 2010, and were subsequently approved, are summarised below

- The administrators will pursue the objective of realising property in order to make a distribution to one or more secured or preferential creditors
- In the event that any proceedings are brought against the Group, the administrators will continue the Group's defence, so far as they believe appropriate, bearing in mind the objective of selling the business assets as a going concern and mindful of the need to balance the costs of continuing the defence as against the potential detriment to creditors of abandoning the defence if it appears that funds may be available to the creditors following the conclusion of the administrations
- It is proposed that the administrations will end by the Companies within the Group either being dissolved or being placed into liquidation. If the Companies are placed into liquidation it is proposed that the administrators in office at that date will be appointed joint liquidators

#### 4      **PROGRESS REPORT**

- 4 1      The parent company of the Group is Loyds Nursing Homes UK Limited which has the following subsidiary companies

Churchill Court Propco Limited  
Loyds Crown Chiltern Limited  
Loyds Propco Holdco Limited  
Crown Albany Care Limited  
Chiltern Care Holdings Limited  
Loyds Propco No 1 Limited  
Loyds Securities No14 Limited  
Loyds Propco No 2 Limited  
Loyds Careco UK Limited

- 4 2      The Group holds a freehold property portfolio which rents out 64 nursing homes acquired in 2005

- 4 3      At the date of the appointment the freehold properties were held as follows,

Loyds Propco No 1 Limited	57 properties
Loyds Propco No 2 Limited	4
Churchill Court Propco Limited	1
Crown Albany Care Limited	1
Chiltern Care Holdings Limited	1

- 
- 4 4      Upon my appointment the assets of the Group were immediately insured

- 4 5      Property agents have been instructed with regard to managing the portfolio

- 4 6      To facilitate the sale of the portfolio the properties were transferred to newly formed subsidiary companies. These subsidiary companies are subject to inter-company interest bearing loan arrangements in respect of the consideration for the transferred properties

- 4 7      The Administrators have continued to collect rents due from the properties within the subsidiary companies whilst marketing the portfolio. To date, £12.1m has been collected and has been distributed to the charge holders, in payment of interest and capital under the terms of their security over the Group's assets

- 4 8      After a marketing period, a number of interested parties were identified

- 4 9      However, due to the uncertain financial situation of one of the Group's key tenants, Southern Cross Care Homes plc, a transaction has not been progressed

## **5 SOUTHERN CROSS GROUP PLC**

- 5 1 Of the Group's 64 care homes 54 are let to Southern Cross Group plc (or its subsidiary undertakings) (SCG)
- 5 2 The financial predicament of SCG has been well documented over the last 12 months
- 5 3 This culminated in SCG unilaterally implementing a 30% reduction to the rent payable to the Group and other landlords in May 2011. Landlords did not accept this reduction and, together with the other SCG stakeholders, commenced restructuring discussions
- 5 4 As the Administrator to the Group, a significant landlord to the SCG, I have been closely involved in the negotiations concerning the restructuring of Southern Cross in order to best protect the interests of landlords and thus protect the value of the Group's homes for the benefit of the creditors
- 5 5 The SCG is now embarking on a solvent wind-down. As part of this procedure all care homes will be returned to landlords. Therefore, I am currently in discussions with my preferred choice operator to take over the homes

## **6 FUNDING OF THE ADMINISTRATIONS**

- 6 1 At the time of the appointments, the Senior Lenders executed a funding agreement to meet the costs of the administrations. These funds will be reimbursed from asset realisations.
- 

## **7 ASSETS AND LIABILITIES**

- 7 1 The directors were requested to prepare a statement of affairs for the Companies within the Group, but have not done so
- 7 2 At the time of our appointment the Group's principal assets was its investments in Freehold properties which are the subject of fixed charges in favour of the Group's Lenders
- 7 3 The only floating charge realisation to date is £5,769 cash at bank. On present information it is unlikely that there will be any further floating charge realisations and accordingly it is unlikely that there will be a distribution to the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986

### **Other assets noted in the Companies balance sheets**

- 7 4 Accounts have been prepared to the date of the appointments and these identify that the sum due to Loyds Nursing Homes UK Limited in respect of the inter-company debtors at the time of appointment was £193m. Loyds Nursing Homes UK Limited has also invested in the subsidiary companies via its shareholdings. The book value of the shares, being the original cost of £5.2m
- 7 5 These sums primarily represents the funds transferred to the property owning companies to fund the property acquisitions. The realisations of the inter-company debt is dependent upon the realisations of the freehold property held by the property owning companies

## **Liabilities**

### **Secured Creditors**

- 7 6 RBS act as security trustee for the secured group of Lenders and hold valid fixed and floating charges dated 29 September 2005. The security is cross-collateralised over the assets of all of the companies within the Group. The total exposure at the time of appointment was £192.4m, split into various tranches. As disclosed in the receipts and payments accounts at Appendix B, £12.1m has been distributed to the Senior Lenders in payment of Capital and interest.

### **Preferential Creditors**

- 7 7 The Group has no known preferential creditors at the date of the appointments.

### **Unsecured Creditors**

- 7 8 The principal unsecured liabilities, at the date of the appointments, as shown in the Group's accounts are as follows:

Arazim Investments Limited	£14.6m
Braxton Holdings Limited	£25.8m

- 7 9 Arazim Investments Limited is Loyds Nursing Homes UK Limited's immediate holding company. The debt of Braxton Holdings Limited is in respect of monies raised through the issue of bonds to provide additional funding for the acquisition of the Group's properties.

- 7 10 Owing to the level of indebtedness of the Group to the Secured Lenders, it is unlikely that there will be sufficient funds to make a distribution to any unsecured creditors.
- 

- 7 11 In addition, due to there being no significant floating charge assets, there will be no prescribed part of floating charge assets to be set aside for the benefit of unsecured creditors under Section 176A of the Insolvency Act 1986.

### **Extension of the administration**

- 7 12 In accordance with paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986, a request was made to the Secured Creditors for an extension of my term of office as Administrator of the Group.
- 7 13 The primary reason for requesting the extension of the time limit was to grant sufficient time for the continued realisation of the Groups' remaining assets and was duly granted.
- 7 14 The agreed extension was for a period of 6 months (being the maximum permitted) giving a revised date for the automatic termination of the administration of 18 October 2011.
- 7 15 With the exception of Loyds Securities No 14 Limited, a further extension of 24 months is now requested for the reasons set out in the attached application, principally the time required to transition the homes from Southern Cross to a new operator and restore them to the previous trading performance and value.
- 7 16 The majority of the secured creditors have confirmed their support of such an extension in writing, as evidenced in the accompanying application.



**Loyds Securities No.14 Limited**


- 7 17 In respect of this entity, it has no assets and is not required to realise the freehold assets of the Group. It is therefore the Administrators' intention to file Form 2 35b in respect of this entity which will dissolve the company.
- 7 18 This exit route was envisaged in our Statement Of Proposals dated 7 June 2010 which were approved by the creditors of the Group.

**8 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

- 8 1 As previously advised, where a meeting of creditors has not been convened and a creditors committee has not been formed, the approval of our remuneration will be provided by the secured creditors. Our fees for acting as Joint Administrators have been fixed by reference to time costs incurred by the administrators and their staff in attending to matters arising in the administration.
- 8 2 Time costs, in the sum of £3,238 plus VAT, were drawn in respect of the Group, for time incurred prior to the appointments but subsequent to the decision to appoint.
- 8 3 The total time costs for the administrations for the period to 5 September 2011 are £983,900 of which £940,699 has been billed with the authority of the secured creditors.
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- 8 4 Further details on this are set out in Appendix C.
- 8 5 Details of any disbursements charged can be found at Appendix D. Also detailed in Appendix D is the Group related third party payments funded by the Senior Lenders.

Yours faithfully  
For and on behalf of the Group



 Daniel Smith  
Joint Administrator

The affairs, business and property of the Group are being managed by Daniel Smith and David Dunckley, appointed as joint administrators on 19 April 2010 and 3 February 2011 respectively.

**Loyds Nursing Homes UK Limited  
& its Subsidiaries - All in Administration**

**Statutory  
Information**

Company	Loyds Nursing Homes UK Limited	Churchill Court Propco Limited	Loyds Crown Chiltern Limited	Loyds Propco Holdco Limited	Crown Albany Care Limited
Registered number	05550178	05416743	05494790	05372389	03654980
Date of incorporation	25 November 2004	07 April 2005	29 June 2005	22 February 2005	23 October 1998
Registered office	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU
Shareholder	Braxton Limited	Loyds Nursing Homes UK Limited	Loyds Nursing Homes UK Limited	Loyds Careco UK Limited	Loyds Crown Chiltern Limited
Issued share capital	1 ordinary share at £1	1 ordinary share at £1	155001 ordinary share at £1	400001 ordinary share at £400001	160 ordinary share at £160
Directors	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan

Company	Chiltern Care Holdings Limited	Loyds Propco No 1 Limited	Loyds Propco No 2 Limited	Loyds Careco UK Limited	Loyds Securities No 14 Limited
Registered number	1295752	05372227	05403019	05296598	04950867
Date of incorporation	23 December 1996	22 February 2005	24 March 2005	25 November 2004	03 November 2003
Registered office	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU	30 Finsbury Square, London EC2P 2YU
Shareholder	Loyds Crown Chiltern Limited	Loyds Propco Holdco Limited	Loyds Nursing Homes UK Limited	Loyds Nursing Homes UK Limited	Loyds Propco No 1 Limited
Issued share capital	160 ordinary share at £160	400001 ordinary share at £1	1 ordinary share at £1	40190000 ordinary share at £4019000 total nominal value	1 ordinary share at £1
Directors	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan	J Muntwyler L Rechsteiner P Den Hollander T Casan

**Loyds Nursing Homes UK Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
<b>RECEIPTS</b>	<b>£</b>	<b>£</b>
Loan - Loyds Propco No 1 Limited	(11,756 25)	6,526,753 20
Loan - Loyds Propco No 2 Limited	(825 00)	513,745 47
Loan - Churchill Court Propco Limited	(206 25)	135,761 56
Loan - Loyds Crown Chiltern Limited	(412 50)	312,441 13
Interest - Loyds Propco No 1 Limited	827,722 42	4,023,304 54
Interest - Loyds Propco No 2 Limited	65,085 53	316,360 76
Interest - Churchill Court Propco Limited	17,191 47	83,562 45
Interest - Loyds Crown Chiltern Limited	39,471 22	191,857 50
Cash at Bank	-	5,769 09
Bank Interest	-	4 31
	<u>936,270 64</u>	<u>12 109,560 02</u>
 <b>PAYMENTS</b>		
Capital - Senior Lenders	(13,200 00)	6,816,280 30
Capital - Hedge Counter Party	-	672,421 07
Interest - Senior Lenders	898,451 84	4,365,150 94
Interest - Hedge Counter Party	51,018 80	249,934 31
	<u>936 270 64</u>	<u>12,103,786 62</u>
 <b>Balance in hand</b>	 <u>-</u>	 <u>5,773 40</u>

**Churchill Court Propco Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
<b>RECEIPTS</b>	<b>£</b>	<b>£</b>
Loan - Bruchmen No 5 Limited	(206 25)	135,761 56
Interest - Bruchmen No 5 Limited	17,191 47	83,562 45
	<u>16,985 22</u>	<u>219,324 02</u>
 <b>PAYMENTS</b>		
Loan - Loyds Nursing Homes UK Limited	(206 25)	135,761 56
Interest - Loyds Nursing Homes UK Limited	17,191 47	83,562 45
	<u>16,985 22</u>	<u>219,324 02</u>
 <b>Balance in hand</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Loyds Crown Chiltern Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	<i>Period from 19/04/11 to 5/09/11</i>	<i>Period from 19/04/2010 to 5/09/11</i>
<b>RECEIPTS</b>	<b>£</b>	<b>£</b>
Loan - Crown Albany Care Limited	(206 25)	253,323 71
Loan - Chiltern Care Holdings Limited	(206 25)	59,117 42
Interest - Crown Albany Care Limited	31,906 73	155,088 82
Interest - Chiltern Care Holdings Limited	7,564 99	36,769 18
	<u>39,059 22</u>	<u>504,299 13</u>
<b>PAYMENTS</b>		
Loan - Loyds Nursing Homes UK Limited	(412 50)	312,441 13
Interest - Loyds Nursing Homes UK Limited	39,471 22	191,857 50
	<u>39,058 72</u>	<u>504 298 63</u>
<b>Balance in hand -</b>	<u><u>0.50</u></u>	<u><u>0 50</u></u>

**Loyds Propco Holdco Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
	£	£
<b>RECEIPTS</b>		
	<u>                    </u>	<u>                    </u>
	<u>                    -</u>	<u>                    -</u>
<b>PAYMENTS</b>		
	<u>                    </u>	<u>                    </u>
	<u>                    -</u>	<u>                    -</u>
<b>Balance in hand</b>	<u>                    -</u>	<u>                    -</u>

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**Crown Albany Care Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
	£	£
<b>RECEIPTS</b>		
Loan - Bruchmen No 6 Limited	(206 25)	253,323 71
Interest - Bruchmen No 6 Limited	31,906 73	155,088 82
	<u>31,700 48</u>	<u>408,412 53</u>
<b>PAYMENTS</b>		
Loan - Loyds Crown Chiltern Limited	(206 25)	253,323 71
Interest - Loyds Crown Chiltern Limited	31,906 73	155,088 82
	<u>31,700 48</u>	<u>408,412 53</u>
<b>Balance in hand</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Chiltern Care Holdings Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
	£	£
<b>RECEIPTS</b>		
Loan - Bruchmen No 7 Limited	(206 25)	59,117 43
Interest - Bruchmen No 7 Limited	7,564 49	36,768 68
	<u>7,358 24</u>	<u>95,886 11</u>
<b>PAYMENTS</b>		
Loan - Loyds Crown Chiltern Limited	(206 25)	59,117 43
Interest - Loyds Crown Chiltern Limited	7,564 49	36,768 68
	<u>7,358 24</u>	<u>95,886 11</u>
<b>Balance in hand</b>	<u><u>-</u></u>	<u><u>-</u></u>



**Loyds Propco No 1 Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
<b>RECEIPTS</b>	<b>£</b>	<b>£</b>
Loan - Bruchmen No 1 Limited	(3,918 75)	2,224,664 83
Loan - Bruchmen No 2 Limited	(3,918 75)	2,167,095 70
Loan - Bruchmen No 3 Limited	(3,918 75)	2,134,992 67
Interest - Bruchmen No 1 Limited	282,072 28	1,371,066 74
Interest - Bruchmen No 2 Limited	274,841 24	1,335,918 88
Interest - Bruchmen No 3 Limited	270,808 90	1,316,318 92
	<u>815,966 17</u>	<u>10,550,057 74</u>
<b>PAYMENTS</b>		
Loan - Loyds Nursing Homes UK Limited	(11,756 25)	6,652,736 27
Interest - Loyds Nursing Homes UK Limited	827,722 42	3,897,321 47
	<u>815,966 17</u>	<u>10,550,057 74</u>
<b>Balance in hand</b>	<u><u>-</u></u>	<u><u>(0.00)</u></u>

**Loyds Propco No 2 Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
<b>RECEIPTS</b>	<b>£</b>	<b>£</b>
Loan - Bruchmen No 4 Limited	(825 00)	513,745 47
Interest - Bruchmen No 4 Limited	65,085 53	316,360 76
	<u>64,260 53</u>	<u>830,106 24</u>
 <b>PAYMENTS</b>		
Loan - Loyds Nursing Homes UK Limited	(825 00)	513,745 47
Interest - Loyds Nursing Homes UK Limited	65,085 53	316,360 76
	<u>64 260 53</u>	<u>830,106 24</u>
 <b>Balance in hand</b>	 <u><u>-</u></u>	 <u><u>-</u></u>



**Loyds Careco UK Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
	£	£
RECEIPTS		
	<u>                    </u>	<u>                    </u>
	<u>                    -</u>	<u>                    -</u>
PAYMENTS		
	<u>                    </u>	<u>                    </u>
	<u>                    -</u>	<u>                    -</u>
Balance in hand	<u>                    -</u>	<u>                    -</u>

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**Loyds Securities No 14 Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 19 April 2010 to 5 September 2011**

	Period from 19/04/11 to 5/09/11	Period from 19/04/2010 to 5/09/11
	£	£
<b>RECEIPTS</b>		
	<u>                    </u>	<u>                    </u>
	<u>                    -</u>	<u>                    -</u>
<b>PAYMENTS</b>		
	<u>                    </u>	<u>                    </u>
	<u>                    -</u>	<u>                    -</u>
<b>Balance in hand</b>	<u>                    -</u>	<u>                    -</u>

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## Loyds Nursing Homes UK Limited - In Administration

Loyds Nursing Homes UK Limited - in Administration												
SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011		Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£		
Administration and Planning	1 10	560 20	11 82	4,081 98	32 00	8,163 06	15 87	2 286 83	60 79	15,092 07	248 27	
Investigations	0 12	64 20	-	-	0 40	102 00	0 55	75 28	1 07	241 48	225 68	
Realisation of Assets	-	-	0 82	276 35	7 10	1,861 50	-	-	7 92	2,137 85	269 93	
Creditors	-	-	-	-	6 60	1,687 50	0 70	91 00	7 30	1,778 50	243 63	
Trading	-	-	9 80	3,303 00	12 80	3 262 00	16 75	2,479 00	39 35	9,044 00	229 83	
Grand Total	1 22	624 40	22 44	7,661 33	58 90	15,076 06	33 87	4,932 11	116 43	28,293 90	239 14	

Administration &amp; Planning Includes case planning statutory returns

Investigations Includes Statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)

Realisation of Assets Includes, dealing with the sale of the business and the assets of the Company, dealing with Solicitors, collecting book debts

Creditors Includes, correspondence with preferential and unsecured creditors, pensions and employees

Trading Includes, time on site, maintenance of bank accounts and estate records, matters relating to tax, general correspondence

## Churchill Court Propco Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	8 22	2 879 98	14 60	3,733 56	8 42	1,185 58	32 34	8,359 32	258 48
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 15	307 28	3 49	749 83	214 85
Realisation of Assets	0 63	326 08	1 13	380 00	0 24	70 69	0 69	93 24	2 69	870 01	323 42
Creditors	1 10	594 91	5 03	1,836 52	0 49	111 53	0 77	98 98	7 39	2 641 94	357 50
Trading	7 66	4,146 77	21 19	7,588 08	4 41	1,124 73	5 83	816 59	39 09	13,676 17	349 86
Grand Total	10 61	5,692 16	36 39	12,860 93	20 14	5,142 51	17 86	2,501 67	85 00	26,297 27	290 74

## Loyds Crown Chiltern Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	7 52	2 641 98	14 70	3,760 56	8 52	1,200 08	31 84	8,162 82	256 37
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 15	307 28	3 49	749 83	214 85
Realisation of Assets	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	0 30	75 00	0 70	91 00	1 00	166 00	166 00
Trading	-	-	6 60	2,226 00	2 75	700 25	3 80	571 50	13 15	3,497 75	265 99
Grand Total	1 22	624 40	14 94	5,144 33	18 15	4,637 81	15 17	2,169 86	49 48	12,576 40	248 61

## Loyds Propco Holdco Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	7 52	2,641 98	14 70	3,762 56	8 62	1,214 58	31 94	8,179 32	256 08
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 05	292 78	3 39	735 33	216 91
Realisation of Assets	-	-	1 40	476 00	-	-	-	-	1 40	476 00	340 00
Creditors	-	-	-	-	0 30	75 00	0 70	91 00	1 00	166 00	166 00
Trading	-	-	1 50	495 00	0 20	44 00	0 30	57 00	2 00	596 00	298 00
Grand Total	1 22	624 40	11 24	3,889 33	15 60	3,983 56	11 67	1,655 36	39 73	10,152 65	248 54

## Crown Albany Care Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	8 22	2,879 98	14 50	3,707 06	8 57	1,207 33	32 39	8,354 57	257 94
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 15	307 28	3 49	749 83	214 85
Realisation of Assets	0 63	326 08	1 13	380 00	0 94	252 69	0 69	93 24	3 39	1,052 01	310 33
Creditors	1 10	594 91	5 83	1,836 52	0 49	111 53	0 77	98 98	8 19	2,641 94	322 58
Trading	7 66	4,146 77	21 49	7 687 08	4 91	1,254 73	5 74	806 84	39 80	13,895 42	349 13
Grand Total	10 61	5,692 16	37 49	13,059 93	21 24	5,428 01	17 92	2,513 67	87 26	26,693 77	290 32



SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	8 22	2,879 98	14 80	3,780 06	8 57	1,207 33	32 69	8,427 57	257 80
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 15	307 28	3 49	749 83	214 85
Realisation of Assets	0 63	326 08	1 13	380 00	0 24	70 69	0 69	93 24	2 69	870 01	323 42
Creditors	1 10	594 91	5 03	1,836 52	0 49	111 53	0 77	98 98	7 39	2,641 94	357 50
Trading	7 66	4,146 77	21 59	7,724 08	3 76	952 48	6 48	910 84	39 49	13,734 17	347 79
Grand Total	10 61	5,692 16	36 79	13,096 93	19 69	5,016 76	18 66	2,617 67	85 75	26,423 52	289 07

**Loyds Propco No 1 Limited - In Administration**

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	8 22	2,879 98	16 20	4,141 06	9 32	1 316 08	34 84	8,897 32	255 38
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 15	307 28	3 49	749 83	214 85
Realisation of Assets	35 71	18,586 45	67 31	22,578 00	17 05	4,861 53	28 34	3,690 80	148 41	49,716 78	335 00
Creditors	62 52	33 910 10	286 65	104 681 47	10 90	2,157 28	4 53	545 66	364 60	141,294 51	387 53
Trading	436 36	236,365 64	855 54	313,507 45	73 18	18,103 39	76 06	8,266 62	1,441 14	576,243 10	399 85
<b>Grand Total</b>	<b>535 81</b>	<b>289,486 59</b>	<b>1,218 54</b>	<b>443,923 25</b>	<b>117 73</b>	<b>29,365 26</b>	<b>120 40</b>	<b>14,126 44</b>	<b>1,992 48</b>	<b>776,901 54</b>	<b>375 25</b>

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate £
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 00	5 85	1,961 00	11 90	3,008 00	8 32	1,200 00	27 17	6,729 00	247 66
Investigations	0 12	64 00	0 82	276 00	0 40	102 00	2 15	307 00	3 49	749 00	214 61
Realisation of Assets	-	-	0 70	238 00	-	-	-	-	0 70	238 00	340 00
Creditors	-	-	-	-	0 30	75 00	0 70	91 00	1 00	166 00	166 00
Trading	-	-	1 20	396 00	0 20	44 00	0 30	57 00	1 70	497 00	292 35
Grand Total	1 22	624 00	8 57	2,871 00	12 80	3,229 00	11 47	1,655 00	34 06	8,379 00	245 13

**Lloyds Propco No 2 Limited - In Administration**

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1 10	560 20	8 22	2,879 98	14 30	3,679 56	8 62	1,214 58	32 24	8,334 32	258 51
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	2 15	307 28	3 49	749 83	214 85
Realisation of Assets	2 51	1,304 31	4 53	1,520 00	0 97	282 77	2 18	285 97	10 19	3,393 05	332 98
Creditors	4 39	2,379 66	20 12	7,346 07	0 94	196 13	0 97	122 91	26 42	10,044 77	380 20
Trading	30 62	16,587 06	66 88	24,308 31	8 34	2,112 92	10 31	1,319 86	116 15	44,328 15	381 65
<b>Grand Total</b>	<b>38 74</b>	<b>20,895 43</b>	<b>100 57</b>	<b>36,330 71</b>	<b>24 95</b>	<b>6,373 38</b>	<b>24 23</b>	<b>3,250 60</b>	<b>188 49</b>	<b>66,850 12</b>	<b>334 65</b>

## Loyds Careco UK Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 SEPTEMBER 2011	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	1.10	560.20	7.52	2,641.98	14.90	3,815.56	8.62	1,214.58	32.14	8,232.32	256.14
Investigations	0.12	64.20	0.82	276.35	0.40	102.00	2.15	307.28	3.49	749.83	214.85
Realisation of Assets	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	0.20	50.00	0.70	91.00	0.90	141.00	156.67
Trading	-	-	1.50	495.00	0.20	44.00	0.30	57.00	2.00	596.00	298.00
Grand Total	1.22	624.40	9.84	3,413.33	15.70	4,011.56	11.77	1,669.86	38.53	9,719.15	243.90

## **Introduction**

The following information is provided in connection with the Joint Administrators' remuneration and disbursements in accordance with SIP 9

## **An Overview of the Case**

Please refer to the main body of the report

## **Explanation of Grant Thornton UK LLP Charging and Disbursement Recovery Policies**

### **Time costs**

All partners and staff are charged out at hourly rates appropriate to their grade. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

### **Category 1 Disbursements**

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates

### **Narrative Description of Work Carried Out**

Please refer to the main body of the report

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## **CATEGORY 1 DISBURSEMENTS**

For your information, I provide a summary of my out of pocket expenses incurred to 5 September 2011 on the next page

<b>Third Party payments from Escrow account</b>	
Travel	3,032.75
Courier	25.78
Presentation support	284.00
Subsistence	44.36
Printing and copying	57.84
Valuation	95,419.06
Professional fees & Services	220,175.00
Other	558.16
<b>Total</b>	<b>319,596.95</b>

<b>Loyds Nursing Homes UK Limited</b>	
Category 1 Disbursements	£
Travel	28.05
Professional Fees and Services	23,000.00
Presentation support	32.00
Bordereaux	158.00
<b>Total</b>	<b>23,218.05</b>

<b>Churchill Court Propco Limited</b>	
Category 1 Disbursements	£
Bordereaux	36.00
<b>Total</b>	<b>36.00</b>

<b>Loyds Crown-Chiltern Limited</b>	
Category 1 Disbursements	£
Bordereaux	36.00
<b>Total</b>	<b>36.00</b>

<b>Loyds Propco Holdco Limited</b>	
Category 1 Disbursements	£
Bordereaux	36.00
<b>Total</b>	<b>36.00</b>

<b>Crown Albany Care Limited</b>	
Category 1 Disbursements	£
Bordereaux	36.00
<b>Total</b>	<b>36.00</b>

<b>Chiltern Care Holdings Limited</b>	
Category 1 Disbursements	£
Bordereaux	36.00
<b>Total</b>	<b>36.00</b>

<b><u>Loyds Propco No 1 Limited</u></b>	
Category 1 Disbursements	£
Travel	479 11
Professional fees	26,625 00
Other	7,149 58
<b>Total</b>	<b>34,253 69</b>

<b><u>Loyds Securities No 14 Limited</u></b>	
Category 1 Disbursements	£
Bordereaux	36 00
<b>Total</b>	<b>36 00</b>

<b><u>Loyds Propco No 2 Limited</u></b>	
Category 1 Disbursements	£
Travel	89 00
Bordereaux	36 00
<b>Total</b>	<b>125 00</b>

<b><u>Loyds Careco UK Limited</u></b>	
Category 1 Disbursements	£
Bordereaux	36 00
<b>Total</b>	<b>36 00</b>

## Appendix E

### **An extract from the Insolvency Rules 1986 relating to the creditors' rights to request additional information from the Administrators**

#### Rule 2 48A

If (a) within 21 days of receipt of a progress report under Rule 2 47—

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

- (2) The administrator complies with this paragraph by either (a) providing all of the information asked for, or (b) so far as the administrator considers that (i) the time or cost of preparation of the information would be excessive, or

- (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
- giving reasons for not providing all of the information

- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

(a) the giving by the administrator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

And the court may make such order as it thinks just

- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

## **Appendix F**

### **Creditors' rights to challenge the joint Administrators' fees if excessive**

#### **Rule 2 109**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
  - (1A) Application may be made on the grounds that—
    - (a) the remuneration charged by the administrator,
    - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
    - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
  - (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration,
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration