



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

1 Company details

Company number	0	5	1	6	5	3	0	1
Company name in full	Four Seasons Health Care Limited							

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

2 Administrator's name

Full forename(s)	Richard Dixon
Surname	Fleming

3 Administrator's address

Building name/number	Suite 3 Regency House
Street	91 Western Road
Post town	Brighton
County/Region	
Postcode	B N 1 2 N W
Country	

4 Administrator's name ①

Full forename(s)	Mark Granville
Surname	Firmin

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

5 Administrator's address ②

Building name/number	Suite 3 Regency House
Street	91 Western Road
Post town	Brighton
County/Region	
Postcode	B N 1 2 N W
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	^d 2	^m 0	^m 8	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 1	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 0	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1
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**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 **Rebecca Tidmarsh**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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. ❶
Attach this to the relevant form.
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

❶ 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)

Jonny

Surname

Marston

3 Insolvency practitioner's address

Building name/number

Suite 3 Regency House

Street

91 Western Road

Post town

Brighton

County/Region

Postcode

B N 1 2 N W

Country

FOUR SEASONS HEALTH CARE LIMITED IN ADMINISTRATION

Joint Administrators' first progress report

For the period from 12 August 2020 to 11 February 2021

10 March 2021

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1 Executive summary

- The Directors of Four Seasons Health Care Limited (“the Company”) resolved on 3 August 2020 to appoint Richard Fleming, Mark Firmin and Jonathan Marston of Alvarez & Marsal Europe LLP (“A&M”) as Joint Administrators (“we”/“our”/“us”). The notice of appointment was lodged at the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) at 11:09am on 12 August 2020. On that date the Company was placed into administration and our appointment as Joint Administrators became effective.
- This progress report covers the period from the date of appointment to 11 February 2021.
- We delivered our statement of Proposals (“Proposals”) to all known creditors on 25 August 2020. They were deemed approved without modification on 7 September 2020.
- Immediately following our appointment, sales of the Company’s share interests in three of its subsidiaries and an intellectual property assignment were completed on 12 August 2020 (Section 2 – Progress to date).
- Based on current estimates it is uncertain whether there will be a distribution to the secured creditor. (Section 3 – Dividend prospects).
- Based on current estimates it is highly unlikely that there will be a distribution to the preferential creditors (Section 3 – Dividend prospects).
- Based on current estimates it is highly unlikely that there will be a distribution to the unsecured creditors (Section 3 – Dividend prospects).
- During the period of this report, we have novated various contracts to other Group companies and adopted the role as Authorising Officer for the Company taking over the sponsorship licence, which has helped to maintain stability within the Group. We have also obtained release from various lease guarantees, thus mitigating liabilities (Section 4 – Other Matters).
- Please note you should read this progress report in conjunction with our Proposals which were issued to the Company’s creditors and are available on the Portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Jonathan Marston
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our Proposals.

2.1 Strategy and progress to date

2.1.1 Strategy

As detailed in the Proposals, intra-group sales of the Company's share interests in three of its subsidiaries (the "Subsidiary Entities") and intellectual property were concluded to provide the best potential return to the creditors of the Company, together with the wider Group.

The sale ensured that certain tax attributes of the Subsidiary Entities could remain available to the Group for future tax planning. The use of the tax attributes is expected to reduce future tax charges and increase the net return to the secured creditor from the Group, which will in turn, reduce the claims against the Company under its cross-guarantees.

The Company had two employees at the date of appointment. One employee was made redundant immediately following our appointment and the other employee was retained until their role as Authorising Officer under the Company's Home Office sponsorship licence was transferred to one of the Joint Administrators. The transfer of the Authorising Officer sponsorship licence to one of the Joint Administrators was registered on 11 September 2020 and on that date the remaining employee was transferred to another company in the Group, Four Seasons Health Care Group Treasury Limited.

A key element of our strategy was to ensure that the impact of the appointment on the Group's trading operations was minimised. By engaging with management and stakeholders of the Group's underlying trading entities, it ensured any disruption to the business and operations was minimised and the continuity of care was maintained. This was vital to the preservation of value in respect of the Group and for the Company's creditors.

Funding for expenses incurred during the administration is provided by Elli Finance (UK) Plc (in administration) ("EFUK") under an administration funding agreement ("AFA").

2.1.2 Sale of business

As reported in our Proposals, on 12 August 2020 three share sale and purchase agreements and an intellectual property assignment agreement were entered into, under which the Company's share interests in the Subsidiary Entities and intellectual property were transferred to an intra-group purchaser, Mericourt Limited (the "Purchaser").

Under the SPAs, consideration of £1 was paid for each of the Subsidiary Entities, together with an obligation to pay additional consideration to the extent the Purchaser receives net consideration from sale/s of the shares in, and/or substantially all of the business and assets of, any of the Subsidiary Entities (a "Relevant Sale") in excess of the aggregate of £3 and the amount of any outstanding secured debt at the date of the Relevant Sale in the 12 months following the date of the SPAs.

Under the intellectual property assignment agreement, consideration of £53,000 was paid for intellectual property held by the Company, together with an obligation to pay additional consideration to the extent the Purchaser receives net consideration in excess of £53,000 from a disposal of the intellectual property in the 12 months following the sale.

The Purchaser has the same Ultimate Beneficial Owner (“UBO”) as the Company. As such, the Purchaser is a connected company by virtue of common ownership with the Company and we view the transaction as a connected party transaction for SIP 13 purposes. Further details can be found in our Proposals.

2.2 Asset realisations

Realisations during the period of this report are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period of this report are provided below.

Intellectual property

Intellectual property was sold on 12 August 2020 as outlined in section 2.1.1 above. Initial consideration in respect of the sale was £53,000 and has been transferred to the administration bank account.

2.2.1 Investigations

We have reviewed the affairs of the Company to identify any actions that can be taken against third parties to increase recoveries for creditors. No causes of action have been identified to date.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in the period of this report are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period of this report are provided below.

Legal Fees

Clarion Solicitors Limited (“Clarion”) has been paid fees of £1,920 in respect of legal fees relating to the validity of appointment and security review advice. Clarion was selected as it is a well-known and reputable firm that are experienced in work of this nature.

Freshfields Bruckhaus Deringer (“Freshfields”) has been paid £5,745 in respect of legal fees. These legal costs were incurred in relation to general insolvency matters, leasehold property matters, the assignment of guarantor leases and novation of contracts. These fees are paid directly to Freshfields by another Group company and are not shown in the receipts and payments account (Appendix 2). Freshfields was selected as they are a well-known and reputable firm that are experienced in work of this nature.

Clarion’s and Freshfields’ fees have been billed on a time cost basis and their fees have been regularly reviewed.

Insurance

JLT Speciality Limited has been paid fees of £1,008.00 (plus £120.96 insurance premium tax) in respect of insurance cover for the two Company properties, as well as employee liability cover.

JLT’s fees are billed on a fixed basis and are regularly reviewed.

2.4 Schedule of expenses

We have detailed the costs incurred during the period of this report, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects

3.1 Secured creditors

As detailed in our Proposals, the Company provided cross-guarantees in respect of the Group's secured obligations. The principal amounts due at the date of appointment totalled £625 million.

The Company's cross-guarantees are supported by a debenture dated 10 August 2012 in favour of the Security Agent, including a first fixed charge over the shares in the Subsidiary Entities and a first floating charge over all present and future assets and rights not effectively covered by the fixed charge.

Based on current estimates it is uncertain whether there will be a distribution to the secured creditor.

3.2 Preferential creditors

Based on current estimates, it is highly unlikely that there will be a dividend to preferential creditors.

3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Other matters

4.1 Other case specific matters

Additional time costs have been incurred in relation to the following matters during the period of this report:

Authorising Officer role

At the date of our appointment, an employee of the Company acted as the Authorising Officer under the Company's Home Office sponsorship licence in respect of overseas employees of the Group. On 11 September 2020, the employee's contract of employment was transferred to Four Seasons Health Care Group Treasury Limited, another entity within the Group. At this point, one of the Joint Administrators adopted the role as Authorising Officer for the Company and took over the sponsorship licence.

A significant amount of time has been incurred in undertaking the role, including liaising with the wider Group's compliance team, reviewing change of circumstances reports and reporting to the Home Office.

We are in the process of assessing the options available to us to transfer the employees sponsored by the Company (who are employed by branches under the sponsorship licence) to the Purchaser, who is in the process of obtaining a new sponsorship licence, at which point the Authorising Officer role will no longer be a requirement of the Company. We are in regular dialogue with the Home Office in this regard and will provide a further update in our next report.

Supplier contracts

Several Group supplier contracts were in place with the Company at the date of our appointment. These contracts were in the Company name only and the operations in relation to the supply related to other Group companies. In the period of this report, we have been liaising with the wider Group to novate these contracts to other entities within the Group in order to reduce potential liabilities in the Company. This has also helped maintain stability within the Group but the process is ongoing with a number of contracts still to be assigned.

Release of Guarantor lease liabilities

The Company acted as a guarantor in respect of 94 leases entered into by certain tenant companies in the Group and had received demands for payment from a number of landlords under the guarantees in respect of outstanding rent amounts owed. Freshfields has assisted us in obtaining release from some of the Company's guarantor liabilities and we continue to work with landlords and the wider Group in this regard.

Leasehold property

On appointment, there were two leases in place between the Company at Galway House, Belfast and Norcliffe House, Wilmslow. These premises were not used for the benefit of the administration but they were occupied by the wider Group.

In the period of this report, a surrender of the lease at Galway House, Belfast has been offered to the landlord but has not been accepted.

We have been approached by the wider Group to facilitate an assignment of the lease at Norcliffe House, Wilmslow to another Group company. We are in the process of carrying out the relevant due diligence to determine whether there is any value in the lease before consenting to the assignment.

5 Joint Administrators' remuneration, disbursements and pre-administration costs

5.1 Joint Administrators' remuneration and disbursements

We will shortly be seeking approval from the secured creditor that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided in our Proposals; and
- disbursements for services provided by A&M (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with A&M's policy as set out in Appendix 4.

There have been a number of additional work streams that we have had to deal with that were not anticipated when we were first appointed, including but not limited to the Authorising Officer role and the numerous supplier contracts in the Company name. As such, we have delayed obtaining fee approval whilst we liaise with the wider Group to understand the expected involvement for these additional work streams so we can more accurately update the fees estimate.

Following the work we have carried out in the period of this report, we are now in a position to seek approval from the secured creditor and will update creditors on the outcome of this in our next report.

Funding for expenses incurred during the administration is provided by EFUK under an administration funding agreement ("AFA") and therefore, a substantial proportion of the costs over and above the realisation amounts is to be funded by EFUK.

5.1.1 Time costs

From the date of our appointment to 11 February 2021, we have incurred time costs of £240,434. These represent 413 hours at an average rate of £582 per hour.

5.1.2 Remuneration

During the period of this report, we have not drawn any remuneration.

5.1.3 Disbursements

During the period of this report, we have incurred disbursements of £118. None of these have yet been paid.

5.1.4 Additional information

Our fees estimate of £194,190 that was provided in the Proposals has been exceeded for the following reasons:

Engagement control

- Due to the complex nature of the Group's operations and how they impact the administration, a higher than anticipated number of strategy meetings have been necessary, together with regular liaison with the wider Group which were unforeseen at the start of the administration.

Correspondence and statutory filing

- We have received a significant number of enquiries from parties who believed they were creditors of the Company but were in fact creditors of the wider Group. This could not have been foreseen at the start of the administration.

Investigations

- The investigations process has been more time intensive than anticipated, primarily due to the impact of COVID-19 as access to the Company's offices has been restricted and therefore this restricted our access to the Company's books and records. We therefore have had to spend more time than anticipated liaising directly with the wider Group in order to fulfil our statutory duties of reviewing the affairs of the Company, in particular in relation to tax matters and inter-company balances.

Novation of contracts

- As detailed in Section 4.1, several Group supplier contracts were in place with the Company that we were unaware of at the date of our appointment. Additional time has been spent liaising with the wider Group to novate these contracts to other entities within the Group in order to mitigate the liabilities of the Company.

Employees & pensions

- The Authorising Officer role for the Group's Home Office sponsorship licence has lasted significantly longer than anticipated. The Home Office is yet to progress our application to move the role out of the Company, meaning time costs are continuing to be incurred.

Further costs still to be incurred mainly relate to the following matters:

- Finalising taxation matters;
- Producing our progress reports and extending the administration if applicable;
- Finalising any potential asset realisations available;
- Completing any outstanding supplier novation agreements and release of guarantor leases; and
- Continuing to perform Authorising officer role and ultimately complete the transition of the role.

We are intending to seek to draw remuneration in excess of the previously disclosed fees estimate of £194,190. We will ensure that the requisite disclosures are made to the relevant creditors in due course and that the requisite approvals are obtained before fees in excess of this amount are drawn. We will also be seeking requisite approvals from the relevant creditors for the basis of our fees.

Expenses estimate

We do not anticipate that the expenses incurred during the administration will exceed our original expenses estimate of £85,537, excluding costs in relation to our time costs and disbursements.

Time spent & charging and disbursements policy

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by A&M for the period from our appointment to 11 February 2021. We have also attached our charging and disbursements policy.

5.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Appointment documents	8,118.75	-	-	8,118.75
Sale process	13,460.75	-	-	13,460.75
Taxation matters	1,916.75	-	-	1,916.75
Total	23,496.25	-	-	23,496.25

We will shortly be seeking approval from the secured creditor for pre-administration costs.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but is not limited to:

- Possible recovery of additional consideration to the extent the Purchaser receives in excess of the aggregate of £3 and the amount of any outstanding secured debt at the date of the Relevant Sale in the 12 months following the date of the SPAs;
- Completing the outstanding novation agreements for contracts held by the Company;
- Continuing to perform the Authorising Officer role and ultimately complete the transition of the role;
- Further release of the outstanding guarantor leases;
- Seeking an extension to the administration to ensure any deferred consideration due is received;
- Preparing and submitting any necessary tax returns and obtaining clearance; and
- Further statutory reporting where necessary.

6.2 Discharge from liability

We propose to seek approval from the secured creditor that we will be discharged from liability in respect of any actions as Joint Administrators upon filing of our final report with the Registrar of Companies.

Should the circumstances of the administration change we reserve the right to revert to the unsecured creditors for discharge from liability.

6.3 Future reporting

We will provide a further progress report within one month of 11 August 2021 or earlier if the administration has been completed prior to that time.

Appendix 1 – Statutory information

Company information

Company name	Four Seasons Health Care Limited
Date of incorporation	29 June 2004
Company registration number	05165301
Present registered office	Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD), case number CR-2020-003236
Appointor	Directors
Date of appointment	12 August 2020
Joint Administrators	Richard Fleming, Mark Firmin and Jonathan Marston
Joint Administrators' contact details	Address: Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW Tel: +44 (0) 113 360 6700 Email: INS_FSHCGL@alvarezandmarsal.com
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current Administration expiry date	11 August 2021

Appendix 2 – Receipts and payments account

Four Seasons Health Care Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 12/08/2020 To 11/02/2021 £	From 12/08/2020 To 11/02/2021 £
	FIXED CHARGE ASSETS		
3.00	Shares and Investments	3.00	3.00
		3.00	3.00
	ASSET REALISATIONS		
53,000.00	Intellectual Property	53,000.00	53,000.00
		53,000.00	53,000.00
	COST OF REALISATIONS		
	Bank Charges	1.60	1.60
	Insurance of Assets	1,128.96	1,128.96
	Irrecoverable VAT	411.43	411.43
	Legal Fees/Disbursements	1,920.00	1,920.00
	Re-Direction of Mail	41.67	41.67
	Specific Bond	200.01	200.01
	Statutory Advertising	95.50	95.50
		(3,799.17)	(3,799.17)
53,003.00		49,203.83	49,203.83
	REPRESENTED BY		
	Fixed Charge Current		3.00
	Floating Charge Current		49,200.83
			49,203.83

Funds are held in a non-interest bearing account.

Appendix 3 – Schedule of expenses

A3.1 Schedule of expenses

A summary of the expenses incurred during the period of this report is set out below:

Category	Paid to date (£)	Accrued and unpaid to date (£)	Total (£)
Bank charges	1.60	-	1.60
Insurance	1,128.96	-	1,128.96
Irrecoverable VAT	411.43	-	411.43
Joint Administrators' pre-administration costs	-	23,496.25	23,496.25
Joint Administrators' disbursements	-	118.47	118.47
Joint Administrators' remuneration	-	240,433.50	240,433.50
Solicitor fees*	7,664.50	990.00	8,654.50
Re-direction of mail	41.67	-	41.67
Specific bond	200.01	-	200.01
Statutory advertising	95.50	-	95.50
Total	9,543.67	265,038.22	274,581.89

*£5,745 of the £7,665 solicitor fees reported above relate to legal costs paid to Freshfields. These have been paid by the wider Group and have not come out of the administration estate.

The Joint Administrators are entitled to receive remuneration for the work carried out. As approval has not yet been obtained, the remuneration has been accrued on a time cost basis. Where appropriate this will be adjusted once the relevant parties have approved the basis.

A3.2 Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to David Brown at Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton BN1 2NW.

Appendix 4 – Charging and disbursement policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax and VAT from A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditor's Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact INS_FSHCGL@alvarezandmarsal.com.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£/hour) for: Restructuring	
Grade	From 12 August 2020
Managing Director	985
Senior Director	935
Director	865
Associate Director	690
Senior Associate	595
Associate	450
Analyst	255
Support	190

Policy for the recovery of disbursements

Where funds permit the office holders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party.

These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by A&M Restructuring include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have incurred the following disbursements during the period of this report:

	£
Category 1 disbursements	
Postage/Courier costs	113.47
Other	5.00
Total category 1 disbursements	118.47

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration. No Category 2 disbursements have been incurred during the period of this report.

Our time costs summary in accordance with SIP 9

Please refer to the tables below for a detailed breakdown and narrative of our time costs for the period of this report in accordance with SIP 9.

Category	Hours	Time Cost (£)	Average Hourly Rate (£)
Engagement Control	69.10	29,258.50	423.42
Appointment and risk	37.05	25,841.75	697.48
Reports, Decision Making and Remuneration	45.05	30,815.25	684.02
Correspondence and Statutory Filing	86.05	52,876.75	614.49
Investigations	36.40	16,139.50	443.39
Asset Realisations/Contract Novation	36.95	23,806.75	644.30
Costs of Realisation	2.70	662.50	245.37
Tax	6.20	3,607.00	581.77
Cashiering	10.95	5,810.75	530.66
Employees & Pensions	70.50	44,508.00	631.32
Claims & Distributions	12.15	7,103.75	584.67
Total	413.10	240,433.50	582.02

SIP 9 narrative		
Type of work	Narrative description of work	Why was/is this work necessary?
Engagement control	<ul style="list-style-type: none"> - Formulating, monitoring and reviewing the administration strategy - Briefing our staff on the administration strategy and matters in relation to various work-streams - Regular case management and reviewing of process, including regular team update meetings and calls - Regular liaison management/Group to review and update strategy and monitor progress - Reviewing and authorising junior staff correspondence and other work - Dealing with queries arising during the appointment - Reviewing matters affecting the outcome of the administration - Allocating and managing staff/case resourcing and budgeting exercises and reviews - Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters - Complying with Internal filing and information recording practices, including documenting strategy decisions 	<p>To ensure the Joint Administrators follow an effective strategy which achieves the best outcome for creditors, whilst complying with statute.</p> <p>No direct financial benefit.</p>
Appointment & risk	<ul style="list-style-type: none"> - Collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets - Obtaining confirmation of validity of appointment - Arranging bonding and complying with statutory requirements - Arranging insurance cover for the Company's business and assets 	<p>To comply with statute.</p> <p>No direct financial benefit.</p>

SIP 9 narrative

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any financial benefit has/will the work provide to creditors?
	<ul style="list-style-type: none">- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place- Assessing the level of insurance premiums- Liaising with the Court regarding a litigation claim against the Company, which was subsequently withdrawn		
Reports, decision making & remuneration	<ul style="list-style-type: none">- Drafting and publishing our Proposals- Obtaining approval of our Proposals- Liaising with the Directors on their duty to submit a Statement of Affairs- Drafting this progress report- Ensuring compliance with all statutory obligations within the relevant timescales- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9- Preparing and reviewing the fees estimate- Preparing and reviewing the expenses estimate	To comply with statute, as well as ensuring that creditors are informed of progress.	No direct financial benefit.
Correspondence & statutory filing	<ul style="list-style-type: none">- Uploading information to the Portal- Providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and various other stakeholders and advertising our appointment- Filing statutory documents with the Court- Director correspondence and filing of the Statement of Affairs- Dealing with various creditor queries- Addressing a significant number of queries from creditors of the wider Group- Providing notifications regarding ongoing statutory requirements	To comply with statute, as well as ensuring that creditors are informed of progress.	No direct financial benefit.

SIP 9 narrative		
Type of work	Narrative description of work	Why was/is this work necessary?
	<ul style="list-style-type: none"> - Updating systems with additional creditor information and sending notification of our appointment to additional creditors 	What, if any financial benefit has/will the work provide to creditors?
Investigations	<ul style="list-style-type: none"> - Locating relevant Company books and records, arranging for their collection and review - Reviewing Company and directorship searches and advising the directors of the effect of the administration - Reviewing the questionnaires submitted by the Directors of the Company - Reviewing pre-appointment transactions - Drafting the statutory report and submitting to the relevant authority 	To comply with statute. Further asset recoveries might be identified, which would increase the prospect of creditors receiving a dividend in respect of their debt.
Asset Realisations / Contract novation	<ul style="list-style-type: none"> - Collating information from the Company's records regarding assets - Reviewing contracts, novation and assignment documentation - Liaising with the wider Group regarding contract assignments from the Company to other Group companies to mitigate claims - Facilitating the surrender of the lease at Galway House - Liaising with the wider Group regarding the assignment of the lease at Norcliffe House 	<p>To ensure that all the Company's assets are realised and that the costs and expenses of the administration can be met, with any surplus going to the benefit of the Company's creditors.</p> <p>Maximising asset realisations may provide a better outcome for creditors.</p> <p>Reduced the cost of potential liabilities thereby reducing creditor claims.</p>
Costs of realisation	<ul style="list-style-type: none"> - Liaising with third parties regarding costs incurred - Reviewing costs incurred to ensure recorded accurately - Arranging payment of the costs in a timely manner as and when funds allow 	<p>To settle costs of third parties who have facilitated the realisation of the Company's assets and mitigation of the administration costs/liabilities.</p> <p>Realising assets and minimising the costs/liabilities may increase the dividend prospects for creditors.</p>

SIP 9 narrative

Type of work	Narrative description of work		Why was/is this work necessary?	What, if any financial benefit has/will the work provide to creditors?
Tax	<ul style="list-style-type: none"> - Gathering initial information from the Company's records in relation to the taxation position of the Company - Submitting relevant initial notifications to HM Revenue and Customs - Reviewing the Company's pre-appointment corporation tax position - Working initially on tax returns relating to the periods affected by the administration - Reviewing the Company's VAT position to ensure compliance with requirements - Dealing with post appointment tax compliance 	<ul style="list-style-type: none"> - To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the administration. 	<p>Ensuring that the pre-appointment tax position of the Company is properly reconciled will make sure that its pre appointment claim is accurate, which is fair to all creditors concerned.</p> <p>In addition, undertaking the appropriate tax work will ensure that post-appointment tax charges are legally kept to a minimum, therefore, protecting asset realisations.</p>	
Cashiering	<ul style="list-style-type: none"> - Setting up the administration bank account - Preparing and processing vouchers for the payment of post-appointment invoices - Creating remittances and sending payments to settle post-appointment invoices - Reconciling post-appointment bank accounts to internal systems - Ensuring compliance with appropriate risk management procedures in respect of receipts and payments 	<ul style="list-style-type: none"> - To comply with statutory accounts function for the administration estate. 	<p>Maintains a proper treasury and</p>	<p>No direct financial benefit.</p>
Employee and pensions	<ul style="list-style-type: none"> - Dealing with queries from employees regarding various matters relating to the administration and their employment - Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments - Dealing with issues arising from the employee redundancies, including statutory notifications and liaising with the Redundancy Payments Service - Reviewing the Company's pension schemes 	<ul style="list-style-type: none"> - To comply with statutory requirements. Ensuring stability in the wider group by maintaining the continuity of overseas employment in the group. 	<p>No direct financial benefit.</p>	

SIP 9 narrative

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any financial benefit has/will the work provide to creditors?
	<ul style="list-style-type: none">- Ensuring compliance with our duties to issue statutory reports- Dealing with duties under the Joint Administrator's Authorising Officer role (for the group's Home Office sponsorship licence), including working with the wider group and the Home Office in order to progress the transfer of the role out of the Company.		
Claims & distributions	<ul style="list-style-type: none">- Reviewing and updating the list of unsecured creditors- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records- Responding to creditors regarding queries about the administration and their claims- Liaising with the wider Group, landlords and Freshfields regarding the release of guarantor leases in order to reduce the quantum of creditor claims	To comply with statute, keeping creditors informed and ensuring that claims made against the Company are kept accurate and up to date.	Ensuring creditor information is kept up to date and claims are recorded at the correct value will enable any available funds to be distributed accurately and to the relevant creditor (where appropriate)

Appendix 5 – Glossary

Any references in this Progress Report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
AFA	Administration funding agreement
Company	Four Seasons Health Care Limited – in administration
Clarion	Clarion Solicitors Limited
CVL	Creditors Voluntary Liquidation
the Directors	The current directors of the Company
EFUK	Elli Finance (UK) Plc (in administration)
EIL	Elli Investments Limited (in administration)
Freshfields	Freshfields Bruckhaus Deringer
the Group	EIL and its subsidiaries
JLT	JLT Speciality Limited
Joint Administrators/we/our/us	Richard Fleming, Mark Firmin and Jonathan Marston
Portal	A secure online insolvency portal
Proposals	The Joint Administrators' statement of proposals
Purchaser	Mericourt Limited
Security Agent	GLAS Trust Corporation Limited
SIP	Statements of insolvency practice
SIP9	Payments to insolvency office holders and their associates
SIP13	Disposal of assets to connected parties
SIP 16	Pre-packaged sales in administrations
SPA	Share purchase agreement
TUPE	Transfer of Undertakings (Protection of Employment Regulations 2006)
UBO	Ultimate Beneficial Owner
VAT	Value added tax

Appendix 6 – Notice: About this progress report

This progress report has been prepared by Richard Fleming, Mark Firmin and Jonathan Marston, the Joint Administrators of Four Seasons Health Care Limited ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

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

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Richard Fleming, Mark Firmin and Jonathan Marston are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.