

The Insolvency Act 1986

Administrators' progress report

Name of Company
LOYDS CARECO UK LIMITED

Company number
05296598

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

Court case number
3237 of 2010

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 Duncley 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

6 September 2011

to

6 March 2012

Signed


Joint Administrator

Dated

3 April 2012

SATURDAY



A16DMQ01
A12 07/04/2012 #199
COMPANIES HOUSE



Our Ref MBB/JND/DRS/L00168/PF7

TO THE CREDITORS

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4308
www.grant-thornton.co.uk

3 April 2012

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
3238, 3246, 3252, 3251, 3243, 3247, 3242, 3249 & 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 Creditors on the progress of the administrations to 5 March 2012

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 March 2012 in accordance with Rule 2.47
- Appendix C - An analysis of our time costs as required by Statement of Insolvency Practice 9

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, Mellon 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.

- 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 reports to creditors, on 3 February 2011, David Dunckley, 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

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 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 Joint Administrators have continued to collect rents due from the properties within the subsidiary companies whilst marketing the portfolio. To date, £18.1m 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 following our appointment, a number of interested parties were identified for the Group's assets

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

5 SOUTHERN CROSS GROUP PLC

- 5 1 Of the Group's 64 care homes 54 were 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 were returned to landlords. Accordingly, I arranged for Four Seasons to take over the operation of these homes from 1 November 2011. Four Seasons are now the tenant in all but 2 of the homes
- 5 6 For the former SCG homes transitioned to Four Seasons, we have agreed a rent level which is linked to the performance of the homes for the first five years of the agreement. At the end of the fifth year, we have the option of fixing the rent at a level, the formula for which has been agreed
- 5 7 As part of the agreement, Four Seasons has taken an five year option to buy both the existing homes that they'd leased from Loyds for a number of years together with the properties transitioned from Four Seasons

6 FUTURE STRATEGY

- 6 1 As a result of the transition of the former SCG homes to Four Seasons, we envisage that a long term hold of the assets may be undertaken before the portfolio is sold. This will allow time for the Care Homes sector to improve whilst the performance levels in the Four Seasons homes should improve. This will directly impact on the rent receivable and thus the investment value of the properties
- 6 2 One home, not part of the former SCG portfolio, was sold in December 2011 at a value of £1.25 million. The disposal proceeds have been distributed to the secured lenders

7 FUNDING OF THE ADMINISTRATIONS

- 7 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

8 ASSETS AND LIABILITIES

- 8 1 The directors were requested to prepare a statement of affairs for the Companies within the Group, but have not done so
- 8 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

- 8 3 The only floating charge realisation to date is £5,787 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

- 8 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.
- 8 5 These sums primarily represent 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

- 8 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, £18.1m has been distributed to the Senior Lenders in payment of Capital and interest.

Preferential Creditors

- 8 7 The Group has no known preferential creditors at the date of the appointments.

Unsecured Creditors

- 8 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

- 8 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.
- 8 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.
- 8 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

- 8 12 In accordance with paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986, an initial request was made to the Secured Creditors for a 6 month extension of my term of office as Administrator of the Group. This was agreed by the Lenders.
- 8 13 Following their initial extension, we applied to Court for a further extension of the administration. With the exception of Loyds Securities No 14 Limited, which dissolved on 21 October 2011, a further extension of 24 months has now been confirmed by the Court, giving a revised date for automatic termination of 18 October 2013.

9 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 9 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.
- 9 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.
- 9 3 The total time costs for the administrations for the period to 5 March 2012 are £1,630,871 of which £1,405,294 has been billed with the authority of the secured creditors.
- 9 4 Further details on this are set out in Appendix C.
- 9 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 Duncley, 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
Registered number	3295752	05372227	05403019	05296598
Date of incorporation	23 December 1996	22 February 2005	24 March 2005	25 November 2004
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
Shareholder	Loyds Crown Chiltern Limited	Loyds Propco Holdco Limited	Loyds Nursing Homes UK Limited	Loyds Nursing Homes UK Limited
Issued share capital	160 ordinary share at £160	400001 ordinary share at £1	1 ordinary share at £1	40190000 ordinary share at £401900 total nominal value
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

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

**Joint Administrators' Abstract Of Receipts And Payments
From 19 April 2010 to 5 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Loyds Propco No 1 Limited	3,874,578 39	10,401,331 59
Loan - Loyds Propco No 2 Limited	242,450 25	756,195 72
Loan - Churchill Court Propco Limited	52,855 19	188,616 75
Loan - Loyds Crown Chiltern Limited	82,321 07	394,762 20
Interest - Loyds Propco No 1 Limited	1,748,116 13	5,771,420 67
Interest - Loyds Propco No 2 Limited	160,583 61	476,944 37
Interest - Churchill Court Propco Limited	34,898 87	118,461 32
Interest - Loyds Crown Chiltern Limited	55,642 95	247,500 45
Cash at Bank	-	5,769 09
Bank Interest	-	4 31
	<u>6,251,446 46</u>	<u>18,361,006 48</u>
PAYMENTS		
Joint Administrators' Fees	32,395 94	32,395 94
Legal Fees	42,675 79	42,675 79
Law Debenture	4,466 67	4,466 67
Statutory Advertising	90 71	90 71
Professional Fees	3,833 33	3,833 33
Irrecoverable VAT	14,731 66	14,731 66
Capital - Senior Lenders	3,778,714 20	10,594,994 49
Capital - Hedge Counter Party	375,296 60	1,047,717 67
Interest - Senior Lenders	1,873,803 21	6,238,954 15
Interest - Hedge Counter Party	125,438 35	375,372 66
	<u>6,251,446 46</u>	<u>18,355,233 08</u>
Balance in hand	<u><u>0.00</u></u>	<u><u>5,773 40</u></u>

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

**Joint Administrators' Abstract Of Receipts And Payments
From 19 April 2010 to 5 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Bruchmen No 5 Limited	153,801 23	289,562 79
Interest - Bruchmen No 5 Limited	34,898 87	118,461 32
	<u>188,700 10</u>	<u>408,024 12</u>
 PAYMENTS		
Joint Administrators' Fees	30,109 84	30,109 84
Legal Fees	47,151 67	47,151 67
Law Debenture	4,466 67	4,466 67
Data Room Costs	113 17	113 17
Statutory Advertising	90 71	90 71
Professional Fees	3,833 33	3,833 33
Bordereaux	5 33	5 33
Irrecoverable VAT	15,175 32	15,175 32
Loan - Loyds Nursing Homes UK Limited	52,855 19	188,616 75
Interest - Loyds Nursing Homes UK Limited	34,898 87	118,461 32
	<u>188,700 10</u>	<u>408,024 12</u>
 Balance in hand	<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 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Crown Albany Care Limited	159,471 21	412,794 92
Loan - Chiltern Care Holdings Limited	-	59,117 42
Interest - Crown Albany Care Limited	55,642 95	210,731 77
Interest - Chiltern Care Holdings Limited	(0 51)	36,768 67
	<u>215,113 65</u>	<u>719,412 78</u>
PAYMENTS		
Joint Administrators' Fees	14,399 72	14,399 72
Legal Fees	42,675 79	42,675 79
Law Debenture	4,466 67	4,466 67
Statutory Advertising	90 71	90 71
Professional Fees	3,833 33	3,833 33
Irrecoverable VAT	11,683 91	11,683 91
Loan - Loyds Nursing Homes UK Limited	82,321 07	394,762 20
Interest - Loyds Nursing Homes UK Limited	55,642 45	247,500 45
	<u>215,113 65</u>	<u>719,412 78</u>
Balance in hand	<u>-</u>	<u>-</u>

Appendix B

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

**Joint Administrators' Abstract Of Receipts And Payments
From 19 April 2010 to 5 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
	<hr/>	<hr/>
	<hr/>	<hr/>
	-	-
PAYMENTS		
	<hr/>	<hr/>
	<hr/>	<hr/>
	-	-
Balance in hand	<hr/>	<hr/>
	-	-

Appendix B

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

**Joint Administrators' Abstract Of Receipts And Payments
From 19 April 2010 to 5 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Bruchmen No 6 Limited	265,591 88	518,915 59
Interest - Bruchmen No 6 Limited	55,642 95	210,731 77
	<u>321,234 83</u>	<u>729,647 36</u>
PAYMENTS		
Joint Administrators' Fees	30,563 82	30,563 82
Legal Fees	50,982 86	50,982 86
Law Debenture	4,466 67	4,466 67
Data Room Costs	210 04	210 04
Statutory Advertising	90 71	90 71
Professional Fees	3,833 33	3,833 33
Bordereaux	9 89	9 89
Irrecoverable VAT	15,963 35	15,963 35
Loan - Loyds Crown Chiltern Limited	159,471 21	412,794 92
Interest - Loyds Crown Chiltern Limited	55,642 95	210,731 77
	<u>321,234 83</u>	<u>729,647 36</u>
Balance in hand	<u>-</u>	<u>-</u>

Appendix B

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

**Joint Administrators' Abstract Of Receipts And Payments
From 19 April 2010 to 5 March 2012**

	6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Bruchmen No 7 Limited	-	59,117 43
Interest - Bruchmen No 7 Limited	-	36,768 68
	<u>-</u>	<u>95,886 11</u>
PAYMENTS		
Loan - Loyds Crown Chiltern Limited	-	59,117 43
Interest - Loyds Crown Chiltern Limited	-	36,768 68
	<u>-</u>	<u>95,886 11</u>
Balance in hand	<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 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Bruchmen No 1 Limited	2,539,041 11	4,763,705 95
Loan - Bruchmen No 2 Limited	1,275,119 34	3,442,215 04
Loan - Bruchmen No 3 Limited	1,300,219 94	3,435,212 60
Interest - Bruchmen No 1 Limited	515,917 56	1,886,984 30
Interest - Bruchmen No 2 Limited	609,876 06	1,945,794 94
Interest - Bruchmen No 3 Limited	622,322 51	1,938,641 43
	<u>6 862,496 52</u>	<u>17,412,554 26</u>
PAYMENTS		
Joint Administrators' Fees	889,536 42	889,536 42
Legal Fees	258,177 23	258,177 23
Law Debenture	4,466 67	4,466 67
Data Room Costs	5,448 84	5,448 84
Statutory Advertising	90 71	90 71
Professional Fees	3,833 33	3,833 33
Bordereaux	256 60	256 60
Insurance	242 58	242 58
Agents Fees	3,250 00	3,250 00
Irrecoverable VAT	200,482 69	200,482 69
Loan - Loyds Nursing Homes UK Limited	3,748,595 32	10,401,331 59
Interest - Loyds Nursing Homes UK Limited	1,748,116 13	5,645,437 60
	<u>6,862,496 52</u>	<u>17,412,554 26</u>
Balance in hand	<u><u>-</u></u>	<u><u>-</u></u>

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

**Joint Administrators' Abstract Of Receipts And Payments
From 19 April 2010 to 5 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
RECEIPTS	£	£
Loan - Bruchmen No 4 Limited	391,304 85	905,050 32
Interest - Bruchmen No 4 Limited	160,583 61	476,944 37
	<u>551,888 46</u>	<u>1,381,994 70</u>
PAYMENTS		
Joint Administrators' Fees	76,542 02	76,542 02
Legal Fees	59,621 11	59,621 11
Law Debenture	4,466 67	4,466 67
Data Room Costs	428 45	428 45
Statutory Advertising	90 71	90 71
Professional Fees	3,833 33	3,833 33
Bordereaux	20 18	20 18
Irrecoverable VAT	25,353 43	25,353 43
Loan - Loyds Nursing Homes UK Limited	220,948 95	734,694 42
Interest - Loyds Nursing Homes UK Limited	160,583 61	476,944 37
	<u>551,888 46</u>	<u>1,381,994 70</u>
Balance in hand	<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 March 2012**

	Period from 6/09/11 to 5/03/12	Period from 19/04/2010 to 5/03/12
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>

Loyds Nursing Homes UK Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1 288 20	14 84	5,263 43	54 99	14,908 86	19 91	2 892 83	91 92	24,353 32	264 94
Investigations	0 12	64 20	0 82	276 35	0 40	102 00	0 55	75 28	1 89	517 83	273 98
Realisation of Assets	-	-	-	-	8 60	2 274 00	-	-	8 60	2,274 00	264 42
Creditors	-	-	-	-	7 40	1,907 50	0 70	91 00	8 10	1,998 50	246 73
Trading	-	-	9 80	3,303 00	18 45	4 815 75	17 75	2,629 00	46 00	10,747 75	233 65
Grand Total	2 30	1,352 40	25 46	8,842 78	89 84	24,008 11	38 91	5,688 11	156 51	39,891 40	254 88

Administration & 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,

Chrchill Court Propco Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1,288 20	11 24	4,061 43	21 29	5,996 86	10 41	1,484 08	45 12	12,830 57	284 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	0 63	326 08	1 17	394 06	0 91	234 17	0 69	93 24	3 40	1 047 55	308 10
Creditors	1 83	1,003 98	7 77	2,964 40	0 49	111 53	0 77	98 98	10 86	4,178 89	384 80
Trading	11 82	6,530 11	32 24	11,991 31	7 03	1,868 93	6 25	869 94	57 34	21 260 29	370 78
Grand Total	16 58	9,212 57	53 24	19,687 55	30 12	8,313 49	20 27	2,853 52	120 21	40,067 13	333 31

Loyds Crown Chikern Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1,288 20	10 54	3,823 43	21 69	6,106 36	10 86	1 551 08	45 27	12,769 07	282 06
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 50	137 50	-	-	0 50	137 50	275 00
Creditors	-	-	-	-	0 30	75 00	0 70	91 00	1 00	166 00	166 00
Trading	-	-	6 60	2 226 00	3 05	782 75	3 80	571 50	13 45	3,580 25	266 19
Grand Total	2 30	1,352 40	17 96	6,325 78	25 94	7,203 61	17 51	2,520 86	63 71	17,402 65	248 61

Loyds Propco Holdco Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1,288 20	10 54	3,823 43	21 69	6,106 36	10 86	1,551 08	45 27	12,769 07	282 06
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	0 50	137 50	-	-	1 90	613 50	322 89
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	2 30	1,352 40	14 26	5,070 78	23 09	6,464 86	13 91	1,991 86	53 56	14,879 90	248 54

Crown Albany Care Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1,288 20	11 24	4,061 43	21 39	6,025 36	10 81	1,543 33	45 62	12,918 32	283 17
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 17	394 06	1 61	416 17	0 69	93 24	4 10	1,229 55	299 89
Creditors	1 83	1,003 98	7 77	2,964 40	0 49	111 53	0 77	98 98	10 86	4,178 89	384 80
Trading	11 82	6,530 11	32 54	12,090 31	7 53	1,998 93	6 25	867 69	58 14	21,487 04	369 57
Grand Total	16 58	9,212 57	53 54	19,786 55	31 42	8,653 99	20 67	2,910 52	122 21	40,563 63	331 92

Chiltern Care Holdings Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1,288 20	11 24	4,061 43	21 39	6,015 86	10 81	1,543 33	45 62	12,908 82	282 96
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 17	394 06	1 01	261 67	0 69	93 24	3 50	1,075 05	307 16
Creditors	1 83	1,003 98	7 77	2,964 40	0 49	111 53	0 77	98 98	10 86	4,178 89	384 80
Trading	11 82	6 530 11	32 64	12,127 31	6 38	1 696 68	6 95	971 69	57 79	21,325 79	369 02
Grand Total	16 58	9,212 57	53 64	19,823 55	29 67	8,187 74	21 37	3,014 52	121 26	40,238 38	331 84

Loyds Propco No 1 Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 19 APRIL 2010 TO 5 MARCH 2012	Partner		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	2 18	1,288 20	11 24	4,061 43	22 89	6,404 36	11 81	1,689 58	48 12	13,443 57	279 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	69 54	23,379 56	27 35	6,479 70	28 34	3,690 80	160 94	52,136 51	323 95
Creditors	104 16	57,226 66	443 09	168,970 79	10 90	2,157 28	4 53	545 66	562 68	228,900 39	406 80
Trading	673 71	372,216 23	1,485 22	564,491 59	206 50	56,122 52	99 13	11,127 66	2,464 56	1,003,958 00	407 36
Grand Total	815 88	449,381 74	2,009 91	761,179 72	268 04	71,265 86	145 96	17,360 98	3,239 79	1,299,188 30	401 01

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 2 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

CATEGORY 2 DISBURSEMENTS

For your information, I provide a summary of my out of pocket expenses incurred to 5 March 2012 on the next page

APPENDIX D

Third Party payments from Escrow account	
Travel	3,264.75
Courier	35.93
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
Total	319,839.10

Loyds Nursing Homes UK Limited	
Category 1 Disbursements	£
Travel	28.05
Professional Fees and Services	23,000.00
Presentation support	80.00
Bordereaux	158.00
Total	23,266.05

Churchill Court Propco Limited	
Category 1 Disbursements	£
Bordereaux	36.00
Total	36.00

Loyds Crown Chiltern Limited	
Category 1 Disbursements	£
Bordereaux	36.00
Total	36.00

Loyds Propco Holdco Limited	
Category 1 Disbursements	£
Bordereaux	36.00
Total	36.00

Crown Albany Care Limited	
Category 1 Disbursements	£
Bordereaux	36.00
Total	36.00

Chiltern Care Holdings Limited	
Category 1 Disbursements	£
Bordereaux	36.00
Total	36.00

APPENDIX D

<u>Loyds Propco No 1 Limited</u>	
Category 1 Disbursements	£
Travel	1,447 52
Professional fees	90,125 00
Other	7,157 58
Courier	12 35
Total	98,730 10

<u>Loyds Propco No 2 Limited</u>	
Category 1 Disbursements	£
Travel	89 00
Bordereaux	36 00
Land Registry	130 60
Total	125 00

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

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