

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Moorpark Propco Limited	Company number 05543325
In the High Court of Justice, Chancery Division <small>[full name of court]</small>	Court case number 2791 of 2013

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

I/We (a) Sarah Megan Rayment of BDO LLP, 55 Baker Street, London, W1U 7EU and James Bernard Stephen of BDO LLP 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

*Delete as applicable

attach a copy of ~~*my~~ / our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) **24 May 2013**

Signed



Joint/ Administrator(s)

Dated

4 JUNE 2013

Contact details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

BDO LLP, 55 Baker Street, London, W1U 7EU	
Our Ref 7/DAW/ADM751 2/C15	Tel 020 7486 5888
DX Number	DX Exchange

ou have completed and signed this form please send it to the Registrar of Companies at
 nes House, Crown Way, Cardiff, CF14 3UZ **DX 33050 Cardiff**

MONDAY



A03

10/06/2013

#131

COMPANIES HOUSE

**Landfrost Limited
Dunan Healthcare UK Limited
Moorpark Propco Limited
("the Companies")**

Statement to Creditors pursuant to Rule 2.33 of
the Insolvency Rules 1986 and Statement of
Proposals under Paragraph 49 of Schedule B1 of
the Insolvency Act 1986

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LANDFROST LIMITED ("LANDFROST")
DUNAN HEALTHCARE UK LIMITED ("DUNAN")
MOORPARK PROPCO LIMITED ("MOORPARK")
- ALL IN ADMINISTRATION (TOGETHER "THE COMPANIES")
Registered Nos. 05596240, 07780710 and 05543325
Registered office situated at 55 Baker Street, London, W1U 7EU

In the High Court of Justice, Chancery Division
Nos. 2793, 2792 and 2791 of 2013

1 Introduction

- 1.1 This report is addressed to the creditors of the Companies and incorporates the Joint Administrators' proposals. Please note that the report encompasses all of the Companies due to the affairs of the Companies being closely connected and interlinked.
- 1.2 We do not propose to call meetings of the creditors of the Companies to consider these proposals because, from the information currently available, there will be insufficient assets to enable us to make any distribution to the unsecured creditors, other than from the Prescribed Part which we mention in Section 8 below. Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of creditors require us to call a meeting they must notify us using form 2.21B (attached) by 14 June 2013. Please note that before such a meeting can be held we will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to the approval of the other creditors. Where no creditors' meetings are requisitioned and held to consider the Joint Administrators' proposals, the proposals will be deemed to have been approved on 14 June 2013.
- 1.3 At any creditors' meeting, creditors may approve the proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Joint Administrators' proposals a report will be sent to the High Court of Justice, Chancery Division confirming that the creditors have rejected the proposals. The Court may then discharge the Administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1.4 If the Joint Administrators' proposals are agreed at, or deemed approved in absence of, meetings of creditors the Joint Administrators will continue to control the business of the Companies to the extent that they have not been transferred. The Joint Administrators would at some later date arrange for the Companies to exit from the Administration, as agreed by the creditors. Based on the information presently available and the current situation the Joint Administrators' proposal is that the Companies will either move from Administration to Creditors' Voluntary Liquidation or exit Administration by dissolution pursuant to Paragraphs 83 or 84 of Schedule B1 of the Insolvency Act 1986.

2 Events leading up to the Appointment of the Joint Administrators

- 2.1 The Companies, which each operate in the care home industry, were incorporated as follows:
- | | |
|-----------------------------|-------------------|
| Landfrost Limited | 18 October 2005 |
| Dunan Healthcare UK Limited | 29 September 2011 |
| Moorpark Propco Limited | 23 August 2005 |
- 2.2 Landfrost is the ultimate holding company within the wider group and its subsidiaries include Moorpark, as well as RZ Healthcare Limited and RZ Homes Limited (together "the RZ Companies"). Dunan is associated to the group by way of the security structure referred to at Section 7. The RZ Companies are Scottish registered companies over

which Sarah Rayment and James Stephen of BDO LLP have also been appointed as Joint Administrators. Due to legislative differences between Scottish and English & Welsh insolvency jurisdictions, the Joint Administrators will circulate their proposals to the creditors of the RZ Companies under separate cover.

- 2.3 Moorpark holds the heritable interest (ownership) in the care home at Moorpark Place (Ayrshire), the tenant and operator of which is Guthrie Court Limited. This company is part of the wider Four Seasons Healthcare group. For the avoidance of doubt, this operator is not associated in any other way to the Companies, and is not so far as the Administrators are aware subject to any formal insolvency proceedings.
- 2.4 The RZ Companies together own 5 freehold purpose-built care homes providing c280 beds. These homes are Burnside (Aberdeenshire), Cochrane (Renfrewshire), Newark (Inverclyde), Ranfurly (Renfrewshire), which are all owned by RZ Healthcare Limited and Spiers (Ayrshire), which is owned by RZ Homes Limited (together "the Homes").
- 2.5 The business of the Homes was formerly part of the Southern Cross group which acted as tenant and operator of each of the Homes. Southern Cross encountered severe and well-publicised financial difficulties during the course of 2011.
- 2.6 After significant negotiations, the Companies agreed surrenders of the leases with Southern Cross. The businesses and trading assets were transferred to Dunan. As landlords, and in cooperation with the relevant authorities, the Companies were committed to providing continuity of care to the residents of the Homes, therefore it was necessary to seek an alternative operator for the Homes before accepting the surrenders.
- 2.7 In October 2011, Danshell Care Home Limited ("Danshell") was appointed by Dunan under a Care Homes Management Agreement to act as operator of the Homes.
- 2.8 Danshell and an associated company, Oakview Estates Limited, together acted as the registered provider in respect of the relevant regulatory requirements, and also contracted with the local authorities and private residents. All trading liabilities of the Homes were settled by Danshell with the authority of Dunan. At the date of appointment, there were significant management fees owed to Danshell.
- 2.9 The Care Inspectorate became concerned as to the financial position of the homes and indicated that it was considering placing a moratorium on new admissions which would potentially threaten the ongoing trading viability of the Homes. In addition there were insufficient funds being made available by the Companies in order to meet all ongoing liabilities, including loan repayments to the secured lender, Aviva Commercial Finance Limited ("Aviva").
- 2.10 On 12 April 2013 a Notice of Appointment of Joint Administrators was filed at the High Court by Aviva Commercial Finance Limited being a qualifying floating charge holder, pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986. On 12 April 2013, Sarah Megan Rayment and James Bernard Stephen were appointed Joint Administrators of the Companies. Under the provisions of Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Joint Administrators carry out their functions jointly and severally and neither Joint Administrator has exclusive power to exercise any function.

3 Statement of Affairs and statutory information

- 3.1 At Appendix 2 is a record of the names of the Companies' directors and company secretary together with details of their shareholdings.
- 3.2 The directors have not submitted Statement of Affairs' as at the time of this report. Accordingly, pursuant to Rule 2.33(2) of the Insolvency Rules 1986, I enclose at Appendix

3 summaries of the estimated financial positions of the Companies as at the date of Administration.

4 Achieving the purpose of the administration

4.1 The statutory purpose of an administration consists of three objectives, and we now address the progress that has been made in this respect.

- (a) The first objective is the rescuing of the Companies as going concerns (i.e. restructuring the Companies' business, resulting in the survival of the Companies). We would comment that it is highly unlikely that objective will be met, as the forecast financial projections and anticipated realisable value of the Companies' assets do not suggest that the Companies will generate sufficient realisations to enable the Companies to settle all outstanding debts, thereby allowing them to continue trading in the long term. The second objective is to achieve a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in administration). This objective should be achieved as the value of the Homes, which were built for the purpose of care homes, will be maximised when sold as a trading business.
- (b) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors. There should be funds available for the secured creditor following the sale of the Companies' assets, therefore this objective should be achieved.

5 Management of the Companies' affairs since the Joint Administrators' appointment

5.1 Initial Actions

- 5.1.1 Upon appointment, the Joint Administrators' immediate priority was to reassure the residents and their families, the employees and all relevant regulatory bodies that they were committed to the continued trading of the Homes and that the ongoing welfare of the residents was paramount. In this regard, an immediate meeting was held with Danshell to ensure its immediate cooperation in the short term. Each of the managers of the Homes was fully briefed by Danshell to ensure they were aware of the Joint Administrators' commitment to the ongoing trading of the Homes.
- 5.1.2 As soon as reasonably practicable after appointment, members of the Joint Administrators' staff attended each of the Homes to apprise the employees of the Administration and to allay any concerns that may have arisen as a result. Following these visits, no safeguarding or any other serious issues were identified.
- 5.1.3 An immediate review of Dunan's affairs as the trading company was undertaken with particular regard to its financial and resource requirements. This assessment was carried out in liaison with Danshell having regard to the Homes' ongoing business commitments and the anticipated cashflows. The decision was taken to continue trading the Homes with a view to ultimately effecting sales of the Homes and business as going concerns.
- 5.1.4 We have had no access to the books and records of the non-trading entities.

5.2 Customers and contractual matters

- 5.2.1 Letters were sent to all of the relevant local authorities, Social Care and Social Work Improvement Scotland ("SCSWIS"), local Members of the Scottish Parliament and next of kin of the residents advising of our appointment. We will continue to liaise with all stakeholders as appropriate

5.3 Trading during the Administration

- 5.3.1 Danshell has agreed to continue providing its ongoing services as operator and the final terms of a management agreement to formalise this arrangement are currently being negotiated.
- 5.3.2 In addition, Danshell together with the Joint Administrators are finalising forecast financial statements. From the information available, the Homes generate a sufficient trading surplus to enable us to trade whilst a purchaser is sought. The Joint Administrators have been provided with short term funding of £255,000 by Aviva, to cover the immediate cash needs of the business which were identified shortly following the Administrations. It is intended that this will be repaid in short order.
- 5.3.3 Where necessary, the Joint Administrators have provided undertakings to suppliers to guarantee payment for goods and services provided to the Companies since their appointment, and will continue to do so. Suppliers have also been advised that Danshell is authorised to place orders for goods and services on behalf of the Companies to the value of £1,000, as they would have done so in the normal course of business. Any alternative arrangements with particular key suppliers will be agreed on an ad hoc basis.
- 5.3.4 Local authorities and private clients have been asked to continue payment to the pre-existing bank details to avoid any disruption to ongoing trading, as these trading accounts are now under the control of the Joint Administrators. Any designated resident or staff allowance accounts do not form part of the Administration estate, therefore safeguards have been put in place to ensure that these funds remain for their intended use.

5.4 Employees

- 5.4.1 It is understood that the employees of the Homes were informed in May 2012 that they were employed by a third party, City Management Limited, trading under the name Dunan Healthcare. Although trading under a very similar name to Dunan this was a separate company. Shortly after appointment, however, we became aware that City Management Limited had been dissolved as a company on 2 April 2013.
- 5.4.2 In order to provide the employees with as much certainty as possible, and pursuant to advice provided to us by our solicitors, Maclay Murray & Spens LLP ("MMS"), we wrote to each employee to advise them that they were now employed directly by Dunan. The employees' terms of employment including holidays and continuous service are therefore protected and have not changed. Employees have been and will continue to be paid as normal.

5.5 Pre-appointment payments

- 5.5.1 We identified subsequent to our appointment that significant sums had been paid to third parties from Dunan's bank account on the date of appointment. These had been made in the intervening period between formal demand having been issued and the appointment of Administrators. The payments totalled c£415k.
- 5.5.2 On the face of it, these payments would appear to be preferences. We are investigating these payments to determine whether legal action should be taken to recover the funds transferred.

5.6 Moorpark Place

- 5.6.1 As mentioned at 2.3 above, Moorpark owns the freehold interest to an otherwise unconnected care home at Moorpark Place, the tenant and operator of which is Guthrie Court Limited. At present, the existing property agent, Orbit Property Management Limited ("Orbit"), continues to manage the property on behalf of Moorpark.

- 5 6.2 The Joint Administrators, with the assistance of Orbit, will continue to collect the the passing annual rent of c£623k as and when it falls due, subject to current negotiations regarding a rent review.

6 Sale of business

- 6.1 Once the Joint Administrators have been able to fully stabilise the ongoing trading of the Companies, and ensured that all necessary stakeholders are satisfied with the trading viability of the Homes, it is our intention to instruct agents to assist with the marketing and sale of the Homes.

- 6.2 At present we are unable to comment on a proposed timescale to disposal, as any strategy will be based on advice received from the appointed agents.

7 Creditors' claims

7.1 Secured creditors

- 7.1.1 Aviva retains security over the Companies by way of deeds of legal charge comprising fixed and floating charges over Landfrost and Moorpark. In addition, Dunan granted a supplemental deed of legal charge in favour of Aviva. Across the Companies, which are jointly and severally liable, the debt due to Aviva as at the date of appointment totalled £34.1m, which is subject to accruing interest and charges.

- 7.1 2 Whilst it is dependent on the value achievable on the sale of the Homes, Aviva is likely to suffer a significant shortfall in respect of its lending.

- 7.1.3 It is also worth noting that the relevant Companies granted security over the Homes to Investec Bank (UK) Limited ("Investec"), although Aviva retains priority in respect of its own security. The sum due to Investec as at the date of the most recent audited accounts for Landfrost, 30 September 2011, was £4.2m. It is unlikely that there will be sufficient funds to allow a distribution to be made to Investec under its security.

7.2 Preferential creditors

- 7.2.1 Preferential claims constitute employee claims for arrears of wages (subject to a maximum of £800) and holiday pay (unlimited) for those employees who have been made redundant. As there were no redundancies, and all wages have been paid up to date, there should be no preferential claims in the Administrations.

7.3 Unsecured creditors

- 7.3.1 The unsecured creditors' claims, which are detailed at Appendix 3, are based upon the records of Dunan and estimated to total c£294k. Please note that the Companies' books and records may not have been up to date as at the date of appointment therefore this sum is subject to change. We do not have any information in relation to the unsecured claims of the non trading entities.

- 7.3.2 Based on current information, the Companies have insufficient property to enable a dividend to be paid to the unsecured creditors, other than a possible Prescribed Part distribution, as detailed below.

8 Prescribed Part

- 8.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state in respect of each of the Companies the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where a company has granted a floating charge to a creditor on or after 15 September 2003.

Only Dunan granted a floating charge after 15 September 2003 therefore the Prescribed Part will apply in the Administration of Dunan.

- 8.2 The Prescribed Part is calculated as 50% of the first £10,000 net floating charge realisations, then 20% of the balance (after the costs of the Administration), up to a maximum of £600,000. Due to the current uncertainty as to any anticipated trading surplus during the period leading up to a sale, I am not in a position to advise on the quantum or likelihood of any potential realisation to unsecured creditors in respect of the Prescribed Part at this stage.

9 EC Regulations on Insolvency Proceedings

- 9.1 We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to these Administrations. In these particular cases the EC Regulation will apply and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation.

10 Pre Administration Costs

- 10.1 Under Rule 2.67A of the Insolvency Rules 1986 certain costs incurred in preparation and planning for the Administrations may, with the approval of the creditors, be approved for payment from the Administration estates, as an expense of the Administrations. Allowable costs fall into the following categories:-

- (i) the fees charged by the Joint Administrators;
- (ii) the expenses incurred by the Joint Administrators;
- (iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner.

We do not propose drawing any fees in respect of work undertaken prior to our appointment as Joint Administrators.

No expenses were incurred by the Joint Administrators in preparation for the Administrations. In addition, no work, that would otherwise be payable as an expense of the Administrations, has been undertaken by any insolvency practitioners other than the current Administrators.

11 Joint Administrators' Remuneration

- 11.1 Kindly note that under the terms of the Insolvency Rules 1986 the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2 106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal, by reference to the time the Joint Administrators and their staff spend in attending to matters in the Administrations or, a fixed amount. Remuneration may be fixed on one or a combination of any of the foregoing bases.
- 11.2 In respect of these Administrations we wish to ask creditors to approve our remuneration on a time costs basis. Attached at Appendix 4 are schedules that summarise the time that has been spent in administering these Administrations up to the date of this report. These show a total of 421 95 hours at an average charge out rate of £292.30.
- 11.3 Included within the proposals below is a resolution regarding the Joint Administrators' remuneration. As no meeting of creditors is being convened because there will be insufficient property to enable a distribution to be made to unsecured creditors other than by reason of the Prescribed Part which is mentioned above (Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986), our remuneration and any category 2 disbursements will be subject to the approval of the secured creditors and, where

applicable, preferential creditors as set out in Rule 2.106(5A)(a)/(b) of the Insolvency Rules 1986.

12 Possible outcomes for the Companies and Creditors

- 12.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Companies from the Administrations, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the Companies.
- 12.2 It is the Joint Administrators' recommendation and proposal, as detailed below, that once realisations are sufficiently completed the Companies should move from Administration to Creditors' Voluntary Liquidation and that Sarah Megan Rayment and James Bernard Stephen be appointed Joint Liquidators. The choice of liquidators is a matter for the creditors to consider.
- 12.3 Alternatively, if there are insufficient assets available to allow a dividend to be paid to the unsecured creditors, including by way of the Prescribed Part, then the Joint Administrators propose that the Companies are dissolved pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

13 Statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986

- 13.1 In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the Administrations. In the absence of creditors' meetings, these proposals will be deemed to be approved on 14 June 2013.

Formal Proposals - the Joint Administrators propose that:

- (a) they continue to manage the Companies' business and realise assets in accordance with objectives 2 and 3 of the statutory purpose of the Administrations, and
- (b) they make payment to the secured and preferential creditors, where applicable, and
- (c) they exit the Administrations by way of a Creditors' Voluntary Liquidation and that Sarah Megan Rayment & James Bernard Stephen will be Joint Liquidators and will act jointly and severally, or alternatively they exit the Administrations by way of dissolving the Companies under Paragraph 84 of Schedule B1 of the Insolvency Act 1986, and

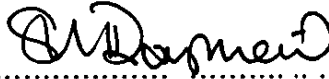
NB Under Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different liquidators, but in the absence of such nomination the above named would become the liquidators

- (d) creditors approve the remuneration of the Joint Administrators on a time costs basis, and
- (e) creditors approve the Joint Administrators be authorised to draw category 2 disbursements in respect of postage, stationery, photocopying charges, telephone, fax and other electronic communications on the basis of £12.50 per creditor in the first year of the Administrations and £6.25 per creditor in respect of each subsequent year.

A further resolution is put to the creditors.

- (f) That the Joint Administrators be discharged from liability under the Administrations per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.

Dated: 31 May 2013



.....
Sarah Rayment
Joint Administrator

7/RAF/ADM682 - Proposals/C6

**Landfrost Limited
In Administration**

Statutory Information

Company Number:	05596240
Date of Incorporation:	18 October 2005
Address of Registered Office:	55 Baker Street, London, W1U 7EU Formerly 8 Baden Place, Crosby Row, London, SE1 1YW
Directors:	Mr Damian James Calderbank
Company Secretary:	Cornhill Secretaries Limited
Nominal Share Capital:	£1 - divided into 1 ordinary shares of £1 each
Registered Shareholders:	No of £1 ordinary shares held
Aldaniti Investments Limited	1

Trading Results:

Year ending 30 September	Turnover £	Gross Profit/ (Loss) £	Net Profit/(Loss) (after tax) £	Directors' remuneration £	Balance on P & L A/c £
2011 (audited)	Nil	(2,062,121)	(2,062,121)	n/a	(6,575,779)
2010 (audited)	Nil	(102,416)	(2,071,337)	n/a	(4,513,657)
2009 (audited)	Nil	(2,060,897)	(1,932,888)	n/a	(2,442,321)

**Dunan Healthcare UK Limited
In Administration**

Statutory Information

Company Number: 07780710

Date of Incorporation: 20 September 2011

Address of Registered Office: 55 Baker Street, London, W1U 7EU
Formerly Pyramid House, 956 High Road, London, N12 9RX

Directors: Mr Yoram Yossifoff

Company Secretary: n/a

Nominal Share Capital: £3,500,000 - divided into 3,500,000 ordinary shares of £1 each

Registered Shareholders: No of £1 ordinary shares held

Mr Yoram Yossifoff 3,500,000

Trading Results:

14 months to 31 December	Turnover £	Gross Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
2012 (unaudited)	9,992,328	2,606,687	n/a	Unknown	n/a

**Moorpark Propco Limited
In Administration**

Statutory Information

Company Number: 05543325

Date of Incorporation: 23 August 2005

Address of Registered Office: 55 Baker Street, London, W1U 7EU
Formerly 8 Baden Place, Crosby Row, London, SE1 1YW

Directors: Mr Damian James Calderbank
Mr Yoram Yossifoff

Company Secretary: Cornhill Secretaries Limited

Nominal Share Capital: £1 - divided into 1 ordinary shares of £1 each

Registered Shareholders: No of £1 ordinary shares held

Landfrost Limited 1

Trading Results:

Year ending 30 September	Turnover £	Gross Profit/ (Loss) £	Net Profit/(Loss) (after tax) £	Directors' remuneration £	Balance on P & L A/c £
2011 (audited)	335,194	329,969	329,969	Unknown	1,236,209
2010 (audited)	331,362	927,727	922,477	Unknown	906,240
2009 (audited)	319,580	(214,810)	(214,810)	Unknown	(16,237)

**Landfrost Limited
In Administration**

Summary of Estimated Financial Position as at 12 April 2013

	Audited Accounts 30 September 2011 Book Value £	Estimated to realise £
ASSETS SUBJECT TO FIXED CHARGE		
Investments	691,883	Unknown
Aviva Commercial Finance Limited		(34,113,984)
Deficiency c/d		<u>(34,113,984)</u>
ASSETS SUBJECT TO FLOATING CHARGE		
Intercompany debtors	32,837,135	Unknown
Cash at bank	<u>578,693</u>	<u>-</u>
	33,415,828	-
LIABILITIES		
Preferential creditors (estimated)		<u>-</u>
		-
Estimated prescribed part of net property (where applicable)		<u>n/a</u>
		-
Debts secured by floating charge (deficiency b/d)		<u>(34,113,984)</u>
		(34,113,984)
Trade & Expense Creditors		(452,878)
Intercompany creditors		(7,856,269)
Shortfall to unsecured creditors		<u>(42,423,131)</u>
Issued and called up capital		
Shareholders' funds		1
TOTAL DEFICIENCY		<u><u>(42,423,130)</u></u>

Note

The directors have not submitted a statement of affairs as at the date of this report.

Book values based upon last set of consolidated audited accounts as at 30 September 2011

**Dunan Healthcare UK Limited
In Administration**

Summary of Estimated Financial Position as at 12 April 2013

	Management Accounts 12 April 2013 Book Value £	Estimated to realise £
ASSETS SUBJECT TO FIXED CHARGE		
Goodwill	Not stated	Unknown
Aviva Commercial Finance Limited		(34,113,984)
Deficiency c/d		<u>(34,113,984)</u>
ASSETS SUBJECT TO FLOATING CHARGE		
Fixtures and fittings	Not stated	Unknown
Debtors	493,923	400,000
Antecedent transactions	414,000	Unknown
Cash at bank	<u>2,132</u>	<u>2,132</u>
	910,055	402,132
LIABILITIES		
Preferential creditors (estimated)		<u>-</u>
		402,132
Estimated prescribed part of net property (where applicable)		<u>(83,426)</u>
		318,706
Debts secured by floating charge (deficiency b/d)		<u>(34,113,984)</u>
		(33,795,278)
Trade & Expense Creditors		(294,245)
Shortfall to unsecured creditors		<u>(34,089,523)</u>
Issued and called up capital		3,500,000
Shareholders' funds		
TOTAL DEFICIENCY		<u><u>(30,589,523)</u></u>

Note

The directors have not submitted a statement of affairs as at the date of this report.

Book values based upon management accounts prepared by Danshell

Book value of debtors, net of refunds potentially due to residents, is an estimate based on the management accounts available.

Cash at bank figure includes payments made from the company's account immediately prior to Administration.

Antecedent transactions represent unauthorised payments made from the account immediately prior to appointment

Moorpark Propco Limited
In Administration

Summary of Estimated Financial Position as at 12 April 2013

	Audited Accounts 30 September 2011 Book Value £	Estimated to realise £
ASSETS SUBJECT TO FIXED CHARGE		
Freehold property	5,100,000	Unknown
Aviva Commercial Finance Limited		(34,113,984)
Deficiency c/d		<u>(34,113,984)</u>
ASSETS SUBJECT TO FLOATING CHARGE		
Debtors	<u>-</u>	<u>-</u>
LIABILITIES		
Preferential creditors (estimated)		<u>-</u>
Estimated prescribed part of net property (where applicable)		<u>n/a</u>
Debts secured by floating charge (deficiency b/d)		<u>(34,113,984)</u>
		(34,113,984)
Trade & Expense Creditors (intercompany creditors only)		(3,863,790)
Guthrie Court Limited		(47,084)
Shortfall to unsecured creditors		<u>(38,024,858)</u>
Issued and called up capital		
Shareholders' funds		1
TOTAL DEFICIENCY		<u><u>(38,024,857)</u></u>

Note

The directors have not submitted a statement of affairs as at the date of this report.

Book values based upon last set of consolidated audited accounts as at 30 September 2011

The Companies
Summaries of the Joint Administrators' Receipts and Payments

Dunan Healthcare UK Limited
In Administration

Summary of Joint Administrators' Receipts and Payments from 12 April 2013
(date of appointment) to 24 May 2013

	Total Realisations
RECEIPTS	£
Cash at Bank	2,131.99
Short Term Loan	255,000.00
Refund of Preference Payment	6,000.00
Trading Surplus (see Trading Account)	285,806.45
	<u>548,938.44</u>
PAYMENTS	
Refunds	589.40
Pre-Appointment Salaries	219,875.22
	<u>220,464.62</u>
Balances in Hand	328,473.82
	<u>548,938.44</u>

BDO LLP
55 Baker Street
London
W1U 7EU

S M Rayment & J Stephen
Joint Administrators

31 May 2013

NOTES

The directors have not submitted a statement of affairs as at the date of this report.

**Dunan Healthcare UK Limited
In Administration**

Summary of Joint Administrators' Trading Account from 12 April 2013 (date of appointment) to 24 May 2013

	Total Realisations
RECEIPTS	£
Unallocated Sales Income (see note)	778,265 61
	<u>778,265 61</u>
PAYMENTS	
Staff costs	
Burnside	88,025 99
Cochrane	91,730.42
Newark	80,870.03
Ranfurley	102,622.06
Spiers	71,427.20
Fixed costs	
Burnside	121 00
Cochrane	615 96
Newark	60 50
Ranfurley	60 50
Spiers	60.50
Capital expenditure	
Spiers	1,605 00
Bank charges	260 00
Management Agent Fees	45,833 33
Irrecoverable VAT	9,166 67
	<u>492,459.16</u>
Trading Surplus	285,806.45
	<u>778,265.61</u>

**BDO LLP
55 Baker Street
London
W1U 7EU**

**S M Rayment & J Stephen
Joint Administrators**

31 May 2013

NOTES

Danshell will provide a reconciliation of pre-appointment debtor and trading receipts, to be split by home, to allow the Administrators to allocated income correctly

Landfrost Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 12 April 2013 (date of appointment) to 24 May 2013

Description	PARTNER		DIRECTOR / MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
A. Pre Appointment Matters	1.50	517.50											1.50	517.50	345.00	
C. Planning and Strategy									0.30	27.30			0.30	27.30	91.00	
D. General Administration			0.25	82.00					2.50	227.50			2.75	309.50	112.55	
F. Trading Related Matters	1.00	345.00	3.00	1,324.00									4.00	1,869.00	467.25	
H. Creditor Claims									1.50	136.50			1.50	136.50	91.00	
I. Reporting	2.50	862.50	3.25	1,408.00	3.50	917.00			4.30	391.30			3.50	917.00	262.00	
													13.55	3,776.80	278.73	

Net total 13.55 3,776.80 278.73

Disbursements 0.00

Billed 0.00

Grand Total 3,776.80

Dunan Healthcare UK Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 12 April 2013 (date of appointment) to 24 May 2013

Description	PARTNER		DIRECTOR / MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	£
A. Pre Appointment Matters	10 50	5,287 50	14 00	5,418 00									24 50	10,705 50	436 96	
B. Steps on Appointment			19 00	5,333 00	17 40	3,542 30	8 67	2,124 15	21 25	2,115 00			68 32	13,454 45	196 93	
C. Planning and Strategy			47 50	20,048 50	12 50	3,345 00	13 23	3,241 35	5 75	681 25		2 00	78 98	27,316 10	345 86	
D. General Administration	5 00	2,650 00	3 20	1,093 85	4 35	1,082 45	31 45	7,753 70	10 40	1,725 90			54 40	14,285 90	262 61	
E. Assets Realisation/Dealing	0 50	285 00					1 50	387 50					2 00	632 50	316 25	
F. Trading Related Matters	6 00	3,251 00	58 00	22,446 00	23 80	6,235 60	21 65	5,304 25	29 90	4,834 50			139 35	42,071 35	301 91	
G. Employee matters			4 00	1,548 00	2 90	759 80	5 50	1,347 50	1 00	170 00			13 40	3,825 30	285 47	
H. Creditor Claims					1 40	366 80			4 65	502 15			6 05	868 95	143 63	
I. Reporting	2 00	1,188 00	3 00	1,161 00	6 60	1,729 20			2 75	250 25			14 35	4,328 45	301 63	
	13 50	7,354 00	148 70	57,048 35	68 95	17,041 15	82 00	20,138 45	75 70	10,279 05	2 00	340 00	401 35	117,488 50	292 73	

Net total 401 35 117,488 50 292 73

Disbursements 643 69

Billed 0 00

Grand Total 118 132 19

Summary of Time Charged and Rates Applicable for the Period From 12 April 2013 (date of appointment) to 24 May 2013

[illegible]

The Companies

A creditors' guide to Joint Administrators' fees, BDO LLP policy on fees

1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters.

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be

fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of -

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors -
 - each secured creditor of the company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company

4.4 A resolution of creditors may be obtained by correspondence.

5. Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6. Approval of pre-administration costs

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When fixing bases of remuneration

7.1.1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

7.1.2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case. 7.1.3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.1.4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the administrator or his or her staff.

7.2 After the bases of remuneration have been fixed

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8.1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.3 Disbursements and other expenses

7.3.1 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories

- Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the administration 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 administrator or his or her staff
- Category 2 disbursements: These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made.

7.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);

- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of
- whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

9. Provision of information - additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is -

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

10 What if a creditor is dissatisfied?

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers

that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

11 What if the administrator is dissatisfied?

11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to remuneration

12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.

12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

13. Effective date

This guide applies where a company enters administration on or after 1 November 2011

Appendix**Suggested format for the provision of information**

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case,
- any exceptional responsibility falling on the administrator,
- the administrator's effectiveness,
- the value and nature of the property in question

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy;
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees;
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;
 - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent.

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply:

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted



Landfrost Limited
Dunan Healthcare UK Limited
Moorpark Propco Limited
- All In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvencies.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows. This in no way implies that staff at all such grades will work on the case.

GRADE	£
Partner 1	658
Partner 2	530
Director	455
Senior Manager	387-421
Manager	290-328
Assistant Manager	262
Senior Executive	245
Executive	162-221
Junior Executive	142
Trainee	90
Support staff/Secretary	90

The rates charged by BDO LLP, 55 Baker Street, London, W1U 7EU are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories -

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs



1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy of BDO LLP is to recharge this expense on the basis of a figure based upon the number of creditors with whom we have to communicate and report during the insolvency. This is the method of calculation that was historically provided under statutory orders for the Official Receiver.

In respect of the Administration of Dunan Healthcare UK Limited we propose to charge £12.50 (plus VAT) for the first year and £6 25 (plus VAT) for each subsequent year, per creditor. This will cover the disbursement costs of for postage and stationery for all reports and letters, together with all copying charges and telephone and email costs. Creditors will be invited to approve a resolution to this effect. During the first year the Administrators will issue 3 reports and in successive years 2 reports.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
31 May 2013

PROOF OF DEBT

In The High Court of Justice
Chancery Division
Companies Court

No 2793 of 2013

Landfrost Limited
- In Administration -

Date of Administration 12 April 2013

- 1a Name of creditor
- 1b If Company - registered number
- 2 Address of creditor
- 3 Total claim including VAT and interest as at the date of the appointment of administrators £
(see overleaf)
- 4 Details of documents by which debt can be substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No
If so, state amount, and details £
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and the date it was given
- 9 Details of any reservation of title in respect of goods to which the debt refer
- 10 Signature of creditor or other authorised person
Name in BLOCK LETTERS
Creditor's reference
11 Position or Relationship with Creditor
12 Address (if person signing is not the Creditor)

For Use of Administrator Only

13 Admitted to vote for £

Date

Joint Administrator

14 Admitted preferentially
for £

Date

Joint Administrator

Admitted non-preferentially
for £

Date

Joint Administrator

Guidance Notes re Preferential Debts:

The categories of preferential debts under S 386(1) of the Insolvency Act 1986 are as follows.

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

VAT Bad Debt Relief

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs.

PROOF OF DEBT

In The High Court of Justice
Chancery Division
Companies Court

No 2792 of 2013

Dunan Healthcare UK Limited
- In Administration -

Date of Administration 12 April 2013

- 1a Name of creditor
- 1b If Company - registered number
- 2 Address of creditor
- 3 Total claim including VAT and interest as at the date of the appointment of administrators £
(see overleaf)
- 4 Details of documents by which debt can be substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No
If so, state amount, and details £
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and the date it was given
- 9 Details of any reservation of title in respect of goods to which the debt refer
- 10 Signature of creditor or other authorised person
Name in BLOCK LETTERS
Creditor's reference.
- 11 Position or Relationship with Creditor
- 12 Address (if person signing is not the Creditor)

For Use of Administrator Only

13 Admitted to vote for £

Date

Joint Administrator

14 Admitted preferentially
for £

Date

Joint Administrator

Admitted non-preferentially
for £

Date

Joint Administrator

Guidance Notes re Preferential Debts:

The categories of preferential debts under S 386(1) of the Insolvency Act 1986 are as follows.

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

VAT Bad Debt Relief

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs.

PROOF OF DEBT

In The High Court of Justice
Chancery Division
Companies Court

No 2791 of 2013

Moorpark Propco Limited
- In Administration -

Date of Administration 12 April 2013

- 1a Name of creditor
- 1b If Company - registered number
- 2 Address of creditor
- 3 Total claim including VAT and interest as at the date of the appointment of administrators £
(see overleaf)
- 4 Details of documents by which debt can be substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No
If so, state amount, and details £
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and the date it was given
- 9 Details of any reservation of title in respect of goods to which the debt refer
- 10 Signature of creditor
or other authorised person
- Name in BLOCK LETTERS
- Creditor's reference.
- 11 Position or Relationship with Creditor ..
- 12 Address (if person signing is not the Creditor)

For Use of Administrator Only

13 Admitted to vote for £

Date

Joint Administrator

14 Admitted preferentially
for £

Date

Joint Administrator

Admitted non-preferentially
for £

Date

Joint Administrator

Guidance Notes re Preferential Debts:

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

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- remuneration etc of employees
- Levies on Coal & Steel Productions.

VAT Bad Debt Relief

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Landfrost Limited
Dunan Healthcare UK Limited
Moorpark Propco Limited ("the Companies") - All In Administration

RESOLUTIONS TO BE DEEMED APPROVED IN THE ABSENCE OF A CREDITORS' MEETING ON 7 JUNE 2013

Formal Proposals - the Joint Administrators propose that:

- (a) they continue to manage the Companies' business and realise assets in accordance with objectives 2 and 3 of the statutory purpose of the Administrations, and
- (b) they make payment to the secured and preferential creditors, where applicable, and
- (c) they exit the Administrations by way of a Creditors' Voluntary Liquidation and that Sarah Megan Rayment & James Bernard Stephen will be Joint Liquidators and will act jointly and severally, or alternatively they exit the Administrations by way of dissolving the Companies under Paragraph 84 of Schedule B1 of the Insolvency Act 1986, and

NB Under Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different liquidators, but in the absence of such nomination the above named would become the liquidators

- (d) creditors approve the remuneration of the Joint Administrators on a time costs basis, and
- (e) creditors approve the Joint Administrators be authorised to draw category 2 disbursements in respect of postage, stationery, photocopying charges, telephone, fax and other electronic communications on the basis of £12.50 per creditor in the first year of the Administrations and £6.25 per creditor in respect of each subsequent year.

A further resolution is put to the creditors:

- (f) That the Joint Administrators be discharged from liability under the Administrations per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.

The Companies
Forms 2 21B; Creditor's request for a meeting

Rule 2.37

Creditor's request for a meeting

Name of Company

Landfrost Limited

Company number

05596240

In the
High Court of Justice, Chancery Division
(full name of court)Court case number
2793 of 2013(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the companyrequest a meeting of the creditors of (b)
Landfrost Limitedc/o BDO LLP
55 Baker Street
London
W1U 7EU

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Rule 2.37

Creditor's request for a meeting

Name of Company

Dunan Healthcare UK Limited

Company number

07780710

In the
High Court of Justice, Chancery Division
(full name of court)Court case number
2792 of 2013(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the companyrequest a meeting of the creditors of (b)
Landfrost Limitedc/o BDO LLP
55 Baker Street
London
W1U 7EU

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Rule 2.37

Creditor's request for a meeting

Name of Company

Moorpark Propco Limited

Company number

05543325

In the
High Court of Justice, Chancery Division
(full name of court)Court case number
2791 of 2013(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the companyrequest a meeting of the creditors of (b)
Landfrost Limitedc/o BDO LLP
55 Baker Street
London
W1U 7EU

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated