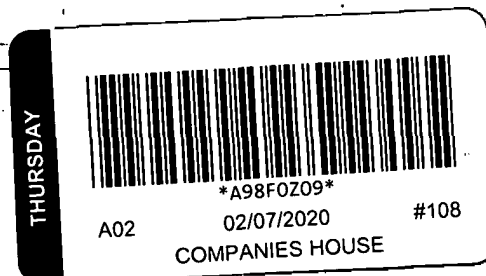


# AM10

## Notice of administrator's progress report



Companies House



### 1 Company details

Company number 0 5 9 6 4 1 4 5

Company name in full SSB Carehomes Limited

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

### 2 Administrator's name

Full forename(s) Bob

Surname Maxwell

### 3 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

### 4 Administrator's name ①

Full forename(s) Lee

Surname Lockwood

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

### 5 Administrator's address ②

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date 

d	1	d	7
---	---	---	---

m	0	m	1
---	---	---	---

y	2	y	0
---	---	---	---

y	2	y	0
---	---	---	---

To date 

d	0	d	2
---	---	---	---

m	0	m	7
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y	2	y	0
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y	2	y	0
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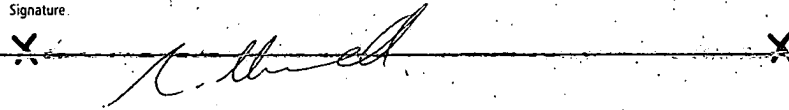
### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature



Signature date 

d	0	d	2
---	---	---	---

m	0	m	7
---	---	---	---

y	2	y	0
---	---	---	---

y	2	y	0
---	---	---	---

AM10

Notice of administrator's progress report



**Presenter information**

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

Contact name **Ben Fallon**

Company name **Begbies Traynor (Central) LLP**

Address **Fourth Floor**

**Toronto Square**

Post town **Toronto Street**

County/Region **Leeds**

Postcode **L S 1 2 H J**

Country

DX

Telephone **0113 244 0044**



**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



**Important information**

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



**Where to send**

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

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

DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

Bob Maxwell and Lee Lockwood appointed Joint Administrators on 17 July 2018.

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability.

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## **SSB Carehomes Limited (In Administration)**

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### **Final Progress Report of the Joint Administrators**

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Period: 17 January 2020 to 2 July 2020

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## **Important Notice**

This final progress report has been produced by the Administrators solely to comply with their statutory duty to report to creditors on the progress of the Administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

This report has been produced during the Covid-19 HM Government restrictions. As a result, our access to information within our physical case files has been limited as our firm has implemented remote working wherever possible in line with HM Government guidance in order to protect its employees and to limit the spread of the virus. Consequently, this report has been prepared from information we are able to access remotely. We have taken every reasonable step to ensure that the information is accurate.

## **Contents**

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- ☐ Interpretation
  - ☐ Statutory information
  - ☐ Details of appointment of Administrators
  - ☐ Progress during the period
  - ☐ Outcome for creditors
  - ☐ Administrators' proposals
  - ☐ Summary of steps taken during the Administration
  - ☐ Remuneration and disbursements
  - ☐ Expenses
  - ☐ Creditors' rights
  - ☐ Assets that remain to be realised
  - ☐ Other relevant information
  - ☐ Conclusion
  - ☐ Appendices
    - 1. Account of receipts and payments
    - 2. Summary of Administrators' proposals, including major amendments to, and deviations from them
    - 3. Time costs and disbursements
    - 4. Statement of expenses
-

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	SSB Carehomes Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 17 July 2018
"the Administrators", "we", "our", "us"	Bob Maxwell of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

## 2. STATUTORY INFORMATION

Name of Company	SSB Carehomes Limited
Trading names:	The Manor Nursing Home Eagle Nursing Home
Date of Incorporation:	11 October 2006
Company registered number:	05964145
Company registered office:	The Manor Nursing Home, Dog & Duck Lane, Morton, Gainsborough, DN21 3BB

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of Administrators:	Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Lee Lockwood, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Date of appointment:	17 July 2018
Date of resignation:	n/a
Court:	Leeds High Courts of Justice
Court Case Number:	593 of 2018
Person making appointment / application:	Sanjiv Basu in his capacity as director of the Company
Acts of the Administrators:	The Administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the Administration period	The Administration was extended with the consent of creditors for a period of 12 months until 16 July 2020.

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 January 2020 to 2 July 2020.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

#### General case administration and planning

Time has been spent populating and maintaining the virtual electronic case files. We have continued to ensure that we have an accurate and complete record of how the case is being administered, including fully documenting the reasons for any decisions that have been made.

Regular internal meetings have been held between the case staff in order to carry out the following:

- Review the strategy in relation to realisations of the monies due to the Company from the purchaser of The Manor Nursing Home ("The Manor");
- Review of the strategy in relation to the outcome of the investigations undertaken to establish the value of the director loan account; and
- Carrying out internal case reviews to ensure all matters are being dealt with in accordance with statutory obligations and best practice and that matters are progressing.

Whilst this work is of no direct financial benefit to creditors, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. These meetings will assist with the progression of the case.

#### Compliance with the Insolvency Act, Rules and best practice

We have a duty to comply with the Act, Rules and best practice. The time incurred preparing and sending our previous progress report to creditors falls under the period of this report.

In addition, this final report has been prepared in order to provide an overview of the Administration and the outcome for creditors.

We have also monitored realisations during the period to ensure that the statutory bond is sufficient to cover the value of total realisations during the Administration in order to protect the interests of the Company's creditors. We have paid £320 to Marsh Limited in this regard.

Our cashiers have spent time in reconciling the bank account and processing receipts and payments. We have incurred bank charges of £51 during the period.



Whilst this work is of no direct financial benefit to creditors, it is necessary in accordance with the Act, Rules and best practice.

#### Realisation of assets

Time has been spent dealing with debt collection and sale of the director's loan account to Manolete Partners plc. However, no realisations have been possible in this regard.

In addition, we have liaised with Irwin Mitchell LLP regarding the monies collected by the purchaser of The Manor for care fees due to the Company during our trading period. We have paid Irwin Mitchell LLP the sum of £3,431 in respect of their work assisting with the debt collection and other final matters in the Administration.

#### Trading

We have spent time finalising the trading account position, including collecting the final sums from the purchaser of The Manor in the sum of £2,197 (as mentioned above) and discharging the final costs of the bookkeeper of £340.

In addition, the final utility and rates bills in the sums of £1,191 and £285 respectively have been paid during the period.

The pension contributions due for the period we traded The Manor in the total sum of £9,606 have been paid across to NOW Pensions to allow the scheme to be closed down.

#### Dealing with all creditors' claims (including employees), correspondence and distributions

We have provided updates and reported to the Company's secured creditor, HSBC Bank plc ("HSBC") throughout the period to keep them appraised. A final distribution in the sum of £91,179 has been paid to HSBC in accordance with its fixed charge security.

Time has also been spent dealing with creditor queries as and when they arise.

Other than the distribution to HSBC, there is no direct financial benefit to creditors in carrying out the above work.

#### Other matters which includes seeking decision of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

We sought an increase to our fee estimate from HSBC at the time of issuing our previous progress report. Time was spent liaising with HSBC and preparing the appropriate paperwork in respect of this resolution, which was approved.

Time under this heading has also been spent dealing with the tax affairs of the Company and submitted tax returns as necessary. Accountants, Watson Buckle, were instructed to complete the corporation tax returns for the pre and post Administration periods and review a potential terminal tax loss relief claim. Watson Buckle have been paid the sum of £2,500 for their assistance and we have paid HM Revenue & Customs ("HMRC") £100 in respect of the corporation tax liability for the Administration.

The sum of £429 has been paid to our storage agents, Restore plc, in respect of the storage of our files for the statutory period of six years and collection and storage of the Company's records for a period of one year. This cost includes subsequent destruction costs.

We have also discharged our outstanding disbursements totalling £835 which include: travel (£422), mileage (£318), search fees (£76), parking (£13) and subsistence (£7).

As the Company is not VAT registered, it carries VAT as an expense. The sum of £40,337 has been incurred in VAT which will not be recoverable from HMRC.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliance progression of the Administration, which ensures that we carry out our work to high professional standards.

## 5. OUTCOME FOR CREDITORS

### **Secured creditor**

HSBC have received total fixed charge distributions of £491,179. However, this means HSBC has suffered a shortfall against its total indebtedness on appointment of £1,064,932.

### **Preferential creditors**

~~There have been insufficient realisations to pay a dividend to the preferential creditors.~~

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### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Details of how the prescribed part is calculated have previously been provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £nil and the prescribed part of the Company's net property to be £nil.

We have not made a distribution of the prescribed part as the estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003.

### **Unsecured creditors**

There have been insufficient realisations to pay a dividend to unsecured creditors.

### **Exit from Administration**

Once the Notice of move from Administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as Administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

## 6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules in the absence of an initial meeting of creditors.

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## 7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

### Trading

In the circumstances, it was considered that the appropriate option was to continue to trade The Manor during the Administration with a view to achieving a sale of both this home and Eagle Nursing Home, which had already ceased trading and closed prior to our appointment.

We instructed Premier Care Solutions ("PCS") to oversee the running of The Manor and appointed Philippa Williamson of PCS to replace the former director as the nominated individual registered with the CQC.

Trading continued for approximately 10 months until a sale of The Manor was completed on 15 May 2019. The trading during Administration achieved a profit of £24,798.

### Sale of Eagle Nursing Home

The Eagle ceased to trade on 11 June 2018, which was prior to our appointment, following the decision of Lincoln County Council to remove all residents due to concerns over their wellbeing. The Care Quality Commission subsequently withdrew their registration.

Time was therefore required to deal with the former employees of the care home to assist them with their claims for redundancy and other monies owed.

Agents, Eddisons were instructed to market the property for sale as a vacant unit. The marketing culminated in an offer of £410,000 being accepted for the home and the sale duly completed on 7 December 2018.

### Sale of The Manor Care Home

The Manor was marketed in conjunction with our continued trading of the home in order that it could be sold as a trading entity, thus preserving jobs and ensuring residents would not have to be relocated.

Following an extensive marketing campaign, The Manor was sold on 15 May 2019 for the total sum of £351,000.

## 8. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by the secured creditor on 12 September 2018, by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate in the sum of £154,962 at HSBC panel rates. We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor Group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of Administration and which are attached at Appendix 2 of this report.

Our original fees estimate was increased by £25,120 by the approval of the secured creditor which was obtained by correspondence. This makes the total amount of our approved estimate £180,082.

Our time costs for the period from 17 January 2020 to 2 July 2020 amount to £31,471 which represents 169 hours at an average rate of £186 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

- ☐ Time Costs Analysis for the period 17 January 2020 to 2 July 2020
- ☐ Begbies Traynor (Central) LLP's charging policy

To 2 July 2020, we have drawn the total sum of £180,082 on account of our remuneration, against total time costs of £188,341 incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 17 July 2018 to 2 July 2020 is also attached at Appendix 3.

In the absence of there being sufficient fee approval obtained to discharge our time costs in full, our unbilled time costs of £8,259, have been written off as irrecoverable. However, we reserve the right to recover our unbilled time costs if circumstances subsequently permit us to do so.

As can be seen from the information above, we have exceeded the limit of our increased fees estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the increased estimate has been exceeded are as follows:

- Finalising the Administration trading position, including pursuing the purchaser of The Manor for the care fees owed to the Company;
- Additional work required to finalise the financial affairs of the Company and submit the corporation tax returns;
- Preparing our final report to HSBC; and
- Finalising all statutory matters and preparing for closure of the administration.

In light of the above, we are obliged to provide the secured creditor with details of the additional work that has been undertaken along with details of the time and cost of that additional work. However, we do not propose to seek a fee increase from the secured creditor in this instance.

#### **Disbursements**

To 2 July 2020, we have also drawn disbursements in the sum of £1,155.

#### **Category 2 Disbursements**

We have not incurred any Category 2 disbursements or disbursements that should be treated as Category 2 disbursements during the period of this report.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## **9. EXPENSES**

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Creditors will recall that we estimated that the expenses of the Administration would total £71,159 plus agents' fees of 3% of the two care homes.

### **Legal Fees**

Irwin Mitchell LLP have incurred costs and disbursements of £35,142 throughout the Administration. These relate to general matters arising throughout the period of the Administration including:

- Security review;
- Assisting with the sale of The Manor and The Eagle;
- Debt collection; and
- Providing legal advice generally on matters arising throughout, in particular relating to the trading period.

### **Agents Fees – Eddisons Commercial Limited ("Eddisons") and Bespoke Care**

Eddisons are an associated party to the Begbies Traynor Group. Eddisons are providers of insurance services, property valuation and sale agents, as well as a provider of security services.

Full details of these costs are set out below.

#### Property

Eddisons and Bespoke Care were instructed to market and sell the freehold properties. Their fees were agreed at a combined 3% of gross realisations plus marketing and other costs.

#### Security

Remotzone, a trading style of Eddisons, are instructed to manage the security requirements for the care homes and in particular, Eagle Nursing Home. Remotzone incurred costs of £3,880 in this regard.

#### Insurance

Eddisons Insurance Services Limited are the brokers instructed to insure the Company's assets during the period of our appointment. We incurred and paid insurance costs of £13,412.

## **10. CREDITORS' RIGHTS**

### **Right to request further information**

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

### **Right to make an application to court**

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

## 11. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

## 12. OTHER RELEVANT INFORMATION

### Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the director. We have complied with our duties in this respect.

### Investigations completed

As explained in our interim progress reports we have been investigating the manner in which the business was conducted prior to the Administration of the Company and potential recoveries for the estate in this respect.

### Extension of Administration

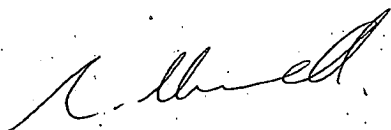
The Administration has been extended for a period of 12 months with the consent of creditors until 16 July 2020.

### Use of personal information

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

## 13. CONCLUSION

Once the Notice of move from Administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as Administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.



**R A H Maxwell**  
Joint Administrator

Date: 2 July 2020

# ACCOUNT OF RECEIPTS AND PAYMENTS

## Trading Account

Period: 17 January 2020 to 2 July 2020

Statement of Affairs £	From 17/01/2020 To 02/07/2020 £	From 17/07/2018 To 02/07/2020 £
POST APPOINTMENT SALES		
Care Fees	2,186.56	669,439.10
Local Authority Contribution	NIL	30,000.00
Miscellaneous Income	NIL	300.00
	<u>2,186.56</u>	<u>699,739.10</u>
OTHER DIRECT COSTS		
Pension Deductions	NIL	208.85
Direct Labour	NIL	(414,259.18)
Agency Staff	NIL	(23,050.75)
PAYE/NIC	NIL	(112,704.67)
	<u>NIL</u>	<u>(549,805.75)</u>
TRADING EXPENDITURE		
Pension Deductions	9,606.21	9,606.21
Rates	285.42	285.42
Waste Collection	NIL	2,093.64
Telephone	NIL	1,267.46
Property Maintenance	NIL	2,688.30
Payroll Costs	NIL	1,389.56
Bank Interest & Charges	NIL	2,622.07
IT Costs	NIL	1,702.00
Repairs & Maintenance	NIL	3,570.00
Sundry Expenses	NIL	150.50
Holiday Accrued	NIL	11,691.69
Residents Expenses	NIL	772.50
Stationery	NIL	102.60
Utilities	1,190.74	17,316.35
Care Management Fees	NIL	14,844.80
Staff Training	NIL	1,702.58
Bookkeeping	340.00	16,257.18
Food	NIL	15,958.16
Petty Cash	NIL	6,927.68
Attachment of Earnings	NIL	1,188.27
Irrecoverable VAT	NIL	770.09
Medical & Cleaning Supplies	NIL	12,086.34
Staff Expenses	NIL	142.20
	<u>(11,422.37)</u>	<u>(125,135.60)</u>
TRADING SURPLUS/(DEFICIT)	<u>(9,235.81)</u>	<u>24,797.75</u>

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 17 January 2020 to 2 July 2020

Statement of Affairs		From 17/01/2020 To 02/07/2020	From 17/07/2018 To 02/07/2020
£		£	£
	<b>SECURED ASSETS</b>		
Uncertain	Manor Nursing Home/11 Dog & Duck	NIL	332,993.00
Uncertain	Eagle Nursing Home	NIL	410,000.00
NIL	Goodwill	NIL	2.00
		NIL	742,995.00
	<b>COSTS OF REALISATION</b>		
	Pre Appointment Legal Fees & Disbs	NIL	5,503.50
	Legal Fees & Disbursements	3,431.00	35,142.00
	Agents Fees & Disbursements	NIL	23,664.90
	Irrecoverable VAT	NIL	4,232.00
	Security Costs	NIL	3,880.00
	Insurance Costs	NIL	13,411.80
		(3,431.00)	(85,834.20)
	<b>SECURED CREDITORS</b>		
(1,064,932.00)	HSBC Bank plc	91,178.52	491,178.52
		(91,178.52)	(491,178.52)
	<b>ASSET REALISATIONS</b>		
37,919.00	Book Debts	NIL	46,256.57
Uncertain	Director's Overdrawn Loan Account	NIL	1.00
Uncertain	Furniture & Equipment	NIL	18,000.00
	Misc Refund	NIL	332.11
200.00	Motor Vehicles	NIL	300.00
	Other Assets	NIL	5.00
	<b>TRADING SURPLUS/(DEFICIT)</b>	(9,235.81)	24,797.75
		(9,235.81)	89,692.43
	<b>COST OF REALISATIONS</b>		
	Accountants Fees	2,500.00	2,500.00
	Administrators' Expenses	835.15	835.15
	Administrators' Fees	180,082.00	180,082.00
	Bank Charges	50.80	117.29
	Corporation Tax	100.00	100.00
	Irrecoverable VAT	40,336.84	56,565.32
	Pre-appointment Fees	14,133.95	14,133.95
	Re-Direction of Mail	NIL	507.00
	Specific Bond	320.00	320.00
	Statutory Advertising	NIL	84.60
	Storage Costs	429.40	429.40
		(238,788.14)	(255,674.71)
	<b>PREFERENTIAL CREDITORS</b>		
(37,543.99)	Employees - Arrears & Holiday Pay	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(1,803.23)	Employees	NIL	NIL
(343,032.27)	HMRC - PAYE/NIC/CT	NIL	NIL
(78,622.12)	RPO	NIL	NIL
(118,535.58)	Trade Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(900,100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,506,450.19)		(342,633.47)	0.00



## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

### **Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended)**

#### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the Administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at Section 3 of this report above.

For the reasons set out in this report, we presently consider that the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

It was not possible to rescue the Company on a going concern basis due to the closure of The Eagle, which ultimately led to the termination of the CVA prior to our appointment as the Company was unable to meet its obligations. In addition, the Company had significant secured and unsecured liabilities at the date of appointment and would therefore have required immediate significant working capital which was unrealistic to expect considering the circumstances.

We consider that being able to continue to trade The Manor in the context of an administration as an alternative to an immediate cessation of trade and liquidation of the Company will enhance the prospects for the secured creditor due to the sale as an operational business.

In order that the purpose of the Administration may be fully achieved, we propose to remain in office as Administrators in order to conclude the realisation of the Company's property and to deal with any other issues. The principal matters to deal with in this respect are:

- The continued trading, marketing and sale of The Manor as an operational business.
- The sale of the vacant Eagle Nursing Home.
- The collection of outstanding book debts
- Liaising with the CVA supervisor where necessary with regard to matters relevant to the Administration
- Undertake an assessment into the manner in which the business was conducted prior to the administration of the Company and establish any potential recoveries for the estate.
- Investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure.

#### ***Exit from Administration***

##### **Dissolution**

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as Administrators and that the purpose of the Administration has been fully achieved, we propose to deliver a notice of moving from Administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as

Administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

### **Creditors' Voluntary Liquidation**

If it transpires that the Company has sufficient funds to make a distribution to unsecured creditors, other than via the prescribed part, it will be necessary to place the Company into Creditors' Voluntary Liquidation.

We have the power to make a distribution of the prescribed part to unsecured creditors in the Administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as Administrators and that the purpose of the Administration has been fully achieved, we propose to deliver a notice of moving from administration to creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as Administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

### **Compulsory Winding Up**

Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with via a compulsory liquidation.

In this instance, we, in our capacity as administrators, would make an application to Court under paragraph 79 of Schedule B1 to the Act. The application would be to bring the administration to an end. Simultaneously, we would make an application under Section 124 of the Act to move the Company into compulsory liquidation.

### **Extending the administration**

However, it may transpire that it is not possible to finalise the Administration as envisaged within one year of the date of our appointment. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the Administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

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## **TIME COSTS AND DISBURSEMENTS**

- a. Begbies Traynor (Central) LLP's charging policy;
  - b. Time Costs Analysis for the period from 17 January 2020 to 2 July 2020; and
  - c. Cumulative Time Costs Analysis for the period from 17 July 2018 to 2 July 2020.
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## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where ~~payments are to be made to parties other than the firm, but in relation to which the office holder, the~~ firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

<sup>1</sup> Statement of Insolvency Practice 9 (SIP-9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

*Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

**Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction**

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged.

The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

#### **BEGBIES TRAYNOR CHARGE-OUT-RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 December 2018 – until further notice</b>
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 May 2011 – until further notice</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

### **AGREED HSBC BANK PLC PANEL CHARGE-OUT RATES**

The rates agreed with HSBC Bank plc at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour)</b>
Partner	260
Director	260
Senior Manager	190
Manager	190
Assistant Manager	190
Senior Administrator	130
Administrator	85
Trainee Administrator	85
Support	85



SIP9 SSB Carehomes Limited - Administration - 80SS014.ADM : Time Costs Analysis From 17/01/2020 To 02/07/2020

[illegible]

SLP9 SSB Carehomes Limited - Administration - 80SS0114 ABM, Time Costs Analysis From 17/07/2018 To 02/07/2020

[illegible]

## APPENDIX 4

## STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities <b>not</b> within the Begbies Traynor Group				
Legal fees	Irwin Mitchell LLP	3,431.00	3,431.00	0.00
Accountant's fees	Watson Buckle Limited	2,500.00	2,500.00	0.00
Bank charges	HSBC Bank plc	50.80	50.80	0.00
Storage	Restore plc	429.80	429.80	0.00

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agent's fees	Eddisons Commercial Limited	14,628.00
	Bespoke Care	12,700.00
Legal fees & disbursements	Irwin Mitchell LLP	35,142.00
Insurance	Eddisons Insurance Services Limited	13,411.80
Security costs	Eddisons Commercial Limited	3,880.00
Accountant's fees	Watson Buckle Limited	2,500.00
Re-direction of Mail	Royal Mail	507.00
Bond	Marsh Limited	320.00
Travel & subsistence	Begbies Traynor (Central) LLP	269.65
Bank charges	HSBC Bank plc	117.29
Statutory advertising	Courts Advertising Limited	84.60

Land Registry searches	HM Land Registry	67.00
Storage	Restore plc	429.80