

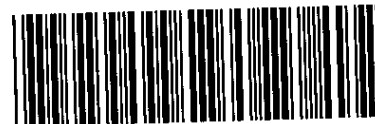
AM03

Notice of administrator's proposals



Companies House

FRIDAY



A24 *A89KMUCQ* #254
12/07/2019
COMPANIES HOUSE

1 Company details

Company number 1 0 3 0 9 4 9 6

Company name in full COMBINE OPCO LIMITED

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

2 Administrator's name

Full forename(s) MARTIN CHARLES

Surname ARMSTRONG

3 Administrator's address

Building name/number ALLEN HOUSE

Street 1 WESTMEAD ROAD

Post town SUTTON

County/Region SURREY

Postcode S M 1 4 L A

Country

4 Administrator's name ①

Full forename(s) JAMES EDMUND

Surname PATCHETT

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

5 Administrator's address ②

Building name/number ALLEN HOUSE

Street 1 WESTMEAD ROAD

Post town SUTTON

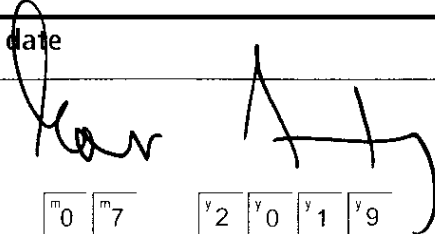
County/Region SURREY

Postcode S M 1 4 L A

Country

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div><div><div>^d1</div><div>^d0</div></div><div><div>^m0</div><div>^m7</div></div><div><div>^y2</div><div>^y0</div><div>^y1</div><div>^y9</div></div></div>	

AM03

Notice of Administrator's Proposals



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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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 and dated the form.



Important information

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



Where to send

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

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



Further information

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

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

**Joint Administrators' Proposals relating to
Combine Opco Limited t/as "The Hospital Group" ("the Company") – In Administration**

Issued on: 10th July 2019

Delivered to creditors on: 12th July 2019

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APPENDICES

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James E Patchett and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Statutory information relating to the Company is attached at Appendix 1.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

The Company was established on 3rd August 2019 to provide cosmetic surgery services trading under the name "The Hospital Group". The Company operated in conjunction with a connected company, TFHC Limited, which also provided cosmetic surgery services and traded as ""Transform". The Company had purchased the business and assets of The Hospital Group Healthcare Limited out of Administration in October 2016 whilst TFHC Limited had purchased the business and assets of Transform Medical Group (CS) Limited out of Administration in June 2015.

The Company is one of the UK's leading providers of medical aesthetics and cosmetic surgery, and operated from 13 clinics and 1 hospital.

The business experienced significant market downturn in the first half of 2019. This downturn is partly as a result of the lack of clarity following the 'Brexit' vote and the subsequent downturn in the UK economy. As a result, consumers have less disposable income available and are therefore spending less on 'discretionary items', especially ones which are considered high cost, which many of the services are offered by the Company are.

The business historically carried a high proportion of fixed overheads and as such was unable to adapt quickly to the significant decline in revenue. The business undertook various operational restructuring projects, however, they were unable to reduce the fixed costs to a sufficient level, due in part to onerous leases.

The business obtained £1.5m of lending from Aurelius Finance Company Limited ("AFC") in an effort to ease cash flow pressures which were faced as a result of the downturn in trade experienced in the first half of 2019. In addition, in the first half of 2019 the business arranged a formal payment plan with HMRC to discharge its PAYE and VAT arrears, together with agreeing payment plans with various suppliers in respect of outstanding liabilities. Despite these efforts, and as a result of the prolonged nature of the consumer downturn, high fixed costs and onerous leases, the business was not able to mitigate the decline in revenue sufficiently.

In addition to the above, the Company faced a risk of additional and substantial HMRC VAT liabilities and penalties arising from HMRC's decision to deem certain services provided by the Company over several years as subject to VAT. Despite the Company receiving professional advice that these services were not subject to VAT, it was likely that HMRC would raise assessments and penalties against the Company which could not be paid by the Company.

In light of the above, I discussed the financial affairs of the Company with the director and it was concluded that a pre-pack sale of the business and assets would be appropriate. A pre-pack Administration is where the marketing and negotiating work to achieve a sale is undertaken pre-appointment. The terms of the sale are also agreed prior to the Administration with the sales executed immediately (or shortly after) the appointment of an Administrator.

Not only was it considered that an administration with a pre-pack sale provided a better result to the Company's creditors than liquidation. In addition, the Administration and pre-pack sale would preserve the jobs of all 191 current employees of the Company and avoid additional employee claims that would arise in liquidation. The proposed purchaser also agreed to honour all existing arrangements with the Company's patients which ensures that all booked procedures will proceed as planned whilst patients will continue to receive ongoing support and aftercare, neither of which would be available in liquidation. Finally, the realisable value of the assets would be significantly reduced due to a sale on a forced sale, ex-situ basis in liquidation.

Following a review of the Company's financial position it was considered that a "pre-pack" sale of the business and assets would be the best course of action for the creditors and also other stakeholders in the business (including the patients) compared to the alternative options.

My firm was formally instructed on 21st May 2019 to assist in placing the Company into Administration. Following instruction, I instructed independent valuation agents, Middleton Barton Valuations Limited ("MBV"), to value and market the business and assets for sale with a view to achieving a pre-pack sale.

The business and assets of the Company have been sold to a connected company, namely Transform Hospital Group Limited ("THGL") via a "pre-pack" sale. It should be noted that THGL also purchased the business and assets of TFHC Limited, which was also placed into Administration on 3rd July 2019. This sale was executed under one Sale Purchase Agreement ("SPA") with THGL now trading both "Transform" and "The Hospital Group" as one consolidated business.

Further details of the sale are provided later in the report, however, I would draw the key elements of the sale to the attention of creditors:

- **Sale of business and assets:** The assets were subject to an independent valuation and marketing conducted by professional agents who recommended that THGL's offer be accepted;
- **Patient care:** THGL has agreed to honour all existing arrangements with the Company's patients to ensure that there is a seamless transition of care. This will ensure that any existing patients do not suffer as a consequence of the administration;
- **Employees:** All staff employed as at Administration transferred to the purchaser thus preserving jobs and minimising claims in the administration.

A summary of the Company's recent trading performance is shown overleaf:

	Management Accounts for Y/E 31/12/2018	Audited Accounts for Y/E 31/12/2017	Audited Accounts for P/E 31/12/2016
Turnover	23,298,112	22,459,014	3,037,012
Cost of Sales	14,075,283	(13,536,075)	(5,210,173)
Gross Profit	9,222,829	8,922,939	(2,173,161)
<i>Gross Profit %</i>	39.59%	39.73%	-71.56%
Net Profit/Loss after Tax	(1,323,190)	(789,556)	(5,095,129)

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

Prior to the commencement of the Administration I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. This advice was provided to the Company under formal engagement by the Board which took effect on 21st May 2019. No advice was given to the director regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics. On 25th June 2019, Turpin Barker Armstrong was instructed to assist the Board of the Company to place it into Administration.

Appendix 2 provides details of my firm's prior involvement with the Company, its directors or shareholders (and ultimate beneficial owners), including the safeguards introduced to reduce the ethical threats. Appendix 2 has been prepared as a combined note in relation to the Company and Combine Opco Limited. As required by the Insolvency Code of Ethics, James E Patchett and I considered the various threats to our objectivity arising from this prior involvement. As stated in Appendix 2 we concluded that those threats were at an acceptable level such that we could still act objectively and hence could be appointed Joint Administrators of the Company.

On 3rd July 2019, James E Patchett and I were appointed by the Company as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, although both Administrators have been involved in dealing with the Company's affairs.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrators of the Company, James Patchett and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve 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); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

As a result, we are seeking to achieve objective (b) for the Company, and will do this by a pre-pack sale of the business.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or seek a decision from the creditors to extend the duration of the Administration.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

Since I was appointed Administrator work has been undertaken in respect of the following:

4.1. Properties

The Company traded from various premises across the UK. As part of the SPA, Licences to Occupy were entered into in respect of properties located in England and Scotland.

These Licences, which run for a term of 6 months, have been entered into to allow THGL to occupy the respective premises whilst they make separate arrangements for future use of the premises directly with the respective landlords. Some properties have not been retained for the purposes of the Administration as they were not required by THGL.

The following work has been undertaken with regards to the Company's properties and the Licences to Occupy.

- Opening designated bank account to deal with rental funds (if appropriate);
- Liaising with THGL regarding the occupation and vacation of certain properties.

4.2. Employees

As at the date of appointment, the Company employed 191 contracted staff. The employment of all 191 contracted staff transferred to THGL under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). Accordingly, the following work has been undertaken in respect of the employees:

- Preparing notifications to be issued to employees (both redundant and transferred);
- Liaising with THGL to coordinate communications with employees;

4.3. Barclays Bank Plc

In order to facilitate the receipt of funds owing to the Company, which includes funds due to TGHL for future procedures, Barclays were instructed to ensure that the Company's bank account remained open *to receive credits only*.

The work undertaken in this regard relates to ongoing correspondence with Barclays Bank regarding the operation of the accounts and the transfer of funds.

4.4. Funds due to purchaser

As stated above, the Company's bank account continues to receive funds from customers. The majority of these receipts relate to future procedures which will be undertaken by THGL. Under the terms of the SPA, these funds will be payable to THGL. We have been in correspondence with both THGL and Barclays Bank regarding the logistics of dealing with and transferring these funds to the purchaser. This has included obtaining documentation to evidence the receipt of the funds which are being claimed to enable a reconciliation of the same.

4.5. Pensions

The Company operated one pension scheme and, whilst agents have been engaged to assist with our obligations in respect of this scheme, the following work has been required in this regard:

- Dealing with the formalities of the instruction;
- Liaising with pension agents and dealing with queries raised;
- Making enquiries of the director and obtaining further information regarding the pension scheme;
- Reviewing and authorising statutory notifications.

I had to undertake the work stated as part of my routine administrative functions, to minimise the adverse impact of the Administration on stakeholders; and in order to protect and realise the assets of the Company.

In addition, I have undertaken routine statutory and compliance work, such as:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Preparing, reviewing and issuing proposals to the creditors and members.
- Filing the proposals at Companies House.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank accounts.
- Creating, maintaining and managing the office holder's cashbook.
- Overseeing and controlling the work done on the case by case administrators;
- Maintaining up to date creditor information on the case management system.

These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following comprises my disclosure to creditors in order to meet the requirement of Statement of Insolvency Practice 16 as regards the pre-pack sale (although some elements are dealt with in more detail in other parts of these proposals).

Role of the Insolvency Practitioner

On 25th January 2019, I was instructed to provide advice to assist the Company with a view to agreeing a Time to Pay arrangement with HMRC.

I was subsequently contacted with a view to conducting a limited scope high-level review of the Companies to ascertain the Companies' financial position, recent trading, future viability and cash needs. This review was carried out on the instruction of the Companies in light of its cash flow difficulties. This work was undertaken under a formal letter of engagement effective from 25th January 2019 and signed on behalf of the Board of Directors on 21st May 2019.

Turpin Barker Armstrong was subsequently instructed to assist in placing the Companies into Administration under a letter of engagement signed on behalf of the Board of Directors and dated 24th June 2019.

Prior to the commencement of the Administration I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual director regarding the impact of the insolvency of the Company on his personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics. In accordance with the agreed strategy, the Company filed a Notice of Intention to Appoint an Administrator at Court on 24th June 2019.

My role was to discuss and advise the various options available to the Board before concluding that based on information available, it would be appropriate to take steps to undertake pre-pack sale.

Ultimately the Company was placed into Administration and I was appointed Administrator together with James E Patchett. As Joint Administrators we are officers of the Court and we have taken over the management of the Company from the Board. As indicated above, the purpose of this Administration is achieve objective (b).

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

Pre-appointment considerations

Following my first contact with the Board, I had regular communications with various stakeholders regarding the financial position of the Company, and in particular the attitude of AFC and the other charge holder, Aurelius Upsilon UK Investment Limited ("AUU").

The Company was reliant on the support of AUU and AFC who provided lending to the Company and who each held a fixed and floating charge over the Company's assets. Prior to Administration there was consultation with AUU and AFC regarding the financial position of the Company and the proposed strategy. AUU is owed £688,842 and AFC is owed £2,857,000 (which is a cross collateralised debt owed jointly and severally by the Company and TFHC Limited) and neither charge holder was minded to provide further funding in light of the Company's financial position. It was clear that the Company's assets would not be sufficient to discharge any liability to AUU and AFC in full and therefore a significant proportion of their debts would be unsecured. Furthermore, the Company would have been unable to obtain any further funding from an alternative source as any lender would insist on being secured and in view of the position that security would be worthless (due to the value of the assets and the fact any new lender would rank behind AUU and AFC).

In the circumstances it was imperative that AUU and AFC were fully consulted prior to the appointment of administrators as they could have appointed their own Administrators which may have resulted in the immediate cessation of the business. Notwithstanding this, both AUU and AFC were conscious of the potential impact upon the Company's stakeholders and in particular, the creditors and patients.

I would advise that there was also communication between my firm and the largest unsecured creditor, HM Revenue & Customs and the circumstances of the case discussed. My firm had also had prior communications with HMRC regarding the Time to Pay agreements and the Company's financial position as a whole. No other major creditors were consulted in order to avoid the situation becoming public knowledge, which would've had a detrimental effect on the value of the business and the provision of ongoing services. It should, however, be noted that the Care Quality Commission (CQC) were made aware of the Company's financial difficulties and were consulted in respect of the pre-pack administration.

In light of the pressure the Company was under, and the overriding objective to preserve the business and minimise the impact on all stakeholders (including vulnerable patients), a formal insolvency procedure was therefore required.

The following insolvency procedures were discussed with the Board:-

Company Voluntary Arrangement (CVA) – The Company did not have sufficient working capital with which to put forward a realistic and achievable CVA. Further, the Company's cash flow problems meant that an urgent insolvency procedure was required in order to rescue the business.

Trading Administration - It was also considered whether it would be appropriate to trade the business in Administration, however, as stated above there was insufficient working capital to trade. Therefore this was not considered a viable option.

"Pre-Pack" Administration – A sale of the Company's business and assets on appointment was considered appropriate in view of the interest from THGL. In light of the potential impact on existing and future patients, it was considered that it would be in the public interest for an Administration and immediate sale to be effected.

Creditors' Voluntary Liquidation ("CVL") – It was considered that a liquidation should be avoided in light of the impact this would have on patients in so far as no aftercare would be provided nor would any existing arrangements be honoured. Further, in a liquidation scenario, all 197 of the Company's contracted employees would be made redundant giving rise to significant employee claims. This would have resulted in a worse outcome for creditors as a whole.

In light of the above it was considered that a pre-pack sale would be the most appropriate option for the Company and in the best interests of all stakeholders. Following discussions, it became clear that a sale of the business and assets could be achieved to THGL. A Notice of Intention to Appoint an Administrator was therefore filed at Court on 24th June 2019. Following this, the business and assets were marketed for sale whilst we also sought consent from the Financial Conduct Authority ("FCA") for the Administration and proposed pre-pack sale to proceed.

As previously stated, the Company had previously acquired the business and assets of The Hospital Group Healthcare Limited out of Administration in October 2016. James E Patchett and I were appointed as Joint Administrators of Transform Medical Group (CS) Limited. Full details of the ethical threats identified, how these were evaluated them what the steps taken to address the threats in question can be found at Appendix 2.

As Joint Administrator of the Company the pre-pack sale of the business enables me to achieve the objective set out above as it achieves a better result for the creditors as a whole than would be likely if the Company had been placed into Liquidation without first being in Administration, as I have indicated above. I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case.

Valuation of the business and assets

As previously reported, Messrs MBV, a firm of professional, independent valuation agents were instructed to provide an independent professional valuation of the Company's business and assets. The valuer responsible for the valuation was Damian Short, who has confirmed that he is a Member of The Royal Institution of Chartered Surveyors (RICS) and has the appropriate knowledge to oversee an instruction of this nature on the basis he has considerable experience in dealing with assets of this nature and knowledge of the industry. It was therefore considered that MBV were suitable for assisting in this matter. MBV have confirmed that they have adequate professional indemnity insurance in place.

The assets were valued both on the basis of an "in situ" sale with a view to trading on the same site and on an "ex situ" break up basis as would occur in a liquidation. Details of the value attributed to each category of asset and the value to be realised is below:

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	e.g. In-situ	e.g. Ex-situ	
<i><u>Fixed charge assets*</u></i>			
Book Debts	17,500	Nil	17,500
Goodwill***	Nil	Nil	1
Intellectual Property	Nil	Nil	9,992
<i><u>Floating charge assets</u></i>			
Office Furniture and Equipment	28,000	13,000	Nil
Plant and Machinery	110,000	42,000	100,000
Fixtures and Fittings	30,000	Nil	Nil
Stock	206,000	88,000	190,000
Motor Vehicles	55,000	45,000	Nil
Books and Records**	Nil	Nil	1

Benefit subject to the burden of contracts**	Nil	Nil	1
Customer Deposits**	Nil	Nil	1
Database and Database Records*	Nil	Nil	1
Prepayments**	Nil	Nil	3
Total	446,500	188,000	317,500

**The security held by AUU and AFC purports to create fixed charges over the assets stated. The assets to which the fixed charges apply is subject to legal advice.*

***Whilst it is understood that the Company did not own any of these assets (or they had no value), a nominal amount was allocated to these items at the request of THGL.*

Marketing of the business and assets

A marketing campaign relative to the circumstances of the business was undertaken by MBV. The marketing included the following activities:

- Advertising of the opportunity of MBV's website;
- Mailing of the opportunity to 4,767 high net worth individuals and companies interested in the acquisition of distressed assets.

The marketing campaign did not attract any interest aside from THGL (who had already expressed an interest).

MBV invited THGL to put forward their best offer for the business and assets. Following negotiations, THGL presented a global offer of £317,500 for the assets outlined in the above table.

The deadline for interest/offer expired at 12 noon on 28th June 2019. No other formal offers were received. MBV considered whether there was any merit in undertaking a further marketing campaign, however, they recommended there was not as this would likely prolong completion and present unnecessary costs in the Administration. In addition, further marketing may have frustrated THGL and had a negative effect on the value of the business leading to a reduced offer from THGL.

No other marketing actions were considered appropriate in light of the fact that the provision of cosmetic surgery relies on the confidence and trust of customers and patients in the entity planning to undertake the procedure. It was considered that any actions which would undermine this trust would have a catastrophic impact on the business in so far as it is likely that it would likely cause a mass cancellation of procedures and the immediate dissipation of the trade of the business. With this in mind, the marketing strategy focused on a timely exit in order to mitigate the risks of trading the business and the knowledge that the business had limited cash flow which would restrict trading for any extended period going forward. The marketing strategy therefore excluded any trade publication marketing and broadsheet press. This was on the basis this is an extremely timely and costly exercise and, considering the nature of the sale and timescales available, it was neither considered appropriate or possible to place adverts of this nature. Finally, there are a limited number of providers in this sector and it was considered that any targeted marketing to competitors would again have resulted in the Company's position becoming public knowledge, increasing the risk of the dissipation of consumer confidence and value in the business.

On the basis that the only interest received in the business was from THGL, no non-disclosure agreements have been issued and no further information has been released to unconnected third parties.

Considering all above matters, MBV recommended that the offer received from THGL be accepted on the basis that, whilst it was below their valuation of the business and assets on an "in situ" basis, it significantly exceeded their valuation of the business and assets on a forced sale and "ex-situ" basis which would be applicable in a liquidation scenario. In addition, there had been no other interest in the assets and therefore MBV were comfortable that the offer provided the best outcome to creditors as a whole in the circumstances of the case and in comparison to the alternative (being liquidation). It also allowed for the continuation of business and all existing procedures and patient after care to be undertaken by THGL.

The sale of the business and assets to THGL completed on 3rd July 2019 and in accordance with the terms of the sale agreement, the initial consideration of £117,800 was received by our solicitors, Russell Cooke LLP.

Details of the pre-pack sale

As advised above, the Company's business and assets were sold to THGL on 3rd July 2019 for £317,500.

TFHG is connected to the Company by way of a common director in Tony Veverka and a common ultimate beneficial owner in Aurelius Equity Opportunities SE & Co KGaA.

The terms of the sale were broadly as follows:

- Consideration of £177,800 payable on completion (equating to 56% of the total consideration);
- Balance of £139,700 payable either when THGL has been granted approval by the Care Quality Commission ("CQC") (or by the longstop date of 6 months following completion), whichever is sooner.

In light of the fact that an element of the sale consideration was deferred, a debenture was granted by THGL in favour of Combine Opco Limited in order to protect the Company's interest in the event that THGL defaulted and failed to adhere to deferred consideration terms.

The apportionment of the sale consideration payable by THGL can be found earlier in these proposals. The contracts for sale which do not include buy backs or similar, have been produced by solicitors, Russell Cooke LLP. The SPA did, however, include the following option agreement:

- THGL has the option to acquire the tax losses of the Company, or direct the Company to transfer these losses to a party that THGL nominates if it transpires that such losses are transferrable. In the event that the Company's losses are transferred then the Company will be entitled to receive 10% of the tax capable of being saved for the benefit of creditors.

In accordance with the sale agreement, certain assets have been excluded from the sale. These include the following:

- The excluded debts (as agreed with THGL);
- Any shares in or securities of any corporate body;
- Except for the customer deposits, all cash in hand and at bank or in any building society or similar account and all cheques, bills or other negotiable instruments;

- The sellers interest in the premises and any rent deposits in respect of any premises not listed in the SPA;
- The right of the seller to make claims against third parties;
- Save to the extent that the seller has any rights in the same, ownership rights in the third party assets, the leased assets and the retention of title assets;
- The Administrators' records;
- The benefit of any tax losses.

As previously reported, the initial consideration of £177,800 has been paid by THGL. These funds were initially paid to Russell Cooke LLP, however, I can confirm that we are now in receipt of these funds.

As reported above, the global offer of £317,500 received from THGL was below MBV's valuation of the business and assets on an "in-situ" basis, however, MBV confirmed that it was appropriate to accept the offer taking account of the following:

- The offer exceeded their valuation of the business and assets on a forced sale and "ex-situ" basis which would be applicable in a liquidation scenario;
- No other interest had been received;
- A sale would provide a better outcome to creditors as a whole whilst also minimising claims in the Administration which would arise upon liquidation.

As previously mentioned, the business and assets of the Company and TFHC Limited were sold to THGL under one SPA.

The business and assets of TFHC Limited were sold to THGL for a total consideration of £432,500. Other than the terms of payment, the SPA included the same terms of sale in respect of the business and assets of Combine Opco Limited. The terms of payment for the sale of Combine Opco Limited are as follows:

- Consideration of £242,200 payable on completion (equating to 56% of total consideration);
- Balance of £190,300 payable either when Combine Opco Limited has been granted approval by the CQC (or by the longstop date of 6 months following completion), whichever is sooner.

The combined SPA was entered into due to the intention of THGL to consolidate the business into one as part of the transaction. This consolidation will rationalise the business resulting in reduced overhead costs and reduced marketing costs, making a scaled down business viable going forward and preserving the jobs of all existing staff.

Connected Party Transactions

As indicated above, the purchaser of the business and assets of the Company is a connected party. Connected party purchasers are encouraged to, but are not required to, approach what is known as the pre-pack pool, an independent group of suitably qualified and experienced individual, in order to obtain their opinion on the pre-pack transaction. The connected party purchaser has to pay £800 plus VAT to the pre-pack pool for them to provide this opinion.

In this instance I understand that the connected purchaser has not approached the pre-pack pool for their opinion on the pre-pack sale.

Connected party purchasers are also encouraged to, but are not required to, prepare a viability statement indicating how their business will survive for at least 12 months from the date of the

purchase, and detailing what they will do differently from the Company in Administration in order that the business will not fail.

In this instance the connected purchaser has prepared a viability statement and a copy is attached as Appendix 3.

Conclusion

The sales to the THGL have maximised realisations for creditors, avoided increased employee liabilities and ensured a seamless transition of care for patients in so far as THGL has agreed to honour all existing arrangements with the Company's patients such that they do not suffer as a consequence of the administration.

No other offers were received for the business and assets and the only alternative would have been the liquidation of the Company which would have resulted in the following:

- Significantly lower realisations;
- All staff would have been made redundant (increasing claims);
- No after care provision for patients (which would likely result in additional claims against the Company);
- Cancellation and disruption to patients with procedures booked (again increasing Company liabilities where procedures have been paid in advance (either in full or in part)).

I confirm that the sale price achieved, and also the outcome, was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

The assets were sold for a total of £317,500. An outline of the different types of assets sold and the amount for which they were sold, together with a comparison against the valuation realisations, can be found earlier in these proposals.

5. FINANCIAL POSITION OF THE COMPANY

I have asked the directors to prepare a summary of the Company's estimated financial position as at 3rd July 2019, which is known as a Statement of Affairs, but they have not yet prepared it on the basis the deadline to provide the Statement of Affairs has not yet lapsed.

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 3rd July 2019 from the records of the Company. I attach a copy of the estimate at Appendix 4, together with a list of names and addresses of all known creditors and the amounts of their debts (other than in respect of employees since I am not permitted by the insolvency legislation to disclose such information).

Creditors should note that the estimate has been prepared based on the basis of the purported security categories held by AUU and AFC. As previously stated, the categorisation of asset realisations as fixed or floating is subject to legal advice and therefore the outcome for creditors may alter based on this legal advice.

Comments on the Joint Administrators' estimate of the financial position of the Company

5.1. Intangible/Tangible Assets included in SPA

<u>Asset Category</u>	<u>Amount (£)</u>
Book Debts	17,500
Goodwill	1
Intellectual Property	9,992
Plant and Machinery	100,000
Stock	190,000
Books and Records	1
Benefit subject to the burden of contracts	1
Customer Deposits	1
Database and Database Records	1
Prepayments	3
Total	317,500

5.2. Leasehold Premises and Rent Deposits

The Company trades from 13 clinics and 1 hospital, all of which are leasehold premises. THGL have been granted Licenses to Occupy on all properties which THGL intend to continue to trade from.

Any benefit arising from rent deposits paid by the Company in respect of properties included in the Licenses to Occupy are included within the pre-pack sale. Any benefit arising from rent deposits in respect of the clinic which is being vacated will be an asset of the administration. The rent deposit in question is believed to total £14,000, however, it is anticipated that these will be offset against dilapidations. Realisations in this regard are therefore highly speculative.

5.3. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15th September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company gave a floating charges to AUU on 6th October 2016 and to AFC on 7th December 2018 and the prescribed part provisions will apply. The Administrators' estimate of the financial position of the Company shows that the net property of the Company is £68,622, and I estimate that the prescribed part of the net property for unsecured creditors is £20,905. It is estimated that the amount of the prescribe part distribution to unsecured creditors will be circa 0.87p in the £.

6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 3rd July 2019, to the date of these proposals, at Appendix 5.

It will be noted that the only receipt to date is that of the initial sale consideration of £177,800 paid by THGL.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company the following work must be undertaken:

7.1. SPA Consideration

The Joint Administrators will liaise with the THGL and our solicitors in respect of the deferred sale consideration which is due to the Company when THGL have obtained formal CQC approval, or within 6 months, whichever is sooner.

In addition, we will pursue any other assets that come to light as a result of our investigations into the affairs of the Company.

7.2. Cash at Bank

The Company's bank accounts remain open to receive funds and time will be spent liaising with Barclays Bank regarding the closure of these accounts and the receipt of the closing balances.

7.3. Funds due to purchaser

I will continue to liaise with Barclays Bank and THGL in order to reconcile the position with regards to funds received which are due to THGL. This will involve collating and reviewing documentation to evidence that the payments made are due to THGL.

7.4. Licences to Occupy

The following work will be required under the Licences to Occupy:

- Ongoing correspondence with THGL;
- Liaising with landlords regarding the retention of properties;
- Calculating and monitoring receipt of Licence fees (if appropriate);
- Agreeing and processing payments to landlords (if appropriate);
- Dealing with day to day queries from landlords;
- Preparing VAT receipts for THGL (if appropriate).

7.5. Distributions to AUU and AFC

It is anticipated that distributions will be made under the fixed and floating charge held by AUU. It is not anticipated that there will be sufficient funds to make a distribution under the fixed and floating charged held by AFC. Time will therefore be spent calculating the appropriate level of distributions,

corresponding with AUU and AFC to ascertain whether there is a deed of priority, and processing payment of these distributions.

As previously stated, the liability owed to AFC is jointly owed by both the Company and TFHC Limited and secured by fixed and floating charges over these entities. It is understood that these charges do not provide that one entity has a primary liability for repayment (although this is subject to legal advice). This means that each Administration estate is equally liable for the debt owed to AFC and it will be for the Joint Administrators of both companies to calculate the appropriate level of distributions to AFC under the floating charges held by them.

7.6. Other Distributions

It is expected that a prescribed part distribution will be payable to unsecured creditors in the Administration. Work will therefore be undertaken to review and agree creditor claims, deal with queries regarding claims, and process the dividend payments.

7.7. Investigations

The Joint Administrators will investigate the affairs of the Company to establish whether there are any potential asset recoveries or conduct matters that require further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In addition, any matters brought to our attention will be considered and investigated as necessary.

Any additional recoveries made as a result of these investigations may facilitate an increased return to creditors. At this stage, however, I am not aware of any potential asset recoveries that require investigation, however, I should be pleased to receive from you any information that you have about the way that the Company's business was conducted or potential asset recoveries that you consider will assist me.

Within three months of our appointment, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our work, which may indicate that the conduct of any past or present director would make him/her unfit to be concerned with the management of the Company. This report will be prepared and submitted in due course.

7.8. Patients

Although THGL have agreed to honour existing procedures and provide customer after care, it is inevitable that time will need to be spent dealing with enquiries from patients and referring them to THGL.

In light of the nature of the industry, it is anticipated that time will also need to be spent dealing with enquiries from patients who are dissatisfied with the outcome of services they received from the Company and dealing with any associated claims in respect of the same.

7.9. General

In addition, we will do all such things and generally exercise all powers as Joint Administrators as we in our discretion consider desirable or expedient in order to achieve the purpose of the Administration.

8. ADMINISTRATORS' REMUNERATION AND EXPENSES

I attach at Appendix 6 a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a fixed fee basis as detailed below:

Fixed fee basis:

There are certain tasks that I have to carry out on nearly every case, namely Administration and Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out.

Administration: This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers delete if practice has no managerial/supervisory grades of staff). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow. (Add in any case specific reasons why this work needs to be undertaken).

Creditors:

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

In addition to the above work, there are further tasks that I am required to carry out where necessary. These are considered in turn in below:

Realisations of Assets:

There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance.

Creditors (distributions):

Whilst I am required to maintain records of creditors' claims in all cases, in those cases where sufficient realisations are made to enable me to pay a dividend to creditors, I have to undertake certain statutory formalities. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of

creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. In light of the size of the Company, it is anticipated that the investigation work to be undertaken will be extensive.

The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

Case Specific Matters:

The case specific work which has been, or will be, undertaken in this case has been set out in these proposals and in Appendix 7. In summary, these tasks relate to dealing with enquiries from patients and carrying out reconciliations of funds received which are due to the THGL. Whilst these tasks do not provide a financial benefit to the estate, they are required to assist the transfer of services and staff which, as previously stated, will serve to (a) reduce/avoid claims in the Administration which will benefit the position of unsecured creditors, and (b) enable services to patients to be carried out.

I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

After taking into account the nature and value of the assets involved and that this is a more complex case, as highlighted above, I have concluded that a fixed fee of £125,000 is necessary to cover that work. I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Full information about the work that I will undertake for the fixed fee is contained in Appendix 7.

I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors (other than by way of the prescribed part of the net property).

As a result, it will be for the chargeholder(s) to approve my remuneration.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

I have incurred total expenses of £3,603.50 since my appointment as Joint Administrator. I have not yet drawn any expenses in this matter. Details of the expenses I have incurred since my appointment are as follows:

Type of expense	Amount incurred/accrued since appointment	Amount still to be paid
Statutory Advertising	£75.00	£75.00
Specific Bond	£720.00	£720.00
Legal Fees	£2,216.00	£2,216.00
PR Services	£92.50	£92.50
Pension Services	£500.00	£500.00

I have used the following agents or professional advisors since my appointment as Joint Administrator:

Professional Advisor	Nature of Work	Fee Arrangement
Russell Cooke LLP	Solicitors	Time costs plus disbursements
Clumber Consultancy Limited	Pension Services	Fixed Fee
Citigate Dewe Rogerson	PR Services	Time costs plus disbursements

The following work has been undertaken by the above following our appointment:

Russell Cooke LLP

Russell Cooke LLP have been instructed to provide legal advice and assistance to the Joint Administrators on a number of matters, including the following:

- Confirmation of the treatments of various assets and the extent to which AFC's charge over them is fixed or floating (or that the asset is not subject to any charge);
- Liaising directly with legal representatives of key stakeholders and interested parties;
- Dealing with post-sale formalities;
- Drafting certain correspondence in relation to the case;
- Advising on property issues raised by landlords;
- Reviewing and agreeing documentation relating to lease assignments;
- Dealing with ad hoc queries as and when appropriate.

Clumber Consultancy Limited

Clumber Consultancy Limited have been instructed to assist the Joint Administrators in dealing with the Company's pension scheme and the associated obligations the work undertaken to date is as follows:

- Preparing pension scheme reports;
- Completion and submission of statutory Pensions Act notifications for the relevant scheme;
- Ongoing advice and assistance to the Joint Administrators in respect of pension matters.

Citigate Dewe Rogerson

Citigate Dewe Rogerson were engaged to field calls and enquiries from various media outlets regarding the Administration in addition to assisting with the preparation of press releases.

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of the case.

I anticipate that expenses totalling £16,826.50 will arise in these proceedings, as detailed in Appendix 8. Expenses do not have to be approved, but when reporting to any committee and the creditors during

the Administration the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action).

9. PRE-ADMINISTRATION COSTS

The Board of Directors instructed me to assist them in placing the Company in Administration on 25th June 2019. They agreed that I should be paid my pre-administration costs as a fixed fee of £22,500. I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following table sets out my pre-administration costs incurred:

Description	Total	Paid pre-appointment	To be Paid
Joint Administrators' Remuneration	£22,500.00	Nil	£22,500.00
Valuation Agents/Marketing	£12,500.00	Nil	£12,500.00
Legal Fees	£23,158.06	Nil	£23,158.06
ERA Services	£125.00	Nil	£125.00
PR Services	£370.00	Nil	£370.00

The following agents or professional advisors prior to my appointment as Administrator:

Professional Advisor	Nature of Work	Fee Arrangement
Middleton Barton Valuations Limited	Valuer/Auctioneer	Time costs
Russell Cooke LLP	Solicitors	Time costs plus disbursements
Cumber Consultancy ERA Limited	ERA Services	Fixed Fee
Citigate Dewe Rogerson	PR Services	Time costs plus disbursements

The following work was undertaken:

Valuation Agent's Fees

MBV were engaged to provide an independent valuation of the business and assets. In addition, they actively marketed the business and assets, liaised with the interest party (being THGL) and provided advice on the offer received.

Legal Fees

Russell Cooke LLP were instructed to prepare the relevant documents in order to place the Company into Administration in addition to the sale agreement, licenses and associated documentation for the pre-pack sale. Russell Cooke LLP also had extensive correspondence with the purchaser's solicitors to agree the foregoing documentation. In addition, an application to Court was required to validate the Notice of Intention to Appoint and Administrator as it transpired that this was filed without obtaining consent from the FCA. The Court ordered that the Notice of Intention to Appoint an Administrator was valid and that the costs of the application be paid as an expense of the Administration.

Since the best solution for the Company's creditors as a whole was a pre-pack sale it was necessary to undertake all of the work detailed above pre-appointment in order to facilitate such a sale immediately upon appointment and hence achieve the purpose of the administration,

ERA Services

Clumber Consultancy ERA Limited were instructed to provide support and assistance in dealing with certain employee matters. The work undertaken prior to appointment related to the following:

- Familiarising themselves with the facts of the case.
- Collation of Company records to confirm all employees were being transferred to THGL under TUPE.

Citigate Dewe Rogerson

Citigate Dewe Rogerson were engaged to field calls and enquiries from various media outlets regarding the Administration. The work undertaken prior to appointment related to the following:

- Familiarising themselves with the facts of the case;
- Assisting with the preparation of the draft press release.

As I have already indicated, I am not seeking a decision from the creditors approving my proposals. As a result, it will be for the chargeholder (and preferential creditors) to approve the pre-administration costs.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, James E Patchett and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) monitor for receipt of the deferred consideration and liaise with the purchaser and our solicitors (as appropriate) in respect of the same; and
 - (ii) realise any other assets of the Company (if applicable); and

- (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) If the above exit route is not considered possible, the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, and propose that James E Patchett and I are appointed Joint Liquidators of the Company by the Court.
- (d) If the above exit route is not considered possible, the Administration of the Company will end by making an application to Court for an order that the Administration ceases.
- (e) We are authorised to be remunerated on a fixed fee basis of £125,000 for different categories of work, namely administration, creditors, realisations of assets, investigations and case specific matters. Full details of the work to be undertaken in this regard can be found at Appendix 7.

13. APPROVAL OF PROPOSALS

The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to non-preferential unsecured creditors (other than by way of the prescribed part). As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

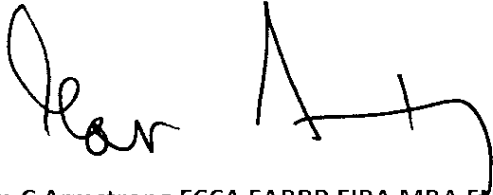
However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Philippa Drewitt on the above telephone number, or by email at philippa.drewitt@turpinba.co.uk.

A handwritten signature in black ink, appearing to read 'Martin C Armstrong', with a stylized flourish at the end.

Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

The Joint Administrators are agents of the Company and act without personal liability.

APPENDIX 1

STATUTORY INFORMATION

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

1. STATUTORY INFORMATION

Company Information

Company name:	Combine Opco Limited
Previous name:	N/A
Trading name:	The Hospital Group
Company number:	10309496
Date of incorporation:	3 rd August 2016
Trading address:	<ol style="list-style-type: none">1. 192 Altrincham Road, Manchester M22 4RZ2. Dolan Park Hospital, Bromsgrove B60 1LY3. 4 Queens Square, Bristol BS1 4JQ4. Second Floor, 18 Park Place CF10 3DQ5. 31 Southernhay Est EX1 1NX6. Ingram House, 227 Ingram Street, Glasgow G1 1DA7. 26 Rodney Street, Liverpool LI 9EH8. 39 Cornhill, London EC3V 3ND9. 31 Weymouth Street W1G 7BT10. 5th Floor, Colwyn Chambers, 19 York Street, Manchester M2 3BA11. The Roundwell Medical Center, 25-27 Dr Torrens Way, Norwich NR5 0GB12. 21 The Triangle, Ng2 Business Park, Nottingham NG2 1EN13. Westbrook Court, Sharrow Vale Road, Sheffield S11 8YZ14. Imperial House, 18-21 Kings Park Road, Southampton SO15 2AT
Current registered office:	192 Altrincham Road, Manchester M22 4RZ
Former registered office:	N/A
Principal trading activity:	Cosmetic Surgery

Appointment Details

Administrators	James E Patchett and Martin C Armstrong
Administrators' address	Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA
Date of appointment	3 rd July 2019
Court name and reference	In the High Court of Justice No. 004172 of 2019
Appointment made by:	The Company
Actions of Administrators:	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company:

Directors:	Name:	Shareholding
	Tony Veverka	N/A
Company secretary:	Name:	Shareholding
	Jeremy Rouch	N/A

Share capital

Shareholder	Authorised	Allotted, called up and fully paid
Combine Holding Limited	1 ordinary shares £1 each	1 ordinary shares £1 each

Charges

1. Charge Holder: Aurelius Upsilon UK Investment Limited
Created: 6th October 2016
Delivered: 12th October 2016
Description: Fixed and floating charge
Amount owed to charge holder: £688,842
2. Charge Holder: Aurelius Finance Company Limited
Created: 7th December 2018
Delivered: 14th December 2018
Description: Fixed and floating charge
Amount owed to charge holder: £2,857,000

APPENDIX 2

DETAILS OF PRIOR INVOLVEMENT AND ETHICAL CONSIDERATIONS

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

CONSIDERATION OF ACCEPTANCE OF APPOINTMENT AS JOINT ADMINISTRATORS OF:

TFHC LIMITED ("TFHC")

and

COMBINE OPCO LIMITED ("COMBINE OPCO")

(together "The Companies")

It was proposed that James E Patchett and I are appointed as Joint Administrators of the Companies. The directors and shareholders of the companies are as follows:

Company	Directors	Shareholder	Ultimate Beneficial Owner
TFHC	Tony Veverka	TFHC Holdings Limited	Aurelius Equity Opportunities SE & Co KGaA
Combine Opco	Tony Veverka	Combine Holding Limited	Aurelius Equity Opportunities SE & Co KGaA

The Aurelius Group (of which Aurelius Equity Opportunities SE & Co KGaA is the ultimate holding company) is a pan-European asset manager with offices in Munich, London, Stockholm, and Madrid. The Aurelius Group is focused on identifying investment opportunities and in light of the risk associated with investment opportunities, has been involved in previous insolvency procedures.

Aurelius Equity Opportunities SE & Co KGaA is quoted on the German Stock Exchange and is the ultimate parent company of the Group.

Attached to this note is a schedule of companies that we have previously acted in respect of (or are currently acting in respect of) which, whether directly or indirectly, are connected to the Company's beneficial owner, Aurelius Equity Opportunities SE & Co KGaA (as part of the Aurelius Group).

I can confirm that neither my firm nor I carried out any work for the entities detailed in the attached schedule at any time prior to these appointments other than disclosed in this note.

Prior involvement with the Companies

On 25th January 2019, Martin Armstrong of Turpin Barker Armstrong was instructed to provide advice to assist the Companies in agreeing a Time to Pay arrangement with HMRC.

Martin Armstrong of Turpin Barker Armstrong was subsequently contacted with a view to conducting a limited scope high-level review of the Companies to ascertain the Companies' financial position, recent trading, future viability and cash needs. This review was carried out on the instruction of the Companies in light of its cash flow difficulties. This work was undertaken under a formal letter of engagement signed on behalf of the Board of Directors on 20th May 2019.

Turpin Barker Armstrong were subsequently instructed to assist in placing the Companies into Administration under a letter of engagement signed on behalf of the Board of Directors and dated 24th June 2019.

In such circumstances it is important to consider the ethical considerations.

Considerations

Accordingly I reviewed the ACCA Code of Ethics and Conduct.

It is evident that it is important to identify any threats to the fundamental principles and to evaluate those threats and to ensure that any threats are reduced to an acceptable level. I considered whether or not there were “self-interest”, “self-review”, “advocacy”, “familiarity” or “intimidation” threats that could threaten compliance with the Fundamental Principles. I also considered whether or not the relationships set out in this note were significant to the conduct of the insolvency appointment. I considered the following matters:

“Self-interest”

Aurelius Equity Opportunities SE & Co KGaA

My firm’s actual/anticipated fees for the instructions to date which are connected to the Aurelius Group are detailed on the attached schedule. In the period since our first appointment, the engagements detailed on the attached schedule collectively make up (or are expected to make up) the following percentages of practice turnover per annum:

Tax year	Total % of practice turnover (actual/anticipated)
2016	1.74%
2017	7.36%
2018	8.07%
2019	8.79%
2020	17.15%
2021	16.98%

I do not consider the above to be a significant element of practice turnover which would give rise to a material self-interest threat. The increase in 2020 and 2021, whilst significant, is principally attributable to the instruction in respect of a group of four connected assignments which are only expected to run for 2 years over both Administration and Liquidation. Furthermore, the appointments of Administrators were made by the Company, and had no involvement of any “Aurelius” company. I therefore consider that this threat is at an acceptable level.

The Companies

As stated on the attached schedule, my firm’s anticipated fees for the instructions in respect of the Companies are estimated at 2.96% of practice turnover for 2020 and 2021. These do not represent a significant element of practice turnover. Whilst separate office holders could be appointed to deal with all four appointments, it is considered that this would in fact increase costs and have a detrimental impact on the outcome for creditors. Any fees received on these assignments will be disclosed fully and be subject to review and agreement by creditors.

Although it could be perceived that there is a material self-interest threat, on the basis that the fees are subject to approval from creditors, I consider that this threat is at an acceptable level.

Finally, it is understood that there are no intercompany balances between the Companies. If any intercompany balances are, however, discovered, the claims in the connected Administrations are to be calculated and verified by an independent third party.

Notwithstanding the above, all self-interest threats will be subject to ongoing review.

“Self-review”

Aurelius Equity Opportunities SE & Co KGaA

Whilst we have acted in respect of companies connected to the ultimate beneficiary, there is no evidence to suggest any of these companies had any dealings with the Companies that would require me to review my firm’s previous work on other assignments.

Whilst the Companies were successors to prior companies over which I was office holder, they were specifically incorporated to purchase the business and assets of former group companies and therefore there was no intercompany trading.

I do not therefore consider there to be any threat of self-review in respect of any work undertaken during my role as office-holder in the previously mentioned insolvencies.

The Companies

There may be self-review threats in respect of the business and asset sales proposed to be entered into in respect of the Companies. However, these sales are being entered into (a) to preserve the businesses as a going concern, (b) provide crucial aftercare to affected patients, and (c) subject to independent valuation and advice. The proposed purchaser was also the only known interested party following marketing undertaken by independent valuation agents.

Whilst the Companies were successors to prior companies over which I was office holder, they were specifically incorporated to purchase the business and assets of former group companies and therefore there was no intercompany trading.

We have also not acted on behalf of, or carried out work for, any officer/shareholder (current or former) directly. We are, however, instructed to carry out the concurrent insolvency processes of the Companies which have common directors and advice has been provided to the Board of the Company in this regard.

Notwithstanding the above, all self-review threats will be subject to ongoing review.

“Familiarity”

Aurelius Equity Opportunities SE & Co KGaA

Whilst there could be a perception of familiarity, as we are acting for companies connected to the Aurelius Group, I do not believe this could threaten compliance with the Fundamental Principles.

Any prior contact with the ultimate beneficial owner in respect of the prior assignments will not have been substantial. Contact would have been limited to issuing statutory notices and requesting any relevant documentation/information.

We have not carried out any work for the Companies or the directors previously (aside from that disclosed in this note). The work undertaken to assist in agreeing a Time To Pay arrangement with HMRC was minimal and principally involved reviewing financial information and occasional contact with the Board.

If required, we will obtain independent legal advice on any matters which may arise as a result of our investigations. The office holders will be guided by the legal advice received.

The Companies

Whilst this firm was approached in January 2019 to assist the Companies in agreeing Time To Pay arrangements with HMRC, as stated above, this work principally involved reviewing financial information and only occasional contact with the Board.

Turpin Barker Armstrong was subsequently contacted with a view to conducting a limited scope high-level review of the Companies to ascertain the Companies' financial position, recent trading, future viability and cash needs. This review was carried out on the instruction of the Companies in light of its cash flow difficulties. This work was undertaken under a formal letter of engagement signed on behalf of the Board of Directors on 20th May 2019.

Turpin Barker Armstrong were subsequently instructed to assist in placing the Companies into Administration under a letter of engagement signed on behalf of the Board of Directors and dated 24th June 2019.

As stated above, the work involved in the above was not substantial and the contact with the Board only occasional. I do not therefore believe there to be any familiarity threats in respect of the Companies.

Notwithstanding the above, all familiarity threats will be subject to ongoing review.

"Advocacy"

Aurelius Equity Opportunities SE & Co KGaA

I do not believe there to be any advocacy threats arising from prior appointments over Aurelius Group companies. Aurelius have had no involvement in these assignments and there is no prospect of any return to the shareholder, which is part of the Aurelius Group.

The Companies

I do not believe there to be any advocacy threats relating to the positions of the director. Although there is expected to be sales of the businesses and assets to a connected party, any sale will be subject to advice from independent valuation agents and the office holders have been guided by this advice.

Notwithstanding the above, all advocacy threats will be subject to ongoing review.

"Intimidation"

Aurelius Equity Opportunities SE & Co KGaA

There are no known intimidation threats in respect of the ultimate beneficial owner.

The Companies

There are no known material intimidation threats. All asset sales are subject to advice from independent valuation agents and there are no known intercompany balances. Where necessary, independent verification and advice will be sought on any intercompany balances which may come to light.

Notwithstanding the above, all intimidation threats will be subject to ongoing review.

I considered whether or not my previous appointments would impair my objectivity or be perceived to impair my objectivity. I have concluded that any threat to the Fundamental Principles is at an acceptable level such that a reasonable and informed third party having knowledge of all relevant information would conclude to be an "acceptable" level of threat. In reaching this conclusion I considered all of the matters detailed above together with the following safeguards to reduce the threat:

1. The appointments will be subject to ongoing review.
2. Prior relationships have been/will be disclosed to creditors.
3. Independent agents are being utilised to value the assets of the Companies, to market the businesses, and to advise on any sales.
4. Independent legal advisors are being utilised to provide advice on various matters arising during these assignments.
5. An independent third party will be utilised to calculate any intercompany balances which may come to light.
6. Should the level of threat increase to an unacceptable level, an independent third party/IP will be instructed to carry out any other necessary aspects of the insolvencies.

Martin Armstrong

Schedule of companies that we have previously acted in respect of (or are currently acting in respect of) which, whether directly or indirectly, are connected to the Company's beneficial owner, Aurelius Equity Opportunities SE & Co KGaA.

Name	Type of Appointment	Appointment date	Case Closure date	Actual/expected duration (rounded to nearest year)	Actual/anticipated fees (excluding VAT)	Fees as % of practice turnover per annum
Transform Medical Group (CS) Ltd	Administration	30/06/2015	N/A – Case open	4 years	£250,000	1.39%
Transform Aesthetics Ltd	Creditors' Voluntary Liquidation	17/07/2015	06/04/2016	<1 year	£5,000	0.11%
Transform (Property) Ltd	Creditors' Voluntary Liquidation	17/07/2015	06/04/2016	<1 year	£5,000	0.11%
Health & Surgical Holdings Ltd	Creditors' Voluntary Liquidation	17/07/2015	14/09/2017	2 years	£5,921	0.13%
PD Verwaltung GmbH	Creditors' Voluntary Liquidation	22/07/2016	27/09/2017 (alternative liquidator appointed)	1 year	£50,000	1.25%
The Hospital Group Healthcare Limited	Administration	06/10/2016	N/A – Case open	3 years	£160,000	1.19%
Surgicare Medical Limited	Administration	06/10/2016	06/10/2017	1 year	£13,239	0.29%
Dolan Park Limited	Administration	06/10/2016	21/07/2018	2 years	£50,161	0.56%
The Hospital Group Obesity Surgery Limited	Creditors' Voluntary Liquidation	28/10/2016	10/10/2017	1 year	£2,500	0.06%
The Hospital Group Non-surgical Limited	Creditors' Voluntary Liquidation	28/10/2016	10/10/2017	1 year	£2,500	0.06%
The Hospital for Cosmetic Dentistry Ltd	Creditors' Voluntary Liquidation	28/10/2016	10/10/2017	1 year	£2,500	0.06%
Nu-Age Medical Limited	Creditors' Voluntary Liquidation	28/10/2016	10/10/2017	1 year	£2,500	0.06%
TWP (Newco) 56 Limited	Creditors' Voluntary Liquidation	28/10/2016	N/A – Case open	3 years	£2,500	0.02%
The Hospital Medical Group Holdings Limited	Creditors' Voluntary Liquidation	28/10/2016	N/A – Case open	3 years	£2,500	0.02%
The Hospital Group Cosmetic Surgery Ltd	Creditors' Voluntary Liquidation	11/11/2016	10/10/2017	1 year	£29,873	0.66%
Imerplast UK Limited	Company Voluntary Arrangement	07/12/2016	N/A – Case open	3 years	£217,500	1.61%
Bowens International Limited	Advice	08/05/2017	14/07/2017	<1 year	£12,250	0.31%
Bowens International Limited	Creditors' Voluntary Liquidation	14/07/2017 (date of instruction)	N/A (alternative liquidator appointed)	<1 year	£7,500	0.19%
Aurelius Omega Limited	Creditors' Voluntary Liquidation	Did not proceed	N/A - Did not proceed	<1 year	£9,000	0.2%
Nestor Primcare Services Limited	Advice	07/12/2017	24/04/2018	<1 year	£116,050	2.58%
Nestor Primcare Services Limited	Company Voluntary Arrangement	17/05/2018	30/11/2018	1 year	£172,502	3.83%
Nestor Healthcare Group Limited	Creditors' Voluntary Liquidation	17/05/2018	N/A – Case open	2 years	£15,000	0.17%
Working Links (Employment) Limited	Administration & CVL	14/02/2019	N/A – Case open	2 years	£983,000	10.03%
The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited	Administration & CVL	14/02/2019	N/A – Case open	2 years	£130,000	1.33%

The Dorset, Devon And Cornwall Community Rehabilitation Company Limited	Administration & CVL	14/02/2019	N/A – Case open	2 years	£130,000	1.33%
The Wales Community Rehabilitation Company Limited	Administration & CVL	14/02/2019	N/A – Case open	2 years	£130,000	1.33%
TFHC	Advice	25/01/2019	24/06/2019	1 year	£14,065	0.28%
Combine Opco	Advice	25/01/2019	24/06/2019	1 year	£14,065	0.28%
TFHC	Administration	03/07/2019	N/A – Case open	2 years	£147,500	1.48%
Combine Opco	Administration	03/07/2019	N/A – Case open	2 years	£147,500	1.48%

APPENDIX 3

PURCHASER'S VIABILITY STATEMENT

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

TRANSFORM / THG Viability Statement

TRANSFORM

THE
HOSPITAL
GROUP

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3. H2 FY19 and FY20 P&L
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H2 FY19 and FY20 P&L

Forecast P&L shows EBITDA of £1.6m anticipated in H2 FY19 and £3.3m in FY20

Profit and loss account

	2019 H2 £	2020 budget £
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SALES

Cosmetic	17,948,278	35,567,967
Weight loss	4,246,349	8,580,642
Medical aesthetics	2,231,098	4,456,042
Other	224,700	607,700
VAT	(399,124)	(792,523)
	24,251,301	48,419,828

COST OF SALES

	12,383,860	24,986,097
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GROSS PROFIT

	11,867,440	23,433,731
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Gross profit percentage

48.94%

VARIABLE OVERHEADS

	5,207,209	9,805,967
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NON-VARIABLE OVERHEADS

	5,027,776	10,331,896
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TOTAL OVERHEADS

	10,234,985	20,137,863
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Overhead percentage

42.20%

41.59%

EBITDA

	1,632,455	3,295,868
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- Following the restructure of the business, we forecast that Transform Hospital Group Ltd will quickly return to profitability in the short term and continue this trend in FY20, despite the introduction of VAT on sales
- Profitability is driven by restructuring initiatives which give the business much greater ability to withstand any demand shocks and a much lower breakeven point

H2 FY19 Monthly Balance Sheet

Half Year ended 31 December 2019
Balance sheets

	June £	July £	August £	September £	October £	November £	December £	2019 H2 £
FIXED AND CURRENT ASSET INVESTMENTS								
	3,294,135	3,263,912	3,233,689	3,203,466	3,185,243	3,154,820	3,124,397	3,124,397
Total current assets	474,998	1,270,434	1,481,905	1,885,128	2,831,938	3,546,372	3,982,922	3,982,922
CURRENT LIABILITIES	3,768,135	4,796,331	4,919,201	5,185,839	5,536,622	5,926,400	6,333,078	6,333,078
Finance and provisions	-	18,000	27,741	37,482	56,556	66,030	75,504	75,504
Total current liabilities	3,768,135	4,814,331	4,946,942	5,223,321	5,593,178	5,992,430	6,408,582	6,408,582
TOTAL CURRENT ASSETS/(LIABILITIES)	(3,293,137)	(3,543,897)	(3,465,037)	(3,338,193)	(2,761,240)	(2,446,058)	(2,425,660)	(2,425,660)
NET ASSETS	998	(279,985)	(231,348)	(134,727)	424,003	708,762	698,737	698,737

Monthly Cashflow – FY19

Positive cashflow leading to cash balance of £3.1m in Dec 19

Year ended 31 December 2019

Cashflows

	July	August	September	October	November	December	2019 H2
	£	£	£	£	£	£	£
EBITA	267,199	98,580	146,564	608,726	334,755	39,971	1,496,179
Depreciation	22,646	22,646	22,646	22,646	22,846	22,846	136,276
EBITDA	289,845	121,226	169,210	631,372	357,601	62,817	1,632,455
Working capital movements	558,218	261,802	235,822	292,315	533,467	380,424	2,262,345
Operating cashflow before taxation	848,063	383,028	405,032	923,687	891,068	443,241	3,894,800
Cashflow before financing (CFADS)	848,063	383,028	405,032	923,687	891,068	443,241	3,894,800
Non-working capital - exceptional items	(525,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(650,000)
CFADS after exceptionals	323,063	358,028	380,032	898,687	866,068	418,241	3,244,800
Total debt service (TDS)	(15,484)	(25,395)	(25,395)	(16,115)	(25,715)	(25,715)	(133,819)
Movement in cash in the period	307,579	332,633	354,637	882,572	840,353	392,526	3,110,981
OPENING CASH BOOK BALANCE	681	308,260	640,893	995,530	1,878,102	2,718,455	-
CLOSING CASH BOOK BALANCE	308,260	640,893	995,530	1,878,102	2,718,455	3,110,981	3,110,981

Cost base restructure - Overview

Fundamental cost bases changes will ensure viability

The restructure that has been undertaken will fundamentally change the cost base of the business, greatly improve profitability and allow further investment in growth. The key cost saving initiatives undertaken that will bring about this profitability are detailed below:

Closure of London based hospital

Extensive analysis identified greater profitability and flexibility if outsourcing to another hospital in London, as opposed to keeping our own (leased) Hospital in London and incurring the high fixed costs this brings (rent etc). We anticipate minimal yearly savings of £500k - £900k by utilising an outsourced hospital, exclusive to Transform Hospital Group Ltd.

Greatly reduced surgeon costs

New price structures have been implemented with surgeons that will help drive profitability and allow the business to invest in growth.

Reduction of clinic footprint

The business identified 5 clinics that were under performing and would provide profitability, as well as simplification benefits by closing them down.

Shareholder support

Aurelius is a strong supporter of this market leading business

Strong shareholder support

Aurelius is a strong supporter of the business, recognising it as the market leader in cosmetic surgery and medical aesthetics. Aurelius has supported this business for a long time and still sees plenty of potential for value growth.

This support is evident by recent funding as well as management and operational support on a daily basis.

APPENDIX 4

COMPARATIVE ESTIMATED OUTCOME STATEMENT AS AT 3RD JULY 2019

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

Combine Opco Limited
Estimated outcome statement as at 3rd July 2019

	Administration	Liquidation
	£	£
Assets subject to fixed charge		
owned by Aurelius Finance Company Limited		
Book Debts	17,500	0
Goodwill	1	0
Intellectual Property	9,992	0
	<u>27,493</u>	<u>0</u>
Less fixed charge liabilities		
Aurelius Upsilon UK Investment Limited	(688,842)	(688,842)
Aurelius Finance Company Limited	(2,857,000)	(2,857,000)
	<u>(3,545,842)</u>	<u>(3,545,842)</u>
Estimated surplus/(shortfall) as regards fixed charge carried forward	<u>(3,518,349)</u>	<u>(3,545,842)</u>
Assets subject to floating charge		
owned by Transform Medical Group (CS) Limited		
Office Furniture and Equipment	0	13,000
Plant and Machinery	100,000	42,000
Stock	190,000	88,000
Books and Records	1	0
Benefit subject to the burden of contracts	1	0
Customer Deposits	1	0
Database and Database Record	1	0
Prepayments	3	0
	<u>290,007</u>	<u>143,000</u>
Less: Estimated Costs of realisation for floating charge assets		
Joint Administrators'/Liquidators' pre app fees	22,500	10,000
Joint Administrators'/Liquidators' pre app expenses	36,153	20,000
Joint Administrators'/Liquidators' fees	125,000	125,000
Joint Administrators'/Liquidators' expenses	16,827	2,000
	<u>200,480</u>	<u>157,000</u>
Total Funds available to Preferential Creditors	<u>89,527</u>	<u>(14,000)</u>
Employees Arrears of Wages/holiday pay	0	152,800
	<u>0</u>	<u>152,800</u>
Total Funds available to Floating Charge Holder	<u>89,527</u>	<u>(166,800)</u>
Prescribed part calculation		
50% of first £10,000	5,000	0
20% of remaining	15,905	0
Carried forward for the benefit of Unsecured creditors	<u>20,905</u>	<u>0</u>
Net funds available to Floating Charge Creditors	<u>68,622</u>	<u>(166,800)</u>
Less floating charge liability	<u>(3,518,349)</u>	<u>(3,545,842)</u>
Shortfall to floating charge creditors	<u>(3,449,727)</u>	<u>(3,545,842)</u>
Funds available to unsecured Creditors		
Prescribed Part carried forward	20,905	0
Estimated amount available to unsecured creditors	20,905	0
Unsecured Creditors		
Employees	0	Uncertain
Trade and Expense	1,735,478	1,735,478
HMRC	208,646	208,646
Banks	200,238	200,238
Council	271,041	271,041
	<u>(2,415,403)</u>	<u>(2,415,403)</u>
Estimated dividend to unsecured creditors	0.87	0.00

**Turpin Barker Armstrong
Combine Opco Limited
B - Company Creditors**

Key	Name	Address	£
CA01	AAH Pharmaceuticals Ltd	DO NOT USE	20,415.03
CA02	Acute Training Solutions Limited	Enterprise House, 127-129 Bute Street, Cardiff Bay, Cardiff, CF10 5LE	714.00
CA03	ADL Associates Ltd	18 knoll drive, Woodloes park, Warwick, CV34 5YQ	8,119.24
CA04	Advanced Cleaning (Midlands) Ltd	PO Box 4909, Birmingham, B36 9UW	1,440.00
CA05	Advantech Surgical Ltd	7 The White House, 42-44 The Terrace, Torquay, Devon, TQ1 1DE	3,627.00
CA06	Alliance Medical Limited	Iceni Centre, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA	7,780.80
CA07	American Express CC THG	Lower Clough Business Centre, Pendle Street, Barrowford, Lancs, BB9 8PH	17,407.90
CA08	Angelo Alleruzzo		11,398.38
CA09	Apollo Endosurgery	Unit 10 Grimbald Crag Court, St James Business Park, Knaresborough, HG5 8QB	168,304.80
CA10	ArjoHuntleigh	St Catherine Street, Gloucester, GL1 2SL	4,986.00
CA11	Arrow cleaning service	27 MOLLINGTON CRESCENT, SHIRLEY, SOLIHULL, WEST MIDLANDS, B90 3RQ	270.00
CA12	Avensys UK Ltd T/A Avensys Resale	Frederick Road, Hoo Farm Industrial Estate, Kidderminster, Worcs, DY11 7RA	1,110.00
CA13	American Express	Lower Clough Business Centre, Pendle Street, Barrowford, Lancs, BB9 8PH	182,830.00
CA14	Aurelius Finance Company Limited	6th Floor, 33 Glasshouse Street, London, W1B 5DG	0.00
CA15	Aurelius Upsilon UK Investment Limited	Security Given: Fixed and floating charge.; Date Given: 07/12/2018; Amount: 0	0.00
CB01	BandBoozled	6th Floor, 33 Glasshouse Street, London, W1B 5DG	
CB02	Bausch & Lomb UK Ltd	Security Given: Fixed and floating charge.; Date Given: 06/10/2016; Amount: 0	199.80
CB03	Baxter Healthcare Ltd	LLOYDS BANK, PO BOX 6061, MILTON KEYNES, MK10 1NS	676.80
CB04	Belle	106 London Road, Kingston-Upon-Thames, Surrey, KT2 6TN	1,021.56
		Wallingford Road, Compton, Berkshire, RG20 7QW	138.00
		Central Transactions Unit, Belfast City Council, Adelaide Exchange, 24-26 Adelaide Street, Belfast, BT2 8GD	
CB05	BIAS (UK) LTD	10 Sunnysbank Road, Oldbury, West Midlands, B68 0DD	1,259.40
CB06	Bidvest Foodservice	Blackmoss Lane, Scarisbrick, Ormskirk, Lancs, L40 9RW	5,254.92
CB07	Bing Ads Microsoft Online	Microsoft Online Inc, 6100 Neil Road, Ste 100, Reno, USA	2,438.60
CB08	Blackwell Village Stores	65 Greenhill, Blackwell, Bromsgrove, B60 1BL	160.00
CB09	BMI Healthcare	Preston New Road, Blackburn, Lancashire, BB2 7AE	15,091.00
CB10	Boshill property management	OLD BOSSHILL FARM, AXMOUTH, DEVON, EX12 4BL	8,658.65
CB11	Bristol City Council	LOCAL TAXATION, PO BOX 968, AMELIA COURT, PIPE LANE, BS99 7BL	12,643.25
CB12	British Oxygen/BOC	P.O. BOX 12, PRIESTLEY ROAD, WORSLEY, MANCHESTER, M28 2UT	9,547.41

**Turpin Barker Armstrong
Combine Opco Limited
B - Company Creditors**

Key	Name	Address	£
CB13	Bromsgrove district council	43 Poplar Road, Strood, Kent, ME2 2NR	125,259.57
CB14	Butler Fuels	Suite 7, Millroy House, Sayers Lane, Kent, TN30 6BW	3,113.12
CC01	C & R services	28 CHESTNUT ROAD, BROMSGROVE, WORCS, B61 8LZ	230.00
CC02	Cardiff Council	Ground Floor, Marland House, Central Square, Cardiff, CF10 1PN	21,537.74
CC03	Cardinal Health U.K. 432 Limited	6 St. Andrew Street, London, EC4A 3AE	606.48
CC04	Care Quality Commission		5,964.00
CC05	Clini Supplies	Tuition House, 27-37 St George's Road, Wimbledon, SW19 4EU	4,151.77
CC06	Coinadrink LTD	UNIT 11, MAPLE LEAF INDUSTRIAL ESTATE, BLOXWICH LANE, WALSALL, WEST MIDLANDS, WS2 8TF	2,438.77
CC07	Conmed United Kingdom	3 Castle Works, Manchester Road, Rochdale, Lancashire, OL11 4HY	6,864.00
CC08	Credit Asset Management Ltd	30 Cannon Street, London, EC4M 6XH	1,814.40
CD01	Data Space	Wincham Business Park, Northwich, Cheshire, CW9 6GB	3,109.63
CD02	DIRECT365 ONLINE LTD	PARKSIDE PLACE, OASIS BUSINESS PARK, SKELMERSDALE, WN8 9RD	3,512.12
CE01	EDC Motiva	Nijverheidstraat 96, 2160 Wommelgem, Belgium	82,565.23
CE02	Eden Springs	Unit D, The Fleming Centre, Fleming Way, Crawley, West sussex, RH10 9NN	94.20
CE03	Edit.	2nd Floor, 2180 Century Way, Thorpe Park, Leeds, LS15 8ZB	173,281.83
CE04	EE Ltd	PO Box 52, Sheffield, S98 1DX	2,310.14
CE05	Elis (Berendsen)	62 Venebles Drive, Spital, Wirral, CH63 9LZ	2,219.77
CE06	Emmat medical Ltd	5 Newton Court, Pendeford Business Park, Wolverhampton, West Midlands, WV9 5HB	4,287.03
CE07	Environment Agency SSCL	3 West Drive West, Cleveleys, Lancs, FY5 1EB	890.00
CE08	Ernst & Young LLP	1 More London Place, London, SE1 2AF	10,200.00
CE09	Ethos Incorporating bcm	72 Leadenhall Market, London, EC3V 1LT	3,554.45
CE10	Eurosurgical	Marrow Business Centre, Guildford, GU4 7WA	1,854.00
CE11	Exeter City Council	Suite 8 Unit A, NJK House, Haslingden Road, Blackburn, Lancashire, BB1 2EE	5,598.97
CF01	Fire Protection Association	London Road, Moreton In Marsh, Gloucestershire, GL56 0RH	4,434.00
CF02	Fraggell Productions	The Hatworks Business Centre, 51 Stockport Road, Denton, Manchester, M34 6NB	1,476.89
CG01	Google (uk)	Expenses	137,072.57
CG02	GPP Hygiene	Bowcare house, Stephenson drive, waterwells business park, Gloucester, GL2 2AG	1,224.59
CG03	Griffiths & Nielsen	Maydwekk Avenue, Stane Street, Slinfold, West Sussex, RH13 0GN	5,115.60
CG04	GE Healthcare	Amersham Place, Little Chalfont, Amersham, HP7 9NA	0.00

**Turpin Barker Armstrong
Combine Opco Limited
B - Company Creditors**

Key	Name	Address	£
CH00	HM Revenue & Customs	Enforcement & Insolvency Service, Ty Glas, Llanishen, Cardiff, CF14 5ZP	0 00
CH01	HM Revenue & Customs	ICHU RM BP 3202, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	208,646 00
CH02	Hawthorn Advisors Ltd	First floor, 7 Howick place, London, SW1P 1BB	22,982 95
CH03	Jackson Hammond	6 Meadow Bank, Chorlton, Manchester, M21 8FP	372 00
CI01	Ideal Medical Solutions	Unit 7, Epsom Downs Metro Centre, Waterfield, Tadworth, Surrey, KT20 5LR	479 40
CI02	Insight Health Limited	PO Box 520, Wembley, Middlesex, HA9 7YN	421.80
CI03	Instinctive Limited	8 Rallton Road, Wolseley Business Park, Kempston, Bedford, MK42 7PN	630 00
CJ01	Dr Vijay Jeganath		450 00
CJ02	Johnson & Johnson	THE BRACCANS, LONDON ROAD, BRACKNELL, BERKSHIRE, RG12 2AT	80,043.25
CJ03	JRW Chartered Accountants	Oak House, 2 Meeting Lane, Alcester, Warwickshire, B49 5QT	6,084 00
CK01	K & H medical LTD	Unit 25, M11 Business Link, Parsonage Lane, Stanstead, CM24 8GF	2,661 60
CK02	KingFisher Blinds & Curtains Ltd	Unit 4 Amelia Court, Swanton Close, Retford, Notts, DN22 7HJ	1,010.40
CK03	KPMG LLP	Dept 791, 58 Clarendon Road, Watford, WD17 1DE	29,869 63
CL01	LAMP-LINES	Eldin Industrial Estate, Edgefield Road, Loanhead, EH20 9QX	1,461.26
CL02	Liverpool council		13,945.04
CM01	Macom compression garments	Houndmills, Basingstoke, Hants, RG21 6XS	6,692.16
CM02	Market cars of Bromsgrove	141-143 WORCESTER ROAD, BROMSGROVE, WORCESTERSHIRE, B61 7HN	2,671.00
CM03	Marsh Ltd	Manchester, PO Box 3265, Norwich, NR7 7BH	50,249 34
CM04	Mazars LLP	Mazaru-WeWork, No 3, Waterhouse Square, 138-142 Holborn, London, EC1N 2SW	5,122 80
CM05	Medical World	Telford Crescent, Staveley, Derbyshire, S43 3PF	25 10
CM06	Medtronic	Building 9, Croxley Green Business Park, Hatters Lane, Watford, WD18 8WW	42,528 47
CM07	Midland TML	14 EDWARD STREET, BIRMINGHAM, B1 2RX	9,178 69
CM08	Minster Cleaning Services	Farriers Yard, Ashfield Road, Pudsey, Leeds, LS28 6AF	481 74
CM09	Morplan	Morplan LTD, Temple Bank, Harlow, Essex, CM20 2TS	75 18
CM10	Jessica Melloite		35 40
CM11	MR Dominco Mileto		10,892 00
CN01	Nationwide Franking Sense		196 55
CN02	Nes Healthcare (UK) 2006	First Floor, Barclays House, Aylesbury, Bucks, HP19 8DB	26,700 00
CN03	NPower Limited	Payment Processing Centre, PO Box 236, Leeds, LS14 3WT	1,031 29
CN04	Nuffield Health Warwick	Nuffield Health HSSU, Unit 4 Tiverton Trade Centre, Lowman Way, Tiverton Devon, EX16 6SR	1,613 28

**Turpin Barker Armstrong
Combine Opco Limited
B - Company Creditors**

Key	Name	Address	£
CN05	Nuffield hospital leeds	2 LEIGHTON STREET, LEEDS, LS1 3EB	8,286.00
CO01	Oakland	Oakland Air Control Ltd, Prescott Drive, Warndon Business Park, Worcester, WR4 9NE	27,830.20
CO02	Office Depot	Greenwich Way, Andover, Hampshire, SP10 4JZ	1,497.56
CO03	OLJ Associates	274 a Stockport Road, Hyde, SK14 5 RF	1,590.00
CO04	Olympus Keymed	Keymed House, Stock Road, Southend-on-Sea, Essex, SS2 5QH	80.64
CO05	One Agency	12 Thorpe Road, Norwich, Norfolk	7,200.00
CO06	One Hinde Street	Bank Top Farm, Blackhill Road, Leeds, LS21 1PY	32,500.00
CO07	Options Management Ltd	Options House, Maries Way, Silverdale Business park, Newcastle-under-Lyme, Staffs, ST5 6PA	766.38
CP01	Mr Wolfgang Payne	46 New Broad Street, London, EC2M 1JH	37,940.32
CP02	Pentland Medical	48 Craighill Road, Edinburgh, EH6 4RU	504.00
CP03	Pioneer Lifts Ltd	53 BATH ROAD, WORCESTER, WR5 3AB	4,314.00
CP04	Positive Solutions	Solutions House,, Chorley Business & Technology Centre,, East Terrace,, Chorley,, PR7 6TE	281.68
CP05	Primera Assisted Living Limited	22A Caroline Street, St Pauls Square, Birmingham, B3 1UE	304.00
CP06	Passenger Cars Group	1 Wilson Street, Thornaby, Stockton on Tees, Teeside, TS17 7AR	39.41
CQ01	Q Surgical Ltd	Unit 45 Guest Avenue, Emersons Green, Bristol, South Glous, BS16 7GA	614.40
CR01	Rocallie	Cwm Cynon Business Park Nth, Mountain Ash, Rhondda Cynon Taff, South Wales, CF45 4ER	37,111.32
CS01	DR.M. Sforza	C/O CROWN HSE	3,435.00
CS02	Karl Storz	Thomas Wise Place, Dundee, DD2 1UB	31,086.60
CS03	SECA LTD	40 Barn Street, Birmingham, B5 5QB	1,920.00
CS04	SF Taylor	Unit 13 Bamford Business Park, Hibbert Street, Stockport, SK4 1PL	10,770.50
CS05	Shedmed Limited	38-40 Clifton Street, Sheffield, S9 2DQ	123.60
CS06	Shred-It	177 Cross Street, Ground Floor, Corner House, Manchester, M33 7JQ	2,003.93
CS07	Shred-It Bristol	Account No. 15429617, 177 Cross Street, Ground Floor, Corner House, Manchester, M33 7JQ	499.20
CS08	SHred-It Dolan Park	Account No 14202632, 177 Cross Street, Ground Floor, Corner House, Manchester, M33 7JQ	528.77
CS09	SMC Premier Cleaning Limited	117-119a Stockport Road, Cheadle Heath, Stockport, SK3 0JE	6,280.50

**Turpin Barker Armstrong
Combine Opco Limited
B - Company Creditors**

Key	Name	Address	£
CS10	Southampton City Council	Local Taxation Services, Civic Centre, Southampton, SO142AT	135.72
CS11	Spire Central Parkway	25-41 Crown Street, Reading, Berkshire, RG1 2SN	9,705.42
CS12	Spire Little Aston Hospital		10.00
CS13	Spire Parkway Hospital	Spire Healthcare Finance, Po Box 2957, Reading, Berkshire, RG1 9PL	310,850.00
CS14	Sure Insurance Services Ltd	7 White Lion Court, Cornhill, London, EC3V 3NP	14,313.60
CS15	Surgical Equipment Services Ltd	41 Dan-Y-Coed Road, Cardiff, South Glamorgan, CF23 6NB	3,705.00
CS16	Synchronicity Technology Solutions Ltd	2A Davenant Road, Oxford, OX2 8BX	12,757.50
CT01	Team support midland LTD	P O Box 212, Faverdale Industrial Estate, Darlington, DL1 9HN	44,320.94
CT02	Techni-flow uk Ltd	Credit Control Dept, 1 Gosforth Parkway, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET	1,336.50
CT03	The Car Lot	The Beauty Spot, 127 Pyle Street, Newport, Isle of White, PO30 1JW	10,613.19
CT04	The Westbourne Centre	Westbourne Centre Birmingham Ltd, 53 Church Road, Edgbaston, Birmingham, B15 3Sj	7,870.00
CT05	Timesco instruments for life	3 Carnival Park, Carnival close, Basildon, Essex, SS14 3WN	2,038.50
CT06	Torbay & South Devon NHS Foundation Trust	Wilkins Drive, Paignton, TQ4 7FG	1,456.80
CU01	Unisurge international limited	UNISURGE HOUSE, UNIT N, DALES MANOR BUSINESS PARK, SAWSTON, CAMBRIDGE, CB2 4TJ	10,748.97
CV01	Vision clean limited	Suite 3 Winwood Court, Norton Road, Stourbridge, West Midlands, DY8 2AE	4,118.40
CV02	Visual Security services UK Ltd		1,864.80
CW01	Waste Check Ltd	4 The Courtyard, Buntsford Gate, Bromsgrove, Worcestershire, B60 3DJ	12,146.67
CW02	WENSLEY & LAW LIMITED	NATIONAL WESTMINSTER BUILDING, 116-118 WALSGRAVE ROAD, COVENTRY, CV2 4ED	834.00
CW03	Wescott Medical Limited	38 Drum Industrial Estate, Chester-Le-Street, CO, Durham, Great Britain, DH2 1AG	1,666.46
CW04	Westminster City Council	Business Rates, PO Box 187, Erith, DA8 9EY	97,520.00
CW05	Williams Medical	Unit 21, Willow Court, West Quay Road, Warrington, WA2 8UF	27,560.48
CW06	Winterhalter Ltd	Winterhalter House, Roebuck Way, Knowlhill, Milton Keynes, MK5 8VH	126.06
CW07	Worcestershire Royal Hospital Department of Hi	Charles Hastings Way, Worcester, WR5 1DD	554.26
CY01	Your World Nursing Ltd	4th Floor, Level 5, Broadgate Tower, London, EC2A 2EW	367.38
135 Entries Totalling			2,421,002.40

APPENDIX 5

RECEIPTS AND PAYMENTS ACCOUNT

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

Combine Opco Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/07/2019

S of A £	£	£
FIXED CHARGE ASSETS		
Included Debts	9,800.00	
Goodwill	0.56	
Intellectual Property	0.56	
		9,801.12
ASSET REALISATIONS		
Books & Records	0.56	
Business Names	2,797.20	
Contracts	0.56	
Customer Deposits	0.56	
Database & Database Records	0.56	
Domain Names & Websites	2,797.20	
Plant & Machinery	56,000.00	
Social Media Assets	0.56	
Stock	106,400.00	
Prepayments	1.68	
		167,998.88
		177,800.00
REPRESENTED BY		
Bank - Current a/c		177,800.00
		177,800.00

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.

APPENDIX 6

FEE RECOVERY POLICY

Tel: 020 8661 4002
Ref. PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Alternatively a hard copy may be requested from Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 st April 2019 £	Current charge-out rate per hour, effective from 1 st April 2017 £	Previous charge-out rate per hour, effective from 1 st April 2013 £
Senior Partner	595.00	545.00	495.00
Partner	440.00	400.00	365.00
Manager	350.00	325.00	295.00
Assistant Manager	310.00	285.00	260.00
Senior Administrator	290.00	265.00	240.00
Administrator	240.00	220.00	200.00
Assistant Administrator	100.00	90.00	80.00
Junior Administrator	40.00	40.00	40.00

These charge-out rates charged are reviewed on 1st April 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. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and the basis of our post-appointment fees will be determined once we are aware of the full circumstances of the case and will be subject to approval.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and

creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Turpin Barker Armstrong; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

APPENDIX 7

WORK TO BE UNDERTAKEN IN THE ADMINISTRATION

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

Appendix 7: Details of work to be undertaken in the Administration

A. Work for which the Administrator is seeking to be remunerated on a fixed fee basis:

Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.

Setting up electronic case files.

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).

Preparing, reviewing and issuing proposals to the creditors and members.

Filing the proposals at Companies House.

Reporting on the approval of the proposals to the creditors, Companies House and the Court.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the office holder's estate bank account.

Creating, maintaining and managing the office holder's cashbook.

Undertaking regular reconciliations of the bank account containing estate funds.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing 6 month progress reports to creditors and members.

Filing progress reports at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Seeking closure clearance from HMRC and other relevant parties.

Preparing, reviewing and issuing final reports to creditors and members.

Filing final reports at Companies House.

Liaising with agents regarding pension obligations.

Dealing with Bribery, Anti Money Laundering and Code of Ethics requirements and considerations.

Creditors:

Corresponding with employees regarding TUPE.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Realisation of assets:

Liaising with the bank regarding the closure of the account.

Correspondence with THGL regarding post sale formalities.

Liaising with the purchaser and solicitors (where appropriate) regarding deferred consideration.

Instructing solicitors to assist in the realisation of assets (where appropriate).

Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

Collating information and instructing business rates analysts with a view to identifying refunds owed to the Company.

Creditors:

Issuing a notice of intended dividend and placing an appropriate gazette notice.

Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.

Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

Paying tax deducted from the dividends paid to employees.

Investigations:

Recovering the books and records for the case.

Listing the books and records recovered.

Submitting an online on the conduct of the directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

Case Specific Matters:

Dealing with patient correspondence, emails and telephone conversations regarding their claims.

Reconciling funds received which are due to THGL and arranging transfer of funds.

APPENDIX 8

ESTIMATE OF JOINT ADMINISTRATORS' EXPENSES TO BE INCURRED IN THE ADMINISTRATION

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

Appendix 7: Estimate of expenses to be incurred in the Administration

Type of expense	Estimated Amount
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	£720.00
Gazetting – various notices relating to the company have to be placed in the London Gazette	£75.00
Conference Call Costs – third party conference call services which are directly attributable to the Administration	£25.00
Russell Cooke LLP, solicitors – providing ongoing advice in relation to property issues and ancillary insolvency issues, post-sale formalities and potential employee matters.	£11,069.00
Clumber Consultancy Limited, pension services – preparing pension scheme reports and completing, submitting statutory Pension Act notifications for all relevant schemes in addition to providing ongoing advice and assistance in respect of all pension matters and assisting with claims in respect of unpaid pension contributions.	£3,660.00
Citigate Dewe Rogerson, PR services – fielding calls and enquiries from various media outlet regarding the Administration and assisting with the preparation of press releases.	£277.50
Storage of accounting records – the company's accounting records have to be stored by the officeholder	£1,000.00
Total estimated expenses	£16,826.50

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

APPENDIX 9

PROOF OF DEBT

Tel: 020 8661 4002
Ref: PD/RAR/JEP/MCA/XC0392

Turpin Barker Armstrong
Allen House
1 Westmead Road
Sutton
Surrey SM1 4LA

Proof of Debt – General Form

IN THE

High Court of Justice

Number:

004172 of 2019

Name of Company in Administration:

Combine Opco Limited t/as "The Hospital Group"

Company Registration Number:

10309496

Date of Administration:

3rd July 2019

1 Name of creditor

(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)
(include any Value Added Tax)

4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Martin C Armstrong
Joint Administrator

Admitted for dividend for

Amount (£)

Date

Martin C Armstrong
Joint Administrator

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.