



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

1 Company details

Company number 1 0 6 0 1 7 5 0

Company name in full Qualia Care Properties Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Rob

Surname Sadler

3 Administrator's address

Building name/number Devonshire House

Street 32-34 North Parade

Post town Bradford

County/Region West Yorkshire

Postcode B D 1 3 H Z

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0	
To date	^d 1	^d 0	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d2

^d4

^m0

^m3

^y2

^y0

^y2

^y1

**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	David Hodgson
Company name	Auker Rhodes Accounting Limited
Address	Devonshire House 32-34 North Parade
Post town	Bradford
County/Region	West Yorkshire
Postcode	B D 1 3 H Z
Country	
DX	
Telephone	01274 299499

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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



QUALIA CARE PROPERTIES LIMITED
(IN ADMINISTRATION)

ADMINISTRATORS' PROGRESS REPORT

THE ADMINISTRATORS' PROGRESS REPORT IN ACCORDANCE WITH
RULE 18.6 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
LEEDS INSOLVENCY AND COMPANIES LIST

IN THE MATTER OF THE INSOLVENCY ACT 1986
AND
IN THE MATTER OF QUALIA CARE PROPERTIES LIMITED

24 MARCH 2021



AUKER RHODES ACCOUNTING LIMITED

Devonshire House
32-34 North Parade
Bradford
BD1 3HZ

Tel: 01274 299499

APPOINTMENT OF ADMINISTRATORS

Date of Administration:	11 September 2020	
Date of Administrators' appointment:	Robert William Sadler	11/09/20
	John Paul Sugden	11/09/20 – 15/10/20
Court case number:	Leeds Insolvency & Companies List, CR-2020-LDS-000725	

Creditors should note that:

- the Administrators were appointed by the director on 11 September 2020;
- on 15 October 2020, John Paul Sugden was removed as Joint Administrator of the Company by an Order of the Court. The Order was advertised in the London Gazette on 10 November 2020;
- under the terms of the Order, John Paul Sugden was granted his release, or discharge from liability, as appropriate, 21 days after the publication of the Order;
- the Administrator acts as an officer of the Court and as an agent of the Company without personal liability; and
- Rob Sadler is licensed by the Insolvency Practitioners Association.

INTRODUCTION

The Administrator's Progress Report¹, in accordance with the Insolvency (England and Wales) Rules 2016 ("the Rules"), provides creditors with an update on the Administration since the appointment of Administrator on 11 September 2020. The Report covers the period 11 September 2020 to 10 March 2021.

This report is private and confidential and is for the sole purpose of providing creditors of the Company with the information that the Administrator is required to do by the Act and Rules. No part of this report may be reproduced or quoted from, referred to or used for any other purpose without the express permission of the Administrator.

THE ADMINISTRATORS' PROPOSALS

The Administrators' Proposals set out the basis for achieving objective (b) of schedule B1 of the Act, by selling certain of the Company's assets at a level that will see a better result for the Company's creditors as a whole than would be likely if the Company had been wound up.

The sale of certain Company assets was negotiated with Property Alternative Holdings Ltd ("PAHL") and completed on 12 October 2020, following advice from Fisher German, RICS qualified valuers, who had valued the Company's property with a view to sale.

A total sale consideration to PAHL totalling £5,852,654, plus VAT where appropriate and fixed costs, was achieved. The sale contract also included the care homes owned by Qualia Care Developments Limited ("QCD") taking into account the inter-company debt position between the Company and QCD.

The Administrators' Proposals² were circulated to creditors on 4 November 2020.

The Administrators proposed the following decisions via deemed consent on 30 November 2020:

1. The Administrators' Proposals for achieving objective (b) as the purpose of the Administration are approved,
2. The Company shall remain in Administration for such period as the Administrators deem necessary and appropriate.
3. The Administrators shall do all such things and exercise their powers as set out in the Act to the extent that they deem necessary to further the objective of the Administration.

The Administrators also proposed the following decisions by way of postal vote on 30 November 2020:

4. The establishment of a creditors' committee where sufficient nominations are received by the Decision Date.

¹ Rules 18.2, 18.3 and 18.6 of the Rules

² Paragraph 49 of schedule B1 of the Act and Rule 3.35 of the Rules

5. Where a committee of creditors is not established, the Administrators shall be remunerated by reference to the time properly spent by them and their staff in attending to the Administration.
6. Where a committee of creditors is not established, the Administrators' fee estimate shall be approved.
7. Where a committee of creditors is not established, the Administrators shall be entitled to draw their own company's costs and expenses, described as Category 2 Disbursements, when funds allow.
8. The Administrators shall be discharged from all liability upon the Administration coming to an end or their appointment otherwise ceasing.

Following a co-ordinated voting campaign, the Proposals were rejected with some creditors requesting a meeting of creditors to consider the Administrator's removal and replacement. Legal advice was taken regarding whether it was necessary to seek directions from the Court in respect of the rejection of the Proposals. That advice confirmed that it wasn't.

To proceed with the meeting, which was anticipated to be a relatively costly process due to the number of creditors involved and the Administrator's experience with the volume of correspondence that the Proposals had prompted, those creditors who had requested a meeting were required³ to pay a total deposit of £8,025. The first contribution to the deposit was received on 14 January 2021 and they continued to be received in multiples of £340 up to 26 January 2021.

A meeting has now been convened for 9 April 2021. At the meeting the following decisions will be voted upon:

5. The Establishment of a committee of creditors where sufficient nominations are received by the decision date.
9. The costs and expenses incurred in connection with the convening of this decision procedure shall be paid as an expense of the Administration and, for the avoidance of doubt, the deposits paid by creditors shall be returned to them.

PROGRESS DURING THE PERIOD OF THIS REPORT

Since the date of appointment, the Administrator has collected funds totalling £28,277 in respect of the sale consideration due from PAHL. The payments are up to date.

The sum of £142,974 has been received from the Company's bank following a request from the Administrator to pay the remaining balance into the Administration for the benefit of creditors. Copy bank statements have been reviewed to identify any potential claims.

The sum of £128,089 has been received in respect of a deposit refund on the purchase of Airedale Care Home which could not be completed due to the Administration of the Company. The failure of the Company to purchase the home has meant that a number of claims will arise in the Administration from creditors who have paid sums in anticipation of receiving a lease to a room within the property.

£5,425 has been received by the Administrator from Lupton Fawcett solicitors, which represents the balance of funds held in its client account.

Following the request for a meeting to be held, the Administrator has facilitated the receipt of deposit monies to allow the meeting to be held. Funds totalling £8,120 have been received.

During the period the Administrator has conducted investigations into the Company's directors' conduct and has submitted his report to the Insolvency Service, which is a statutory requirement in all insolvency cases. The content of the report is confidential and as a result the Administrator is unable to divulge any information contained in the report to creditors.

WHAT REMAINS TO BE DONE BY THE ADMINISTRATORS

The Administrator has convened a meeting of creditors for 9 April 2021 at which a number of decisions will be considered. At the date of this report, it is unknown what decisions will be approved or not.

The Administrator will continue to monitor receipt of the payments from PAHL in respect of the sale agreement whilst also considering potential creditor claims in the Administration.

³ Rule 15.19 of the Rules

THE ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at Appendix A is the Administrators' Receipts and Payments Account covering the six month period from 11 September 2020 to 10 March 2021.

As detailed in the Account, the following payments have been made during the period:

- The Administrators' bond premiums totalling £510 which are a statutory requirement.
- £3,102 in respect of valuation services provided in valuing the property owned by the Company.
- Legal fees in connection with the property sale, discussions with the FCA and the Administrator's appointment together with expenses totalling £21,190 and £102 respectively.
- A further £5,500 in respect of legal assistance in collecting the Airedale Care Home deposit monies.
- £1,390 in respect of a lien for legal fees and expenses deducted from monies held on account.
- £88 in respect of statutory advertising of the Administrator's appointment.

THE ESTIMATED OUTCOME FOR CREDITORS

The Administrator is not aware of any secured or preferential creditors.

It is anticipated that, following the successful sale of the properties to PAHL, a dividend will be paid to unsecured creditors (including all leaseholder and non-leaseholders) however, at this juncture the timing and quantum of any such dividend is unknown.

The level of dividend will depend on the successful recovery of all funds due under the sale agreement which are currently being paid on a deferred basis.

It is expected that the Company will exit Administration via a Creditors Voluntary Liquidation to allow for a dividend to unsecured creditors to be paid. The duly appointed Liquidator will formally agree creditors' claims.

PRE-APPOINTMENT COSTS

The Administrators pre-appointment costs have been paid by the Company.⁴

THE ADMINISTRATORS' REMUNERATION, EXPENSES & DISBURSEMENTS

The remuneration of the Administrators⁵ was requested by the Administrator by way of postal vote on 30 November 2020 however, due to the request for a meeting the decision will be put to the meeting to be held on 9 April 2021.

The Administrators are required to report their remuneration which has been charged in the period. This reflects the time charged to the case for any category of work where remuneration has been approved on a time spent basis.

⁴ Rule 18.5 of the Rules

⁵ Rule 18.4 of the Rules

During the period the Administrator has incurred costs of £35,042. An analysis of the time incurred is attached at Appendix D.

Auker Rhodes Accounting's charge out rates and disbursements policy can be found at Appendix C. Details of the expenses that the Administrators have incurred are also attached at Appendix B.

CREDITORS' RIGHTS

The following may make a written request to the Administrators⁶ for further information with regard to their remuneration, expenses or disbursements.

- A secured creditor
- A non-preferential, unsecured creditor with the concurrence of at least 5% in value of the non-preferential, unsecured creditors, including the creditor raising the request.
- Any non-preferential, unsecured creditor with the permission of the Court.

The request must be made within 21 days of receipt of this report and the Administrators must reply within 14 days of receipt of the request.

If the Administrators do not respond within the specified 14 days or do not provide all the requested information, the creditors may have recourse to the Court within 21 days of the Administrators' reply or the 14 days expiring.

The following have a right to challenge the Administrators' remuneration or expenses⁷.

- A secured creditor
- A non-preferential, unsecured creditor with the concurrence of at least 10% in value of the non-preferential, unsecured creditors, including the creditor making the challenge.
- Any non-preferential, unsecured creditor with the permission of the Court.

The challenge is to be made by an application to Court on the grounds that the remuneration charged or the expenses incurred are excessive. Alternatively, the challenge can assert that the fee basis is inappropriate.

The application to Court must be made no later than eight weeks after receipt of the report to creditors where the charging of the remuneration or the incurring of the expenses being objected to is set out.

A Creditors Guide to Administrators' Fees can be accessed at www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/28888/page/1/version-1-issued-april-2010. A hard copy of the Guide can be requested from the Administrators' office.

EC REGULATION

Regulation (EU) Number 2015/848 of the European Parliament and of the Council applies to these proceedings, which the Administrators believe are "main proceedings" within the meaning of Article 3 of the Regulation.

EXIT FROM ADMINISTRATION

The Administration will automatically come to an end after twelve months unless an extension is granted by the Court or with the consent of creditors.

In this instance it is anticipated that the Company will exit via a Creditors Voluntary Liquidation to allow for the continued recovery of sale proceeds and make a payment to unsecured creditors.

⁶ Rule 18.9 of the Rules

⁷ Rule 18.34 of the Rules

OTHER MATTERS

Should creditors have any questions arising from this Progress Report they should contact the Administrator.

A handwritten signature in black ink, appearing to read 'R. Sadler', followed by a long horizontal line extending to the right.

ROBERT WILLIAM SADLER

Administrator

APPENDIX A

QUALIA CARE PROPERTIES LIMITED (In Administration)

Administrator's Receipts and Payments Account for the period
11 September 2020 to 10 March 2021

INCOME	Total (£)
Freehold land & property	28,277.50
Refund of deposit monies	128,089.29
Cash at bank	142,974.71
Cash in hands of solicitors	5,425.59
Meeting deposit monies	8,120.00
Bank interest (gross)	9.06
	<u>312,896.15</u>
EXPENDITURE	
Specific bond	510.00
Agents' / valuers' fees	3,101.93
Legal fees re sale, FCA & Administration	21,190.90
Legal expenses	102.50
Legal fees re refund of deposit monies	5,500.00
Legal fees & expenses lien	1,390.33
Irrecoverable VAT	6,264.73
Statutory advertising	88.00
	<u>38,148.39</u>
Balance	<u>274,747.76</u>
MADE UP AS FOLLOWS	
Current account	274,747.76
	<u>274,747.76</u>

APPENDIX B

QUALIA CARE PROPERTIES LIMITED
(in Administration)

EXPENSES INCURRED BY THE ADMINISTRATOR

Expense	Supplier	Category	Incurred in the period from 11/09/20 to 10/03/21	Paid in the period from 11/09/20 to 10/03/21	Total expense outstanding
Administrators' bond premiums	Insolvency Risk Solutions	Category 1	510.00	510.00	-
Statutory advertising	EPE Reynell	Category 1	88.00	88.00	-
Title searches	HM Land Registry	Category 1	3.00	-	3.00
Mileage	Auker Rhodes Accounting	Category 2	15.75	-	15.75
Agent's fees & disbursements	Fisher German	Category 1	3,101.93	3,101.93	-
Legal fees	Gateley	Category 1	21,190.90	21,190.90	-
Legal disbursements	Gateley	Category 1	102.50	102.50	-
Legal fees	Morton Legal	Category 1	5,500.00	5,500.00	-
Legal fees	Lupton Fawcett	Category 1	1,390.33	1,390.33	-
			31,902.41	31,883.66	18.75

AUKER RHODES ACCOUNTING – EXPENSES & CHARGEOUT RATES

INTRODUCTION

This note applies where a licensed Insolvency Practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Required professional practice¹ states that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories:

- Category 1 expenses (approval not required) – specific expenditure that is directly related to a specific insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges; and
- Category 2 expenses (approval required) – all other items of expenditure:
 - which cannot, or cannot easily, be directly related to a specific insolvency case because there is an element of shared or allocated cost; and / or
 - where the cost of the expense incurred is an estimated, utilised cost with the estimate based on external costs or opportunity cost.

EXPENSES

- Category 1 expenses (approval not required) – except for any items referred to below, all such items are re-charged to the case as they are incurred.
- Category 2 expenses (approval required)
 - (A) The following items of expenditure are re-charged as described:
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 per meeting;
 - Car mileage is re-charged at the rate of 45 pence per mile;
 - Storage of books and records (when not rechargeable as a Category 1 expense) is re-charged on the basis of £5 per box per year.
 - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge:
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense.

STANDARD CHARGEOUT RATES AND CHARGING POLICY

The rates applying as at the date of this report are as follows:

	Chargeout rate (£ per hour)
Grade of staff	
Officeholder	250
Manager	200
Senior Administrator	150
Administrator	125
Admin / support staff	75 – 125

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of six minutes.

¹Statement of Insolvency Practice 9 (SIP 9) effective from 1 December 2015.

APPENDIX D

QUALIA CARE PROPERTIES LIMITED
(in Administration)

TIME COST SUMMARY
FOR THE PERIOD 11 SEPTEMBER 2020 TO 10 MARCH 2021

Classification of work	Officeholder	Manager	Other senior professional	Assistants & support staff	Total hours	Time cost (£)	Average hourly rate (£)
Case adminisitation	43.90	37.70	-	0.70	82.30	18,602.50	226.03
FCA	11.80	-	-	-	11.80	2,950.00	250.00
Closure	-	-	-	-	-	-	-
Creditors & shareholders	3.60	13.60	-	-	17.20	3,620.00	210.47
Employees	-	-	-	-	-	-	-
Investigations	12.80	2.50	-	-	15.30	3,700.00	241.83
Realisation of assets	24.20	0.60	-	-	24.80	6,170.00	248.79
Trading	-	-	-	-	-	-	-
Total hours	96.30	54.40	-	0.70	151.40	35,042.50	231.46

Total fees drawn in the period

-

NOTICE OF CLAIM

QUALIA CARE PROPERTIES LIMITED

Name & address of Creditor				
Amount claimed: (including VAT)	£			
Date the Liability was incurred				
Nature of Liability against the Company (e.g. goods sold, services performed, etc)				
Is any party jointly liable for the Liability?	YES		NO	
Particulars of security, if any, including its value and the date it was given				
Give details of whether the whole or any part of your Claim is Preferential				
Signature of Creditor (or person authorised on the Creditor's behalf):				
Name of creditor (or person authorised on the Creditor's behalf):				
Position in relation to the Creditor				
Telephone:				
Fax:				
Email:				
Date:	/ /			

Please provide relevant documentation in support of your Claim.

If you are registered for VAT, the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994.

Please return this form when you have completed it to Auker Rhodes Accounting Limited, Devonshire House, 32-34 North Parade, Bradford, BD1 3HZ, or by email to david.hodgson@aukerrhodesaccounting.co.uk.