

The Insolvency Act 1986

Administrators' progress report

Name of Partnership Dorchester Care LLP	Partnership number OC312987
In the Leeds High Courts of Justice <small>[full name of court]</small>	Court case number 442 of 2014

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

I/ We (a) Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Julie Anne Palmer of Begbies Traynor (Central) LLP, 65 St Edmund's Church Street, Salisbury, Wiltshire, SP1 1EF

administrator(s) of the above Partnership attach a progress report for the period

(b) Insert dates

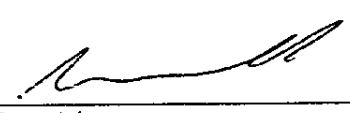
from

to

(b) 10 October 2014

(b) 17 March 2015

Signed


 Joint Administrator

Dated

17 March 2015

Contact Details.

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

Begbies Traynor (Central) LLP	
9th Floor, Bond Court, Leeds, LS1 2JZ	
	Tel Number 0113 244 0044
Fax Number 0113 244 5820	DX Number

Companies House receipt date barcode

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COMPANIES HOUSE

Bob Maxwell and Julie Anne Palmer were appointed joint administrators on 10 April 2014

The affairs, business and property of the Partnership are being managed by the joint administrators, who act as the Partnership's agents and without personal liability

Dorchester Care LLP (In Administration)

Progress report of the joint administrators pursuant to Rule 2.47 and 2.112 of The Insolvency Rules 1986

Period: 10 October 2014 to 17 March 2015

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Partnership"	Dorchester Care LLP (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 10 April 2014
"the administrators", "we", "our", "us"	Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Julie Anne Palmer of Begbies Traynor (Central) LLP, 65 St Edmund's Church Street, Salisbury, Wiltshire, SP1 1EF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a Partnership, means a creditor of the Partnership who holds in respect of his debt a security over property of the Partnership, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Partnership whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of the Partnership	Dorchester Care LLP
Trading names	Avenue House Care Home ("Avenue House") Greenbushes Nursing Home ("Greenbushes")
Date of incorporation	27 April 2005
Partnership registered number	OC312987
Partnership registered office	9th Floor, Bond Court, Leeds, LS1 2JZ

3 DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators	Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Julie Anne Palmer, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 65 St Edmund's Church Street, Salisbury, Wiltshire, SP1 1EF
Date of appointment	10 April 2014
Court	Leeds High Courts of Justice
Court Case Number	442 of 2014
Person making appointment	The designated member of the Partnership, James Glanville
Acts of the administrators	The administrators act as officers of the court and as agents of the Partnership without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The period of the Administration has been extended by the secured creditor for six months following the anniversary of our appointment.

4. PROGRESS DURING THE PERIOD

Trading

Attached at Appendix 1A is the trading account for the period from 10 October 2014 to 17 March 2015, and cumulatively from 10 April 2014 to 17 March 2015

The Partnership operated two care homes in Dorchester, Greenbushes, a nursing home which ceased to trade prior to our appointment, and Avenue House (together "the Homes") Following our appointment, we engaged Goldcare Future Management Limited ("Goldcare"), experts in the care home industry, as managing agents of Avenue House, which continued to trade under our control

Shortly after our appointment, Christie & Co were instructed to market the Homes Following a brief period of marketing, a number of offers were received and a negotiated offer of £1,900,000 was eventually accepted, with sale completion taking place on 12 January 2015

Prior to the sale, a trading loss of £29,131 was incurred during the period of this report, the loss since the date of our appointment now totals £43,564

This is calculated on a cash basis and does not accrue for costs incurred which are yet to be paid or income due but not yet received This also includes an outstanding utility bill, together with a payment due to the purchaser of the Homes in relation to residents' fee income collected into the administration bank account for post sale periods Payment of such will shortly be made, following which the final trading position will be quantified

Receipts and payments

Attached at Appendix 1B is our abstract of receipts and payments for the period from 10 October 2014 to 17 March 2015, and cumulatively from 10 April 2014 to 17 March 2015 The following receipts and payments relate to non-trading items arising during the period of this report

Receipts

Freehold Property, Goodwill, Intellectual Property, Fixtures, Fittings & Equipment

A sale of the Homes for the sum of £1,900,000 completed on 12 January 2015, which was allocated as follows

Freehold property relating to Avenue House - £500,000
Freehold property relating to Greenbushes - £499,500
Goodwill - £775,500
Business name, intellectual property, records and rights - £5
Fixtures, fittings and equipment - £124,995

Book debts

Book debts in the sum of £48 have been collected during the period These book debts relate to outstanding residents' fees due to the Partnership at the date of our appointment

Payments

Legal fees & disbursements

Walker Morns LLP were instructed to assist with the appointment documents and application to Court for our appointment as administrators. For their assistance in this matter, they have been paid the sum of £9,534 plus disbursements of £210.

In addition, Addleshaw Goddard LLP were instructed to assist with the sale of the Homes and drafting the various sale documentation. The sum of £19,000 has been paid in respect of their fees incurred, together with disbursements of £81.

Agents'/Valuers' fees

Prior to our appointment, Christies & Co were instructed by the Partnership to market the Homes for sale. Shortly after our appointment, we formally instructed the agents to market the Homes on our behalf. Following the sale of the Homes, the sum of £33,500 was paid in respect of their fees incurred.

Managing agents' fees & disbursements

Goldcare have been paid the sum of £16,452 in relation to their management fees, together with the sum of £1,596 in respect of their disbursements.

Insurance

The total sum of £12,791 has been paid to Aon UK Limited in respect of the insurance cover provided for the Homes from the date of our appointment until the sale completed on 12 January 2015.

Capital Expenditure

The Homes required considerable work in order to comply with CQC's standards. The roof was identified as an area of concern during the CQC inspection and required repair and improvement work. We instructed A G Hardy to carry out the repair work and the sum of £17,625 was paid in this respect.

Irrecoverable VAT

The Partnership is not VAT registered and therefore all VAT is an irrecoverable cost of the Administration. The sum of £16,063 was incurred in relation to non-trading costs during the period of this report.

Specific bond

The sum of £46 was paid to Marsh Limited in respect of statutory bordereau costs.

5 ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Partnership's creditors were provided in our statement of proposals.

On the basis of realisations to date and estimated future realisations, we estimate an outcome for each class of the Partnership's creditors as follows:

Secured creditor

The secured creditor, Royal Bank of Scotland ("the Bank"), has received an interim distribution in the sum of £1,200,000. Once the trading position is finalised, the bank will receive a final distribution, however, a significant shortfall will be incurred.

Preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals and in previous progress reports.

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

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6 PRE-ADMINISTRATION COSTS

On 22 July 2014, the following amounts in respect of unpaid pre-administration costs were approved by the secured creditor in accordance with Rule 2.67A of the Rules.

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to work carried out prior to our appointment as administrators	Begbies Traynor (Central) LLP	4,980 50	996 10	5,976 60
TOTAL PRE-ADMINISTRATION COSTS		4,980 50	996 10	5,976 60

The above currently remains unpaid.

7. REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by the secured creditor on 22 July 2014 in accordance with Rule 2.106(5A) of the Rules, by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 10 October 2014 to 17 March 2015 amount to £48,594 which represents 224.8 hours at an average rate of £216.17 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 10 October 2014 to 17 March 2015

In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress report contained details of the time costs we had incurred as at the date of that report. We are yet to draw any fees on account of our remuneration, against total time costs of £145,026 incurred since the date of our appointment.

To 17 March 2015, we have drawn disbursements in the sum of £709.45. Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £12,835.57 are provided in the narrative summary of time costs incurred which is at Appendix 2.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred by us during the period of this progress report is attached at Appendix 3.

9. ASSETS THAT REMAIN TO BE REALISED

Final trading reconciliation

Following a sale of the Homes on 12 January 2015, the only matters outstanding are in relation to finalising trading receipts and payments in respect of the periods immediately before and after the sale.

We anticipate that the final trading position will be determined shortly, at which point we will distribute a final dividend to the Partnership's secured creditor and move the administration to closure.

10. OTHER RELEVANT INFORMATION

Report on Directors' conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. We have complied with their duties in this respect.

Extension of administration

On 20 March 2015, the administration was extended by the secured creditor for a period six months following the anniversary of our appointment up to 9 October 2015.

Proposed exit route from Administration

We consider that the Partnership will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Partnership will automatically be dissolved.

11 CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court), may request in writing that the administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court), may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by the administrators as set out in this progress report are excessive or, in relation to the basis fixed for the administrators' remuneration, inappropriate.

12. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



Bob Maxwell
Joint Administrator

Dated 24 March 2015

TRADING ACCOUNT

Period 10 October 2014 to 17 March 2015 and cumulatively from 10 April 2014 to 17 March 2015

	From 10/10/2014 To 17/03/2015 £	From 10/04/2014 To 17/03/2015 £
Post Appointment Sales		
Residents' Fee Income	147,732 64	375,348 74
Direct Costs		
Food	12,381 47	20,187 11
PAYE/NIC	14,927 98	28,894 74
Direct Labour	101,283 66	279,221 53
Employee Searches	502 00	502 00
	<u>(129,095 11)</u>	<u>(328,805 38)</u>
Trading Expenditure		
Resident Entertainment	415 00	415 00
Utilities	8,940 21	18,553 78
Travel	68 91	68 91
Telephone/Broadband	920 61	1,084 47
Fire/Health & Safety	1,661 38	2,361 07
CQC Registration	-	9,340 00
Training	1,750 00	2,250 00
Bank Charges	480 00	1,685 00
Irrecoverable VAT	4,680 12	8,546 75
Hire of Equipment	2,079 88	2,551 88
Repairs & Maintenance	15,436 60	26,300 73
Stationery	974 25	1,166 05
Medical Supplies/Equipment	570 00	944 00
Cleaning & Laundry	3,689 43	6,265 74
Waste Collection	1,345 16	3,215 16
Payroll Fees	1,003 90	1,605 20
Council Tax	3,753 48	3,753 48
	<u>(47,768 93)</u>	<u>(90,107 22)</u>
Trading Loss	<u><u>(29,131 40)</u></u>	<u><u>(43,563 86)</u></u>

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 10 October 2014 to 17 March 2015, and cumulatively from 10 April 2014 to 17 March 2015

	From 10/10/2014 To 17/03/2015 £	From 10/04/2014 To 17/03/2015 £
Secured Assets		
Freehold Property - Avenue House	500,000 00	500,000 00
Freehold Property - Greenbushes	499,500 00	499,500 00
Goodwill	775,500 00	775,500 00
Business name, IP, records, rights, etc	5 00	5 00
	<u>1,775,005 00</u>	<u>1,775,005 00</u>
Costs of Secured Assets Realisations		
Administrators' Disbursements	-	608 45
Legal Fees	28,354 00	29,854 00
Legal Disbursements	290 55	290 55
Agents/Valuers Fees	33,500 00	36,500 00
Managing Agents Fees	16,451 61	38,401 61
Managing Agents Disbursements	1,595 51	3,278 17
Insurance	12,790 57	12,790 57
Irrecoverable VAT	16,054 06	21,667 43
EPC	-	510 00
Capital Expenditure	9,625 00	17,625 00
Bank Charges	40 00	40 00
	<u>(118,701 30)</u>	<u>(161,565 78)</u>
Secured Creditor		
Royal Bank of Scotland	1,200,000 00	1,200,000 00
	<u>(1,200,000 00)</u>	<u>(1,200,000 00)</u>
Floating Charge Realisations		
Fixtures, Fittings and Equipment	124,995 00	124,995 00
Book Debts	47 63	32,851 09
Cash in Hand	-	202 38
Bank Interest	1 25	5 37
Trading Loss	(29,131 40)	(43,563 86)
	<u>95,912 48</u>	<u>114,489 98</u>
Costs of Floating Charge Realisations		
Specific Bond	46 00	66 00
Court Application Fee	-	35 00
Irrecoverable VAT	9 20	37 12
Statutory Advertising	-	84 60
	<u>(55 20)</u>	<u>(222 72)</u>
	<u><u>552,160 98</u></u>	<u><u>527,706 48</u></u>
Represented by		
Bank Accounts		526,761 97
Petty Cash at Home		944 51
		<u><u>527,706.48</u></u>

APPENDIX 2

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 10 October 2014 to 17 March 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories.

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

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting. Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

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

Services provided by an entity within the Begbies Traynor group

- From 12 December 2014, Eddisons Commercial Holdings Limited ("Eddisons") became part of Begbies Traynor Group. Eddisons are a firm of chartered surveyors offering a range of property and asset services including insurance. In this matter, Eddisons Insurance Services ("EIS") were instructed to provide insolvency insurance requirements at the date of our appointment to ensure appropriate levels of cover and competitive premiums are in place. The insurance provider is Aon (UK) Limited and the premiums incurred will be reclaimed from asset realisations from the Company.
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*
- Telephone and facsimile
 - Printing and photocopying
 - Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Dorchester Care LLP
CASE TYPE	Administration
OFFICE HOLDERS	Bob Maxwell and Julie Anne Palmer
DATE OF APPOINTMENT	10 April 2014

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1.2 **Complexity of the case**
The main complexities of the case were to conduct a review of operations and financial forecasts for Avenue House to establish whether there was a viable business that could be restored to profitability and sold as a going concern, together with trading the Home throughout the administration process up to completion of the sale of the Homes
- 1.3 **Exceptional responsibilities**
The exceptional responsibilities have been working with the managing agents, Goldcare Future Management Limited ("Goldcare"), the Local Authorities and Care Quality Commission ("CQC") to ensure the standards of quality and safety are maintained
- 1.4 **The office holders' effectiveness**
We continued to trade Avenue House under the control of Goldcare up to the date of sale. This process was carried out with the cooperation of CQC and the Local Authorities to ensure compliance with their enforcement notice and avoid immediate closure of the home. We have completed a sale of all the assets owned by the Partnership
- 1.5 **Nature and value of property dealt with by the office holders**
As detailed in the main body of this report, the Partnership's main assets comprise two freehold properties, being Avenue House and Greenbushes. A sale of the Partnership's assets completed on 12 January 2015, in the sum of £1,900,000
- In addition to the freehold properties, the Partnership also had a book debt ledger at the date of our appointment of which £32,851.09 has been collected
- 1.6 **Anticipated return to creditors**
The secured creditor has received an interim distribution of £1,200,000. Once the final trading position is determined, a final dividend will be distributed to the secured creditor, however, a significant shortfall will be suffered. There have been insufficient realisations to enable a distribution to any other class of creditor
- 1.7 **Time costs analysis**
An analysis of time costs incurred between 10 October 2014 and 17 March 2015 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type
- The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

1 8 The views of the creditors

The Partnership's creditors were notified of the Administration of the Partnership immediately following appointment and were invited to bring to our attention any matters they felt required further investigation

1 9 Approval of fees

Our remuneration was fixed by the secured creditor on 22 July 2014 in accordance with Rule 2 106(5A) of the Rules, by reference to the time properly given by the administrators and various grades of staff

1 10 Approval of Expenses and Disbursements

We are also authorised to draw disbursements as agreed by the secured creditor on 22 July 2014

1 11 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holders' firm	
Type and purpose	Amount £
Mileage – 45p per mile	45 00
TOTAL	45 00

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Eddisons Insurance Services Limited, which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation the Company's assets upon our appointment	12,790 57
TOTAL	12,790 57

1 12 Other professionals employed & their costs

We engaged the services of Addleshaw Goddard LLP, solicitors, to provide their professional advice in respect of matters arising in the administration and the sale of Avenue House and Greenbushes. Their fees were based on time costs incurred

Walker Morris LLP, solicitors, were instructed to assist with placing the Partnership into administration, preparing the appointment documentation and submitting an application to Court. Their fees were based on time costs incurred

Goldcare, care home management specialists, were instructed to undertake the day to day management and trading operations of Avenue House. Their fees were agreed at £3,750 per month

Christie & Co were instructed to deal with marketing and disposal of Avenue House and Greenbushes. Their fee was based on 1 75% of gross sale proceeds

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2
- 2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

[illegible]

STATEMENT OF EXPENSES

The following non-trading expenses have been incurred during the period of this report

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal Fees & Disbs	Addleshaw Goddard LLP	19,080 50	19,080 50	-
	Walker Morris LLP	9,744 50	9,744 50	-
Agents Fees	Christie & Co	33,500 00	33,500 00	-
Managing Agents' Fees & Disbs	Goldcare Future Management Limited	22,997 12	18,047 12	4,950 00
Insurance	Aon Limited	12,790 57	12,790 57	-