

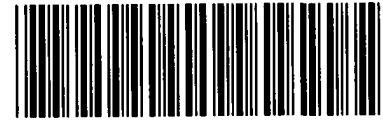
# AM03

## Notice of administrator's proposals



Companies House

TUESDAY



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24/11/2020

#312

COMPANIES HOUSE

### 1 Company details

Company number	0	4	6	7	8	3	3	7
Company name in full	Glenside Manor Healthcare Services Limited							

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

### 2 Administrator's name

Full forename(s)	Colin
Surname	Hardman

### 3 Administrator's address

Building name/number	25 Moorgate
Street	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	

### 4 Administrator's name

Full forename(s)	Kevin
Surname	Ley

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

### 5 Administrator's address

Building name/number	25 Moorgate
Street	London
Post town	EC2R 6AY
County/Region	
Postcode	
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	Signature X	X									
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# 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	Michael Quinn
Company name	Smith & Williamson LLP
Address	25 Moorgate
	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	
DX	119507 Finsbury Square EC2
Telephone	020 7131 4000



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- ☐ 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.



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



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The Raphael Medical Centre  
Limited and  
Glenside Manor Healthcare  
Services Limited  
(both in administration)

Joint Administrators' Report and Statement of Proposals pursuant to  
Paragraph 49 of Schedule B1 Insolvency Act 1986

28 October 2020



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# 1. Glossary

Abbreviation	Description
the Companies	The Raphael Medical Centre Limited Glenside Manor Healthcare Services Limited
Raphael	The Raphael Medical Centre Limited
Glenside	Glenside Manor Healthcare Services Limited
the administrators/joint administrators	Colin Hardman and Kevin Ley of Smith & Williamson LLP
Renovo	The Renovo Care Group
SIP	Statement of Insolvency Practice (England & Wales)
SIP 16	Statement prepared by an insolvency practitioner that details how the decision to undertake a pre-packaged sale was arrived at and the other alternatives that were considered
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
Prescribed Part	See explanation in section 8.1
S&W	Smith & Williamson LLP
Convener	The joint administrators acting as chairman of a meeting of creditors
ETR	Estimated to realise
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
RPS	Redundancy Payments Service
C&C	Christie & Co
SIA	SIA Group (UK) London Limited
Blantyre	Meru IV s.a.r.l (Blantyre)

## 2. Introduction

We, Colin Hardman and Kevin Ley of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and licensed insolvency practitioners, were appointed joint administrators of the Companies on 1 October 2020.

We are both qualified insolvency practitioners and licensed by the Institute of Chartered Accountants in England & Wales.

This report sets out our proposals in respect of the administrations of the Companies. We have prepared consolidated proposals given the commonality between the Companies.

Appendix I contains information in respect of the Companies and which the joint administrators are required to provide under the IR16. Appendix VIII contains the SIP 16 statement given sales of the Companies' businesses and assets were undertaken immediately upon the appointment of the joint administrators. This report and statement of proposals will have been deemed to have been delivered to all known creditors on 28 October 2020.

The SIP 16 statement was not issued to creditors within the recommended 7 day period from the appointment of the joint administrators as a result of resource restrictions due to Covid-19.

Please note that this report and statement of proposals has been produced during the period of the Covid-19 pandemic. As a result, we have relied on electronic records provided by the Companies, the directors and information provided by third parties. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in the next progress report to creditors.

## 3. Key points

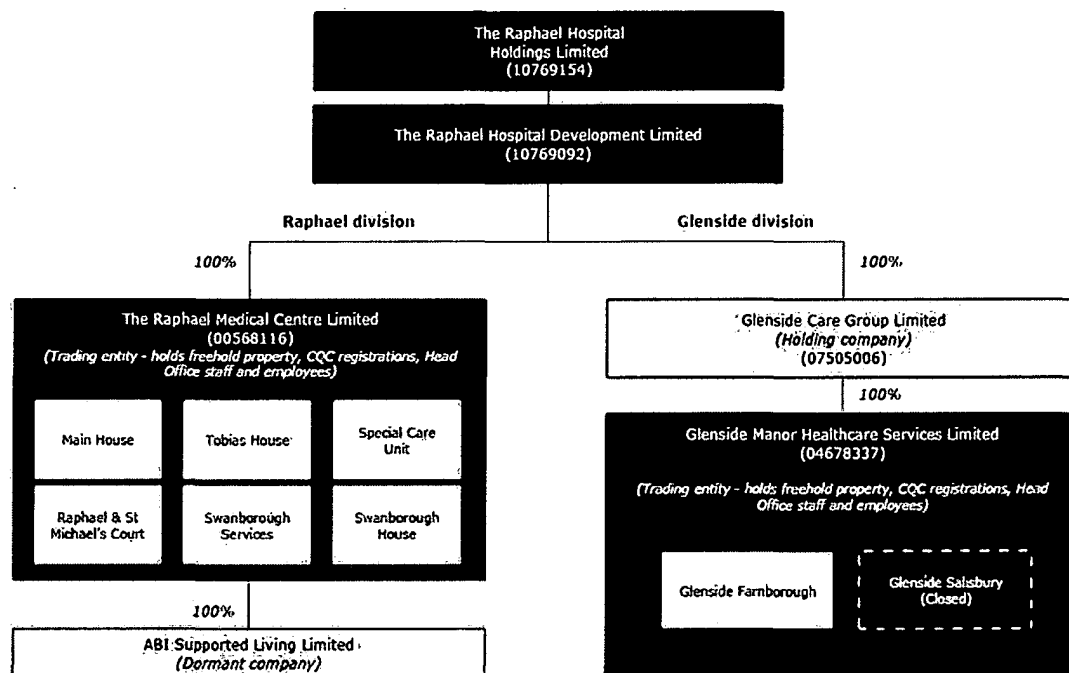
- We were appointed joint administrators of the Companies on 1 October 2020 by the directors of the Companies with the consent of Blantyre, the secured creditor.
- The objective of the administrations is as in P3(1)(b) Sch B1, namely achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration).
- Pre-packaged sales of the Companies' underlying businesses and assets to entities within The Renovo Care Group ('Renovo') were completed on 1 October 2020 for a total consideration of £31.5million. The sales were deemed to have been to connected parties. Consequently, The Renovo Care Group made a referral to and submission to the Pre-Pack Pool. No viability statement was included in this submission as there was no deferred consideration incorporated into the contractual sales terms.
- The pre-packaged sale of the Companies' assets has enabled the administrations objective to be achieved as follows:
  - It ensured minimal disruption to the underlying businesses undertaken at the various facilities operated by the Companies and resulted in a better result as a whole for creditors, than if the Companies had ceased trading without the sales having first been secured and completed;
  - The Companies' businesses and assets have been preserved for the benefit of creditors, which will facilitate possible ongoing trading relationships with suppliers (should they wish to continue to supply);
  - Reduced the costs of the administration processes as the sales were achieved on appointment and less work is now anticipated to be required to deal with residual matters;
  - Additional cost savings in the administration estates including rent, insurance, the costs associated with the likely wind down of all/some of the operations, costs of removing/storage of the assets including medical records together with the marketing of the assets, is expected to result in a greater return in the administration estates;
  - The joint administrators anticipate that no preferential claims will be received as all employees have been transferred to the purchasers under TUPE. In addition, the prepack sales preserved the jobs of over 280 employees;
  - It is anticipated that the prepack sales will mitigate potential breach of contract claims from suppliers as the purchasers will require certain ongoing supplies and services resulting in the quantum of the unsecured creditors' claims being lower than in trading/wind down administrations;



- In addition, services provided by creditors would have been terminated earlier to avoid incurring additional sums and consequently, ransom payments made to suppliers (payments essential to the administrations in order to preserve business operations and potential underlying value) will have been required if the sales had not been completed.
- The highest offer for the Companies' businesses and assets was received from Renovo, which is ultimately owned by the secured creditor, Blantyre. The acquisitions were undertaken by way of business and asset sales with the release of Blantyre's security. The payment of the consideration was by way of a 'credit bid' following which the indebtedness due to Blantyre was reduced from £41 million to £9 million.
- Details of all assets sold are detailed in the SIP 16 statement to creditors at appendix VIII.
- On completion of the sale, Blantyre via the purchaser entities, has funded the following:
  - The estimated joint administrators' fees;
  - The estimated costs and expenses of the administrations; and
  - The funds pertaining to the estimated Prescribed Part that should be distributable to the unsecured creditors of both Companies based on the sums shown on the Estimated Outcome Statement as at 1 October 2020 (appendix IV).
- Whilst it is still relatively early in the administrations, it is anticipated that there will be sufficient funds, by way of the Prescribed Part, to enable a dividend to unsecured creditors. However, the quantum and timing are uncertain as at the date of these proposals.
- The proposals will be considered approved, subject to no objections being received, on 3 November 2020, if we do not receive any valid request for a meeting of creditors.
- 10% or more by value of each Company's creditors can request the joint administrators to call a meeting of creditors to consider the proposals. If they wish us to do so, then details of the process are covered in section 15 below. The joint administrators will advise creditors accordingly and provide notice of any such meeting(s).
- Creditors who meet certain thresholds prescribed by the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may request a physical meeting to be held to consider the proposed decisions contained within the proposals. However, such a request must be made in writing to the Convener within 5 business days from 28 October 2020 and the joint administrators will request that a cost deposit be paid for convening any such meetings.
- At this point, the approval of the proposals only is being sought and we will be seeking approval of the basis of our remuneration and disbursements as set out at section 13 and 14 in due course from the secured creditor. The pre-appointment costs and expenses as set out in section 12 and approval will be sought from the secured creditor in due course.
- We will also be seeking approval of our discharge from liability from the secured creditor in due course.
- Creditors with partly or wholly unsecured claims are invited to form a creditors' committee which, if formed, will need to comprise three to five members. Further details are contained at appendix IX.

## 4. Background to the administrations

The Companies are subsidiaries of Raphael Hospital Development Limited ('RHD'), which was placed into Administration on 1 May 2019 by Macquarie Euro Limited, the secured lender. The joint administrators, Rob Harding and Nick Edwards of Deloitte, instructed Deloitte Corporate Finance Limited ('Deloitte') to undertake a marketing exercise during May 2019.



The sale process did not result in any acceptable offers being received for either the shares of the Companies or the underlying businesses and assets. Blantyre purchased the secured debt of Macquarie and replaced it as the secured lender. The progress report issued by the RHD administrators on 26 November 2019 states that Blantyre introduced additional funding of £1 million to the administration to support the ongoing trading of Glenside.

S&W was initially introduced to the Companies by Philip Smith (a director of the Companies) in December 2019, who advised that as a result of the Companies' financial position, it was being proposed to sell certain parts of the businesses and assets to the Renovo Care Group and to subsequently place the Companies into CVL ('the Post-Pack Transaction').

S&W was not formally engaged by the Companies until 26 May 2020 with our agreed scope being to:

- Review the terms of the proposed Post-Pack Transaction and identify and comment on the matters which potentially could be challenged by any subsequently appointed liquidators;
- Prepare a 'high-level' analysis to assist in ensuring that the Post-Pack Transaction did not disadvantage creditors compared to the alternative process of a pre-packaged sale through an administration process;
- Accept the subsequent appointment as liquidators, subject to the necessary approvals of members, creditors and other stakeholders;
- Review the sale process undertaken by the RDH administrators to ensure that a comprehensive marketing process for the Companies and the businesses and assets had been undertaken;
- Review the valuation evidence and transaction consideration apportionments across the business transfer agreements ('BTAs') and property transfers to ensure that these were robust and not open to challenge by subsequently appointed liquidators. This included a review of the asset valuations and apportionment of consideration across the Companies and assets classes, paying particular attention to the apportionments across the fixed and floating charges. Where necessary, independent valuation advice would be sought;
- Review of the proposed employee consultation process and subsequent transfer of employees to purchasing entities under TUPE regulations;
- Identification and review of assets and liabilities not being transferred over to the Renovo Care Group which would therefore need to be dealt with by the subsequently appointed liquidators;

- Undertake independent security reviews and understand priority arrangements between secured lenders;
- Review of completion statements and funds flows for the Companies;
- Preparation of high-level Prescribed Part calculations and estimated outcome statements for the Companies;
- Review of the Companies' creditor positions, in particular that of the largest creditors, to consider whether the Transaction was in the best interests of all creditors and therefore minimising the threat of litigation; and
- Review and approve a proposed indemnity from Blantyre to the liquidators in relation to any costs incurred by the liquidators in respect of potential third-party claims and actions.

Subsequently, the directors endeavored to progress and conclude the Post-Pack Transaction. However, by the beginning of September 2019 they became increasingly concerned that the terms would not ultimately be agreed with the Renovo Care Group and the funder, Blantyre. Consequently, the directors sought insolvency advice from S&W, in particular the options available to the Companies, as they were forecasting to exhaust funds by the end of September 2020.

At board meetings held on 4 September 2020, after considering all insolvency options, the directors resolved to undertake accelerated pre-packaged sale processes of the Companies' businesses and assets after which the Companies would be placed into administration. S&W was instructed to assist in this strategy.

We confirm that neither the joint administrators nor Smith & Williamson Holdings Limited nor any of its subsidiaries have had a prior significant personal or professional relationship with the Companies or any of their directors prior to our letter of engagement dated 26 May 2020. Appropriate checks were carried out before accepting the formal engagement by the Companies. We were not engaged to advise the directors. The directors were encouraged to seek their own independent legal/professional advice.

Colin Hardman and Kevin Ley are both qualified insolvency practitioners and licensed by the Institute of Chartered Accountants in England & Wales. As proposed joint administrators, statements and consents to act were provided by both on 29 September 2020.

Notices of intention to appoint joint administrators was filed in the High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd) on 30 September 2020 by the directors.

The joint administrators were appointed by the directors on 1 October 2020 having served the notices of intention on 30 September 2020 on the security agent and Blantyre, the qualified floating charge holder which consented to the appointments.

The directors contacted the Companies' employees on 1 October 2020 to advise them of the sale of the businesses and, following the pre-packaged sales completing, that their contracts of employment would transfer over to entities within The Renovo Care Group in accordance with Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').

## 5. Purpose of administrations and strategy

The joint administrators must perform their functions with the objective of:

- rescuing the Companies as a going concern; or
- achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration); or
- realising property in order to make a distribution to one or more secured or preferential creditors.

The joint administrators were unable to achieve the first objective due to the historical debts of the Companies and limited funding available to enable this objective to be pursued.

The second objective has been achieved following the sale of the Companies' businesses and assets, in that a distribution to the secured creditor has been made of £31.5 million. The joint administrators do not anticipate any preferential claims being made in the administrations and that the unsecured creditors will participate in distributions from the Prescribed Part in each administration. In the event that the Companies had been placed into liquidation, the process would have resulted in the employees having preferential claims against the Companies and the likely forced sale realisation of assets.

The joint administrators have been aware, following their appointment, that a number of former Glenside employees have made claims to an Employment Tribunal. No award has been made, as at the date of the proposals, and it is not known whether any preferential claims may arise.

Our role, prior to appointment as joint administrators, was to advise the Companies, not the directors or any party considering an acquisition of the businesses whether by means of a pre-pack or other. Once appointed, administrators are obliged to perform their functions in the interests of the Companies' creditors as a whole. Where the objective of the administration is to realise property in order to make a distribution to the secured or preferential creditors, we have a duty to avoid harming unnecessarily the interests of the creditors as a whole.

Section 7 provides details of the actions taken to date in pursuit of our strategy for the administration and section 9 details our proposals to achieve the purpose of the administrations and to bring it to a conclusion in due course.

## 6. Joint administrators' receipts and payments

A summary of our receipts and payments for the administration period from the date of our appointment to 23 October 2020 is attached at Appendix III which details the funds in hand.

## 7. Conduct of the administrations

### 7.1 Pre-packaged sales

Following the completion of the pre-packaged sales of the Companies' businesses and assets on 1 October 2020 to Renovo, the joint administrators are obliged to provide information on the sales pursuant to the requirements of SIP16, Pre-packaged Sales in administration.

The joint administrators' SIP16 statement is attached as Appendix VIII which was made available to creditors on 9 October 2020.

### 7.2 Freehold/Long Leasehold properties

The Companies owned four freehold properties together with a long leasehold which were included in the aforementioned sales. Further details of this can be found in the SIP16 report. The joint administrators are not aware of any remaining properties.

### 7.3 Leasehold premises

Raphael traded from one leasehold property at 62 Swanborough Court. The joint administrators granted a license to occupy this property to Renovo Supported Living Limited, an entity within Renovo, as part of the wider transaction. The October license fee, which has been received in respect of this lease, will be paid to the landlord accordingly.

## 7.4 Chattel assets

As detailed in the SIP16 statement, the Companies' stock was valued prior to the administrations by independent valuation agents, SIA. It advised that the Companies' chattel assets had a cost value of approximately £442,950 and was valued at £160,150 on an in-situ basis.

All chattels were included in the sale to Renovo.

## 7.5 Book debts / Staff Loan

The joint administrators have entered into an agreement with Renovo for it to collect the Companies' book debts on behalf of the Companies. The fee payable is dependent on the total sum recovered and ranges between 2.5% to 30% depending on the level of recovery.

The book debts outstanding as at the date of appointment were:

- Raphael - £1,340,699
- Glenside - £149,109

The following were sold as part of the sale to Renovo:

- Staff loans
- Director loan account
- Other debtors

A further update will be provided on the realisation of the book debts in the joint administrators' first progress report to creditors.

## 7.6 Other steps taken since appointment

We summarise below the key matters that we have dealt with since our appointments in addition to the completion of the pre-pack sales:

### Initial notifications & statutory matters

- Issuing correspondence to creditors and their representatives regarding the joint administrators' appointments and the pre-pack sales of the Companies' assets;
- Providing the joint administrators' SIP16 disclosures to their regulators and creditors;
- Correspondence with the Companies' former bankers, accountants, shareholders and HM Revenue & Customs, notifying them of the administrations and where applicable, requesting various information;
- Writing to all former employees to notify them of the administrations, sale of the businesses and transfer of their employment;
- Completed statutory filings at Companies House;
- Complied with statutory advertising requirements;
- Obtained information on the pension scheme and submitted notifications to the Pension Protection Fund and Pension Regulator;
- Calculation and application for statutory insolvency bonds;
- Writing to the directors regarding the administration appointments and their ongoing duties; and
- Preparation of the joint administrators' proposals and associated documentation.

#### Assets

- Arranging insurance for any premises not included in the sales and any residual assets;
- Corresponded with Royal Bank of Scotland plc to obtain funds from pre-administration bank accounts; and
- Liaising with The Renovo Care Group in respect of the ongoing collection of the Companies' book debts and other post transaction matters.

#### Creditors

- Assisting with creditors' enquiries via email and telephone;
- Locating, updating and maintaining creditors' contact details;
- Receipt and recording of proof of debt forms and documentation provided in support of creditor claims; and
- Completing and returning confirmation of debt forms to creditors where requested for their insurance purposes.

#### General Administration and other matters

- Case file set up and maintenance; and
- Liaising with the Renovo Care Group in relation funds received into the pre-administration bank accounts that relate to post-appointment fee income.

### 7.7 Estimated financial positions of the Companies

The joint administrators have requested and not yet received completed SOAs from the directors given the Companies have only recently entered administration. The joint administrators anticipate receiving completed SOAs within the next 2 weeks and on receipt will file the SOAs at Companies House.

Attached as Appendix IV is a summary of the estimated financial positions of the Companies as at 1 October 2020, together with a list of creditors' names and addresses, details of their debts and, where applicable, details of any security held by them. This information has been taken from the Companies' records but has not been subject to any audit.

As all employees at the date of Administration were transferred, they are not listed as creditors and will not receive copies of this report and statement of proposals.

### 7.8 Charges and secured creditor

Following completion of the pre-packaged sale of the businesses and assets to Renovo, the sum of £31.5 million was effectively paid by way of a 'credit bid' to the secured lender, Blantyre. Blantyre was owed c£41 million by the Companies when they entered administration.

The security held by Blantyre and registered at Companies House is:

#### Raphael

Date of Security	Type of Security	Person Entitled to Security
12.10.2018	Debenture	Macquarie Euro Limited (as Security Agent)
11.12.2017	Legal mortgage	Macquarie Bank Limited (as Security Agent)
25.08.2017	Debenture	Macquarie Bank Limited (as Security Agent)

## Glenside

Date of Security	Type of Security	Person Entitled to Security
12.10.2018	Debenture	Macquarie Euro Limited (as Security Agent)
25.08.2017	Fixed & floating	Macquarie Bank Limited (as Security Agent)

It should be noted that the above security was assigned to Meru IV s.a.r.l (Blantyre) on or around 13 August 2019. The joint administrators have received legal advice confirming the security is valid.

## 7.9 Preferential creditors

All known employees were transferred to Renovo as part of the sale of businesses and assets and, accordingly, no preferential claims are anticipated in the administration estates.

The joint administrators are aware of a number of Employment Tribunal claims made by former employees prior to our appointment. We have yet to provide consent to the claims being pursued in light of the moratorium and have sought additional information in relation to the claims.

## 7.10 Unsecured creditors

Based on information provided by the Companies, the total amounts owed to unsecured creditors as at the date of the administrations were:

- Raphael - £15,244,620
- Glenside- £14,427,190

# 8. Estimated outcome for creditors

## 8.1 Directors' estimated financial positions of the Companies

Our current assessment of the likely outcome for creditors is as follows:

### Secured creditor

Blantyre was owed c£41m as at the date of Administration and the following distributions have been made to the secured creditor:

### Distribution to Secured Creditor

Entity	Fixed charge £	Floating charge £	Total £
Raphael	21,214,008	505,033	21,719,041
Glenside	<u>8,685,004</u>	<u>1,095,955</u>	<u>9,780,959</u>
	<u>29,899,012</u>	<u>1,600,988</u>	<u>31,500,000</u>

It is estimated that the secured creditor will suffer a shortfall of c£9.3m under its security.

As distributions have been made to the secured creditor, an agreement was reached whereby certain sums were provided on completion to the joint administrators by way of an Administration Funding Agreement. The agreement provided for the following sums to be paid to the joint administration for the following costs, expenses and Prescribed Parts:

Administration Funding Agreement	Raphael	Glenside
	£	£
Estimated Joint Administrators' Fees	150,000	125,000
Estimated Expenses	40,000	25,000
Estimated Prescribed Part	250,208	217,567
	<u>440,208</u>	<u>367,567</u>

In the event that these sums are not expended or utilised within the Administration estates, the monies are repayable to the secured lender. The Administration Funding agreement is non-recourse and does not attract interest.

#### Prescribed Part

Where a company has created a floating charge on or after 15 September 2003, Section 176A of the Insolvency Act 1986 makes provision for a share of a company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. The company's net property is the balance that remains after preferential creditors have been paid and which would then otherwise be available for satisfaction of the claims of any holder of a debenture secured by a floating charge. The funds are referred to as the Prescribed Part.

The amount of the Prescribed Part is calculated as follows:

- 50% of the net property up to £10,000, plus
- 20% of the net property over £10,000
- Up to a maximum Prescribed Part of £600,000.

#### Preferential creditors

Following the TUPE transfer of all known staff no preferential claims are anticipated. As mentioned in the proposals, the joint administrators are aware of ongoing Employment Tribunal claims by former Glenside employees which may give rise to potential claims.

#### Unsecured creditors

Following the pre-pack sales, there will be distributions to unsecured creditors by way of the Prescribed Part. However, the quantum and timing of these distributions is presently uncertain.

Subject to the final realisations made in respect of the book debts, the estimated funds available under the Prescribed Parts of the Companies are:

- Raphael Estimated - £250,208
- Glenside Estimated - £217,567

These amounts should be considered as initial estimates only and will subject to final floating charge realisations and costs of the administrations.



## 9. Proposals for achieving the purpose of administrations

Our proposals for achieving the purpose of administrations for the Companies are as follows:

- i. The joint administrators will continue to manage the affairs of the Companies in order to achieve the purpose of the administrations, namely with the objective of, achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration) pursuant to P3(1)(b) Sch B1.
- ii. If having realised the assets of the Companies, the joint administrators think that a distribution will be made to unsecured creditors, other than by way of any applicable Prescribed Part distributions, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointments of the joint administrators to an end and will move the Companies automatically into CVL in order that the distributions can be made.
- iii. If the joint administrators consider it appropriate and cost effective to do so, they may make an application to court for permission to make any distributions to the unsecured creditors that are not from the Prescribed Parts in the administrations instead of moving the Companies to CVL and then making distributions. (Note: If permission is granted, subject to the need for further investigations as detailed in the next section, the Companies will exit into dissolution once the distributions have been made and the administrations concluded).
- iv. If the joint administrators think that the Companies have no property which might permit distributions to its creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the Companies.
- v. The joint administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 IA86, as they consider desirable or expedient to achieve the purpose of the administrations.
- vi. The joint administrators propose asking creditors to consider establishing a creditors' committee. The purpose of the creditors' committee is to assist the joint administrators in the discharge of their functions and to determine the joint administrators' remuneration. However, as the joint administrators have made a statement pursuant to paragraph 52(1)(b) of schedule B1 IA86, even if a committee is established it will not be responsible for determining the joint administrators' remuneration. The creditors' committee can require the joint administrators to attend on the committee at any reasonable time upon giving the requisite notice and to provide the committee with information about the exercise of their functions.

## 10. Exit route from administrations

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administrations by way of one of the following means:

- (i) If having realised the assets of the Companies, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move both/either Company automatically into CVL in order that the distributions can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, it is proposed that the joint administrators, Colin Hardman and Kevin Ley will become the joint liquidators of both/either Company. The acts of the joint liquidators may be undertaken by either or both of them.
- (ii) Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the joint administrators prior to these proposals being approved.

Where this occurs, the joint administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the joint administrators will automatically become the joint liquidators of both/either Company in the subsequent CVL.

- (iii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that both/either Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of both/either Company. The joint administrators will send copies of these documents to the Companies and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Administrators have the power to bring claims against former officers of the Companies in respect of transactions that may have caused or exacerbated the Companies' insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

If a creditors' committee is established the joint administrators will consult with the members and agree the most appropriate exit route from administrations.

## 11. Other matters relating to the conduct of the administrations

The matters detailed below are not considered to be part of the proposals but are intended to provide creditors with information concerning the remaining statutory and other matters that must be dealt with in the administrations.

- Submitting confidential information relating to the conduct of the directors to the Department for Business, Energy & Industrial Strategy. This obligation arises under the Companies Directors' Disqualification Act 1986. Creditors should note that the content of any submission is strictly confidential and under no circumstances will discussions be entered into regarding this.
- Agreeing and making payment to the unsecured creditors by way of the Prescribed Part.
- Agreeing the claims of and making payment to the secured creditor, including floating charge holder, in accordance with any respective priorities, subject to availability of funds.
- Filing corporation tax returns and obtaining tax clearance in respect of the administration period.
- Paying all costs and expenses of the administrations once any required approvals have been obtained.
- Further statutory reporting as required by IA86 and IR16.

## 12. Pre-administration costs and expenses

### 12.1 Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the joint administrators or another person qualified to act as an insolvency practitioner before the Companies entered administration (but with a view to its doing so), and 'unpaid pre-administration costs' are pre-administration costs which had not been paid when the Companies entered administration.

The basis of our pre-administration costs was set out in our engagement letters with the Companies dated 26 May 2020 and 9 September 2020. Our costs were to be charged on a time cost basis.

Our engagement on 26 May 2020 was to assist the Companies by assessing its financial position, its prospects and to advise the directors of the appropriate course of action for the Companies to take. The following services were also provided:

- a) Analysing the historic and forecast financial performance of the Companies concerning its solvency in light of the current climate and the impact the pandemic would have on trading going forward in line with management projected forecasts;
- b) Exploring the potential options available to the Companies given the current climate; and
- c) Advising on the best course of action with regards to the Companies' insolvency and the outcome for creditors should a Pre-Pack Transaction have been elected.

Following this review, it was determined that the most appropriate course of action for the Companies given their financial positions were for them to be placed into administration. This was considered to be the best course of action for the Companies' creditors and would generate a higher return in comparison to the other alternatives, as detailed in the SIP16 report.

On 9 September 2020, S&W was formally engaged to assist the directors in placing the Companies into administration. Our costs were proposed to be charged on a time cost basis.

Our work under that subsequent engagement was to provide advice and assistance in connection with the purpose, providing the following services:

- a) Advising on the financial control of the Companies up to the date that the Companies entered into administration, which included advising on the protection of the Companies' businesses and assets and the sale of its businesses and assets as appropriate;
- b) Marketing the businesses and assets and seeking prospective purchasers of all or part of the business with a view to a pre-packaged sales and negotiating the terms of those sales;
- c) Preparing, in consultation with the directors and solicitors instructed by the Companies, all necessary statutory documentation for placing the Companies into administration, including the necessary witness statements for consideration and execution, as appropriate;
- d) Liaising with the Companies and their solicitors by assisting with filing the necessary documentation in court to place the Companies into administration or, if appropriate, making the necessary applications to the court for administration orders.

Our total time costs in assisting the Companies prior to our appointment as joint administrators were £88,343.83 for Raphael and £79,354.55 for Glenside, a breakdown of which is given in Appendix V. Prior to the administrations, Blantyre paid £73,495 in respect of Raphael's costs and £73,495 in respect of Glenside's costs and as such we are not seeking the approval from creditors of these costs.

Pre-appointment fees charged, and expenses incurred by us are detailed below:

#### Raphael

Charged by/services provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP (- Administrators' pre-appointment costs: Advice & assistance in the run-up to the administration	88,343.83	73,495.00	Purchaser	14,848.83
Jones Day - - Legal fees & disbursements:	75,000	75,000	Raphael	Nil
SIA - Agent's fees & disbursements	625	625	Raphael	Nil
Gunnercooke - court filing	68	68	n/a	68

Datasite - Hosting data room of documents	1,582.13	1,582.13	Raphael	Nil
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#### Glenside

Charged by/services provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP - Administrators' pre-appointment costs: Advice & assistance in the run-up to the administration	79,354.55	73,495.00	Purchaser	5,859.55
Jones Day - Legal fees & disbursements:	75,000	75,000	Glenside	Nil
SIA - Agent's fees & disbursements	625	625	Glenside	Nil
Gunnercooke - court filing	68	68	n/a	68
Datasite - Hosting data room of documents	1,582.13	1,582.13	Glenside	Nil

We are not aware of any fees or expenses incurred by any other person qualified to act as an insolvency practitioner with a view to the Companies entering administration.

## 13. Joint administrators' remuneration

Insolvency Practitioners are required to provide stakeholders with details of the work they propose to do and the expenses that are likely to be incurred. Prior to drawing any fees, these details must be provided to creditors.

and approval given. Alternatively, creditors may form a committee and, if so, it is up to the majority of committee members to give consent.

Where it is proposed that fees are drawn from the insolvent estate on a time costs basis, a fee estimate will also need to be provided. Where it is unrealistic to estimate the work to be done at the outset, an estimate may be provided for a designated period or up to a particular milestone.

Creditors should be aware that the fees estimate is based on information available at present and may change due to unforeseen circumstances arising. If any approved fees estimate is exceeded, a revised estimate will need to be provided and approval given before any fees may be drawn in excess of the original approved estimate.

Some of the work required by Insolvency Practitioners is required by law and may not necessarily result in any financial benefit for creditors (or members). Examples of this work would include investigations required under the Company Directors' Disqualification Act 1986 or dealing with former employees' claims through the Redundancy Payments Service.

On some occasions, third parties may be instructed to provide expert advice on tax, legal or property matters to produce a financial benefit to creditors.

Each aspect of the work undertaken will require different levels of expertise and, therefore, cost. To make it clear, we have given the rates for each grade of staff with estimates of the total hours to be spent on each aspect in the table provided.

The basis of the joint administrators' remuneration may be fixed on one or more of the following bases and different bases may be fixed in respect of different things done by them:

- as a percentage of the value of the assets they have to deal with, or
- by reference to time properly spent by the joint administrators and their staff in attending to matters arising in the administration, or
- as a set amount

In this case, the joint administrators will not be seeking approval for the basis of their remuneration as approval will be sought from the secured creditor and any preferential creditors. As at the date of these proposals, the joint administrators' estimate their costs to be in the region of £275,000 for the first year of the administrations.

Where no creditors' committee is appointed, approval of the joint administrators' remuneration shall be fixed using the decision-making process either at a virtual creditors' meeting or by electronic and/or postal voting. Where the joint administrators have concluded that the Companies have insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors, unless a creditors' committee has been established, in accordance with R18.18 IR16.

The joint administrators' time costs which cover the period from the date of the administration orders to 16 October 2020 are detailed below:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
<b>Raphael</b>				
1 October 2020 to 16 October 2020	48.93	19,175.21	391.87	Nil
<b>Glenside</b>				
1 October 2020 to 16 October 2020	47.33	18,885.48	398.99	Nil

#### Funding agreement

The joint administrators have entered into an Administration Funding Agreement with Blantyre in respect of the consideration payable in respect of the floating charge assets.

The terms of the Administration Funding Agreement, in respect of both Companies, has enabled an in-specie distribution to be made to the secured creditor, on completion, in respect of the floating charge assets covered by the qualifying floating charge held by Blantyre and sold under the sale agreement to the Renovo Care Group.

On completion, the joint administrators received £807,775 in relation to the following:

#### Administration Funding Agreement

	RMC	GMCH	Total
	£	£	£
Estimated Administrators' Fees	150,000	125,000	275,000
Estimated Expenses	40,000	25,000	65,000
Estimated Prescribed Part	250,208	217,567	467,775
	<b>440,208</b>	<b>367,567</b>	<b>807,775</b>

The Administration Funding Agreement is a non-recourse facility whereby if insufficient assets are not realised under the floating charges, the advance is not repayable. The joint administrators envisage that realisations from the excluded assets will enable sums to be repaid under the terms of the agreement in due course.

A copy of 'A Creditor's Guide to Administrator's Fees', as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix VII.

On a general note, please be aware that the charge out rates are subject to an annual review.

Creditors should also be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the Companies and its former officers as required by the Company Directors' Disqualification Act 1986.

## 14. Administration expenses

### 14.1 Subcontractors

We have utilised the services of the following subcontractors. The nature of the work provided and the basis upon which fees were agreed is also set out below. The arrangement with each subcontractor is subject to regular review.

#### Raphael & Glenside

Provider/services	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £
Renovo Care Group (book debt collections)	% of realisations	Nil	Nil

### 14.2 Professional advisors

We have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

#### Raphael

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Jones Day	Hourly rate and disbursements	Nil	Nil
SIA (asset valuation)	Fixed fee	Nil	Nil

#### Glenside

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Jones Day	Hourly rate and disbursements	Nil	Nil
SIA (asset valuation)	Fixed fee	Nil	Nil
Christie & Co	Fixed fee	625.00	625.00
Total		625.00	625.00

The solicitors and valuation agents detailed above were instructed to advise the joint administrators due to their expertise and experience in pre-packaged sales and insolvency matters. They provide the best value and service to creditors. The solicitors are regulated by the Solicitors Regulation Authority (SRA).

There are no conflicts of interest and they adhere to the professional and ethical standards. Their services and costs are under regular review.

### 14.3 Joint Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

#### Raphael

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	182.00	Nil	182.00
Joint administrators' bonds	140.00	Nil	140.00
Total	322.00	Nil	322.00

#### Glenside

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	182.00	Nil	182.00
Joint administrators' bonds	140.00	Nil	140.00
Total	322.00	Nil	322.00

### 14.4 Category 2 disbursements

No Category 2 disbursements have been incurred or paid.

### 14.5 Policies regarding use of third parties and disbursement recovery

Details of S&W's policies regarding the use of subcontractors and professional advisors and the recovery of disbursements are set out at Appendix VII.

## 15. Creditors' decisions

The joint administrators propose to seek approval of these proposals by deemed consent. Notice to this effect is given in Appendix IX, along with steps required by creditors.

Creditors who meet certain thresholds prescribed by the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may request a physical meeting to be held to consider the Proposed Decisions (incorporating the approval of our fees). However, such a request must be made in writing to the Convener within 5 business days from 28 October 2020.

The joint administrators will seek approval of their and third parties' pre-appointment remuneration, costs and disbursements and their discharge from liability from the secured creditor.

## 16. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>.

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Companies' data subjects provided to you by the Companies or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

## 17. Next report and creditors' rights

The joint administrators are required to provide a progress report (which they intend to be a combined report for both Companies) within one month of the end of the first six months of the administrations or earlier if the administrations have been finalised.

From receipt of the first progress report, creditors have rights under IR16 to request further information and to challenge the joint administrators' remuneration and/or expenses incurred. In summary:

- Within 21 days of the receipt of a progress report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the joint administrators provide further information about their remuneration or expenses which have been itemised in the report.
- Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of a progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the joint administrators, as set out in the report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Colin Hardman or Kevin Ley in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9D

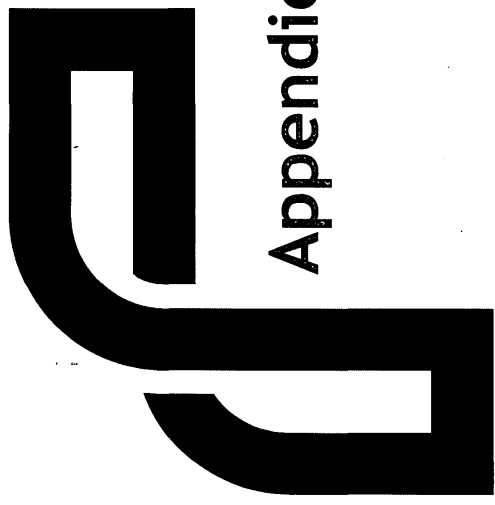


Colin Hardman and Kevin Ley

Joint Administrators

Date: 28 October 2020





## Appendices

# I Statutory information

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Company Name	The Raphael Medical Centre Limited
Relevant Court	High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd)
Court Reference	003843 of 2020
Trading Name	The Raphael Hospital
Main Trading Address	Hollanden Park, Coldharbour Lane, Hildenborough, Kent TN11 9LE
Former Name	Woodbury Park (Hotels) Limited (from 27 June 1956 to 20 September 1984)
Registered Office	25 Moorgate, London, EC2R 6AY (formerly Hollanden Park, Coldharbour Lane, Hildenborough, TN11 9LE)
Registered Number	00568116
Joint Administrators	Colin Hardman and Kevin Ley both of 25 Moorgate, London, EC2R 6AY (IP Nos 16774 and 25090)  In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the joint administrators to act jointly and severally.
Date of Appointment	1 October 2020
Appointor	Directors
Directors	Philip Smith (Appointed 1.5.2019) Colin Richards (Appointed 6.12.2019) Gerhard Florschutz (Resigned 1.5.2019) Elizabeth Florschutz (Resigned 1.5.2019)
Shareholder	The Raphael Hospital Holdings Limited

Company Name	Glenside Manor Healthcare Services Limited
Relevant Court	High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd)
Court Reference	003844 of 2020
Trading Name(s)	Glenside
Main Trading Address	Glenside, Warminster Road, South Newton, Salisbury, Wiltshire, SP2 0QD
Former Name	NA
Registered Office	25 Moorgate, London, EC2R 6AY (formerly Hollenden Park, Coldharbour Lane, Hildenborough, TN11 9LE)
Registered Number	04678337
Joint Administrators	Colin Hardman and Kevin Ley both of 25 Moorgate, London, EC2R 6AY (IP Nos 16774 and 25090)  In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the joint administrators to act jointly and severally.
Date of Appointment	1 October 2020
Appointor	Directors
Director	Philip Smith (Appointed 1.5.2019) Colin Richards (Appointed 6.12.2019) Gerhard Florschutz (Resigned 1.5.2019) Elizabeth Florschutz (Resigned 1.5.2019) Pradeep Dissanayake (Resigned 29.6.2020)
Shareholder	Glenside Care Group Limited

## II Prior professional relationship

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### Statement of prior professional relationship of Colin Hardman and Kevin Ley in respect of the appointment of joint administrators

S&W was formally engaged on 26 May 2020 to assist the directors of the Companies in assessing the financial situation of the Companies. On 9 September 2020 S&W was engaged to undertake an accelerated sale process for the Companies' business and assets potentially by way of a pre-packaged sale immediately following the appointment of joint administrators and to assist in the steps necessary to place the Companies into administration.

There are no other professional relationships with the Companies or its directors.

We confirm that we have fully considered the relevant guide to professional conduct and ethics issued by our professional body and are satisfied that the existence of that prior relationship does not create any conflict of interest or threat to independence for us as office holders.

# III Receipts and payments accounts

Receipts and payments accounts to 23 October 2020

Raphael

Statement of Affairs £	From 01/10/2020 To 23/10/2020 £	From 01/10/2020 To 23/10/2020 £
<b>ADMINISTRATION FUNDING</b>		
Administration funding from secured creditor	190,000.00	190,000.00
Surplus/Deficit	<u>190,000.00</u>	<u>190,000.00</u>
<b>RECEIPTS - FIXED CHARGE</b>		
Freehold Property	21,214,000.00	21,214,000.00
Business Goodwill	2.00	2.00
Business Names	2.00	2.00
Licensed Business IP	2.00	2.00
Owned Business IP	2.00	2.00
	<u>21,214,008.00</u>	<u>21,214,008.00</u>
<b>PAYMENTS - FIXED CHARGE</b>		
Blantyre - Fixed charge distribution 'in specie'	(21,214,008.00)	(21,214,008.00)
	<u>0.00</u>	<u>0.00</u>
<b>RECEIPTS - FLOATING CHARGE</b>		
Business Contracts	3.00	3.00
Business Information	2.00	2.00
Business Stock	2.00	2.00
Commercial Records	2.00	2.00
IT Systems	2.00	2.00
Operating Assets	186,000.00	186,000.00
Other Debtors	150,000.00	150,000.00
Renovo South Newton debt	169,020.00	169,020.00
Work in progress	2.00	2.00
Secured creditor contribution to prescribed part fund	<u>250,208.00</u>	<u>250,208.00</u>
	755,241.00	755,241.00
<b>PAYMENTS - FLOATING CHARGE</b>		
Blantyre - Floating charge distribution 'in specie'	(505,033.00)	(505,033.00)
Surplus/Deficit	<u>250,208.00</u>	<u>250,208.00</u>
	440,208.00	440,208.00
<b>REPRESENTED BY</b>		
Clients Deposit (Int Bear) ADM FUNDING		190,000.00
Clients Deposit (Int Bear) P PART		250,208.00
Clients Deposit (Int Bear) Floating		-
		<u>440,208.00</u>

## Glenside

Statement of Affairs £	From 01/10/2020 To 23/10/2020 £	From 01/10/2020 To 23/10/2020 £
<b>ADMINISTRATION FUNDING</b>		
Administration funding from secured creditor	150,000.00	150,000.00
Surplus/Deficit	<u>150,000.00</u>	<u>150,000.00</u>
<b>RECEIPTS - FIXED CHARGE</b>		
Freehold Property	8,685,000.00	8,685,000.00
Business Goodwill	1.00	1.00
Business Names	1.00	1.00
Licenced Business IP	1.00	1.00
Owned Business IP	<u>1.00</u>	<u>1.00</u>
	8,685,004.00	8,685,004.00
<b>PAYMENTS - FIXED CHARGE</b>		
Blantyre - Fixed charge distribution 'in specie'	<u>(8,685,004.00)</u>	<u>(8,685,004.00)</u>
	<u>0.00</u>	<u>0.00</u>
<b>RECEIPTS - FLOATING CHARGE</b>		
Business Contracts	1.00	1.00
Business Information	1.00	1.00
Business Stock	1.00	1.00
Commercial Records	1.00	1.00
IT Systems	1.00	1.00
Operating assets	182,000.00	182,000.00
Other Debtors	4,770.00	4,770.00
Renovo South Newton debt	909,179.00	909,179.00
Work in progress	1.00	1.00
Secured creditor contribution to prescribed part fu	<u>217,567.00</u>	<u>217,567.00</u>
	1,313,522.00	1,313,522.00
<b>PAYMENTS - FLOATING CHARGE</b>		
Blantyre - Floating charge distribution 'in specie'	<u>(1,095,955.00)</u>	<u>(1,095,955.00)</u>
Surplus/Deficit	<u>217,567.00</u>	<u>217,567.00</u>
	367,567.00	367,567.00
<b>REPRESENTED BY</b>		
Clients Deposit (Int Bear) ADM FUNDING		150,000.00
Clients Deposit (Int Bear) P PART		217,567.00
Clients Deposit (Int Bear) Floating		<u>-</u>
		<u>367,567.00</u>

## Notes and further information required by SIP 7

- The joint administrators' remuneration has not yet been approved.
- We have not yet to seek approval to draw any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate other than those disclosed in these proposals.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.

- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

# IV Estimated Outcome statements as at 1 October 2020

	Renovo Care Group Pre-pack Offer			Administration - Managed Wind down		
	RMC £	GMHS £	Total £	RMC £	GMHS £	Total £
<b>FIXED CHARGE - ASSETS</b>						
Freehold Property	21214000	8,685,000	29,899,000	4,425,000	4,500,000	8,925,000
Goodwill	2	1	3	-	-	-
Fixed plant, equipment & fixtures - operating & development	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Intellectual property rights	6	3	9	-	-	-
Potential legal claims	-	-	-	-	-	-
<b>TOTAL FIXED CHARGE ASSETS</b>	<b>21,214,008</b>	<b>8,685,004</b>	<b>29,899,012</b>	<b>4,425,000</b>	<b>4,500,000</b>	<b>8,925,000</b>
<b>FIXED CHARGE - ESTIMATED COSTS OF REALISATION</b>						
Pre-Administration costs	-	-	-	(34,841)	(37,159)	(72,000)
Post Administration costs	(25,000)	(25,000)	(50,000)	(221,175)	(230,625)	(451,800)
	(25,000)	(25,000)	(50,000)	(221,175)	(230,625)	(451,800)
<b>LESS: FIXED CHARGEHOLDER - BLANTYRE CAPITAL LIMITED</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>
<b>ESTIMATED DEFICIENCY AS REGARDS FIXED CHARGE SECURITY</b>			<b>(11,182,361)</b>			<b>(32,558,173)</b>
<b>FLOATING CHARGE - ASSETS</b>						
Staff Loans	150,000	4,770	154,770	40,809	-	40,809
Cash at bank	-	-	-	-	-	-
Cash in hand	-	-	-	-	-	-
Directors' loan account	-	-	-	1,221	-	1,221
Stock & work in progress	4	2	6	-	-	-
Trade debtors (net of collection costs)	921,039	101,836	1,022,876	493,563	48,177	541,739
Other debtors	-	-	-	383	1,538	1,921
Prepayments & accrued income	-	-	-	-	-	-
Intergroup debtors	-	-	-	-	-	-
Renovo debt	169,020	909,179	1,078,199	169,020	909,179	1,078,199
Deferred tax	-	-	-	-	-	-
Floating plant, equipment & fixtures	186,000	182,000	368,000	53,500	84,000	137,500
Motor vehicles	-	-	-	18,000	4,650	22,650
Potential legal claims	-	-	-	-	-	-
Business contracts, information, records	9	4	13	-	-	-
<b>TOTAL FLOATING CHARGE ASSETS</b>	<b>1,426,072</b>	<b>1,197,791</b>	<b>2,623,864</b>	<b>776,496</b>	<b>1,047,544</b>	<b>1,824,040</b>
<b>FLOATING CHARGE - COSTS OF REALISATION</b>						
Pre-Administration costs	-	-	-	(52,262)	(55,738)	(108,000)
Post Administration costs	-	-	-	(185,333)	(199,894)	(385,227)
Administrators	(150,000)	(100,000)	(250,000)	-	-	-
Solicitors	(30,000)	(15,000)	(45,000)	-	-	-
Disbursements	(10,000)	(10,000)	(20,000)	-	-	-
	(190,000)	(125,000)	(315,000)	(237,595)	(255,632)	(493,227)
<b>AVAILABLE FOR PREFERENTIAL CREDITORS</b>	<b>1,236,072</b>	<b>1,072,791</b>	<b>2,308,864</b>	<b>538,902</b>	<b>791,912</b>	<b>1,330,813</b>
<b>PREFERENTIAL CREDITORS</b>						
Employee claims	-	-	-	367,500	48,000	415,500
<b>AVAILABLE FOR PRESCRIBED PART</b>	<b>1,236,072</b>	<b>1,072,791</b>	<b>2,308,864</b>	<b>171,402</b>	<b>743,912</b>	<b>915,313</b>
<b>LESS: ESTIMATED PRESCRIBED PART (UNSECURED CREDITORS ONLY)</b>	<b>(250,214)</b>	<b>(217,558)</b>	<b>(467,773)</b>	<b>(37,280)</b>	<b>(151,782)</b>	<b>(189,063)</b>
<b>ESTIMATED FLOATING CHARGE FUNDS AVAILABLE TO FLOATING CHARGEHOLDER</b>	<b>985,858</b>	<b>855,233</b>	<b>1,841,091</b>	<b>134,121</b>	<b>592,129</b>	<b>726,251</b>
<b>LESS: BLANTYRE CAPITAL LIMITED (DEFICIENCY BROUGHT DOWN)</b>	<b>-</b>	<b>-</b>	<b>(11,182,361)</b>	<b>-</b>	<b>-</b>	<b>(32,558,173)</b>
<b>ESTIMATED SHORTFALL UNDER FLOATING CHARGE</b>			<b>(9,341,270)</b>			<b>(31,831,922)</b>
<b>ESTIMATED RETURN TO UNSECURED CREDITORS</b>						
<b>PRESCRIBED PART</b>	<b>250,214</b>	<b>217,558</b>	<b>467,772</b>	<b>37,280</b>	<b>151,782</b>	<b>189,063</b>
<b>Less: COSTS DISTRIBUTION</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(100,000)</b>	<b>(25,000)</b>	<b>(60,000)</b>	<b>(85,000)</b>
	<b>200,214</b>	<b>167,558</b>	<b>367,772</b>	<b>12,280</b>	<b>91,782</b>	<b>104,063</b>
<b>ESTIMATED CLAIMS</b>	<b>4,100,000</b>	<b>16,900,000</b>		<b>5,300,000</b>	<b>17,000,000</b>	
<b>ESTIMATED RETURN</b>	<b>4.88%</b>	<b>0.99%</b>		<b>0.23%</b>	<b>0.54%</b>	



# List of creditors

Glenside

Name	Address					£
K T Worbridge & Co Ltd	100 T Colville one	Lynsoler Way	Old Sarum	Salisbury	SP4 8BU	402,000
A David & Co Ltd	Hillside Farm	Sutton Wick	Bishop Sutton	Bristol	BS39 3DN	1,820.41
Adem Parkinson South West Neuro Rehab Limited	41-47 Fairfield Place	Bristol			BS3 1JH	4,800.00
Adapt Technology Group PLC	77 Mount Ephraim	Tunbridge Wells	Kent		TN11 8SE	1,550.00
Alumina Info Exchange Ltd	The Bean Store	Newhouse Farm Business Centre	Langley Road	Edstone	BS5 6DL	1,800.00
Andrew Property Maintenance Limited	Hoads Farmhouse	Hoads Farm, Hoad Lane	Sedlescombe	East Sussex	TN33 8BY	7,750.00
Aquid Franchising Ltd T/A Aquid South Coast	Unit 6 Brookwood Industrial Estate	Brookwood Avenue	Eastleigh	Hampshire	SO50 9EY	289.64
Arvika care	Tibbe House	Town Street	Leeds	West Yorkshire	LS16 5LJ	5,100.50
Avon Security Ltd	21 Salisbury Street	Amesbury	Wiltshire		SP4 7AW	65.24
B&C (Trade) Ltd	Chastnut Avenue	Chandlers Ford	Eastleigh	Hampshire	SO53 3LE	177.42
Balme Wilcox LLP	Carlisle Office	2 Mechanics Drive	Carlisle	Cumbria	CA3 9WV	4,421.36
Beacore Medical Ltd	Hornbeam Square West	Hornbeam Park	Horncliffe	North Yorkshire	HE2 8PA	214.40
Bevan Bottles LLP	Kings Orchard	1 Queens Street	Bridford		BS2 0NQ	724.40
Bidfood - South Newton	Salisbury Road	Downson	Salisbury	Wiltshire	SP5 3HY	887.97
Bidfood - Victoria House	Salisbury Road	Downson	Salisbury	Wiltshire	SP5 3HY	2,832.41
Blustar Limited	Charnwood House	Salisbury	Salisbury	Wiltshire	SP4 6DQ	395.00
Bowell Bros (Salisbury) Ltd	Ford	Hillside Road	Salisbury	Wiltshire	SP4 6DQ	1,447.20
British Gas	Millstream	Tachbrook Park	Warrick	Warwickshire	CV34 6BL	88.80
Calor Gas Ltd	Albany Drive	Kingsway	Wiltshire		SP4 6BH	35.96
Cara Glass Ltd	Unit 3, Wilton Business Centre	Feltham	Middlesex		TW13 7JU	504.00
Caveller Labels Limited	8 Faldham Road	Feltham	Middlesex		TW13 7JU	437.88
Cham-Cut Carpentry	20 Paine Way	Amesbury	Wiltshire		SP4 7RG	587.37
CJA Group Limited	Colton Road	Marsh Barton	Easton	Devon	EX2 8DW	6,081.78
Clinical Waste Solutions Ltd	Unit 18,	Bespoke Business Park	Enterprise Way	Christchurch Dorset	BH23 8AW	1,207.56
Cooler Water	67 Cobham Road	Fordhouse Ind Estate	Bury	Dorset	DT1 7RE	153.73
Crown Gas & Power	2nd Floor, Crown Point	Heap Brow	Bury		BL9 7RJ	780.84
D&D Decorating Contractors Ltd	Unit 15 Parkway Business Centre	Catbridge Business Park,	Salisbury	Wiltshire	SP4 6QX	21,284.08
Darren Morgan Ltd	17 Popesbox Rise	Whaddon	Salisbury	Wiltshire	SP5 3SF	260.08
Domestic Fencing Services	32 Cranston Road,	Aldershot	Hampshire		GU11 3RZ	6,140.00
EcoWaste	Unit 1-2 Ground Floor, King John House	Kingstons Park, Kingsdore	Newbury	Berkshire	RG20 4SW	21.45
Emergency Care Gateway	The Gatehouse	Bradwell Abbey	Alton Drive	Hilton Keynes	MK13 9AP	822.00
Employee Payroll Costs						11,760.00
Employees Tribunal Claim						1.00
Eye Say Systems	20 Ashley Road	Salisbury	Wiltshire		SP2 7BZ	1,254.00
Fast Maintenance Services Ltd	New Cottage,	Church Lane,	Westfield,	East Sussex	TN33 4DP	1,404.00
Formalised Florence Staffing Ltd	32-38 Leman St	Whitechapel	London		E1 8EW	5,135.45
Forti First Oil (DO)	The Oil Depot	Globe Marsh Trading Estate	Salisbury	Dorset	DT10 3BU	5,015.80
General Environmental Services Ltd	Unit 11, Balbo Business Park	Gatshouse Close	Aylesbury	Buckshire	HP19 8DP	1,000.20
Glenfield Caringo Limited	Co Colla Richards, Renove Holland Park Hospital	Caldthorpe Lane	High Wycombe	Buckshire	TN11 5LE	13,615,110.00
Grant Haze	Unit 11 Balbo Business Park	Cossham Lane	Salisbury	Hampshire	SO51 7ZF	245.60
Guthrie Services Ltd T/A Life Care Management Services Ltd	70 Cove Road	Staverton	Salisbury	Hampshire	GU14 6EN	15,132.00
Hadloweeds LLP	Seaverton Court	Seaverton	Salisbury	Hampshire	GU15 8UX	2,200.00
Health & Wiltshire Ltd	Suite 1-6, Floor 2	Bridge House, Station Road	Wiltshire		BA13 4HR	100.00
H&Clean South East Ltd	Unit 1 Camberland	Walsell Lane	Wiltshire		BA13 4HR	216.00
HM Revenue & Customs(PAYENTIC)	Inspecuity Claims Handling Unit	Barton Park View	Ashted	Kent	ME88 1ZZ	104,680.00
Hudson Energy	Elde House 3rd Floor	585-592 Elde Gate	Central Milton Keynes		MK9 1LR	3,500.44
Integra Pharmacy	4 The Alpha Centre	North Lane	Alisbury	Hampshire	GU12 4BE	1,317.77
Kingsley Hadley LLP	Enlighten Quarter	14 St Johns Lane	Central Milton Keynes		EC1M 4AJ	5,454.00
Langdon House Insurance Brokers Ltd	Suite 3a	Platinum House	Redhill		RH1 4QE	3,396.00
Lester Aldridge	Russell House	Orford Road	Bournemouth	Dorset	BM8 8EX	264.00
Linco UK Ltd	Deer Park Court	Donnington Wood	Telford	Shropshire	TF2 7NB	1,517.24
M H Walsh Tree Services	16 Winterbow Road	Purton	Salisbury		SP4 6LR	500.00
Magis Carpets	22 Winchester Street	Salisbury	Wiltshire		SP1 1HG	2,681.00
Martin Wood	The Brimble	Round Farm Lane	Ash Green		GU12 6BH	1,150.00
MAT	Thornhill Park	Bishops Stortford	Essex		CM42 7WE	6,358.53
Mead & Bath -South	12 Dalmeida Close	Sharncliffe	Emmerton Green	Bristol	BS16 7PG	1,707.96
Harvest Orchard	230 Bishop Gate	2nd Floor	Southampton		SO9 0DQ	500.00
M H Maintenance	63 Victoria Road	Burgess Hill	London		EC2M 4AA	2,780.07
Mobets	1110 Alpac West	Bristol	Bristol		BS15 5JH	9,885.72
CO (DO)	Telefonix UK Ltd	Bristol	Bristol		BS2 4HB	4,487.08
Penworth	289 Bath Road	Sloagh	Southampton	Hampshire	SO14 6SW	1,082.17
Pulse Healthcare Ltd	139-155 Empress Road	Great Cambridge Road	Tunford	Herts	SG10 6AH	13,485.20
Ranley Flare Limited	Harvey Road	Burnt Hills	Basildon	Essex	SS13 1BP	154.28
Reliable Fire Protection Services Ltd	56 Ordeale Gardens	Leigh On Sea	Essex		SS9 2AS	70.00
Restons Dataschive	Unit Q1 Queen Elizabeth Distribution Centre	Purfield	Essex		SS16 1NA	301.19
RH Holdings Limited	Unit 3 Abbey Industrial Estate	24 Willow Lane	Hitcham		GU14 3NB	239,050.00
RDV Engineering (Hetherston) Ltd	High Street	Hitcham	Salisbury	Wiltshire	SP4 6QX	894.00
Ridell Ltd	Ridell House	Hoads Farm Business Park	Salisbury Road Blashford	Salisbury	SP4 6QX	84.40
Rushmore Borough Council	Council Offices	Farnborough Road	Farnborough	Hampshire	GU14 7JU	1,034.00
Senum Refrigeration Services Ltd	Units 11 & 12 Norton Enterprise Park	Wiltshire Road	Salisbury	Wiltshire	SP5 3JH	333.58
Scape IT Ltd	Unit 14 The Quad	Atherleigh Business Park	Altherton, Manchester		M46 6DY	714.00
Scaph Power	70 Backlot	Cathart Business Park	Spennithorne	Glasgow	G44 1BE	62.00
Scaphix	Trade UK Account	Seletopost 28	Shelford		SP7 3GE	265.30
Select Health Care (UK) Ltd	Unit 2 Albert Road	Rushdon	Northants		NN10 0BU	344.94
Siemens PLC	180 London road	Sutton	Northants		NN13 1BT	3,338.01
South East Water Ltd	Roadford Road	Snodland	Kent		ME9 5AH	1,035.54
Southern Electric	Inverwood House	250 Dunkeld Road	Perth		PH1 3AQ	2,335.47
Spruce Pools	Unit 17 Parkway Business Centre	Catbridge Park	Salisbury Wiltshire		SP4 6QX	4,200.30
The Farnham People	The Blackham Farm Manor	Manor Rd	Wiltshire		GU12 6NE	12.00
The Rappard Medical Centre Limited	Hindford Park	Caldthorpe Lane	High Wycombe	Kent	TN11 5LE	261,064.00
Trade Paints Limited	Drum Lane,	Porwood Industrial Estate	St Leonards on Sea	East Sussex	TN38 9BA	715.46
We Know Print/Website Creative	164 High Street	Tonbridge	Kent		TN11 1BS	2,345.40
Wessex Salt Ltd	56 Lydett Drive	Broadstone	Poole	Dorset	BH18 9LB	864.00
Wessex Water	1 Clarendon Walk	Widford	Bristol		BS16 1HW	108.00
Wessex Fire & Security Ltd	Wincombe Lane	Shaftesbury	Dorset		SP7 8PJ	8,070.08
Williams Medical Supplies Ltd	The Henry Industrial Estate	Rhymney	Tyngs		NP22 3PW	593.71
Wiltshire County Council	Renovating House	Renovating Street	Salisbury		SP1 1HJ	1,480.00
Woods Butchers	30 Camp Road	North camp	Farnborough		GU14 6YB	1,285.35

Raphael

[illegible]

# V Time analysis for the pre-appointment period

From 3 May 2019 to 1 October 2020

Raphael

Classification of work function	Hours						Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff	Total hours		
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	1.12	0.00	0.00	2.86	0.00	3.97	1,566.99	394.22
Initial meetings	1.63	0.00	0.00	0.00	0.00	1.63	966.25	594.62
General advisory work insolvent	48.50	0.00	0.30	0.85	0.00	49.65	30,127.63	606.80
Pre-pack sale of business	63.94	0.00	18.36	15.45	0.00	97.75	50,818.16	519.89
Job planning	0.00	0.00	0.35	1.29	0.00	1.64	523.80	319.06
Other	0.00	0.00	10.95	0.05	0.00	11.00	4,341.00	394.64
Total	115.18	0.00	29.96	20.50	0.00	165.64	£88,343.83	£533.35

Glenside

Classification of work function	Hours						Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff	Total hours		
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	0.50	0.00	0.00	2.73	0.00	3.23	1,153.38	357.64
Initial meetings	1.63	0.00	0.00	0.00	0.00	1.63	966.25	594.62
General advisorywork insolvent	26.83	0.00	0.30	0.00	0.00	27.13	16,426.58	605.41
Pre-pack sale of business	73.09	0.00	15.98	13.03	0.00	102.11	54,758.94	536.29
Job planning	0.63	0.00	0.35	1.38	0.00	2.36	964.02	408.78
Other	0.00	0.00	12.83	0.05	0.00	12.88	5,081.63	394.69
Total	102.68	0.00	29.46	17.18	0.00	149.32	£79,350.80	£531.40

## Explanation of major work activities undertaken

This section of the analysis encompasses the cost of the joint administrators and their staff prior to the administration orders. This work includes the following:

- Planning the strategy for the pre-pack sale
- Liaising with our agents and solicitors
- Liaising with the purchaser
- General compliance and conflict of interest review
- Case planning and administration
- Preparing the SIP 16 report

# VI Time analysis for the period

From 1 October 2020 to 16 October 2020

Raphael

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	15.98	0.00	0.00	8.02	0.00	24.00	11,793.49	491.40
Initial post-appointment notification letters, including creditors	3.83	0.00	0.00	3.27	0.00	7.10	3,155.81	444.48
Cashiering general, including bonding	0.00	0.00	0.00	1.23	0.00	1.23	295.61	239.67
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0.00	0.00	0.18	1.58	0.00	1.77	444.48	251.60
Insurance & general asset protection	0.00	0.00	0.00	0.63	0.00	0.63	148.85	235.00
Filing, file and information management	0.00	0.00	0.00	0.10	0.00	0.10	23.50	235.00
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	0.82	0.00	0.82	191.90	235.00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.00	0.00	0.00	0.70	0.00	0.70	164.52	235.00
Sale of business as a whole, including liaison with legal advisers agents etc	0.00	0.00	0.00	3.53	0.00	3.53	830.35	235.00
Cash at Bank	0.00	0.00	0.00	1.17	0.00	1.17	274.13	235.00
Creditors								
RPO and ERA claims & tribunals	0.00	0.00	0.00	0.13	0.00	0.13	31.33	235.00
Unsecured creditors	0.00	0.00	0.00	7.55	0.00	7.55	1,774.25	235.00
ROT Claims	0.00	0.00	0.00	0.05	0.00	0.05	11.75	235.00
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	0.15	0.00	0.15	35.25	235.00
Total	19.82	0.00	0.18	28.93	0.00	48.93	£19,175.21	£391.87

## Glenside

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	15.97	0.00	0.00	8.67	0.00	24.64	11,950.17	484.99
Initial post-appointment notification letters, including creditors	3.83	0.00	0.00	0.96	0.00	4.79	2,622.93	547.58
Cashiering general, including bonding	0.00	0.00	0.00	0.75	0.00	0.75	256.73	342.31
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0.00	0.00	0.18	2.72	0.00	2.90	710.82	245.11
Insurance & general asset protection	0.00	0.00	0.00	0.76	0.00	0.76	176.26	231.92
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	1.03	0.00	1.03	242.83	235.76
Statutory books and accounting records review	0.00	0.00	0.00	0.08	0.00	0.08	19.58	244.75
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.00	0.00	0.00	0.54	0.00	0.54	125.34	232.11
Sale of business as a whole, including liaison with legal advisers agents etc	0.00	0.00	0.00	1.94	0.00	1.94	454.34	234.20
Cash at Bank	0.00	0.00	0.00	1.40	0.00	1.40	329.00	235.00
Creditors								
RPO and ERA claims & tribunals	0.00	0.00	0.00	0.13	0.00	0.13	31.33	241.00
Unsecured creditors	0.00	0.00	0.00	8.21	0.00	8.21	1,930.91	235.19
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	0.15	0.00	0.15	35.25	235.00
Total	19.80	0.00	0.18	27.34	0.00	47.32	£18,885.49	£399.10

## Explanation of major work activities undertaken

The works performed under these sections are as follows:

### Administration and Planning

This section of the analysis encompasses the cost of the joint administrators and their staff in complying with their statutory obligations and internal compliance requirements. This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case bordereau
- Case planning and administration
- Preparing the SIP 16 report and the joint administrators' proposals
- Maintaining and managing the joint administrators' cash book and bank accounts
- Liaising with insurance broker

# VII Staffing, charging, subcontractor and adviser policies and charge out rates

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## Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery

## Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

## Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

## Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.



Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

No Category 2 disbursements have been incurred or paid.

## Charge out rates

The rates applicable to this appointment are set out below. There have been no changes to the charge out rates during the period of this report.

Smith & Williamson LLP	London office
Restructuring & Recovery Services	£/hr
Charge out rates as at 1 July 2020	
Partner / Director	620-710
Associate Director	580
Managers	360-500
Other professional staff	235-580
Support & secretarial staff	130

Smith & Williamson LLP	London office
Restructuring & Recovery Services	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	590-675
Associate Director	550
Managers	340-475
Other professional staff	225-475
Support & secretarial staff	125

## Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within 'Other professional staff' rates.

Smith & Williamson LLP	London office
Tax	£/hr
Charge out rates as at 1 July 2020	
Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

# VIII Joint Administrators' Statements in Accordance with Statement of Insolvency Practice 16

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**The Raphael Medical Centre  
Limited and  
Glenside Manor Healthcare  
Services Limited**

**(both in Administration)**

**Joint Administrators' Statement in Accordance with Statement  
of Insolvency Practice 16 ('SIP16')**

**To all known creditors**

**28 October 2020**



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# 1. Introduction

## 1.1 Why you have received this document?

We are writing to you as records show that you may be owed money by one or both The Raphael Medical Centre Limited ('RMC') and Glenside Manor Healthcare Services Limited ('GMHS') (together 'the Companies').

As shown on the enclosed notice, Kevin Ley and Colin Hardman, both of Smith and Williamson LLP ('S&W'), were appointed Joint Administrators ('the Joint Administrators') of the Companies on 30 September 2020. We will manage the Companies affairs, business and property as their agents and without personal liability. We are also writing to tell you about the sale of the Companies' businesses and assets.

This document addresses the Statement of Insolvency Practice 16 ('SIP16') statutory reporting requirements in respect of the assets sold by way of pre-packaged sales on 30 September 2020 being the date of the transaction. Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of joint administrators and they effect the sale immediately on or shortly after appointment, this is known as a pre-packaged sale.

The pre-packaged sale transactions were entered into in pursuit of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up without first being in administration, being the second statutory purpose of the administrations (see below). We are of the opinion that the outcomes achieved were the best available outcomes that could be reasonably obtained for the Companies' creditors as a whole in the administrations.

## 1.2 The statutory purpose of an administration

The statutory purpose of an administration is to achieve one of these objectives:

- (a) rescuing the company as a going concern, or if that is not possible;
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or finally, if that isn't possible; or
- (c) realising the Company's assets to make a distribution to secured or preferential creditors providing the joint administrators avoid unnecessarily harming the interests of the creditors as a whole

In this case, the Joint Administrators are pursuing objective (b) as it wasn't possible to rescue the Companies as going concerns. In this regard it was considered that pre-packaged sales were necessary and in the best interests of creditors as a whole because the Companies were, or were likely, to become insolvent. It was assessed that pre-packaged sales would allow the best result and outcome for creditors generally given all the circumstances.

As stated above, the statutory purpose here is to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration).

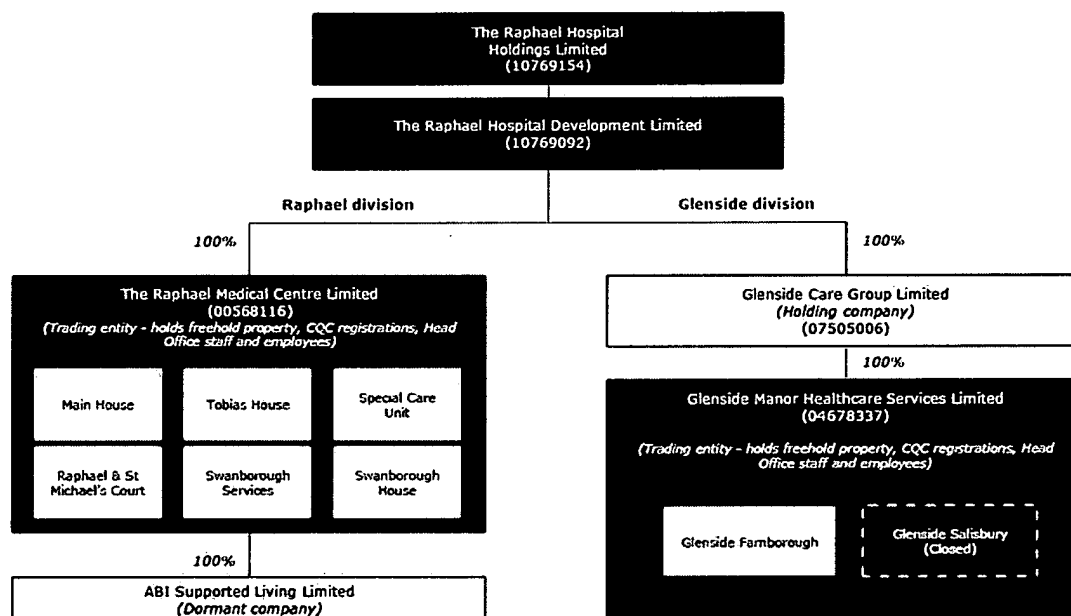
Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of the Companies' businesses and assets to entities within the Renovo Care Group ('the Purchaser') in accordance with the provisions of Statement of Insolvency Practice 16. In agreeing to the pre-packaged sales, we can confirm that the Joint Administrators have considered the purpose of the administrations and the fulfilment of our statutory obligations to creditors under paragraphs 3(2) and 3(4) of Schedule B1 to the Insolvency Act 1986.

Creditors are advised that our role prior to the appointment as Joint Administrators is to advise the Companies, not the Directors or any party considering acquisition of the businesses by means of the pre-packaged sales. Once appointed, administrators are obliged to perform their functions in the interests of a company's creditors as a whole. The Companies' directors ('the Directors') have been advised that they should seek their own independent professional/legal advice.



## 2. Background

The Companies are part of the following group structure:



Raphael Hospital Development ('RHD') is the immediate parent company of Glenside Care Group Limited ('GCG') and RMC. GMHS is a direct subsidiary of GCG. The ultimate beneficial owners of RHD are Dr Gerhard Florshutz and Elizabeth Florshutz.

RHD was placed into administration on 1 May 2019, with Rob Harding and Nick Edwards of Deloitte LLP being appointed joint administrators ('the RHD Administrators'). The RHD Administrators replaced the directors of RMC and GMHSL (Dr Florshutz and Mrs Florshutz) with Philip Smith (chief executive officer) and Colin Richards (finance director) (being the Directors).

RHD, RMC and GMHS are all part of the same group lending with secured facilities originally being provided by Macquarie Bank Limited ('Macquarie') in August 2017. In July 2019, Macquarie sold its loan to Blantyre Capital ('Blantyre'). RHD, RMC, GMHS (together with other companies that form part of the RHD group) have fully cross-guaranteed secured loan facilities in favour of Blantyre in the current sum of £41m.

The RDH Administrators conducted a sale process following their appointment which resulted in no offers being received for a solvent share sale of GCG or RMC and therefore any going concern sale would have needed to have been executed by way of a business and asset sale, either by way of a pre-packaged administration sale or a sale by the directors (a 'Post-Pack sale').

The RDH Administrators' sale process incorporated two rounds of offers culminating in the receipt of three final offers. The highest offer which was deemed to be the best offer was from Blantyre and after further negotiation resulted in the sale of the Macquarie debt.

Following the conclusion of the RDHL Administrators sale process, the Directors concluded that the most appropriate process of achieving a sale of the businesses and assets was by way of sale by the directors through a Post-Pack sale, following which the Companies would be placed into creditors' voluntary liquidation. We understand that the rationale for this approach was for reasons of expediency and cost which would ultimately be for the benefit of the Company and its creditors.

## 2.1 The Raphael Medical Centre Limited ('RMC')

RMC provides neurological rehabilitation and long-term care primarily to NHS patients from two locations in the South East of England: Hollenden Park Hospital in Hildenborough and Swanborough House in Brighton.

These patients have particularly high dependency needs and are very vulnerable. The three services are as follows:

1. Hollenden Park - 65 beds held at two freehold properties known as the Main House and Harwick House with the business holding Level 2a hospital registration. The total number of staff employed at the facility is c200;
2. Swanborough House, Brighton - 31 bed facility that provides slow stream rehabilitation and long-term care with c50 staff employed at the location; and
3. Swanborough Services - provider of domiciliary care and the business operates from one location and employs four staff.

## 2.2 Glenside Manor Healthcare Services Limited ('GMHS')

GMHS provides neurological care to NHS and Local Authority patients at Victoria House, Farnborough. It also owns the now closed site at South Newton, near Salisbury. A summary is set out below.

1. Victoria House, Farnborough - 22 bed facility that provides long term care with c35 people employed at the facility; and
2. South Newton Hospital - 150 bed care facility which was closed following CQC regulatory issues existing prior to the appointment of the Directors.

# 3. Initial introduction

S&W was initially introduced to the Companies by Philip Smith in December 2019, who advised that as a result of the Companies' financial positions, it was being proposed to sell certain aspects of their businesses and assets to the Renovo Care Group and to subsequently place the Companies into Creditors' Voluntary Liquidation ('CVL') (Post-Pack sale).

S&W were not formally engaged by the Companies until 26 May 2020, our agreed scope in relation to the any Post-Pack Sale being to:

- Review the sale process undertaken by Deloitte Corporate Finance, having been engaged by the RHD Administrators to conduct the sale process, to ensure that a comprehensive marketing process for the Companies and their businesses and assets had been undertaken;
- Review the valuation evidence and transaction consideration apportionments across the sale agreements and property transfers to ensure that these were robust and not likely to be open to challenge by a subsequently appointed liquidator;
- Review of proposed employee consultation process and subsequent transfer of employees to purchasing entities under TUPE regulations;
- Identification and review of assets and liabilities not being transferred over to the Renovo Care Group which would therefore need to be dealt with by the subsequently appointed liquidators;
- Undertake an independent security review and understand priority arrangements between secured lenders;
- Review of completion statements and funds flows for the Companies.
- Preparation of high-level prescribed part calculations and estimated outcome statements for the Companies;
- Review of the Companies' creditor positions to consider whether the Pre-Pack sale was in the best interests of all creditors and therefore minimise the threat of litigation;
- Review and approve proposed indemnity from Blantyre to the liquidators in relation to any costs incurred by them in respect of claims brought by third parties;
- Preparation of a pre-Transaction and pre-appointment comfort letter from the proposed liquidators in relation to the proposed Transaction; and
- Accept the subsequent appointment as CVL liquidators, subject to the necessary approvals of creditors and stakeholders.





Subsequently, the Directors endeavoured to progress to a conclusion of Post-Pack sales. However, by the beginning of September they became increasingly concerned that the terms would not ultimately be agreed with the Renovo Care Group and its funder, Blantyre. Consequently, the Directors sought insolvency advice from S&W, in particular the options available to the Companies, mindful also that they were forecasting to exhaust their remaining funds by the end of September 2020.

At a Board Meeting held on 4 September 2020, after considering all insolvency options, the Directors resolved to undertake an accelerated pre-packaged sale process of the Companies' underlying businesses and assets after which the Companies would be placed into administration. S&W were instructed to assist in this strategy.

We confirm that neither the Joint Administrators nor Smith & Williamson Holdings Limited nor any of its subsidiaries have had a prior significant personal or professional relationship with the Companies or any of their directors prior to our letter of engagement dated 26 May 2020. Appropriate checks were carried out before accepting the formal engagement by the Companies. We were not engaged to advise the Directors. The Directors were encouraged to seek their own independent legal/professional advice.

## 4. Pre-appointment considerations

The following courses of alternative action were considered with the Directors prior to the Joint Administrators' appointment and the subsequent pre-packaged sale:

### *A solvent restructuring of the Companies to enable them to operate within their available resources*

The Board were asked if they had considered obtaining external funding to return the Companies to solvency and therefore avoid insolvency processes. It was confirmed that additional investment had been sought, but those discussions had ultimately proved unsuccessful.

### *Proposing a (stand-alone) Company Voluntary Arrangement ('CVA')*

A CVA is a contractual agreement reached between a Company and its creditors which, if approved, is expected to result in the rescue of a company as a going concern. For a CVA to be effective it requires 75% of creditors (and 50% of creditors excluding connected creditors) to approve it. If achieved it binds all unsecured creditors, irrespective of whether they agreed to the terms of the proposals or not.

Based on the latest cashflow forecasts, it was concluded that a CVA was not possible as the Companies would run out of funds at the end of September 2020. Further, notwithstanding attaining the necessary approval of the unsecured creditors to the terms of a CVA, the Directors had concluded that the Companies would be unable to secure funds to continue trading past the end of September 2020, and therefore a CVA was not a viable option.

### *CVA within administration*

A CVA within an administration was not deemed to be viable for the same reasons set out above, with regards to a stand-alone CVA.

### *Trading Administration*

A trading administration is where a Company is placed into administration and continues to trade under the control of the administrator whilst a purchaser for the business and/or assets is sought. This option requires a company to be able to trade profitably or obtain funding in order to cover all administration trading costs including professional advisors' fees. The Directors confirmed that the Companies were unprofitable and were not able to obtain funds to cover its losses to allow them to carry on trading. The Directors also raised concerns over the Companies' ability to provide continuity of care (which the Directors have a responsibility to ensure) in an administration. Regulatory advisers to the Companies had advised the Directors that entering into any form of management services agreement ('MSA') which would enable another operator to manage the underlying activities of the Companies would be unlawful. This would prevent an administrator or liquidator undertaking any sale process post an administration (or liquidation) appointment and engaging a third party to operate the

business under a MSA. Consequently, that strategy was likely to be detrimental to the value of the business and assets.

#### ***Pre-packaged transfer of the business and assets of the Companies***

This option allows for negotiations for a sale of a Company's assets to a buyer, to be agreed before the administrators are appointed. The administrators then effect the sale on the company's behalf immediately on or shortly after their appointment.

The Directors were advised by us that the preferred minimum time frame to market the businesses was two to three weeks. However, as long a sale period as possible should be proceeded with as, (pending the funds available to carry on trading) this usually ensures that the company can maximise recoveries for creditors. A sale process should not commence (or continue) if there is no realistic prospect of achieving a sale of a business via a pre-packaged sale, as this could worsen the position for creditors.

It was concluded that there was every prospect of achieving a sale of the Companies' businesses and assets, with the Board confirming that the Renovo Care Group had already expressed their intention to submit an offer. Due to the cash position of the Companies, the sale process would have to be concluded by 30 September 2020.

#### ***Liquidation and subsequent forced sale of the Company's assets***

A creditors' voluntary liquidation is a procedure in which the directors, having considered a company's financial position, recommend to its members that they resolve to place it into liquidation and appoint a liquidator.

It was agreed that the Companies had viable going concern businesses and that liquidations would result in an immediate cessation of the businesses (and consequently end the continuity of care for approximately 113 vulnerable patients). It would also have resulted in the loss of 282 jobs with the consequential impact of increasing employee claims (both preferential and unsecured). Furthermore, there would potentially be unsecured claims for breach of contract due to the cessation of services and claims from the NHS/Local Authorities for care paid for but not provided. Finally, debtor realisations could be expected to be lower in a wind-down scenario as compared to a pre-packaged administration sale strategy.

Consequently, liquidation was not considered to be the best option to maximise realisations for creditors.

Taking into consideration all the options, the Directors concluded that the option most likely to maximise realisations for creditors as a whole was a pre-packed sale of the businesses and assets to be effected as soon as practicable on or shortly after the administration appointments over the Companies.

To further assist creditors, we set out at appendix I some advantages and disadvantages relating to the options noted above.

## **4.1 Other points to note**

#### ***Consultation with major creditors***

It was accepted by the Directors that Blantyre, being a secured creditor (which had the ability to appoint administrators over the Companies) was a key stakeholder in any pre-packaged administration sale. S&W has consulted with the secured creditor, Blantyre, firstly in respect of the Post-Pack sale and then latterly in respect of the pre-packaged sale process.

In addition, the Directors contacted the Companies' employees on 4 October to advise them of the sale of the businesses/assets and, following a pre-packaged sales completing, that their contracts of employment would be transferred over to the Purchasers in accordance with Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').

Wider communication to the Companies' creditors prior to any appointment could have significantly destabilised the businesses and adversely impacted the value of the businesses.



We are not aware of the business and/or the assets of either company having been acquired from an insolvency practitioner or an insolvency process within the previous 24 months, or any other period.

## 5. Comparative outcome

The Joint Administrators are satisfied that the sale of the Companies' businesses and assets under the terms of the pre-packaged sales have resulted in the best outcome reasonably obtainable for the creditor stakeholders in the circumstances. The comparative outcome statement analysis at section 7.2 considers the following comparatives scenarios:

- Pre-packaged administration sale of the Companies' underlying business and assets as going concerns to the Renovo Care Group; and
- Administration wind down strategy of c8 weeks with the Companies' assets sold on a forced sale basis.

The following charges are registered against the Company:

### Raphael Medical Centre Limited

Date of Security	Type of Security	Person Entitled to Security
12.10.2018	Debenture	Macquarie Euro Limited (as Security Agent)
11.12.2017	Legal mortgage	Macquarie Bank Limited (as Security Agent)
25.08.2017	Debenture	Macquarie Bank Limited (as Security Agent)

### Glenside Manor Healthcare Services Limited

Date of Security	Type of Security	Person Entitled to Security
12.10.2018	Debenture	Macquarie Euro Limited (as Security Agent)
25.08.2017	Fixed & floating	Macquarie Bank Limited (as Security Agent)

Creditors should note that the above security was assigned to Meru IV s.a.r.l (Blantyre) on or around 13 August 2019.

Raphael is a primary obligor and Glenside has guaranteed the facilities.

The sum under the security as at the date of administration was £41,031,372.64. The Companies have provided cross guarantees to the secured creditor.

The Joint Administrators have obtained legal advice on the validity of the security registered against the Companies. The advice confirms the security granted by the Companies as being valid.

## 6. Marketing of the businesses and assets

The Joint Administrators are satisfied that the marketing strategy undertaken was appropriate and proportionate given the time available and was likely to identify parties with genuine interest in acquiring the businesses and assets sufficient to satisfy the principles set out in SIP16.



## 6.1 The marketing process

The Directors were asked to provide information of any parties, of which they were aware, who would be interested in purchasing the business and assets of the Companies.

The Renovo Care Group (the directors of which are also the directors of RMC and GMHS), who had previously submitted the highest bid for the Companies' businesses and assets in the process undertaken by the RHD Administrators (and who were until recently intending to purchase the Companies' businesses and assets by way of a post-pack sale), indicated its interest and submitted an offer in the pre-packaged process.

The Directors provided us with details of the marketing conducted by the RHD Administrators in 2019. The Companies had previously engaged professional agents Christie & Co ('Christies') to conduct a valuation of the Companies' freehold and leasehold assets. Christies has been retained by the Companies (and subsequently by the Joint Administrators) to provide marketing support and valuation work during this pre-packaged sale process, details of which we set out below.

S&W's Corporate Finance team assisted us in identifying potential targets that operate in a similar field of business and who therefore may have been interested in this opportunity. They were able to categorise interested parties based on levels of 'perceived fit', that being the most suited on taking on the businesses and assets available for sale.

In addition, S&W considered which distressed investors, known to them, would be interested in considering this transaction.

On 11 September 2020, Christies was instructed to support the marketing of the businesses and assets of the Companies. Marketing commenced on 14 September 2020 and an indicative offer deadline was set for 5pm on 25th September 2020.

As part of the marketing campaign the following tasks were undertaken:

- The Companies populated a virtual data room ('the Data Room') hosted by Datasite UK Limited and monitored by S&W and Christies;
- S&W and Christies reviewed the Data Room to ensure that the information included within it was accurate, up to date and relevant;
- A targeted electronic marketing campaign was sent by email to 741 applicants by Christies. Out of the 741 applicants, 382 emails were opened;
- A teaser document was also sent out to all S&W partners, directors and associate directors to attract further interest;
- The opportunity was also promoted on Christies' website - [www.christie.com](http://www.christie.com) - which resulted in 137 views by 88 unique users;
- A further 37 parties were directly approached due to their prior exposure to the Companies as part of the RHD Administrators sale process in 2019, including all parties who had bid at either the first or second round offer stages in that process;
- An anonymised 'teaser' document was sent out by S&W and Christies to 56 potentially interested parties together with a non-disclosure agreement ('NDA');
- The above activity generated 20 signed non-disclosure agreements ('NDA's'). Once received, these parties were provided with full access to the Data Room;
- All parties who had signed up to the NDAs were expressly asked if they wanted a meeting with management (including the Directors). Four meetings were subsequently hosted by S&W/Christies between potential purchasers and management;
- All potential purchasers were informed that the submission of bids deadline was Friday 25 September 2020; and
- We subsequently received indicative offers from four parties, all subject to contract.

The offer considered to be the best offer was that from Renovo Care Group, the offer being £31,500,000 for substantially all the businesses and assets of the Companies (including the core trading sites and Salisbury), subject to contract. We provide further details regarding this transaction below.



Christies confirmed that it considered that the business and assets of the Companies had been exposed to the market as fully as possible within the constraints of the time frame available. This resulted in a good level of interest being shown and ultimately in four offers being submitted in total. From Christies' review of the offers, the bid parameters, funding parameters and proposed deal time frames, their conclusion is that the offer from Renovo Care Group should be accepted. This was due to the combination of price and time frame to complete.

## 7. Valuations of the businesses and assets

The Companies obtained valuations of the assets in order to perform financial analysis to enable the Directors and S&W (as proposed administrators) to make a decision as to whether the transactions were in the best interests of creditors as a whole.

A break-up valuation reflects the value of the assets should the Companies cease to trade. This is used to estimate the outcome for creditors should the transaction not occur, and a company proceeds into liquidation. This is usually the worst-case position for creditors.

A going concern valuation reflects the value of the assets where a transaction includes a trading business. This is typically of greater value than a break-up basis due to the attributing of value to goodwill and future income streams. A going concern value is used to provide a guide to administrators as to the value of individual assets being sold as part of a wider transaction.

### 7.1 Christie & Co

Christies was instructed by the Companies to prepare an independent valuation of the freehold and leasehold assets as part of the Post-Pack process on 1 June 2020 (the 'June Report'). Due to the passage of time and the adoption of a pre-packaged sale strategy, Christies revisited their valuations in their 1 June and provided updated valuations in a letter of reliance dated 24 September 2020. Christies confirmed its independence in carrying out the valuations and that it had no actual or perceived conflict of interest. Christies is qualified by the Royal Institution of Chartered Surveyors. Christies provided a copy of its professional indemnity insurance which the administrators confirm is adequate.

The Joint Administrators are satisfied as to the independence and qualifications of Christies and do not consider it necessary or cost-effective to obtain a second valuation of the assets.

An inventory of the assets present and a valuation report has been provided, details of which are summarised below. The valuation report is based on information provided by the Companies and, given the present Covid-19 restrictions and the latest government advice, physical inspections were not possible.

The valuations are based on two scenarios of an in-situ and ex-situ basis, the former being a sale of the assets as a whole for use in its working place, and the latter being for the removal from the premises at the expense of the purchaser(s). The market values given do not take into account the costs of disposal.

### 7.2 SIA Group UK Limited

Professional agents SIA Group UK Limited ('SIA') was instructed by the Companies to prepare an independent valuation of the Companies' chattel assets on 8 June 2020. SIA confirmed its independence in carrying out the valuation and that it had no actual or perceived conflict of interest. SIA is qualified by the Royal Institution of Chartered Surveyors. SIA provided a copy of its professional indemnity insurance which the administrators confirm is adequate.

The Joint Administrators are satisfied as to the independence and qualifications of the valuers and did not consider it necessary or cost-effective to obtain a further valuation of the assets.

An inventory of assets present and a valuation report has been provided, details of which are summarised below. The valuation report is based on information provided by the Companies and given the present Covid-19 restrictions and the latest government advice; physical inspections were not possible.

The valuations are based on two scenarios of an in-situ and ex-situ basis, the former being a sale of the assets as a whole for use in its working place, and the latter being for the removal from the premises at the expense of the purchaser(s). The market values given do not take into account the associated costs of disposal.

The asset valuations have been incorporated into our comparative estimated outcome statement as follows:

RALPHAE MEDICAL CENTRE LIMITED ("RMC")  
 GLENSIDE MANOR HEALTHCARE SERVICES LIMITED ("GMH")  
 COMPARATIVE ESTIMATED OUTCOME STATEMENT AS AT 30.9.20

	Renovo Care Group Pre-pack Offer			Administration - Managed Wind down		
	RMC £	GMHS £	Total £	RMC £	GMHS £	Total £
<b>FIXED CHARGE - ASSETS</b>						
Freehold Property	2121,400	8,685,000	29,899,000	4,425,000	4,500,000	8,925,000
Goodwill	2	1	3	-	-	-
Fixed plant, equipment & fixtures - operating & development	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Intellectual property rights	6	3	9	-	-	-
Potential legal claims	-	-	-	-	-	-
<b>TOTAL FIXED CHARGE ASSETS</b>	<b>21,214,008</b>	<b>8,685,004</b>	<b>29,899,012</b>	<b>4,425,000</b>	<b>4,500,000</b>	<b>8,925,000</b>
<b>FIXED CHARGE - ESTIMATED COSTS OF REALISATION</b>						
Pre-Administration costs	-	-	-	(34,841)	(37,159)	(72,000)
Post Administration costs	(25,000)	(25,000)	(50,000)	(221,175)	(230,625)	(451,800)
	(25,000)	(25,000)	(50,000)	(221,175)	(230,625)	(451,800)
<b>LESS: FIXED CHARGEHOLDER - BLANTYRE CAPITAL LIMITED</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>	<b>(41,031,373)</b>
<b>ESTIMATED DEFICIENCY AS REGARDS FIXED CHARGE SECURITY</b>			<b>(11,182,361)</b>			<b>(32,558,173)</b>
<b>FLOATING CHARGE - ASSETS</b>						
Staff Loans	150,000	4,770	154,770	40,809	-	40,809
Cash at bank	-	-	-	-	-	-
Cash in hand	-	-	-	-	-	-
Directors' loan account	-	-	-	1,221	-	1,221
Stock & work in progress	4	2	6	-	-	-
Trade debtors (net of collection costs)	921,039	101,836	1,022,876	493,563	48,177	541,739
Other debtors	-	-	-	383	1,538	1,921
Prepayments & accrued income	-	-	-	-	-	-
Intergroup debtors	-	-	-	-	-	-
Renovo debt	169,020	909,179	1,078,199	169,020	909,179	1,078,199
Deferred tax	-	-	-	-	-	-
Floating plant, equipment & fixtures	186,000	182,000	368,000	53,500	84,000	137,500
Motor vehicles	-	-	-	18,000	4,650	22,650
Potential legal claims	-	-	-	-	-	-
Business contracts, information, records	9	4	13	-	-	-
<b>TOTAL FLOATING CHARGE ASSETS</b>	<b>1,426,072</b>	<b>1,197,791</b>	<b>2,623,864</b>	<b>776,496</b>	<b>1,047,544</b>	<b>1,824,040</b>
<b>FLOATING CHARGE - COSTS OF REALISATION</b>						
Pre-Administration costs	-	-	-	(52,262)	(55,738)	(108,000)
Post Administration costs	-	-	-	(185,333)	(199,894)	(385,227)
Administrators	(150,000)	(100,000)	(250,000)	-	-	-
Solicitors	(30,000)	(15,000)	(45,000)	-	-	-
Disbursements	(10,000)	(10,000)	(20,000)	-	-	-
	(150,000)	(125,000)	(315,000)	(237,595)	(255,632)	(493,227)
<b>AVAILABLE FOR PREFERENTIAL CREDITORS</b>	<b>1,236,072</b>	<b>1,072,791</b>	<b>2,308,864</b>	<b>538,902</b>	<b>791,912</b>	<b>1,330,813</b>
<b>PREFERENTIAL CREDITORS</b>						
Employee claims	-	-	-	367,500	48,000	415,500
<b>AVAILABLE FOR PRESCRIBED PART</b>	<b>1,236,072</b>	<b>1,072,791</b>	<b>2,308,864</b>	<b>171,402</b>	<b>743,912</b>	<b>915,313</b>
<b>LESS: ESTIMATED PRESCRIBED PART (UNSECURED CREDITORS ONLY)</b>	<b>(250,214)</b>	<b>(217,558)</b>	<b>(467,772)</b>	<b>(37,280)</b>	<b>(151,782)</b>	<b>(189,063)</b>
<b>ESTIMATED FLOATING CHARGE FUNDS AVAILABLE TO FLOATING CHARGEHOLDER</b>	<b>985,858</b>	<b>855,233</b>	<b>1,841,091</b>	<b>134,121</b>	<b>592,129</b>	<b>726,251</b>
<b>LESS: BLANTYRE CAPITAL LIMITED (DEFICIENCY BROUGHT DOWN)</b>			<b>(11,182,361)</b>			<b>(32,558,173)</b>
<b>ESTIMATED SHORTFALL UNDER FLOATING CHARGE</b>			<b>(9,341,270)</b>			<b>(31,831,922)</b>
<b>ESTIMATED RETURN TO UNSECURED CREDITORS</b>						
PRESCRIBED PART	250,214	217,558	467,772	37,280	151,782	189,063
Less: COSTS DISTRIBUTION	(50,000)	(50,000)	(100,000)	(25,000)	(60,000)	(85,000)
	200,214	167,558	367,772	12,280	91,782	104,063
<b>ESTIMATED CLAIMS</b>	<b>4,100,000</b>	<b>16,900,000</b>		<b>5,300,000</b>	<b>17,000,000</b>	
<b>ESTIMATED RETURN</b>	<b>4.88%</b>	<b>0.99%</b>		<b>0.23%</b>	<b>0.54%</b>	

A further breakdown of the asset valuations incorporated into our comparative estimated outcome statement is provided as follows:

	Market Value In-Site		Market Value Ex-Site	
	RMC £	GMHS £	RMC £	GMHS £
<b>Hospital &amp; Care Homes</b>				
Brighton	30,000	-	10,000	-
Hildenborough	125,000	-	32,500	-
Additions	40,000	-	11,000	-
Salisbury	-	150,000	-	67,500
Farnborough	-	25,000	-	7,500
Additions	-	35,000	-	9,000
<b>TOTAL</b>	<b>195,000</b>	<b>210,000</b>	<b>53,500</b>	<b>84,000</b>
<b>Motor vehicles</b>				
Brighton	4,000	-	2,000	-
Hildenborough	26,750	-	16,000	-
Salisbury	-	4,000	-	2,900
Farnborough	-	3,200	-	1,750
<b>TOTAL</b>	<b>30,750</b>	<b>7,200</b>	<b>18,000</b>	<b>4,650</b>

## 8. Details of the assets sold and the nature of the transaction

Details of the assets sold are detailed in the comparative outcome statement set out above.

### 8.1 Purchaser and related parties

During the pre-packaged process, and before the deadline for initial offers on 25 September 2020, the Renovo Care Group submitted the following offer:

- Value of the offer £31.5 million.
- The individual entities within the Renovo Care Group who collectively bought the businesses and assets of the Companies is scheduled in appendix II ('the Renovo Purchasing Entities').
- Payment of consideration is by way of a 'credit bid' (the Renovo Care Group is ultimate owned by the secured lender (Blantyre). The acquisition is by way of business and asset sales and release of security held by existing secured lender, thus reducing the liability owed to Blantyre down from £41million to £9.5 million.
- The Directors are also the directors of the Renovo Purchasing Entities. They have been involved with both managing the Companies and assisting with submitting the bid by the Renovo Purchasing Entities.
- RN Holdings Limited was incorporated as the parent group company to facilitate any successful acquisition.
- The assets included in the sale are detailed in section 8.3 together with the apportionment of their values.
- The Renovo offer was presented in conjunction with the Companies' existing senior management. It is a cash offer presented by an experienced team who have an intricate working knowledge of the business

### 8.2 Pre-pack pool submissions

- The Purchaser is deemed to be a connected party. Philip Smith and Colin Richards are directors of both the Companies and the Purchaser.
- Due to the connection between the Renovo Care Group and the Companies (by way of common directorships) we strongly recommended to the Board that they should consider submitting an application to the Pre-pack pool (the 'Pool') and a submission was subsequently made by the Renovo Care Group.
- The Pool comprises an independent body of duly qualified individuals responsible for scrutinising pre-packaged sales. Where the potential purchaser is a connected party, the Pool may be approached by them, with a fee payable by the prospective purchaser (not the Companies), and a viability statement included, stating how the business is expected to survive for at least twelve months from the date of purchase of the business and assets. There should also be some narrative detailing what the purchasing entity proposes to do differently to prevent the business from failing. The Pool is expected to give its opinion within 48 hours.
- On Thursday 24 September 2020, Philip Smith (for and on behalf of the Renovo Purchasing Entities made submissions to the Pool in respect of RMC and GMHS.
- As the offer did not include any element of deferred consideration, Renovo did not provide a viability statement within their submissions.
- On 28 September 2020, we were provided with the following opinion from the Pool Member in respect of both Companies: 'Based on my review, I have not found anything to suggest that the grounds for the proposed pre-packaged sale outlined in the application are unreasonable.'
- We attach a copy of the letters, which we received directly from the Pool member, as Appendix III

We are not aware of any guarantees provided by the Directors for amounts due from either company to a prior financier

The sale is not part of any wider transaction other than as set out in this report.

### 8.3 Sale structure, consideration and assets

Under the terms of the sale to the Renovo Care Group, the consideration of £31.5m has been apportioned as follows:

RMC		Fixed Charge Assets					Floating charge Assets										
Purchasing Entity	Freehold/Long Leasehold Property	Business Goodwill	Owned Business IP	Licensed Business IP	Business Names	Operating Assets	Business Contracts	Business Stock	Business Information	Commercial Records	IT Systems	Work In Progress	Renovo South Newton Debt	Other Debtors	Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Hollenden Park Hospital Ltd	17,809,000	-	-	-	-	-	-	-	-	-	-	-	-	-	17,809,000		
Renovo Hollenden Park Ltd	-	1	1	1	1	152,000	1	1	1	1	1	1	-	150,000	302,010		
Swanborough House Brighton Ltd	3,405,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3,405,000		
Renovo Brighton Ltd	-	1	1	1	1	34,000	1	1	1	1	1	1	-	-	34,010		
Renovo South Newton Ltd	-	-	-	-	-	-	-	-	-	-	-	-	169,020	-	169,020		
Renovo Supported Living Ltd	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1		
	21,214,000	2	2	2	2	186,000	3	2	2	2	2	2	169,020	150,000	21,719,041		

GMHS		Fixed Charge Assets					Floating charge Assets										
Purchasing Entity	Freehold/Long Leasehold Property	Business Goodwill	Owned Business IP	Licensed Business IP	Business Names	Operating Assets	Business Contracts	Business Stock	Business Information	Commercial Records	IT Systems	Work In Progress	Renovo South Newton Debt	Other Debtors	Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Victoria House (Farnborough) Ltd	4,407,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,407,000		
Renovo Farnborough Ltd	-	1	1	1	1	28,000	1	1	1	1	1	1	-	-	28,010		
South Newton Hospital Ltd	4,278,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,278,000		
Renovo South Newton Ltd	-	-	-	-	-	154,000	-	-	-	-	-	-	909,179	4,770	1,067,949		
	8,685,000	1	1	1	1	182,000	1	1	1	1	1	1	909,179	4,770	9,780,959		

TOTAL CONSIDERATION	29,899,000	3	3	3	3	368,000	4	3	3	3	3	3	1,078,199	154,770	31,500,000
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The Joint Administrators sought professional advice from the appointed property and chattel agents in relation to the Renovo Care Group. The advice recommended acceptance of the offer together with the apportionments reflected in the above table.

The consideration payable by the Renovo Care Group was paid as part of a credit bid transaction and immediate on completion an in-specie distribution was made to the secured lender:

Entity	Fixed charge	Floating charge	Total
	£	£	£
RMC	21,214,008	505,033	21,719,041
GMHC	8,685,004	1,095,955	9,780,959
	29,899,012	1,600,988	31,500,000

The sale agreement does not contain any options, buy-back agreements, deferred consideration or any other conditions other than that the Joint Administrators have entered into an Administration Funding Agreement with Blantyre in respect of the consideration payable in respect of the floating charge assets.

The terms of the Administration Funding Agreement, in respect of both Companies, has enabled an in-specie distribution to be made to the secured, on completion, in respect of the floating charge assets covered by the qualifying floating charge held by Blantyre and sold under the sale agreement to the Renovo Care Group.

On completion, the Joint Administrators received £807,775 in relation to the following:

#### Administration Funding Agreement

	RMC	GMCH	Total
	£	£	£
Estimated Administrators' Fees	150,000	125,000	275,000
Estimated Expenses	40,000	25,000	65,000
Estimated Prescribed Part	250,208	217,567	467,775
	440,208	367,567	807,775

The Administration Funding Agreement is a non-recourse facility whereby if insufficient assets are not realised under the floating charges, the advance is not repayable. The Joint Administrators envisage that realisations from the excluded assets (detailed below) will enable sums to be repaid under the terms of the agreement in due course.



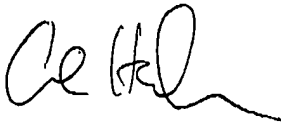


## 8.4 Excluded Assets

Under the terms of the sale agreement, all assets of the companies have been sold except the following assets which are expressly excluded and will therefore be dealt by the Joint Administrators, where appropriate:

- Trade debtors;
- Benefit of any excluded contracts;
- Joint Administrators' records and VAT records;
- Cash or cash equivalents;
- Rights in relation to any pension, trust or fund established by it or affecting any employees of the Companies;
- Third party assets;
- Any freehold, leasehold or licenced property in which the Companies have an interest otherwise not included in the sale agreement;
- Any shares or securities;
- Benefit of any claims against third parties, insurance claims and repayments arising on or referable to the period before completion;

The Joint Administrators believe that the pre-packaged sale transactions entered into will achieve a better outcome for the Companies' creditors as a whole than would have been likely if the Companies had been wound up without first having been in administration enabling the second statutory purpose of the administrations to have been met. The sale price achieved is considered to be the best obtainable in the financial and operational circumstances faced by the Companies and the Joint Administrators obtained recommendations from the engaged professional advisors and valuers.



Colin Hardman and Kevin Ley

Joint Administrators

Date: 8 October 2020

# Appendix I - Other alternative courses of action

## Trading administration

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Trading in administration would enable an extended period of marketing for the businesses which might elicit higher offers.</li> <li>If a sale of the businesses and assets were achieved, continuity of trade should enhance collection of receivables.</li> <li>A going concern sale would usually see some or perhaps all employees' jobs saved, thereby reducing the level of the Companies preferential and unsecured claims and therefore hopefully increasing the dividend payable to the remaining creditors.</li> </ul>	<ul style="list-style-type: none"> <li>Working capital would need to be available to fund ongoing trading, in particular, wages from the date of administration together with the administrators' fees and disbursements. In order to make purchases to support ongoing trading, administrators may be required to provide undertakings to suppliers to support the purchase. This increases the risk attached to the administrators who may be unwilling to provide such undertakings.</li> <li>Administrators' costs in a trading administration would be far higher than in a non-trading administration, thus the financial benefit of trading in administration would need to far exceed the administrators' costs.</li> <li>It may not be feasible to continue trading the business and as a consequence, trading may cease, and the employees may be made redundant increasing preferential claims in respect of employees' arrears of wages and holiday pay and unsecured claims.</li> <li>Continuity of care to vulnerable patients would be put at risk.</li> </ul>

## Company Voluntary Arrangement (CVA)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>A CVA is a contractual arrangement between a company and its creditors. Once approved, creditors bound by the CVA are prohibited from taking further legal action against the company and for a debt incurred prior to the approval of the CVA.</li> <li>If a sale of the business and assets was achieved, continuity of trade should enhance collection of receivables.</li> <li>A successfully implemented CVA would see employees' jobs saved thereby reducing the level of the company's preferential and unsecured claims.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's credit rating is likely to be adversely affected. It may therefore be more difficult for the Companies to borrow and raise working capital.</li> <li>Businesses who implement CVAs commonly experience significantly reduced credit terms from suppliers, which could have a disastrous effect on cash flow.</li> <li>It would be difficult for the Companies to begin contracts with new or existing clients if they base their buying criteria on the financial stability of the business.</li> </ul>

Advantages	Disadvantages
	<ul style="list-style-type: none"> <li>▪ It was considered challenging to explain and obtain the support of sufficient creditors within a relatively short time period.</li> <li>▪ The necessary funding (if available) for the CVA and consequential returns to creditors (which would have to be higher than the next best alternative) would starve the business of working capital going forward.</li> </ul>

## Creditors' Voluntary Liquidation (CVL)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>▪ If a company is simply no longer able to compete because of cash flow pressure, increased competition or a significant change in the market which it is too costly for the company to respond to, it is unlikely to be able to repay its outstanding creditors. Liquidation provides a mechanism for the winding up a company's affairs on ceasing to trade.</li> </ul>	<ul style="list-style-type: none"> <li>▪ As the company's business will cease to trade, all employees of the company would be made redundant, increasing preferential claims in respect of employees' arrears of wages and holiday pay and unsecured claims.</li> <li>▪ As a result of the cessation of trade, it's highly unlikely that any value will be realised for goodwill thus reducing the funds available for creditors.</li> <li>▪ The impact an immediate cessation of trade would have on customers would be likely to see significantly reduced recoveries on receivables, again reducing funds available for creditors.</li> <li>▪ Counter claims for breach of contract</li> </ul>

## The Corporate Insolvency and Governance Act 2020 (the 'Act')

The Act introduced a new standalone moratorium procedure for companies and other entities in financial difficulty with effect from 26 June 2020. The moratorium is part of a package of significant legislative reforms contained in the Act, intended to enhance the UK's restructuring rescue culture. These were originally consulted on between 2016 and 2018 and were fast-tracked to deal with the COVID-19 pandemic.

The moratorium is a director-led process which leaves directors in situ to trade the company with an insolvency practitioner acting in the role of 'monitor' with the responsibility to actively monitor and oversee the company's affairs. The aim is to afford companies some breathing space from creditor action to formulate a turnaround plan. The moratorium is focused on the recovery of the company rather than the realisation of its assets. Businesses will need time to get back up to speed and reconfigure following the effects of months of limited trading. The Act includes some temporary concessions to the rules to enhance access to the moratorium and help facilitate business recovery.

The moratorium provides 20 business days protection from certain creditor action. It can be extended for a further 20 business days without any consent from creditors, or for longer with consent of the pre-moratorium creditors or the court. Early termination is also possible. The moratorium is broadly similar to the administration moratorium and includes restrictions (among others) on insolvency proceedings, enforcement of security, and forfeiture. The monitor must be, and remain, of the view that the company is, or is likely to become, insolvent and that it is the reasonable belief of the proposed monitor that it is likely that a moratorium would result in the rescue of the company as a going concern. If the monitor is no longer of the view that rescue is possible, the moratorium must end. This is a mandatory requirement, there being no discretion with regard to this. During the moratorium, the company must continue to pay certain debts including newly incurred liabilities, payments

for new supplies, rent in respect of the moratorium period, certain payments due to employees, and debts under financial contracts, including lending contracts. If those ongoing liabilities are not paid on time, the moratorium will end. Support from lenders will therefore be required. The provisions for payment of rent may also cause some issues.

In this instance, it was considered that the appointment of a monitor was not appropriate as it would not be possible to rescue either Company as a going concern. Furthermore, an offer for substantially all of the businesses and assets of the Companies has been received which would enable the Joint Administrators to achieve the second statutory purpose of the administration (see above). In light of this, the pre-packaged transactions were entered into in pursuit of achieving a better result for the Company's creditors as a whole than would be likely if the Companies were wound up without first being in administration. We are of the opinion that this outcome is the best available outcome that could be reasonably obtained for the creditors as a whole.

## Appendix II- Purchasing entities

	Seller	What is being sold	Purchaser
1	RMC	Hollanden Park Hospital Property	Hollanden Park Hospital Limited
2	RMC	Hollanden Park Hospital Business and Assets	Renovo Hollanden Park Limited
3	RMC	Swanborough House Property	Swanborough House (Brighton) Limited
4	RMC	Swanborough House Business and Assets	Renovo Brighton Limited
5	RMC	Swanborough Services Business and Assets	Renovo Supported Living Limited
6	GMHSL	South Newton Hospital Property	South Newton Hospital Limited
7	GMHSL	Victoria House Property	Victoria House (Farnborough) Limited
8	GMHSL	Victoria House Business and assets	Renovo Farnborough Limited

# Appendix III - Pre-pack pool opinions

RMC

## OPINION ON PROPOSED PRE-PACKAGED SALE INVOLVING:

The Raphael Medical Centre Limited AND Philip Smith (The Raphael Medical Centre Limited)

This opinion has been given by me in accordance with the request made by Philip Smith to Pre Pack Pool Ltd. Philip Smith is a connected party to The Raphael Medical Centre Limited because they were a director, shadow director or company officer of The Raphael Medical Centre Limited who is or will become a director, shadow director or company officer of Renovo Hollenden Park Limited.

I have reviewed the evidence provided by Philip Smith.

This consists of:

1. Briefing note
2. Deloitte Sale Summary
3. Short term cash flow
4. Board meeting 4 September 2020
5. RMC Charges
6. Raphael Loan Position
7. Christie & Co Valuation
8. Chattel valuation
9. Glenside Charges
10. Renovo Five Year Plan

In undertaking my review, I have relied on the information and evidence provided by Philip Smith and have not undertaken a detailed audit or verification of the information or evidence provided.

For the avoidance of doubt, I express no opinion on whether Renovo Hollenden Park Limited is, or will in the future, remain a going concern. This is a matter for Philip Smith. Neither do I express an opinion on any decision of the administrator of The Raphael Medical Centre Limited to enter into a pre-packaged sale. This is a matter for the administrator.

The administrator's duties relate to The Raphael Medical Centre Limited and its creditors, not to Renovo Hollenden Park Limited or its creditors or future creditors (or any other person). The administrator's duties are not affected by this opinion. The request for an opinion is voluntary and no liability attaches to me or to Pre Pack Pool Ltd as a result of this opinion.

I confirm that I have no personal, professional or other relationship with any party connected to The Raphael Medical Centre Limited or Renovo Hollenden Park Limited, and that no relationship, bias or ethical conflict exists which prevents me from evaluating this application solely on its merits.

### Opinion

Based on my review, I have not found anything to suggest that the grounds for the proposed pre-packaged sale outlined in the application are unreasonable.

Simon Willis 28-09-2020



GMHS

#### OPINION ON PROPOSED PRE-PACKAGED SALE INVOLVING:

Glenside Manor Healthcare Services Limited AND Philip Smith (Glenside Manor Healthcare Services Limited)

This opinion has been given by me in accordance with the request made by Philip Smith to Pre Pack Pool Ltd. Philip Smith is a connected party to Glenside Manor Healthcare Services Limited because they were a director, shadow director or company officer of Glenside Manor Healthcare Services Limited who is or will become a director, shadow director or company officer of South Newton Hospital Limited.

I have reviewed the evidence provided by Philip Smith. This consists of:

1. Briefing note
2. Deloitte Sale Summary
3. Short term cash flow
4. Board meeting 4 September 2020
5. RMC Charges
6. Raphael Loan Position
7. Christie & Co Valuation
8. Chattel valuation
9. Glenside Charges
10. Renovo Five Year Plan
11. Briefing note

In undertaking my review, I have relied on the information and evidence provided by Philip Smith and have not undertaken a detailed audit or verification of the information or evidence provided.

For the avoidance of doubt, I express no opinion on whether South Newton Hospital Limited is, or will in the future remain a going concern. This is a matter for Philip Smith. Neither do I express an opinion on any decision of the administrator of Glenside Manor Healthcare Services Limited to enter into a pre-packaged sale. This is a matter for the administrator.

The administrator's duties relate to Glenside Manor Healthcare Services Limited and its creditors, not to South Newton Hospital Limited or its creditors or future creditors (or any other person). The administrator's duties are not affected by this opinion.

The request for an opinion is voluntary and no liability attaches to me or to Pre Pack Pool Ltd as a result of this opinion.

I confirm that I have no personal, professional or other relationship with any party connected to Glenside Manor Healthcare Services Limited or South Newton Hospital Limited, and that no relationship, bias or ethical conflict exists which prevents me from evaluating this application solely on its merits.

#### Opinion

Based on my review, I have not found anything to suggest that the grounds for the proposed pre-packaged sale outlined in the application are unreasonable.

Tim Rose 27-09-2020

# IX Notice of a Decision being sought by the Deemed Consent Procedure

**The Raphael Medical Centre Limited & Glenside Manor Healthcare Services Limited - In Administration (the 'Companies')**  
**Registered Number - 00568116 & 04678337**

This notice is given pursuant to Rule 15.7 of the Insolvency (England and Wales) Rules 2016 (the Rules).

<b>Court details</b>	
<b>Court Name</b>	High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd)
<b>Court Number</b>	003843 and 003844 of 2020

<b>Office Holder details</b>	
<b>Joint Administrators' Names</b>	Colin Hardman and Kevin Ley
<b>Joint Administrators' Firm Name</b>	Smith & Williamson LLP
<b>Date of Appointment of Joint Administrators</b>	1 October 2020

## THE PROPOSED DECISIONS

The following decision is proposed by the joint administrators (the **Convener**) to be made by the deemed consent procedure:

1. That, in the absence of the requisite number of creditors being nominated and willing to act, a creditors' committee will not be appointed under Rule 3.39 of the Insolvency (England and Wales) Rules 2016.
2. That the joint administrators' proposals be approved.

In the absence of 10% in value of the Companies' creditors (the **Threshold**) objecting to the Proposed Decision by no later than 12 November 2020 (the **Decision Date**), creditors will be treated as having made the Proposed Decisions.

### **Procedure for objecting**

In order to object to the Proposed Decisions, a creditor must have delivered a notice in writing of their objection, together with a proof of debt in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their objection will be disregarded.

It is the Convener's responsibility to aggregate any objections to determine if the Threshold is met for the Proposed Decision to be taken as not having been made. A creditor may appeal the decision of the Convener on



the aggregation of objections. However, such an appeal may not be made later than 21 days after the Decision Date.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by an alternative decision procedure.

#### **Creditors' committee - nominations**

Creditors are invited to form a creditors' committee and any nominations for membership of the committee must be received by the Convener by no later than the Decision Date and will only be accepted if the joint administrators are satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules.

Please note we do not consider a creditors' committee to be warranted in this case.

A committee cannot be formed unless the minimum number of creditors who are willing and eligible to act as members agree to act as such. The minimum number is three; there can be no more than five members.

A creditor is eligible to be a member of a committee if they have proved their debt, the debt is not fully secured, and the proof has not been wholly disallowed for voting purposes or rejected for the purpose of any distribution or dividend. A body corporate may be a member of a committee but must appoint a duly authorised representative to act on their behalf. If the individual is signing on behalf of a body corporate and the individual is the sole member, this must be confirmed upon the voting form for your vote to count.

Further information on the role of a committee can be found at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>

A hard copy of the guide is available, free of charge, upon request.

If a decision is taken to form a creditors' committee, approval for the joint administrators' remuneration and Category 2 disbursements will be sought from the committee rather than the general body of creditors.

#### **Creditors with a small debt**

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof in respect of their claim by no later than the Decision Date if they wish to object to the Proposed Decision.

#### **Creditors who have opted out from receiving notices**

Any creditor who has opted out of receiving notices but still wishes to object to the Proposed Decision is entitled to do so. However, they must have delivered a notice in writing of their objection, together with a proof in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their objection will be disregarded.

#### **Request for a physical meeting**

Creditors who meet certain thresholds prescribed by the Insolvency (England & Wales) Rules 2016, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decision. However, such a request must be made in writing to the Convener within 5 business days from date of the delivery of the proposals and be accompanied by a proof in respect of their claim (unless one has already been submitted).

In the event that a physical meeting is convened and our fees are approved on a time cost basis (in line with any fees estimate(s)) and there are funds available in the estate, the associated costs will be charged to the estate and drawn accordingly.

### Contact details

The Convener's postal address is at Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY. Any person who requires further information may contact the Convener by telephone on 020 7131 4000 or alternatively by e-mail at [beth.quant@smithandwilliamson.com](mailto:beth.quant@smithandwilliamson.com).

Dated: 28 October 2020

A handwritten signature in black ink, appearing to read 'K. Lay', is written over a horizontal dotted line.

Signed: .....  
Convener and Joint Administrator

# Voting Form (Administration)

Name of Company
Glenside Manor Healthcare Limited

Company number
04678337

In the
High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd)

Court case number
CR - 2020 - 003844

Please indicate whether you are in favour or against each of the decisions set out below and return this form with a proof of debt to Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, on or before 12 November 2020 (the Decision Date) in order that approval may be determined.

	Decision	In Favour (/)	Against (/)
1	That, in the absence of the requisite number of creditors being nominated and willing to act, a creditors' committee will not be appointed under Rule 3.39 of the Insolvency (England and Wales) Rules 2016.		
2	That the joint administrators' proposals be approved.		

## Creditors' Committee

The Insolvency Rules require that where a decision is sought from creditors, it is necessary to invite creditors to decide on whether a creditors' committee should be established. The Insolvency Rules also state that where the creditors decide that a creditors' committee should be established, it cannot be established unless it has at least three (and no more than five) members. Therefore, if you have voted against the first decision above, please nominate below a creditor who is prepared to represent you as a member of the committee, if not yourself.

I wish to nominate \_\_\_\_\_ (insert name)

Representing \_\_\_\_\_ (insert name of creditor)

to be a member of the committee

Please ensure you sign and date this form before returning it (see overleaf)

Please complete the section below before returning the form

Name of Creditor	
Signature on behalf of creditor	
Position with creditor or relationship to creditor or other authority for signature - please indicate	
Is the signatory the sole member of a body corporate?	YES / NO
Date of signing	

# Voting Form (Administration)

Name of Company
The Raphael Medical Centre Limited

Company number
00568116

In the
High Court of Justice, Business and Property Courts, Insolvency and Companies List (Chd)

Court case number
CR - 2020 - 003843

Please indicate whether you are in favour or against each of the decisions set out below and return this form with a proof of debt to Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, on or before 12 November 2020 (the Decision Date) in order that approval may be determined.

	Decision	In Favour (/)	Against (/)
1	That, in the absence of the requisite number of creditors being nominated and willing to act, a creditors' committee will not be appointed under Rule 3.39 of the Insolvency (England and Wales) Rules 2016.		
2	That the joint administrators' proposals be approved.		

## Creditors' Committee

The Insolvency Rules require that where a decision is sought from creditors, it is necessary to invite creditors to decide on whether a creditors' committee should be established. The Insolvency Rules also state that where the creditors decide that a creditors' committee should be established, it cannot be established unless it has at least three (and no more than five) members. Therefore, if you have voted against the first decision above, please nominate below a creditor who is prepared to represent you as a member of the committee, if not yourself.

I wish to nominate \_\_\_\_\_ (insert name)

Representing \_\_\_\_\_ (insert name of creditor)

to be a member of the committee

Please ensure you sign and date this form before returning it (see overleaf)

Please complete the section below before returning the form

Name of Creditor	
Signature on behalf of creditor	
Position with creditor or relationship to creditor or other authority for signature - please indicate	
Is the signatory the sole member of a body corporate?	YES / NO
Date of signing	