

# 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company KINGDOM HEALTHCARE LIMITED T/A LONGRIDGE CARE HOME
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Company number 05637438
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In the HIGH COURT OF JUSTICE CHANCERY DIVISION BIRMINGHAM DISTRICT REGISTRY
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Court case number 8070 of 2009
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(a) Insert full name(s) and address(es) of administrator(s)

We (a)  
M T COYNE  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham, B3 1EH

M D HARDY  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham, B3 1EH

\*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 23 March 2009

Signed

M. D. Hardy  
Joint / Administrator(s)

Dated

23 March 2009

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

M D Hardy Poppleton & Appleby 35 Ludgate Hill Birmingham B3 1EH
Telephone Number 0121 200 2962

The contact information that you give will be visible to researchers of the public

When you have completed and signed this form, please send it to the Registrar of Companies at:-  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

THURSDAY



A48 \*AD8MV8H1\* 263  
26/03/2009  
COMPANIES HOUSE

**TO ALL KNOWN MEMBERS & CREDITORS**

Our Ref: GJB/K2A

23 March 2009

Dear Sirs

**Kingdom Healthcare Limited t/a Longridge Care Home  
In Administration**

In accordance with the provision of Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986, I write to advise you of the proposals of the Joint Administrators to achieve the purposes of the Administration. I do not intend to convene a meeting of Creditors for the reasons set out in the Report. I will therefore seek Creditors' approval to the proposals by post. A voting form and guidance as to the voting procedure are also included with the Report.

You will find enclosed with this letter the following documentation:

1. A copy of the Joint Administrators' report, which encompasses proposals for filling the objectives of the Administration Order.
2. Form 2.25B incorporating a voting form which you should complete and return by 12 noon on 7 April 2009.
3. Proof of Debt Form 4.25.

Please note that the Creditors will also be asked to consider the basis of remuneration for the Joint Administrators. Details of the costs to date and the proposed basis of remuneration are included in detail in the enclosed Report, together with a Creditors' Guide to Fees in Administration.

Should you require any further information concerning the report, please contact Garry Baxendale, the Senior Manager responsible for the day to day running of the case.

Yours faithfully  
For and on behalf of  
**Kingdom Healthcare Limited**

**M D Hardy**  
**Joint Administrator**

Please note that the Joint Administrators are agents of the Company and act without personal liability.

Rule 2.48

# Notice of conduct of business by correspondence

Name of Company  
 KINGDOM HEALTHCARE LIMITED  
 T/A LONGRIDGE CARE HOME

Company number  
 05637438

In the HIGH COURT OF JUSTICE  
 CHANCERY DIVISION  
 BIRMINGHAM DISTRICT REGISTRY

Court case number  
 8070 of 2009

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

Notice is hereby given by (a)  
 M T COYNE  
 Poppleton & Appleby  
 35 Ludgate Hill  
 Birmingham, B3 1EH

M D HARDY  
 Poppleton & Appleby  
 35 Ludgate Hill  
 Birmingham, B3 1EH

(b) Insert full name and address of registered office of the company

to the creditors of (b) Kingdom Healthcare Limited  
 t/a Longridge Care Home, 35 Ludgate Hill  
 Birmingham, B3 1EH

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) 4 resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d)  
 Poppleton & Appleby  
 35 Ludgate Hill  
 Birmingham, B3 1EH

(e) Insert closing date

by 12.00 hours on (e) 7 April 2009 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the number of resolutions attached.

Resolution (1).....	I am *in Favour / Against
Resolution (2a).....	I am *in Favour / Against
Resolution (2b).....	I am *in Favour / Against
Resolution (3).....	I am *in Favour / Against
Resolution (4).....	I am *in Favour / Against

\*Delete as appropriate

**TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:**

Name of creditor

Signature of creditor  
 (If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me/us at the address above.

Signed

M. D. Hardy  
 Joint / Administrator(s)

Dated 23 March 2009

## KINGDOM HEALTHCARE LIMITED - IN ADMINISTRATION

### PROPOSALS OF THE JOINT ADMINISTRATORS IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH 49 (1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

These proposals form part of and should be read in conjunction with the Joint Administrators Report to Creditors dated 23 March 2009

The proposals of the Joint Administrators are that:

1. The Administration shall continue in the short term in order that; the remaining assets of the Company be realised; the Director provide a Statement of Affairs; and for the completion of the Joint Administrators' Directors Disqualification Return to the Department of Trade and Industry, as detailed in the Joint Administrators' report of 23 March 2009 may be dealt with.
2. At the conclusion of the Administration, the Joint Administrators shall, at their discretion, either:
  - a) take steps to place the Company into Creditors Voluntary Liquidation in accordance with Paragraph 83 (1) of Schedule B1 to the Insolvency Act 1986 if and when it appears to the Administrators that it is appropriate to do so; or
  - b) take steps to have the Company dissolved in accordance with Paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 if all property is realised and there are insufficient funds to make a distribution to Creditors.
3. If the Company proceeds into Creditors Voluntary Liquidation, then it is proposed that M D Hardy of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH should act as the sole Liquidator of the Company for the purposes of the Creditors Voluntary Winding Up.
4. The Joint Administrators are authorised to defray the costs and fees of the Administration from time to time, including the fees of agents, valuers and solicitors engaged by the Administrators during the Administration. The Administrators' remuneration should be based upon time costs and, together with the expenses incurred by them in the Administration, should be paid out of the assets of the Company. A Creditors Guide to Fees in Administration is included with the Joint Administrators Report dated 23 March 2009 at **Appendix 8**. This also includes details of the manner in which Poppleton & Appleby seeks to recover expenses and disbursements where there is an element of overhead recovery (Category 2 Disbursements).

## PROOF OF DEBT - GENERAL FORM

**In the matter of Kingdom Healthcare Limited  
T/A Longridge Care Home In Administrative Receivership  
and in the matter of The Insolvency Act 1986**

Date of Administration Order 27 January 2009

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
BIRMINGHAM DISTRICT REGISTRY

No. 8070 of 2009

**IN THE MATTER OF  
THE INSOLVENCY ACT 1986  
AND  
KINGDOM HEALTHCARE LIMITED  
IN ADMINISTRATION**

**Company No. 05637438**

**REPORT AND PROPOSALS OF THE JOINT ADMINISTRATORS  
TO MEMBERS & CREDITORS**

Pursuant to Paragraph 49(1) of Schedule B1 to the Insolvency Act 1986  
And Part 1 of the Insolvency Act 1986  
And Part 1. Chapters 1 to 4 of the Insolvency Rules 1986.  
(as amended by the Insolvency Act 2000 and the  
Insolvency Amendment No.2 Rules 2002)

Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

Telephone No. 0121-200-2962  
Fax No. 0121-236-8430

## KINGDOM HEALTHCARE LIMITED

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## Joint Administrators' Report and Proposals

### 1. Objective of the Administration

M T Coyne and I, M D Hardy, both Licensed Insolvency Practitioners of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH, were appointed Joint Administrators ("the Administrators") of Kingdom Healthcare Limited ("the Company") on 27 January 2009, by AIB Group (UK) Plc, a Qualifying Floating Charge holder with whom the Company banked.

As prescribed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986 ("The Act"), I am obliged to consider the following three objectives of the Administration :

- Rescuing the Company as a going concern

This was not a viable option as there were no resources available within the Company or from external sources to satisfy the claims of the Creditors. Also a winding up petition had been issued by HM Revenue & Customs which the Company could not pay. The Local Authority had already removed some of the residents and were about to remove the remaining residents.

The main objective of the Administration was that of:

- Realising the Company's property in order to make a distribution to one or more secured or preferential Creditors.

Commentary as to how this was achieved in the days following my appointment by AIB Group (UK) Plc under their floating charge, was provided in my Statement of Insolvency Practice 16 ("SIP16") report issued to Creditors dated 10 February 2009.

- Achieving a better result for the Company's Creditors as a whole than would be likely if the Company were to be wound-up.

This is not applicable as there is no prospect of a return to Creditors.

### 2. Introduction

Notification of my appointment as Joint Administrator to the Company was previously sent to all known Creditors on 10 February 2009.

In accordance with the provisions of Paragraph 49(1) of Schedule B1 to The Act 1986, I am now in a position to present my proposals to Creditors. I am not required to convene a meeting of Creditors as, on present information, I consider there is insufficient property to enable a distribution to be made to Unsecured Creditors.

In accordance with Paragraph 100(2) of Schedule B1 to The Act, I am required to confirm that the Administrators act on a joint and several basis although the day to day conduct of the Administration rests with me, Matthew Hardy.



I understand that the EC Regulation applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation.

### **3. Statutory Information**

I attach at **Appendix 1** to this report the Statutory Information regarding the Company which deals with the relevant requirements of Rule 2.33 of the Insolvency Rules 1986.

I attach at **Appendix 2** extracts from the Company's accounts which have been filed at Companies House for the period ending 30 November 2006. The Company was incorporated on 28 November 2005 as Kingdom Healthcare Limited and commenced trade on the same date. The Company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985.

In May 2007 the Company changed its accounting reference period ending 30 November 2007, so as to end on 31 March 2008. Consequently the Company was not due to file accounts for this period until 31 January 2009. However, no accounts have been prepared or filed.

### **4. Events Leading to the Appointment of the Joint Administrators**

The Company was incorporated on 29 November 2005 by the current Director, Paul Anthony Cope, and commenced trading as a residential care home under the trading style Longridge Nursing Home. The Company has traded throughout from freehold premises situated at Levedale Road, Dunston Heath, Penkridge, Stafford, ST18 9AL.

Details of the events leading up to the sale of the business were provided in my SIP16 statement issued and dated 10 February 2009 and are repeated below for Creditors convenience.

#### *Administrators' Initial Introduction*

The Joint Administrators were introduced to the Company by Allied Irish Bank (GB) ("The Bank"), Birmingham. The Bank holds two charges in respect of the assets of the Company as security for its lending. The Bank wished to enforce its security in view of a winding up petition which had been issued by HM Revenue & Customs, whilst maintaining the business as a going concern.

The Joint Administrators involvement was limited to discussions with the Bank and their solicitors as to the background and current circumstances of the Company. There has been no direct contact with the Company or its Directors.

We were asked by the Bank to advise as to the options available to the Bank in light of a pending winding up petition and restrictions placed on the Director personally following a Restraint Order issued against him at Stafford Crown Court on 9<sup>th</sup> July 2008 by the Financial Investigation Unit of the Staffordshire Police.

If the Company was placed into Compulsory Liquidation then a sale of the business as a going concern would not be possible as the Local Authority would immediately seek to remove the residents from the home resulting in its closure. This would significantly reduce the value of the goodwill of business leaving only the physical assets in the form of furnishings and the freehold premises. The Company had no prospect of restructuring its debts and therefore a sale of the business as a going concern would be the only viable option to protect the best interests of its creditors.

No marketing activities were conducted by the Joint Administrators as the Bank had already reached an agreement for the sale of the business and assets to an independent third party.

## 5. Statement of Affairs

Following my appointment, I requested that the Director submit a Statement of Affairs for the Company. The Director has failed to comply with the request despite reminders being issued. This report includes a draft Statement of Affairs prepared from available records at **Appendix 3**.

At **Appendix 4** are supporting notes, which I feel would be useful for Creditors. This information has been prepared by my staff from the limited information available. The Statement of Affairs does not include any provision in respect of the costs of the Administration.

At **Appendix 5** are the names, addresses and approximate amounts due to the Creditors of the Company in accordance with the Company's records.

## 6. Conduct of the Administration to Date

### 6.1 Sale of the Business and Assets

Information regarding the sale of the business assets and goodwill was provided in my SIP16 statement issued to Creditors on 10 February 2009 and is repeated below.

#### *Valuation of the Business and Assets*

The Bank had already obtained a professional valuation of the business which was primarily focused on the value of the freehold premises and goodwill. The report concluded with a valuation of the Company's assets on a forced sale and going concern basis, of £1,100,000 and £1,340,000 respectively.

#### *Sale of the Business and Assets*

The business and assets of the Company were sold to Longridge Care Home Limited on the 27<sup>th</sup> January 2009, the consideration is detailed as follows, of which funds were received upon completion of the sale :-

<b>Assets Description</b>	<b>Consideration received (£)</b>
Fixtures and Fittings	49,996
Goodwill	450,000
Intellectual Property	1
Marketing & Media Info.	1
Sales Information	1
Stock	1
Property	600,000
<b>Total</b>	<b>1,100,000</b>

There is no known connection between the purchaser and Director, although the Bank is common to both companies and funded the purchaser. In addition to its charges the Bank holds a personal guarantee from the Director limited to £100,000 as further security for its lending.

Following the completion of the sale it has been brought to the attention of the Joint Administrators that the Company may own a vehicle, possibly a Jaguar, although specific details were not available at the time. I have now established that the Company did possess a Jaguar X Type which was subject to a hire purchase agreement with the Bank of Scotland Plc, who confirmed that the vehicle was repossessed by them and subsequently sold at auction. The sales proceeds were insufficient to meet the outstanding finance on the vehicle and therefore the Bank of Scotland has a claim against the Company for the balance due. There are outstanding book debts due to the Company, with a book value of £32,557, however it is not known at this time whether the debts will be fully recoverable.

## 7. Receipts and Payments Account

I attach at **Appendix 6** a copy of my Receipts and Payments Account which provides details of funds received to date and payments made in respect of costs of the Administration to date.

## 8. Proposal for Achieving the Objectives of the Administration

The primary issues remaining to be dealt with in the Administration include the realisation of the Company's book debts. I will continue to request the Directors approved Statement of Affairs, and deal with the submission of my Directors Disqualification Report to the Department of Trade & Industry.

I attach at **Appendix 7** my proposals for dealing with these matters and concluding the Administration.

The proposals will require the approval of the majority, in value terms, of those Creditors who vote in this respect. The proposals would normally be considered at an initial meeting of Creditors, although in this instance, I do not propose to call a meeting on the basis that based on present information there will be insufficient property to enable a distribution to the Unsecured Creditors.

In such instances, the recent amendments to the Insolvency Act 1986 provide that any business that would normally be dealt with at a meeting may be dealt with by correspondence with Creditors. To this effect, I enclose a voting form which details the resolution I require the Creditors to consider. **Would you please complete and return the form by no later than 12:00pm on 7 April 2009.**

The proposals also include the provision for an exit from the Administration. At present, I envisage the Administration will conclude with a Creditors Voluntary Liquidation, or an application for the dissolution of the Company.

## 9. Costs of the Administration

The costs of the Administration are summarised as follows:

	£
Legal Fees Pre Administration	10,811
Legal Fees Post Administration	7,188
Administrators Time Costs Pre Administration	4,375
Administrators Time Costs Post Administration	9,382

The Bank agreed in advance of the commencement of the Administration that the Pre and Post Administration legal fees and expenses relating to the sale agreement and the appointment formalities should be paid from the assets subject to the Banks fixed charge. The Pre Administration time costs of the Joint Administrators were agreed on the same basis.

The post Administration time costs incurred by my firm in respect of the Administration will have to be agreed with Creditors. My time costs to 13 March 2009 total £9,382 which represents 51 hours at an average hourly rate of £180 per hour. I would be pleased to provide any further information to Creditors as they may require concerning the overall cost incurred in this matter.

Creditors will note that I have requested in my Proposals that the remuneration of the Administrators be fixed by reference to time properly expended by me, and my staff, in attending to matters arising from the Administration in accordance with Rule 2.47(4) of the Insolvency Rules 1986. In addition, approval will also be requested for the costs of disbursements and expenses incurred by the Joint Administrators. To date I have yet to draw any Category 2 disbursements, however, full details of this firm's scale of charges can be found at **Appendix 8**. The approval of the Creditors will also be sought as to the basis and payment of Administration fees and expenses. To this effect I attach a further copy of a Creditors Guide to Fees in an Administration scenario at **Appendix 8**.

Please note that the Company is not VAT registered and as a consequence the costs of the Administration figures shown above are net of irrecoverable VAT.

## **10. Estimated Return for Creditors**

I provide below a commentary and illustration of the expected outcome for the different classes of creditors.

### **10.1 Secured Creditors**

The Bank has been paid £1,050,000 from the proceeds arising from the sale of the freehold property, goodwill and fixtures and fittings, under the security mentioned above. There was a balance outstanding to the Bank on 2 February 2009 of £226,083, including accrued interest. Interest continues to accrue on the outstanding balance.

Any further receipts from asset recoveries in the Administration will be payable to the Bank under its security, subject to the application of the Prescribed Part Rules where applicable. On present information it is unlikely that there will sufficient funds available to discharge the liability to the Bank.

### **10.2 Preferential Creditors**

Longridge Care Home Limited took over the contracts of employment of the Employees and all associated liabilities. Therefore there are no Employee claims against the Company.

### **10.2 Unsecured Creditors**

The estimated claims of Unsecured Creditors can be summarised as follows:

	£
H M Revenue & Customs - PAYE / NIC	106,959
Trade and Expense Creditors	52,936
Director 's Loan Account	1,367

As the Company has created a floating charge over its assets after the 15 September 2003, provisions in the Insolvency Act 1986 relating to the Prescribed Part apply. For these purposes, the Company's "net property" is estimated at £65,000 before the costs of the Administration. After providing for costs and irrecoverable VAT the Prescribed Part of the property available for Unsecured Creditors will not exceed £10,000 and a distribution to Unsecured Creditors is therefore unlikely.

Any income from recoverable assets, will be used to repay the Secured Creditor and to defray the Administrators time costs and disbursements. Based on the current level of assets a dividend to Unsecured Creditors is unlikely. The Prescribed Part calculation will however be applied to any further realisations although any resulting dividend will be nominal.

## 11. Conclusion

As you will see from the information contained in this report and appendices it is envisaged that the Administration will end with the Company entering into Creditors Voluntary Liquidation, or with an application for the dissolution of the Company.

If you should require any additional information concerning this report or the Joint Administrators' Proposals, please contact me or my Senior Manager, Garry Baxendale.

Signed

*M. D. Hardy*

**M D Hardy - Joint Administrator of  
Kingdom Healthcare Limited**

Poppleton & Appleby  
35 Ludgate Hill  
Birmingham, B3 1EH

Dated: 23 March 2009

**Appendix 1 - Statutory Information**

**KINGDOM HEALTHCARE LIMITED**

**Statutory Information**

Company Number	5637438
Date of Incorporation	28 November 2005
Principle Activity	Nursing Home
Trading Address	Levedale Road, Dunston Heath, Penkridge, Stafford, ST18 9AL
Share Capital	£10,000,000 divided into 10,000,000 Ordinary shares of £1 each, of which 1 share has been issued and is held as follows:
Shareholders	Paul Cope Group of Companies Limited, shares held 1
Company Directors'	Paul A Cope appointed on 28.11.2005
Company Secretary	Nicola Cope appointed on 28.11.2005
Registered Office	At the date of the Administration, the Company's registered office was situated at Kingdom Court, 34 Wolverhampton Road, Stafford, Staffordshire, ST17 4BY. For the purposes of the Administration, this was changed to the Administrators office at 35 Ludgate Hill, Birmingham, B3 1EH
Company's Bankers	Allied Irish Bank (GB)
Registered Charges	AIB Group (UK) Plc holds a legal mortgage consisting of a fixed charge over the property situated at Levedale Road and goodwill together with a floating charge over all moveable asset created on 1 March 2006 and registered on 3 March 2006 AIB Group (UK) Plc comprising of fixed and floating charges over all the assets of the Company created on 1 March 2006 and registered on 3 March 2006
Funding Security	Allied Irish Bank (GB) holds a personal guarantee dated 1 March 2006 from the Director, Paul Cope, for the liabilities of the Company in the sum of £100,000.
Company's Accountants	Plant & Co, 17 Lichfield Street, Stone, Staffordshire, ST15 8NA
Joint Administrators	Matthew Douglas Hardy and Martin Thomas Coyne, Licensed Insolvency Practitioners
Administrators' Office	Poppleton & Appleby, 35 Ludgate Hill, Birmingham. B3 1EH
Functions	The Administrators act on a joint and several basis, although the day to day conduct of the Administration rests with Andrew Turpin
Date of Appointment	27 January 2009
Court	High Court of Justice, Birmingham District Registry
Court Number	8070 of 2009
Appointor	AIB Group (UK) Plc, the holder of a qualifying floating charge
First Report and Proposals dated	23 March 2009
Progress Reports	n/a

**Appendix 2 - Extracts from Unaudited Accounts**



KINGDOM HEALTHCARE LIMITED  
T/A LONGRIDGE CARE HOME

EXTRACTS FROM THE ACCOUNTS

	14 Months to 26 January 2009  Draft/ Management £	First Year of Trading to 30 Nov 2006 Un-Audited  £
Turnover	340,507	493,981
Gross Profit	110,950	441,812
Gross Profit %	32%	89%
Directors Remuneration	n/k	n/k
Net Profit / [Loss]	14,580	1,833
Accumulated Surplus / [Deficit]	16,463	1,883
Dividends	-	-

NOTES

The Company was incorporated on 28 November 2005. In May 2007 the Company changed its accounting reference period ending 30 November 2007, so as to end on 31 March 2008. Consequently the Company was not due to file accounts for this period until 31 January 2009, being after the commencement of the Administration. No accounts have been prepared or filed for the period.

The Company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985.

**Appendix 3 - Estimated Statement of Affairs**

Insolvency Act 1986

Kingdom Healthcare Limited T/A Longridge Care Home  
Estimated Statement Of Affairs as at 27 January 2009

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Freehold Property	326,302.00	600,000.00	
Intellectual Property & Goodwill	960,000.00	450,000.00	
AIB Group (UK) Plc		(1,276,083.00)	
Deficiency c/d		<u>(226,083.00)</u>	
Jaguar	13,995.00	4,086.00	
Settlement		(9,276.00)	
Deficiency c/d		<u>(5,190.00)</u>	
Fixtures & Fittings	16,060.00		50,000.00
Book Debts	32,557.00		15,000.00
			<u>65,000.00</u>
 <b>PREFERENTIAL CREDITORS:-</b>			
			<u>NIL</u>
			65,000.00
Estimated prescribed part of net property where applicable (to carry forward)			<u>16,000.00</u>
			49,000.00
 <b>DEBTS SECURED BY FLOATING CHARGE</b>			
Deficiency b/d		226,083.00	
			<u>226,083.00</u>
			<u>(177,083.00)</u>
Estimated prescribed part of net property where applicable (brought down)			<u>16,000.00</u>
			16,000.00
 <b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Deficiency b/d		5,190.00	
Trade & Expense Creditors		52,936.00	
PAYE Liability		106,959.00	
Dr H. McCollum		1,230.00	
Directors Loan Accounts		1,367.00	
			<u>167,682.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)			<u>(151,682.00)</u>
Shortfall to floating charge holders (brought down)			<u>177,083.00</u>
			<u>(328,765.00)</u>
Issued and called up capital			
Ordinary Shareholders		1.00	
			<u>1.00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>(328,766.00)</u></u>

**Appendix 4 - Supporting Notes**

**KINGDOM HEALTHCARE LIMITED  
T/A LONGRIDGE CARE HOME**

**NOTES TO ACCOMPANY DIRECTORS STATEMENT OF AFFAIRS**

**ASSETS.**

**Freehold Property & Fixtures and Fittings**

The Company traded from freehold premises situated at Levedale Road, Dunston, Stafford, being an extended three storey probably Grade II Listed building, with 32 registered beds and associated facilities, which was subject to a fixed charge held by AIB Group (UK) Plc. A valuation of the business as a whole was carried out by Atisreal. The bricks and mortar were given a market value of £600,000. The market valuation does not include any liability for stamp duty or other taxes. The valuation does however include all fixtures and fittings as the property falls into a category which normally changes hands on the open market as a fully operational business entity.

**Intellectual Property and Goodwill**

The intellectual property and goodwill were valued by Atisreal together with the freehold premises. This value was based upon previous accounts of trade and financial results of the Company as disclosed in its unaudited accounts. The valuation also gave regard to the anticipated future trading potential that is likely to be expected by new management taking over the existing business. Project net profit figures were used in arriving at the valuation of the goodwill

A sale of the business took place on the date of my appointment to a non-connected third party, Longridge Care Home Limited, although the Bank is common to both companies and funded the purchaser. The funds received on completion of the sale totalled £1,100,000. AIB were immediately repaid £1,050,000 under their security, a further total balance of £20,764 was used to discharge the fees of Atisreal for their valuation and Sydney Mitchell Solicitors for their conveyance services. The capital gains tax liability in respect of the property and goodwill is yet to be evaluated and no provision has been made in the Statement of Affairs for any liability which may arise.

**Jaguar**

The Company's accounts indicated that in 2007 a hire purchase agreement was entered into by the Company in respect of a Jaguar. Following my appointment I have obtained details of the vehicle which is now known to be a Jaguar X Type V6 Sport Saloon, registered in December 2003 which was subject to a finance agreement with The Bank of Scotland Plc. I have been advised by The Bank of Scotland Plc that the vehicle was repossessed by them in January 2009 and subsequently sold in February 2009 resulting in a loss on the sale of the vehicle of £5,190.

**Book Debts**

At the time of my appointment there were 32 book debt accounts with a ledger value of £32,557. Since my appointment book debt recoveries in the amount of £10,802 have been made. There are three accounts with a book value of £6,644, where the debtor is deceased and the outstanding liability should be settled under a Grant of Probate from their estate. For the sake of prudence a provision for bad debts of greater than 50% percent of the original ledger balance has been made.

## LIABILITIES.

### Trade Creditors

The claims of trade Creditors have been extracted from the available Company's records in February 2009, although the list should not be considered final as adjustments will inevitably arise.

### PAYE Liability

There is an amount of £106,959 shown in the Company's accounts as due to HM Inland Revenue for unpaid PAYE and NIC contributions. It would appear that the liability was incurred during the 2007/2008 and 2008/2009 tax years. The Company's filed returns are not up to date and therefore there will be interest and penalty charges to add to this balance.

### Dr. H. McCollum

The Company's accounts indicate that there is a balance due from the Company to Dr H. McCollum who was an Operator at the nursing home.

### Director's Loan Account

A balance is thought to be due to the Director from the Company. No security is thought to be held by the Director in respect of advances made by him to the Company.

## ADDITIONAL NOTES TO THE STATEMENT OF AFFAIRS

### Valuation

A Secured Lending Appraisal report was prepared by Atisreal for Allied Irish Bank (GB) in December 2008. The basis of the valuation was Market Value for loan security purposes. The property was inspected on 16 December 2008 by Lee Wigley BSc (Hons) MRICS, a Surveyor in Professional Services, in accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice.

### Conveyance Services

Kam Majevardia a Partner in Sydney Mitchell Solicitors was instructed to carry out conveyancing associated with the sale of the freehold premises and the preparation of an asset sales agreement, also to assist with the preparation and filing of paperwork for placing the Company into Administration.

### VAT Registration

It is understood that the Company is not VAT registered.

**Kingdom Healthcare Limited - In Administration**

**Appendix 5 - List of Creditors**

Kingdom Healthcare Limited T/A Longridge Care Home  
B - Company Creditors

Key	Name	Address	£
CA00	Allied Irish Bank (GB)	Insolvency & Debt Recovery Unit, 1st Floor, 61 Temple Row, Birmingham, B2 5LS Security Given: Fixed and Floating charges Date Given: 01/03/2008	176,083.00
CA01	Aascent Finance Company	Biba House, 14 Bevis Marks, London, EC3A 7NT	485.43
CA02	Abacus Care	Arbuthnot Commercial Finance Limite, PO Box 8, St Leonards on Sea, East Sussex, TN37 6AL	250.28
CA03	Ashley Recruitment	Ashley House, 382 Hartshill Road, Hartshill, Stoke-on-Trent, ST4 7NX	5,724.76
CB00	Temps New (Stafford) Limited	C/o Assets & Sales Finance, Assets & Sales Finance, Churchill Plaza, Churchill Way, Basingstoke, RG21 7GL	0.00
CC00	Air Products Ltd	Air Products Limited Medical Group, 2 Millennium Gate, Westmere Drive, Crewe, Cheshire CW1 6AP	66.87
CC01	AMG Nursing and Care	43 Stafford Road, Stone, Staffordshire, ST15 0HG	660.77
CC02	Calor Gas Limited	Insolvency Department, Occupation Road, Stoney Stanton, Leicestershire, LE9 4JJ	5,338.61
CC03	Central Health Care Ltd	46 Rumer Hill Business Estate, Rummer Hill Road, Cannock, Staffordshire, WS11 3ET	599.13
CC04	Chase Lifts Ltd	37 Salisbury Drive, Heath Hayes, Cannock, WS12 3YW	537.88
CC05	Commercial and Domestic Repair	28 Sanstone Road, Lower Farm, Walsall, West Midlands, WS3 3SB	368.51
CC06	Coopers Quality Foodstore	13/14 The Square, Brewwood, Staffs, ST19 9BS	522.56
CC07	Deltron Lifts Ltd	Unit 10, Birch Court, Crystal Drive, Sandwell Business Park, Smethwick, B66 1RB	3,589.85
CC08	Derby Care and Mobility	Unit 1, Riverside Park East Service Road, Raynesway, Derby, DE21 7RW	487.98
CC09	EDF Energy	Insolvency Department, Gadeon House, Exeter, EX1 3UT	3,820.24
CC0A	Environment Agency	Income Department 311, P.O. Box 263, Peterborough, PE2 8YD	998.50
CC0B	Excel Nursing Agency	Units 12 & 13 Waterside Court, Technology Campus St Helens, Merseyside, WA9 1UA	4,283.34
CC0C	First Choice Wholesale Foods Ltd	4A Ryknild Estate, Derby Road, Burton on Trent, Staffs	3,028.84
CC0D	Edge Telecom	Global House, 2 Crofton Close, Lincoln, LN3 4NT	297.35
CC0E	Hopwells Limited	Glaisdale Drive, Bilborough, Nottingham, NG8 4LU	474.42
CC0F	J Boswell	27 Glebe Avenue, Stafford, ST16 1NE	95.00
CC0G	Chubb Fire Limited	400 Dallow Road, Luton, LU1 1UR	327.65
CC0H	Lycos Direct Limited	Clarke Road, Bletchley, Milton Keynes, MK1 1ZR	90.16
CC0I	MCS	Church Street, Bridgetown, Cannock, Stafford	84.80
CC0J	Medacs Healthcare Services PLC	800 The Boulevard, Capability Green, Luton, LU1 3BA	4,649.09
CC0K	Rouge Recruitmet	211 Pearl House, Anson Court, Technology Park, Stafford, ST18 0GB	2,150.22
CC0L	Solartech	The Courtyard, Carlton House, Copeland Street, Stoke on Trent, ST4 1PU	472.35
CC0M	South Staffs Water plc	Green Lane, Walsall, WS2 7PD	366.20
CC0N	Trust Hygiene Services	Sutherland Avenue, Wolverhampton, West Midlands, WV2 2JH	2,046.32
CC0O	Tuke and Bell Limited	Patent Drive, Moorcroft Park, Wednesbury, West Midlands, WS10 7XD	264.38
CC0P	Veolia Environmental	Lindon Road, Brownhills, Walsall, WS8 7BB	844.67
CC0Q	Viking Direct	Tolwell Road, Leicester, LE4 1BR	299.88
CC0R	Wells Farm Dairy	Wells Lane, Bradley, Stafford	1,262.89
CC0S	Wolters Kluwer Y K	145 London Road, Kingston Upon Thames, KT2 6SR	916.78
CC0T	Wolverhampton City Council	17 Bramerton Close, Childrens Res Ce cent Wolverhampton	64.86
CC0U	Zenith Hygiene systems	A1 Business Centre, Dixons Hill Road, Welham Green, Hertfordshire, AL9 7JE	1,384.05
CC0V	Counter Print	17 Browning Street, Stafford, ST16 3AX	769.00

Signature

Date



Kingdom Healthcare Limited T/A Longridge Care Home  
B - Company Creditors

Key	Name	Address	£
CC0W	Mr P Cope		1,367.00
CE00	Ecclesiastical Insurance Office Plc	Insolvency Department, Beauford House, Brunswick Road, Gloucestershire, GL1 1JZ	0.00
CG00	Greyfriars Carpenters	13 - 15 Greyfriars, Stafford, ST16 2SD	160.00
CH00	HMRC	Enforcement & Insolvency Services, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	0.00
CH01	HMRC	Collector of Taxes, TIDO (CES), Ty Glas Road, Llanishen, Cardiff, CF4 5ZG	0.00
CH02	HMRC	ICHU, RM BP 2302, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	106,959.00
CJ00	Just Flowers	Market Street, Penkridge, Stafford	113.00
CL00	Longridge Petty Cash		1,261.08
CM00	Dr H McColtium		1,230.00
CN00	Nant Limited		1,021.28
CO00	Office Watercoolers Limited	Crescent House, Broad Street, Bilston, WV14 0BZ	330.13
CP00	Penkridge Arboriculture	Unit 1 Arcadia Park, Wheelhouse Road, Rugeley, Stafford, WS15 1UZ	1,116.25
CP01	Phil Eldershaw	1st Floor, Hodson House, Some Cross, Penkridge, Stafford, ST19 5AS	12.10
CP02	Plant & Co	St Michaels Square, Penkridge, Stafford	88.13
CP03	Pro-Eco Purchasing Limited	Chartered Accountants, 17 Lichfield Street, Stafford, ST15 8NA	110.46
CR00	Royal & Sumalliance	Ground Floor, 17 Old Orchard Road, Eastbourne, East Sussex, BN21 1DD	373.62
CR01	Royal Bank of Scotland	Corporate Financial Crime Preventi, 1st Floor South, Charterhall House, Charterhall Drive, Chester, CH88 3AN	5,190.00
CS00	South Staffordshire Council	Insolvency Department, Local Taxation Services Unit, Council Offices, Codsall, South Staffs, WV8 1PX	0.00
CS01	S.S.D.C	Council Offices, Codsall, Wolverhampton, WV8 1PX	153.02
CS02	Steve Chatfield	6 Lawrence Street, Stafford, ST17 4DU	554.03

57 Entries Totalling

343,765.82

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Kingdom Healthcare Limited - In Administration**

**Appendix 6 - Receipts and Payments Account**

**Kingdom Healthcare Limited T/A Longridge Care Home  
(In Administration)  
Administrators' Abstract of Receipts & Payments  
To 23/03/2009**

S of A £

£

£

<b>FIXED CHARGE ASSETS</b>			
600,000.00	Freehold Property	600,000.00	
450,000.00	Intellectual Property & Goodwill	<u>450,000.00</u>	1,050,000.00
<b>FIXED CHARGE COSTS</b>			
(1,276,083.00)	AIB Group (UK) Plc	1,032,535.95	
	Solicitors Fees	<u>12,432.80</u>	(1,044,968.75)
<b>H.P. ASSETS</b>			
4,086.00	Jaguar	NIL	
(9,276.00)	Settlement	<u>NIL</u>	NIL
<b>ASSETS NOT PLEDGED</b>			
50,000.00	Fixtures & Fittings	50,000.00	
15,000.00	Book Debts	10,802.10	
	Electricity Refund	<u>49.81</u>	60,851.91
<b>COST OF REALISATIONS</b>			
	Solicitors Fees	8,267.20	
	Statutory Advertising	219.82	
	Bank Charges & Interest	<u>64.50</u>	(8,551.52)
<b>FLOATING CHARGE CREDITORS</b>			
	Floating Charge 1	<u>17,464.05</u>	(17,464.05)
<b>UNSECURED CREDITORS</b>			
(52,936.00)	Trade & Expense Creditors	NIL	
(106,959.00)	PAYE Liability	NIL	
(1,230.00)	Dr H. McCollum	NIL	
(1,367.00)	Directors Loan Accounts	<u>NIL</u>	NIL
<b>DISTRIBUTIONS</b>			
(1.00)	Ordinary Shareholders	<u>NIL</u>	NIL
<u>(328,766.00)</u>			<u><u>39,867.59</u></u>
<b>REPRESENTED BY</b>			
	VAT Input		32.97
	Bank		<u>39,834.62</u>
			<u><u>39,867.59</u></u>

**Appendix 7 - Administrators' Proposals**

## KINGDOM HEALTHCARE LIMITED - IN ADMINISTRATION

### PROPOSALS OF THE JOINT ADMINISTRATORS IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH 49 (1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

These proposals form part of and should be read in conjunction with the Joint Administrators Report to Creditors dated 23 March 2009

The proposals of the Joint Administrators are that:

1. The Administration shall continue in the short term in order that; the remaining assets of the Company be realised; the Director provide a Statement of Affairs; and for the completion of the Joint Administrators' Directors Disqualification Return to the Department of Trade and Industry, as detailed in the Joint Administrators' report of 23 March 2009 may be dealt with.
2. At the conclusion of the Administration, the Joint Administrators shall, at their discretion, either:
  - a) take steps to place the Company into Creditors Voluntary Liquidation in accordance with Paragraph 83 (1) of Schedule B1 to the Insolvency Act 1986 if and when it appears to the Administrators that it is appropriate to do so; or
  - b) take steps to have the Company dissolved in accordance with Paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 if all property is realised and there are insufficient funds to make a distribution to Creditors.
3. If the Company proceeds into Creditors Voluntary Liquidation, then it is proposed that M D Hardy of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH should act as the sole Liquidator of the Company for the purposes of the Creditors Voluntary Winding Up.
4. The Joint Administrators are authorised to defray the costs and fees of the Administration from time to time, including the fees of agents, valuers and solicitors engaged by the Administrators during the Administration. The Administrators' remuneration should be based upon time costs and, together with the expenses incurred by them in the Administration, should be paid out of the assets of the Company. A Creditors Guide to Fees in Administration is included with the Joint Administrators Report dated 23 March 2009 at **Appendix 8**. This also includes details of the manner in which Poppleton & Appleby seeks to recover expenses and disbursements where there is an element of overhead recovery (Category 2 Disbursements).

**Appendix 8 - Creditors Guide to Administrators Fees**

# A CREDITORS' GUIDE TO ADMINISTRATORS' FEES ENGLAND AND WALES

## 1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

## 2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- Rescuing the company as a going concern, or
- Achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- Realising property in order to make a distribution to secured or preferential creditors.

## 3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration order to consider his proposals. The administrator must call the first meeting of the committee within 6 months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

## 4 Fixing the administrator's fees

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the Administrator has to deal with, or
- by reference to the time properly given by the Administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the Administrator;
- the effectiveness with which the Administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the Administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to

the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except put of the reserved fund which may have to be set aside out of floating charge assets. In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of -

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors -
  - each secured creditor of the company; and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval, having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

## 5 What information should be provided by the administrator?

### 5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the

circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a administrator or his staff.

### 5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the administration, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

### 5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may

include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## 6 What if a creditor is dissatisfied?

6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not out of the assets of the insolvent company.

## 7 What if the administrator is dissatisfied?

If the administrator considers that the remuneration fixed by the committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors or in accordance with the official receiver's scale is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the administrator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

## 8 Other matters relating to fees

8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors. If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

## 9 Provision of information - additional Requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is -

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

**A CREDITORS' GUIDE TO ADMINISTRATORS' FEES  
ENGLAND AND WALES**

**Poppleton and Appleby**

**Fees and Disbursements in Administrations**

**Fees**

The fees of the Administrator are fixed by reference to time properly spent by the Administrator and his staff in attending to all matters arising in the administration unless otherwise agreed with the creditors. The Administrator and his staff charge time to all insolvency cases in units of 6 minutes. The following charge out rates are applicable from 5<sup>th</sup> January 2009.

	<b>£/hour</b>
Partner	295
Managers	160 - 195
Administrators	80 - 140
Cashier	120
Secretarial and support staff	no charge

**Disbursements**

In dealing with the administration, the Administrator will incur expenses and disbursements that are recoverable from the assets available in the administration in accordance with Rule 2.67 of the Insolvency Rules. In addition to out of pocket expenditure, the Administrator will also recover shared or allocated costs. Where applicable, these costs are calculated as follows:

<b>Expense Type</b>	<b>Basis of Charge</b>
Room Hire (for each statutory meeting of creditors)	£175.00 per meeting
Mileage	40 - 75p per mile
Storage of company books and records	£2.50 per box per month

Should any creditor require further clarification in respect of fees or expenses, then please contact the Administrator or case manager as identified in the correspondence concerning the administration in question.

Poppleton and Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

Telephone      0121 200 2962  
Fax              0121 236 8340  
Email            info@poppletonandappleby.co.uk

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