

JOINT ADMINISTRATORS' REPORT FOR THE PERIOD 6 JANUARY 2019 TO 5 JULY 2019

ELDER HOMES NORTH LLP (COMPANY NUMBER: OC384512) ("EHN")
WAVERLEY CARE HOMES LIMITED (COMPANY NUMBER: 02502961) ("WCH")
(TOGETHER "THE COMPANIES")

29 JULY 2019

Table of Contents

- 1. Introduction3
- 2. Conduct of the Administrations5
- 3. Statutory investigations8
- 4. Estimated outcomes8
- 5. Next report and further questions9
- Appendix A – Statutory information10
- Appendix B – Administrators’ Receipts and Payments11
- Appendix C – Administrators’ time costs and expenses17
- Appendix D – Time cost analysis21
- Appendix E – Additional Information in relation to Administrators' fees pursuant to SIP925
- Appendix F – Creditors’ statement of claim form27

Glossary

The Act	Insolvency Act 1986	The 1986 Rules ¹	The Insolvency Rules 1986 (as amended)
The 2016 Rules ¹	Insolvency (England and Wales) Rules 2016 (as amended)	HMRC	HM Revenue and Customs
FTI	FTI Consulting LLP	Secured Creditor	Lloyds Bank Plc
Joint Administrators /Administrators	Lisa Rickelton and Simon Kirkhope	Manor House	Manor House Care Centre 37 Stafford Road Stone Stoke on Trent ST15 0HG
Ernvale House	Ernvale House Care Centre Station Road Cheddleton Leek ST13 7EE	The Homes	Ernvale House, Autumn House and Manor House
Autumn House	Autumn House Care Centre 37 Stafford Road Stone Stoke on Trent ST15 0HG	PAYE	Pay As You Earn income tax deductions
Careport	Careport Advisory Services Ltd	CQC	Care Quality Commission
NI	National Insurance	The Period	6 January 2019 – 5 July 2019
LLP	Limited Liability Partnership		

¹ Please note that the 2016 Rules became effective on 6 April 2017 for Limited Companies and on 8 December 2017 for LLPs. For simplicity, where referring to actions taken before 6 April 2017 in this report we reference the 1986 Rules with the respective Rule from the 2016 Rules in brackets. For actions taken on or after 6 April 2017 we reference the 2016 Rules with the respective Rule from the 1986 Rules in brackets.

1. Introduction

- 1.1 Lisa Rickelton and Simon Kirkhope were appointed as Joint Administrators of the Companies on 10 February 2016.
- 1.2 The administrations of the Companies were initially extended for 12 months to 9 February 2018 with consent of the Secured Creditor. An additional extension of 18 months to 9 August 2019 was approved following an application being made to the court. A further extension is currently being sought from the court, with an application made on 28 June 2019 and a hearing scheduled for 5 August 2019. This is discussed further in section 2 (Exit route and extensions).
- 1.3 Pursuant to Rule 18.6 of the 2016 Rules (Rule 2.47(3B) of the 1986 Rules) we are required to send creditors a report setting out what has happened in the administrations during the Period since our last report. The report prepared pursuant to Rule 2.112 of the 1986 Rules (Rule 3.54 of the 2016 Rules) to request the initial 12 month extension of the administrations covered the period 10 August 2016 to 5 January 2017. Pursuant to Rule 2.47(3B) of the 1986 Rules (Rule 18.6 of the 2016 Rules), successive progress reports will be prepared for each six month period from 6 January 2017. Hence, this report covers the period 6 January 2019 to 5 July 2019 ("the Period").
- 1.4 The Companies formed part of the Elder Homes group of care homes. The Homes owned and operated by the Companies at the date of appointment were as follows:

EHN – Ernvale House
WCH – Autumn House and Manor House (Manor House was closed during the administration).
- 1.5 Further details of the Homes and other background information can be found in our proposals dated 1 April 2016 ("the Proposals"). The closure of Manor House was discussed in the Administrators' progress report dated 1 September 2016.
- 1.6 EHN is a limited liability partnership, however, we use the term "the Companies" in this report to apply to EHN and WCH for convenience.
- 1.7 Previous reports into the progress of the administrations have included a third company, Elder Homes Wellingborough Limited ("EHW"). Following the sale of Dale House, the principal asset of EHW, and the finalisation of all other outstanding matters, a final report for the EHW administration was issued on 24 January 2018. The administration of EHW ended on 5 February 2018 and the company was dissolved on 5 May 2018. EHW has not been included in the current report.
- 1.8 As Administrators we are bound by the Insolvency Code of Ethics. Prior to our appointments we considered potential ethical threats in undertaking the administrations in accordance with the Code, and we did not consider that there were any matters preventing us taking these appointments. If any creditors of the Companies would like any further information on this they should contact a member of the Administrators' staff using the details provided at point 5.2 below.
- 1.9 Full details of the statutory formalities relating to our appointments are set out in Appendix A.
- 1.10 No creditors committee has been formed in the administrations of either of the Companies.
- 1.11 This report together with appendices contains information in relation to the activities undertaken in the Period, as well as information relating to the full period since our appointments on 10 February 2016. This includes receipts and payments into the insolvency estates (Appendix B) and the Administrators' time costs in accordance with Statement of Insolvency Practice 9 ("SIP9") (Appendices C and D).
- 1.12 Pursuant to Rule 1.50(a) of the Rules all further information in respect of the administration of the Companies will be placed on the website below (except for certain notices which will be mailed to creditors and were listed on the notice previously provided) and no notice will be provided to creditors of updates placed on the website.

<http://www.fticonsulting-emea.com/cip/elder-homes>
- 1.13 The estimated return to creditors is set out in Section 4 of this report.

Administrators' remuneration

1.14 Our Proposals were deemed to have been approved on 13 April 2016 in accordance with Rule 2.34 of the 1986 Rules (Rule 3.38 of the 2016 Rules). The basis of Administrators' remuneration was fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administrations. Details of the rules in relation to Administrators' remuneration together with details of our time costs to date are set out in Appendices C and D.

1.15 Administrators' time costs incurred since the start of the administrations are summarised below:

EHN – £665,835 (plus VAT)
 WCH – £526,880 (plus VAT)

1.16 The following Administrators' time costs have been drawn following approval from the Secured Creditor:

EHN – £292,771 (plus VAT) to date. (An additional £261, 519 of EHN time costs have been approved by the Secured Creditor but have not yet been drawn.)
 WCH – £521,274 (plus VAT) to date; including £96,200 (plus VAT) during the Period.

1.17 The Administrators' fees and category 2 disbursements are subject to creditor approval. A creditors' guide to administrators' fees setting out creditors' rights to further information and how fees are approved can be found here:
<http://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/guide-to-administrators-fees-6-april-2017-england-wales.pdf>

1.18 If creditors wish to be supplied with a hard copy of this guidance they should contact a member of the Administrators' staff on the details set out at point 5.2 below.

1.19 Additional information in relation to the Administrators' staffing policies can be found in Appendix E.

1.20 A summary of our fees incurred against estimates provided in our report dated 1 August 2018 (covering the period to 5 July 2018 (the "July 2018 Report")) and our most recent increased fee estimate is as set out below:

Summary of Fee Position			
£	EHN	WCH	Total
Fees incurred 10 February 16 to 5 July 19	665,834.5	526,880.0	1,192,714.5
Fee Estimate per July 2018 report	687,729.0	555,985.0	1,243,714.0
Revised Estimate	891,596.0	555,985.0	1,447,581.0

1.21 Administrators' fees in relation to EHN are anticipated to exceed the estimate provided in our July 2018 report and therefore we have revised our fee estimate. The revised estimate, together with an explanation of why a revision was required, is set out in Appendix C pursuant to Rule 18.30 of The Rules.

Creditors' Right to Challenge Remuneration and/or Expenses

1.22 In accordance with Rules 18.36 or 18.37 of the 2016 Rules (Rule 2.109 of the 1986 Rules), any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders challenging the amount or the basis of the remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 of the 2016 Rules (Rule 2.109 of the 1986 Rules).

Creditors' Right to Request Information

1.23 Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators of the Companies to provide additional information

regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the 2016 Rules (Rules 2.47(1)(a) and 2.48A of the 1986 Rules).

1.24 Further information in respect of insolvency generally can be found at the following website:

<http://www.creditorinsolvencyguide.co.uk/>

1.25 FTI Consulting LLP comply with relevant data privacy legislation and our privacy policy can be found here:

https://www.fticonsulting-emea.com/~/_media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf

2. Conduct of the Administrations

Administration purpose/strategy

2.1 We consider the purpose of the administrations to be 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). In order to achieve this objective the decision was made to continue to trade the Companies in administration to allow sales of the Homes on a going concern basis to be pursued where possible. Careport, who have extensive experience in the outsource management of care homes, were engaged immediately on appointment to manage trading.

2.2 Further details on the decision to trade the Homes in administration and on the initial actions taken were included in the Proposals and in subsequent progress reports.

Marketing/sales process

2.3 Details of the sales process for each home are set out below.

Autumn House

2.4 As reported in our previous report the sale of Autumn House was completed on 25 October 2017.

Ernvale House

2.5 As previously reported, Knight Frank were appointed to market the Homes in March 2016 following meetings with three potential sales agents.

2.6 The marketing process for Ernvale House began in July 2016 and, following negotiations with a number of interested parties and acceptance of an offer, Heads of Terms were signed on 8 December 2016.

2.7 As with the other Homes there will be a split exchange and completion, with completion occurring subsequent to the preferred bidder gaining CQC registration.

2.8 The Administrators commenced legal proceedings to obtain vacant possession of a building owned by EHN and situated adjacent to the care home in order to proceed with the sale of the business and assets of EHN. Significant delays were encountered with the proceedings, however after obtaining a possession order in September 2018, the occupants of the building vacated and returned the keys on 23 October 2018.

2.9 After obtaining vacant possession the Administrators resumed negotiations with the prospective purchaser, however they subsequently informed us that they were unable to obtain funding to finance the deal and were therefore withdrawing.

2.10 We have subsequently engaged a new agent, Christie & Co, to market the home. Offers have already been received and the window for further offers remained open as at 5 July 2019, however is now closed with a first and final deadline having been set for 19 July 2019. Additional details cannot be provided at present (due to confidentiality and

as it may impact the process adversely) however a further update will be provided in the Administrators' next statutory report.

Receipts and payments

2.11 A full receipts and payments account for the Period is provided at Appendix B. Pursuant to Statement of Insolvency Practice 7 ("SIP 7"), trading statements for the Period can also be found at Appendix B. The trading statements are presented on a cash basis for income received and costs paid during the Period.

2.12 The trading of the Homes is discussed in more detail below.

Trading

2.13 To facilitate the ongoing operation of the Homes, the Secured Creditor made funds available to the Companies and EHW under a funding agreement dated 10 February 2016. The facility agreement was amended on 11 May 2016, 21 February 2017 and 18 July 2017 with the total draw down under this facility standing at £1,475,000.

2.14 Following the completion of the sales of Dale House and Autumn/Manor House, all funding received by EHW and WCH was transferred to EHN to facilitate the ongoing trading of Ernvale House. It is anticipated that the funding will be repaid in full once Ernvale House has been sold.

2.15 Work carried out by FTI and Careport in relation to the ongoing trading of Ernvale House during the Period includes the following:

- Ongoing audits of the home including reviews of compliance, training, staffing levels and health and safety
- Work to ensure continued compliance with relevant health and safety legislation
- Preparing/reviewing financial information and forecasts
- Overseeing/arranging required repairs and maintenance
- Arranging staff training to ensure compliance with necessary legislation
- Introducing new policies and systems to improve compliance including updating resident care plans to improve ease of use
- Dealing with enquires for beds and overseeing new admittances
- Recruitment and HR issues for the home
- Correspondence and meetings with relatives of residents
- Correspondence with secured and unsecured creditors
- Administering employee payroll and processing supplier payments
- Preparing fee invoices for residents and debtor collection
- Adhering to data protection legislation
- Dealing with pension issues

2.16 As seen at Appendix B (together with a detailed breakdown of trading receipts and payments), there have been net trading deficits of £565k and £598k for EHN and WCH respectively to date. Given that the trading statements are prepared on a cash basis, the figure for EHN, the only company still trading, may be significantly influenced by accruals (including insurance, a proportion of which is paid upfront and a proportion is paid in arrears) and timings of payroll and larger fee income receipts from Local Authorities.

2.17 During the Period there were no trading receipts or payments for WCH and we do not anticipate additional receipts or payments in future periods.

2.18 We expect Ernvale House to continue trading until a sale is completed to enable enhanced realisations to be achieved (compared to potential realisations from a closed care home). This is in the interest of the Secured Creditor and will enable a greater return to the Secured Creditor. Other stakeholders (e.g. residents, employees, trade suppliers) also benefit from the decision to continue to trade.

Pre-appointment debtors/accrued income

2.19 Details regarding pre-appointment debtors and accrued income were provided in our previous reports to creditors.

2.20 No further realisations are anticipated from this source in the Companies' estates.

Employees

2.21 No redundancies were made at any of the Homes following our appointment as Administrators however certain staff have left during the Period through resignations.

2.22 All accrued wages at the date of appointment were paid in the February 2016 payrolls during the normal course of trading and PAYE/NI has been paid when due throughout the administrations.

2.23 We have recruited new staff to fill vacancies where necessary and recruitment continues where additional staff are needed at Ernvale House. All staff employed by WCH on the completion date were transferred to the buyer of the home under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

Taxation

2.24 We notified HMRC of our appointment as Administrators of the Companies shortly following our appointment and have made all required filings during the administrations, including a final corporation tax return in relation to WCH.

Exit route and extensions

2.25 Pursuant to paragraphs 76(2) and 78(2) of Schedule B1 to the Act and Rule 2.112 of 1986 Rules (Rule 3.54 of the 2016 Rules) we wrote to the Secured Creditor on 13 January 2017 to request to extend the period of the administrations of the Companies by one year to 9 February 2018. The extension request was approved by the Secured Creditor on 20 January 2017 with notice of the extension being filed by Companies House on 3 February 2017.

2.26 An application to court to obtain a further extension of the administrations of the Companies to 9 August 2019 was submitted in November 2017 and confirmation of the extensions was received on 5 February 2018. The primary reason for the extension of the administrations for 18 months is to enable a sale of Ernvale House, with the sale process ongoing.

2.27 Ernvale House is registered as a location on WCH's CQC registration. As such, the administration of WCH will continue until a sale of Ernvale House can be achieved. An extension of the WCH administration was also required to finalise the trading position and collection of debtors following the sale of Autumn House, which has now been completed.

2.28 Due to the delay in the sale of Ernvale House, resulting from the withdrawal from the sale process of the prospective purchaser, the Administrators are seeking an additional court extension of the administrations to enable a sale of Ernvale House and provide enhanced returns to the Creditors than would otherwise be possible. A court hearing is currently scheduled for 5 August 2019.

2.29 Should an extension to the Administrations be granted the Administrators will notify creditors by issuing a Notice of Extension of Period of Administration.

2.30 The most likely exit route for the Companies remains dissolution following the conclusion of the administrations.

3. Statutory investigations

- 3.1 As previously reported we have submitted final returns in regards to Director conduct to the Department for Business, Energy and Industrial Strategy. The content of our reports in relation to this are confidential.
- 3.2 Should any creditors have any relevant information in relation to directors'/members' conduct, they should provide details in writing to the Administrators. This request forms part of our normal investigations into directors'/members' conduct and does not imply any criticism of the directors/members in this particular case.

4. Estimated outcomes

Secured creditors

- 4.1 At the date of appointment, the Secured Creditor was owed £11.2m by the Companies and EHW and held security over all of the Companies' and EHW's assets through comprehensive fixed and floating charges. On appointment of Administrators the Secured Creditor exercised their right of offset to use funds held by WCH to pay down an overdraft of Elder Homes Stone Limited, the ultimate parent company of WCH, resulting in net debt of £10.8m.
- 4.2 The secured debt of each company is cross-guaranteed by the other (and EHW) and therefore, the estimated secured debt is the same for each of the Companies.
- 4.3 We are not able to disclose an estimate of total returns to the Secured Creditor given this information is commercially sensitive and may compromise the ongoing sales process for Ernvale House. We can confirm that we do not expect that the Secured Creditor will be repaid in full.
- 4.4 Distributions made to date from the Companies are shown in the R&P information at Appendix B. Distributions from EHW were disclosed in our previous reports.

Preferential creditors

- 4.5 Under the Act, the main classes of preferential creditors are employees in respect of certain claims in relation to arrears of wages, holiday and pensions contributions. All accrued wages at the date of the administrations have since been paid to employees in the normal course of trading and holiday pay is being met on an ongoing basis.
- 4.6 We have received confirmation from that there are no outstanding contributions for the pre-appointment period for EHN and therefore consider that there are no preferential claims against EHN.
- 4.7 Despite receiving confirmation shortly after appointment from the Autumn House pension provider that all pre-appointment amounts due had been settled, we were subsequently informed of an outstanding claim of £2,251 in early 2018. Despite the floating charge costs being significantly greater than floating charge realisations in the estate of WCH, this amount was settled in full with consent of the secured creditor. As such, we are not aware of any remaining preferential creditors.

Unsecured creditors

- 4.8 Unsecured creditors rank behind both secured and preferential creditors.
- 4.9 Under Section 176A of the Act where after 15 September 2003 a company has granted a creditor a floating charge, a proportion of the net property of the company achieved from floating charge asset realisations must be made available for the unsecured creditors ("the Prescribed Part").
- 4.10 Although we are not yet able to disclose a final estimate of the returns to the Secured Creditor, the trading figures to date, level of distributions from EHW and WCH, and estimated sale price for Ernvale House lead us to believe that there will be insufficient funds to repay the Secured Creditor in full. Therefore, any returns to unsecured creditors would arise from the Prescribed Part only.

4.11 The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) and is calculated as follows:

- 50% of net property up to £10k.
- Plus 20% of net property in excess of £10k.
- Subject to a maximum of £600k.

4.12 Based on the final trading figures and the level of sale proceeds received from the sale of Autumn/Manor House, there are insufficient funds to pay a Prescribed Part from WCH.

4.13 The trading figures to date and offers received for Ernvale House indicate that it is also very unlikely that any Prescribed Part will be paid from EHN.

4.14 The requirement to make the Prescribed Part distribution to unsecured creditors is disapplied if, inter alia, the administrator or liquidator either:

- thinks that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits (s176A(3)(b) of the Act); or
- applies to the court for an order on such grounds and the court so orders (s176A(5) of the Act).

4.15 The Administrators will consider the level of any potential dividend from EHN in due course and assess whether the cost of making a distribution is disproportionate to the benefits. Further information will be provided to creditors in due course in relation to this.

4.16 Creditors wishing to submit a claim should use the creditors' statement of claim form provided at Appendix F, with any claims made being supported by copy invoices or other relevant documentation sufficient to allow your claim to be adjudicated. Please note that there is no need to re-submit the form at Appendix F if you have already submitted a claim.

5. Next report and further questions

5.1 We are required to provide a further progress report to all creditors within one month of the end of the first 6 months from the end of the Period, or when the administrations come to an end, whichever is sooner.

5.2 Should you have any queries or want hard copies of any document relating to the administrations (including this report) please contact a member of the Administrators' staff on 020 3727 1328, via email to EH@fticonsulting.com, or by post to FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD.

For and on behalf of the Companies



Lisa Rickelton

Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and without personal liability.

Lisa Rickelton and Simon Kirkhope are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

Appendix A – Statutory information

Company and Appointment Information		
	Elder Homes North LLP	Waverley Care Homes Limited
Trading names	Elder Homes North LLP	Waverley Care Homes Limited
Registered number	OC384512	02502961
Registered office	C/O FTI Consulting LLP 200 Aldersgate Street London, EC1A 4HD	C/O FTI Consulting LLP 200 Aldersgate Street London, EC1A 4HD
Director(s)/Member(s)	David Hetherington Messenger Alison Karen Messenger	David Hetherington Messenger Richard Cameron Shore
Company secretary	N/A	Richard Cameron Shore
Directors' shareholdings	N/A	Nil
Court reference	2016-000758	2016-000762
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court
Appointment date	10 February 2016	10 February 2016
Appointer	Lloyds Bank Plc	Lloyds Bank Plc
Appointers address	125 London Wall, London, EC2V 7HN	125 London Wall, London, EC2V 7HN

Administrators' Information (for all Companies)		
	Administrator 1	Administrator 2
Name	Lisa Rickelton	Simon Kirkhope
Address	200 Aldersgate Street, London, EC1A 4HD	200 Aldersgate Street, London, EC1A 4HD
Authorising body	The Institute of Chartered Accountants in England and Wales	The Institute of Chartered Accountants in England and Wales

The appointment of the Administrators was made by the holders of a qualifying floating charge pursuant to Paragraph 14 of Schedule B1 of the Act, following receipt of an invitation to appoint by the Director/Member.

The Companies are subject to fixed and floating charges in favour of the Secured Creditor and the validity of the appointment and of the security has been confirmed by the Administrators' legal advisors Hogan Lovells.

Pursuant to Paragraph 100 of Schedule B1 of the Act, any function of the Administrators may be exercised by either or both of the Administrators named above.

The centre of main interest of each of the Companies is the United Kingdom. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Administrations. The proceedings are main proceedings as defined by Article 3 of those regulations.

Pursuant to Paragraph 78(2)(a) of Schedule B1 of the Act, an extension of the period of the Administrations by twelve months was requested and approved by the Secured Creditor in January 2017. A further extension to the administrations of the Companies until 9 August 2019 was granted by the court on 5 February 2018.

Appendix B – Administrators' Receipts and Payments

Elder Homes North LLP									
Administrators' Trading Receipts And Payments									
	10 Feb 16 - 9 Aug 16	10 Aug 16 - 5 Jan 17	6 Jan 17 - 5 Jul 17	6 Jul 17 - 5 Jan 18	6 Jan 18 - 5 Jul 18	6 Jul 18 - 5 Jan 19	6 Jan 19 - 5 Jul 19	Total	
	£	£	£	£	£	£	£	£	
Trading Receipts									
Fee Income	859,231	1,061,792	1,357,535	1,492,020	1,420,186	1,556,278	1,588,637	9,335,678	
Insurance Refund ¹	-	-	-	-	-	59,266	-	59,266	
Residents' Funds Held	-	-	1,000	-	-	-	-	1,000	
Total Receipts	859,231	1,061,792	1,358,535	1,492,020	1,420,186	1,615,543	1,588,637	9,395,944	
Trading Payments									
Agency Staff	(74,083)	(97,612)	(203,972)	(200,410)	(146,301)	(156,478)	(102,501)	(981,357)	
Bank Charges	(90)	(20)	-	(15)	-	-	-	(125)	
Cleaning & Laundry	(8,678)	(11,582)	(15,870)	(14,268)	(16,608)	(20,048)	(21,843)	(108,896)	
Equipment Hire	(194)	-	-	-	-	-	-	(194)	
Food Supplies	(42,261)	(47,774)	(60,418)	(60,428)	(56,891)	(57,098)	(56,512)	(381,383)	
Gas & Electricity	(9,527)	(25,849)	(11,702)	(1,619)	(16,571)	(4,795)	(13,232)	(83,296)	
GP Services	(2,184)	-	(2,184)	-	-	-	-	(4,368)	
Head Office Costs	(27,600)	-	-	-	-	-	-	(27,600)	
Insurance ²	-	-	-	-	-	-	(137,256)	(137,256)	
IT Equipment And Support	(540)	(1,239)	(541)	(1,142)	(279)	-	-	(3,741)	
Lighting & Heating	(7,487)	(12,262)	(28,991)	(19,951)	(33,509)	(25,878)	(37,979)	(166,057)	
Management Fees	(25,670)	(25,476)	(46,526)	(38,816)	(43,487)	(36,990)	(38,253)	(255,218)	
Medical Consumables	(14,506)	(14,629)	(20,340)	(22,807)	(18,250)	(15,894)	(17,309)	(123,733)	
Other Payroll Deductions	(1,462)	(2,240)	(1,762)	(363)	(36)	-	-	(5,863)	
Payroll & Paye / NI	(922,202)	(761,064)	(938,779)	(997,605)	(1,054,948)	(1,066,472)	(1,102,669)	(6,843,739)	
Printing, Stationary & Postage	(1,554)	(7,332)	(7,933)	(6,887)	(6,254)	(5,853)	(7,085)	(42,898)	
Purchase Of Equipment	(10,085)	(2,084)	(16,427)	(19,580)	(5,979)	(32,088)	(6,579)	(92,822)	
Rates	(567)	(471)	(842)	(780)	(557)	(822)	(576)	(4,614)	
Registration Fees	(4,957)	(6,196)	(8,097)	(5,783)	(8,649)	(5,766)	(10,091)	(49,538)	
Repairs & Maintenance	(17,884)	(13,709)	(12,841)	(24,017)	(51,143)	(68,427)	(15,029)	(203,050)	
Residents Amenities	(10,667)	(647)	(354)	(3,406)	(2,982)	(3,042)	(3,500)	(24,598)	
Return of Residents Funds	-	(4,996)	(1,150)	-	-	-	-	(6,146)	
ROT Creditors	(2,970)	-	-	-	-	-	-	(2,970)	
Software Licences	(505)	(525)	(650)	(805)	(793)	(750)	(1,036)	(5,064)	
Staff Recruitment	(2,000)	(216)	-	(4,546)	(1,679)	-	-	(8,440)	
Staff Training & Uniforms	(2,997)	-	(3,808)	(3,719)	(1,051)	(5,233)	(3,798)	(20,607)	
Sundry Expenses	(6,233)	(7,569)	(8,000)	(4,100)	(9,908)	(6,588)	(6,448)	(48,846)	
Telephone	(273)	(826)	(1,099)	(1,639)	(1,551)	(1,579)	(1,553)	(8,521)	
VAT Irrecoverable	(24,754)	(18,233)	(29,401)	(31,293)	(34,377)	(42,091)	(30,503)	(210,651)	
Water & Trade Waste	(8,841)	(7,276)	(23,571)	(16,080)	(14,839)	(22,260)	(16,454)	(109,320)	
Total Payments	(1,230,770)	(1,069,828)	(1,445,256)	(1,480,060)	(1,526,643)	(1,578,150)	(1,630,206)	(9,960,913)	
Trading Surplus/(Deficit)	(371,539)	(8,036)	(86,721)	11,960	(106,457)	37,393	(41,569)	(564,969)	

¹ This receipt relates to a successful insurance claim for emergency expenditure on a sewage tank at Ernvale House.

² The payment in the Period relates to all insurance costs up to April 2019 and an upfront payment for Employers Liability, Public Liability and Professional Liability cover for the period to April 2020.

Please see additional disclosures on page 15

Appendix B – Administrators' Receipts and Payments

Elder Homes North LLP										
Administrators' Account of Receipts And Payments										
Statement of Affairs	10 Feb 16 - 9 Aug 16	10 Aug 16 - 5 Jan 17	6 Jan 17 - 5 Jul 17	6 Jul 17 - 5 Jan 18	6 Jan 18 - 5 Jul 18	6 Jul 18 - 5 Jan 19	6 Jan 19 - 5 Jul 19			Total
£	£	£	£	£	£	£	£	£	£	£
Fixed Charge Receipts										
Freehold/Leasehold Property	2,000,000	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Fixed Charge Payments										
Fixed Charge Legal Fees	-	-	-	(42,555)	(14,141)	(10,808)	(4,375)	(71,879)		
Fixed Charge Administrators' Fees	-	-	-	(40,212)	-	-	-	(40,212)		
Fixed Charge VAT Irrecoverable	-	-	-	(16,369)	(2,771)	(2,762)	(875)	(22,776)		
Fixed Charge Agent/Valuer Fees	-	-	-	-	-	(3,000)	-	(3,000)		
Subtotal	-	-	-	(99,136)	(16,912)	(16,570)	(5,250)	(137,867)		
Fixed Charge Surplus/Deficit	-	-	-	(99,136)	(16,912)	(16,570)	(5,250)	(137,867)		
Floating Charge Receipts										
Funding From Secured Creditor	-	385,000	(10,000)	58,943	1,041,057	-	-	-	1,475,000	
Intercompany Loan from WCH	-	-	35,000	(15,000)	(20,000)	-	-	-	-	
Bank Interest	-	16	8	-	109	597	757	836	2,324	
Petty Cash	259	-	-	-	-	-	-	-	-	
Trade Debtors/Accrued Income ¹	101,250	75,637	4,268	576	-	-	-	-	80,481	
Trading Surplus/(Deficit)	-	(371,539)	(8,036)	(86,721)	11,960	(106,457)	37,393	(41,569)	(564,969)	
Subtotal	101,509	89,114	21,240	(42,202)	1,033,126	(105,860)	38,151	(40,733)	992,836	
Floating Charge Payments										
Specific Bond	-	(375)	-	-	-	-	-	-	(375)	
Floating Charge Administrators' Fees	-	-	-	-	(252,559)	-	-	-	(252,559)	
Floating Charge Administrators' Expenses	-	-	-	-	(825)	-	-	-	(825)	
Floating Charge Legal Fees	-	-	-	-	(21,906)	(10,674)	-	(13,125)	(45,705)	
Floating Charge Legal Disbursements	-	-	-	-	-	(650)	-	-	(650)	
Pre-Appointment Legal Fees	-	-	-	(14,128)	-	-	-	-	(14,128)	
FTI Pre-Appointment Fees	-	-	-	-	(11,300)	-	-	-	(11,300)	
FTI Pre-Appointment Expenses	-	-	-	-	(8)	-	-	-	(8)	
Statutory Advertising	(53)	(48)	32	-	-	-	-	-	(69)	
VAT Irrecoverable	(11)	(10)	(2,819)	(57,320)	(2,156)	-	-	-	(62,315)	
Subtotal	(438)	(58)	(16,916)	(343,918)	(13,480)	-	(13,125)	(387,935)		
Floating Charge Surplus/(Deficit)	88,676	21,183	(59,118)	689,208	(119,341)	38,151	(53,858)	604,901		
Net realisations	88,676	21,183	(59,118)	590,072	(136,252)	21,581	(59,108)	467,034		
Made Up As Follows										
Floating Charge Account	88,676	21,183	(59,118)	590,072	(136,252)	21,581	(59,108)	467,034		
Fixed Charge Account	-	-	-	-	-	-	-	-		
Funding From Secured Creditor	(385,000)	10,000	(58,943)	(1,041,057)	-	-	-	(1,475,000)		
Intercompany Loan from WCH	-	(35,000)	15,000	20,000	-	-	-	-		
Total	(296,324)	(3,817)	(103,061)	(430,984)	(136,252)	21,581	(59,108)	(1,007,966)		

¹ Pre-appointment debtors/income collected

Please see additional disclosures on page 15

Appendix B – Administrators' Receipts and Payments

Waverley Care Homes Limited									
Administrators' Trading Receipts And Payments									
	10 Feb 16 - 9 Aug 16	10 Aug 16 - 5 Jan 17	6 Jan 17 - 5 Jul 17	6 Jul 17 - 5 Jan 18	6 Jan 18 - 5 Jul 18	6 Jul 18 - 5 Jan 19	6 Jan 19 - 5 Jul 19		Total
	£	£	£	£	£	£	£	£	£
Trading Receipts									
Fee Income ¹	872,863	794,498	774,783	495,802	(50,998)	-	-	-	2,886,948
Total Receipts	872,863	794,498	774,783	495,802	(50,998)	-	-	-	2,886,948
Trading Payments									
Agency Staff	(93,683)	(118,619)	(375,545)	(187,605)	(2,468)	-	-	-	(777,920)
Bank Charges	(120)	(45)	-	(30)	-	-	-	-	(195)
Cleaning & Laundry	(10,140)	(13,294)	(5,633)	(4,362)	-	-	-	-	(33,429)
Equipment Hire	(2,272)	(2,272)	(3,976)	(2,522)	-	-	-	-	(11,042)
Food Supplies ²	(40,185)	(27,419)	(31,687)	(22,968)	81	-	-	-	(122,177)
Gas & Electricity ²	(13,580)	(18,848)	(36,609)	(10,732)	13,510	-	-	-	(66,259)
Head Office Costs	(28,800)	-	-	-	-	-	-	-	(28,800)
IT Equipment And Support	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	(45,794)	-	-	-	-	(45,794)
Legal Fees	-	-	(15,000)	(15,192)	-	-	-	-	(30,192)
Lighting & Heating	(8,967)	-	(813)	(841)	-	-	-	-	(10,621)
Management Fees	(61,032)	(26,518)	(38,676)	(38,516)	(4,153)	-	-	-	(168,895)
Medical Consumables	(5,049)	(6,989)	(4,429)	(3,072)	-	-	-	-	(19,538)
Other Payroll Deductions	(711)	(174)	(813)	(767)	-	-	-	-	(2,465)
Payroll & Paye / NI	(584,624)	(416,152)	(499,678)	(325,351)	-	-	-	-	(1,825,805)
Pension Contributions	(512)	(3,746)	(12,446)	8,457	(11,496)	-	-	-	(19,744)
Printing, Stationery & Postage ²	(4,371)	(6,103)	(2,793)	(2,019)	26	-	-	-	(15,261)
Purchase Of Equipment	(2,127)	(2,970)	(4,297)	(4,086)	-	-	-	-	(13,481)
Rates ²	(1,017)	(1,095)	(3,962)	(1,431)	634	-	-	-	(6,871)
Registration Fees ²	-	-	(19,103)	(2,726)	154	-	-	-	(21,674)
Repairs & Maintenance	(7,562)	(20,549)	(5,292)	(5,877)	-	-	-	-	(39,279)
Residents Amenities ²	(6,657)	(1,038)	(2,820)	(1,579)	78	-	-	-	(12,016)
ROT Creditors	(5,041)	-	-	-	-	-	-	-	(5,041)
Software Licences ²	(1,010)	(1,050)	(1,300)	(1,150)	52	-	-	-	(4,458)
Staff Recruitment	(5,400)	(545)	(8,728)	-	-	-	-	-	(14,672)
Staff Training & Uniforms	(3,218)	(4,568)	(2,409)	(2,420)	-	-	-	-	(12,614)
Sundry Expenses ²	(12,285)	(8,960)	(8,000)	(1,244)	1,347	(40)	-	-	(29,181)
Telephone ²	(43)	(127)	(293)	(449)	10	-	-	-	(902)
VAT Irrecoverable	(27,256)	(20,702)	(23,040)	(17,840)	(54)	-	-	-	(88,892)
Water & Trade Waste	(10,266)	(17,176)	(14,291)	(11,163)	(4,662)	-	-	-	(57,558)
Total Payments	(935,928)	(718,959)	(1,121,634)	(701,276)	(6,939)	(40)	(40)	-	(3,484,776)
Trading Surplus/(Deficit)	(63,065)	75,539	(346,851)	(205,474)	(57,937)	(40)	-	-	(597,828)

¹ Negative income is a result of a payment of previously recorded fee income to the purchaser of Autumn House

² Positive payments are a result of a reimbursement of previously recorded payments from the purchaser of Autumn House and the finalisation of supplier accounts

Please see additional disclosures on page 15

Appendix B – Administrators' Receipts and Payments

Waverley Care Homes Limited									
Administrators' Account Of Receipts And Payments									
Statement of Affairs	10 Feb 16 - 9 Aug 16	10 Aug 16 - 5 Jan 17	6 Jan 17 - 5 Jul 17	6 Jul 17 - 5 Jan 18	6 Jan 18 - 5 Jul 18	6 Jul 18 - 5 Jan 19	6 Jan 19 - 5 Jul 19	Total	
£	£	£	£	£	£	£	£	£	£
Fixed Charge Receipts									
Freehold/Leasehold Property	3,100,000	-	-	-	2,375,000	-	-	-	2,375,000
Fixed Charge Bank Interest	-	-	-	-	335	120	-	-	455
Subtotal	-	-	-	-	2,375,335	120	-	-	2,375,455
Fixed Charge Payments									
Fixed Charge Legal Fees	-	-	-	(11,376)	-	-	-	-	(11,376)
Fixed Charge Administrators' Fees	-	-	-	(51,945)	-	-	-	(27,601)	(79,546)
Fixed Charge Agents Fees	-	-	-	(23,750)	-	-	-	-	(23,750)
Fixed Charge VAT Irrecoverable	-	-	-	(17,414)	-	-	-	(5,520)	(22,934)
Subtotal	-	-	-	(104,485)	-	-	-	(33,121)	(137,606)
Fixed Charge Surplus/(Deficit)	-	-	-	2,270,850	120	-	-	(33,121)	2,237,849
Floating Charge Receipts									
Sale of Company Business & Assets	-	-	-	235,000	-	-	-	-	235,000
Funding From Secured Creditor	5,000	(5,000)	232,193	(232,193)	-	-	-	-	-
Floating Charge Bank Interest	12	7	-	147	172	-	-	-	338
Petty Cash	211	-	-	-	-	-	-	-	-
Stock	1,000	-	-	-	-	-	-	-	-
Cash At Bank	53,976	-	-	-	-	-	-	-	-
Trade Debtors/Accrued Income ¹	108,661	127,898	1,142	24,760	-	-	-	-	153,800
Trading Surplus/(Deficit)	(63,065)	75,539	(346,851)	(205,474)	(57,937)	(40)	-	-	(597,828)
Subtotal	163,848	69,845	71,689	(89,898)	(202,520)	(57,765)	(40)	-	(208,690)
Floating Charge Payments									
Intercompany Loan to EHN	-	(35,000)	15,000	20,000	-	-	-	-	-
Intercompany Loan to EHW	-	(15,000)	15,000	-	-	-	-	-	-
Specific Bond	(375)	-	-	-	-	-	-	-	(375)
Floating Charge Administrators' Fees	-	-	-	(373,129)	-	-	-	(68,599)	(441,728)
Floating Charge Administrators' Expenses	-	-	-	(2,482)	-	-	-	-	(2,482)
Floating Charge Legal Fees	-	-	-	(45,502)	(14,568)	(222)	-	-	(60,292)
Floating Charge Legal Expenses	-	-	-	-	(540)	-	-	-	(540)
Pre-Appointment Legal Fees	-	-	(14,128)	-	-	-	-	-	(14,128)
FTI Pre-Appointment Fees	-	-	-	(11,300)	-	-	-	-	(11,300)
FTI Pre-Appointment Expenses	-	-	-	(8)	-	-	-	-	(8)
Floating Charge Agents Fees	-	-	-	(2,350)	-	-	-	-	(2,350)
Statutory Advertising	(53)	-	(16)	-	-	-	-	-	(69)
VAT Irrecoverable	(11)	-	(2,829)	(86,954)	(2,991)	(44)	(13,720)	(106,549)	
Subtotal	(438)	(50,000)	13,027	(501,726)	(18,099)	(266)	(82,318)	(82,318)	(639,821)
Floating Charge Surplus/(Deficit)	69,407	21,689	(76,871)	(704,246)	(75,864)	(306)	(82,318)	(848,511)	
Net Realisations	69,407	21,689	(76,871)	1,566,604	(75,745)	(306)	(115,439)	1,389,338	
Distributions									
Fixed Charge Distribution	-	-	-	(1,260,000)	-	-	-	-	(1,260,000)
Floating Charge Distribution	-	-	-	-	-	-	-	-	-
Preferential Dividend	-	-	-	-	-	(2,251)	-	-	(2,251)
Subtotal	-	-	-	(1,260,000)	-	(2,251)	-	(1,262,251)	
Total Balance Held	69,407	21,689	(76,871)	306,604	(75,745)	(2,558)	(115,439)	127,086	
Made Up As Follows									
Floating Charge Account ²	69,407	21,689	(76,871)	(704,246)	(75,864)	(2,558)	(82,318)	(850,762)	
Fixed Charge Account ²	-	-	-	1,010,850	120	-	(33,121)	977,849	
Funding From Secured Creditor	(5,000)	5,000	(232,193)	232,193	-	-	-	-	
Intercompany Loan to EHN	-	35,000	(15,000)	(20,000)	-	-	-	-	
Intercompany Loan to EHW	-	15,000	(15,000)	-	-	-	-	-	
Total	64,407	76,689	(339,065)	518,797	(75,745)	(2,558)	(115,439)	127,086	

¹ Pre-appointment debtors/income

² Bank balances as at 5 Jul 2019 were: Floating charge - £7,065; Fixed charge - £120,020

Please see additional disclosures on page 15

Appendix B – Administrators' Receipts and Payments

Disclosures in accordance with Statement of Insolvency Practice 7 ("SIP7"); Presentation of financial information in insolvency proceedings:

- The funding from the Secured Creditor has been received under a funding agreement dated 10 February 2016 (amended on 11 May 2016, 21 February 2017 and 18 July 2017), and not under pre-existing facilities. Amounts repayable to the Secured Creditor are an expense pursuant to Rule 3.50 of the 2016 Rules (Rule 2.67 of the 1986 Rules).
- As the Companies are solely care homes owners and operators, there is limited WIP or stock utilised in trading in order to provide the required service to residents.
- The trading statements for the Companies have been prepared on a cash basis. There are additional trading liabilities for EHN that have been accrued which include, but are not limited to, insurance, payroll, utilities, food costs, medical supplies, management fees and costs of agency staff. It is anticipated that there will be no further trading liabilities incurred in relation to WCH.
- From time to time, refunds of fee income may be required for reasons including a change in source of funding, or a resident leaving the home etc. As at 5 July 2019, no refunds were due to be paid by EHN.
- As at 5 July 2019 the administration trading creditor and debtor balances for each of the Companies are as follows:
EHN – Creditors: £73,379; Debtors: £364,663
WCH – Creditors: £nil; Debtors: £nil
- No further realisations from pre-appointment debtors/accrued income are anticipated. Amounts collected to date are as follows:
EHN – £80,481
WCH – £153,800
- Any trading surplus does not include any tax that may be due, however a final corporation tax return for WCH has been submitted to HMRC resulting in no tax being payable by this entity.
- EHN funds are held in interest bearing accounts in the applicable estate name; WCH funds are held in accounts that have recently been moved to non-interest bearing as the final corporation tax returns have been filed.
- Administrators' time costs incurred in relation to the trading of the Companies to date are as follows:
EHN – £261,739 (plus VAT)
WCH – £206,441 (plus VAT)
- The total Administrators' costs drawn during the Administrations (and during the Period) are as follows:
EHN – £292,771 (plus VAT) in time costs; £825 (plus VAT) in disbursements (none drawn during the Period);
WCH – £521,274 (plus VAT) in time costs; £2,482 (plus VAT) in disbursements (£96,200 (plus VAT) in time costs drawn during the Period).
- In addition, £33,900 (plus VAT) of pre-appointment advisory fees and £24 (plus VAT) of pre-appointment disbursements were paid to FTI during a prior period. Pre-appointment legal fees and disbursements of £42,385 (plus VAT) were also paid in a prior period. These fees relate to work undertaken in preparation to take the administration appointments and the amounts paid were split equally between the Companies and EHN following consent from the Secured Creditor.
- The Companies are not VAT registered and therefore cannot reclaim VAT.
- Management fees and disbursements paid to Careport to date are as follows:
EHN – £255,218 (plus VAT)

WCH – £168,895 (plus VAT)

- Payments made to creditors that held Retention of Title claims over the goods they supplied to the Companies prior to our appointment are shown below, none of these amounts were incurred during the Period.

EHN – £2,970 (plus VAT)

WCH – £5,041 (plus VAT)

- A dividend of £2,251 in relation to pre-appointment pension liabilities in WCH was paid on 31 October 2018, representing 100p in the £.

Appendix C – Administrators' time costs and expenses

Pre-Administration fees

Further information in relation to FTI's involvement with the Companies and EHW prior to the date of Administration was set out in the Proposals and reports dated 1 September 2016 and 13 January 2017.

FTI fees of £33,900 (plus VAT) and disbursements of £24 (plus VAT) were outstanding at the date of appointment. These costs relate to work undertaken in preparation to take the administration appointments. Following approval from the Secured Creditor pursuant to Rule 3.52 of the 2016 Rules on 16 September 2016, these amounts were split equally and paid from the insolvency estates of the Companies and EHW during November 2017.

In addition, Hogan Lovells had pre-appointment legal fees of £42,385 (plus VAT). These amounts were split equally and paid from the insolvency estates of the Companies and EHW during February 2017.

Administrators' fee basis

Pursuant to Rule 18.16 of the 2016 Rules (Rule 2.106 of the 1986 Rules), the remuneration of the Administrators can be fixed on the basis of one of the following

- a. as a percentage of the value of property with which he has to deal;
- b. by reference to time properly given by the administrator and his staff attending to matters arising in the administration;
or
- c. a set amount.

The basis of the Administrators' fees was fixed in accordance with option b above following the deemed approval of the Proposals on 13 April 2016.

Fee approval

Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act, the basis and quantum of the Administrators' remuneration may be approved by:

- Each secured creditor; or
- If the Administrators has made or intends to make a distribution to preferential creditors, with the approval of each secured creditor and a decision of the preferential creditors in a decision procedure.

There are currently no preferential claims for the Companies, noting the WCH preferential dividend paid 100p in the £ on 31 October 2018. There is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration in relation to the administrations of the Companies. Fee approval is therefore required from the Secured Creditor only.

Pursuant to rule 18.30 of the Rules, the Administrators must not draw remuneration in excess of the total amount set out in the fees estimates without approval.

Approval for fees incurred to 20 October 2017 was provided by the Secured Creditor by email on 23 November 2017 and these fees have subsequently been drawn. Approval for fees incurred to 5 January 2019 was provided by the Secured Creditor on 4 February 2019. WCH fees covered by this approval of c. £96k were drawn on 22 February 2019, however fees for EHN of c. £262k remain undrawn. We will seek approval from the Secured Creditor for the latest revised fees estimates and to draw additional fees in due course.

A copy of the 'Creditors' Guide to Administrators' Fees' is available at:

<http://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/guide-to-administrators-fees-6-april-2017-england-wales.pdf>

Creditors can alternatively request a copy from us and we will provide a paper copy by post.

Post-appointment time costs and expenses

An analysis of the Administrators' time in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade during the Period, is enclosed at Appendix D.

The main areas of our work during the Period have been as follows:

- Reviewing the tax position of EHN and preparing tax computations
- Liaising with Careport on financial and operational matters, including budgets for EHN
- Monitoring trading and capex requirements for Ernvale House
- Administering payroll and associated deductions for EHN
- Processing supplier payments and logging receipts
- Correspondence with the Secured Creditor and reporting to creditors
- Complying with statutory formalities including relevant filings and statutory communications
- Maintaining the records for the administrations
- Progressing the sale of Ernvale House, including corresponding with the former prospective purchaser, engaging a new sales agent and considering new offers.

The major tasks remaining in the administration of EHN relate to achieving the sale of Ernvale House including the ongoing trading of the home. The sale and associated tasks are anticipated to provide financial benefit to the Secured Creditor. Some of the work undertaken and ongoing work will not create financial benefit for creditors however is required to be undertaken by statute or to achieve the sale of Ernvale House (including continuing the administration of WCH).

The Administrators have incurred the following time costs in properly dealing with the Administrations of the Companies:

EHN – £111,545 (plus VAT) for the Period; £665,835 (plus VAT) since the date of appointment
WCH – £5,606 (plus VAT) for the Period; £526,880 (plus VAT) since the date of appointment

The following Administrators' time costs have been drawn:

EHN – £292,771 (plus VAT) in prior periods in relation to time costs up to 20 October 2017
WCH – £521,274 (plus VAT) in total; £96,200 (plus VAT) during the Period. These amounts are in relation to time costs up to 5 January 2019

All amounts drawn have been approved by the Secured Creditor.

Pursuant to Rule 18.30 of the 2016 Rules (Rule 2.109AB of the 1986 Rules) the Administrators must not draw remuneration in excess of the total amount set out in the fee estimates without approval. Revised fee estimates were provided to the Secured Creditor in November 2017 and the fees that were subsequently approved and drawn were within these estimates.

Subsequent revisions of the estimates of fees and costs (including our latest revision in this report) have also been provided to the Secured Creditor. The Administrators will seek approval in due course from the Secured Creditor for time costs not yet approved and fees will be drawn as and when sufficient funds are available.

In addition the Administrators have incurred the following Category 1 expenses:

EHN – Enil (plus VAT) for the Period; £1,526 (plus VAT) since the date of appointment, of which £825 (plus VAT) have been drawn

WCH – Enil for the Period; £2,482 (plus VAT) since the date of appointment, all of which has been drawn

No Category 2 expenses have been incurred by the Administrators to date.

Category 1 expenses are not subject to creditor approval. Category 2 disbursements do require approval from creditors and relate to services provided to the office holder by associated companies and costs which are apportioned overheads such as mileage and data storage. Further details in relation to this can be found at Appendix E together with additional information in relation to our policy on staffing, the use of subcontractors, and details of our current charge out rates by staff grade.

Administrators' fee estimate

A breakdown of the fees incurred to date together with our revised estimate for EHN and our previous estimates (from the July 2018 Report) are provided below:

Summary of Fee Position			
£	EHN	WCH	Total
Fees incurred 10 February 16 to 5 July 19	665,834.5	526,880.0	1,192,714.5
Fee Estimate per July 2018 report	687,729.0	555,985.0	1,243,714.0
Revised Estimate	891,596.0	555,985.0	1,447,581.0

Fees incurred in relation to EHN are expected to exceed our previous estimates primarily due to the inability of the previous prospective purchaser of Ernvale House to obtain funding, and the subsequent need to restart the sales process with a new sales agent in order to find a new buyer. We therefore expect to incur additional time costs in relation to the sale and due to the protracted time the home will trade whilst in administration.

Elder Homes North LLP - Fee Estimate												
	Incurred to date			To be incurred			Total Estimate			July 2018 Estimate		
	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£
Administration and Planning	178	782	139,436	167	272	45,303	175	1,053	184,738	169	725	122,781
Investigations	220	29	6,302	222	12	2,735	220	41	9,036	227	39	8,757
Realisation of assets	310	454	140,591	305	170	51,991	309	624	192,582	282	548	154,674
Trading	277	945	261,739	271	311	84,341	276	1,256	346,079	262	1,067	279,543
Creditors	283	90	25,514	225	21	4,735	273	111	30,248	276	114	31,517
Tax	258	41	10,462	266	15	3,860	260	55	14,321	241	50	12,136
Reporting	237	339	80,379	230	120	27,441	235	458	107,819	221	333	73,485
Other	345	4	1,415	337	16	5,359	339	20	6,773	236	21	4,836
Administrators' fee estimate	248	2,682	665,835	241	936	225,762	247	3,617	891,596	237	2,896	687,729
Total estimate inclusive of VAT									1,069,915			825,275

Waverley Care Homes Ltd - Fee Estimate												
	Incurred to date			To be incurred			Total Estimate			July 2018 Estimate		
	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£
Administration and Planning	172	504	86,617	143	47	6,755	169	551	93,371	170	551	93,371
Investigations	224	25	5,657	88	(1)	(106)	231	24	5,551	232	24	5,551
Realisation of assets	266	428	113,638	247	14	3,329	265	441	116,966	265	441	116,966
Trading	268	770	206,441	248	19	4,661	268	789	211,102	267	789	211,102
Creditors	250	105	26,214	332	4	1,395	253	109	27,608	254	109	27,608
Tax	294	78	22,808	296	14	4,261	294	92	27,068	294	92	27,068
Reporting	221	261	57,727	262	27	7,138	225	288	64,864	225	288	64,864
Other	340	23	7,781	329	5	1,677	338	28	9,457	340	28	9,457
Administrators' fee estimate	240	2,193	526,880	225	129	29,107	239	2,322	555,985	239	2,322	555,985
Total estimate inclusive of VAT									667,182			667,182

The numbers shown above are exclusive of VAT (with the exception of the final row of each table).

These estimates are based on the administrations of WCH and EHN being concluded by February 2021. This is considered sufficient time to complete a sale of Ernvale House, finalise our trading position post-sale and complete the necessary statutory requirements in order to bring the administrations to a close. If the administrations remain open for longer, or any of the work streams become more time intensive than anticipated, the Administrators may provide a further revised estimate to creditors.

The main areas of work that will result in further incurrence of time costs are as follows:

- Oversight of the operational and financial performance of Ernvale House
- Sale of Ernvale House and finalisation of the home's trading position
- Reporting to creditors and other statutory duties
- Distribution of funds to the Secured Creditor and for any Prescribed Part
- Case closure

Pursuant to Rule 18.30 of the 2016 Rules (Rule 2.109AB of the 1986 Rules) the Administrators will seek further fee approval from the Secured Creditor in relation to the time costs incurred since 5 January 2019 when appropriate. No fees in excess of those already approved by the Secured Creditor will be drawn until after the required approval has been granted.

Estimate of other costs of Administrations

In addition to providing revised fee estimates we have also included revised estimates for the costs to be incurred during the administrations below:

Elder Homes North LLP - Estimate of Administration Costs				
	Type of Cost	Cost to date (£)	Estimated Cost in July 2018 Report (£)	Revised Estimated Cost (£)
Hogan Lovells LLP	Legal fees	141,882	240,000	240,000
Careport Advisory Services Ltd	Management fees	306,262	313,500	396,500
Knight Frank ¹	Marketing fee	-	52,000	-
Christie & Co	Marketing fee	-	-	69,900
Cushman & Wakefield	Valuation	3,600	-	3,600
Suppliers & Employees	Trading costs	9,654,651	9,244,430	12,480,403
Miscellaneous	Travel, sustenance and couriers	1,831	2,593	2,981
Total Cost Estimate		10,108,226	9,852,523	13,193,384

¹ Knight Frank have been replaced by Christie & Co to market Ernvale House, thus no success fee will be paid.

Waverley Care Homes Limited - Estimate of Administration Costs				
	Type of Cost	Cost to date (£)	Estimated Cost in July 2018 Report (£)	Revised Estimated Cost (£)
Hogan Lovells LLP	Legal fees	86,352	116,937	116,937
Careport Advisory Services Ltd	Management fees	202,673	202,673	202,673
Knight Frank	Marketing fee	31,320	31,320	31,320
Suppliers & Employees	Trading costs	3,282,103	3,527,797	3,282,103
Miscellaneous	Travel, sustenance and couriers	2,978	2,750	3,250
Total Cost Estimate		3,605,426	3,881,477	3,636,283

Note: These estimates are inclusive of VAT and are based on the administrations concluding by February 2021. The estimates for Hogan Lovells LLP exclude pre-appointment fees paid from the administration estates of the Companies during the administrations. The "Miscellaneous" items refer to the Administrators' Category 1 disbursements.

The overall costs expected to be incurred in EHN are anticipated to exceed the previous estimates due to the reasons set out in our explanation for our request to extend the administrations. Primarily this is due to the marketing process for Ernvale House being restarted following the failure of the previous prospective purchaser to obtain funding and the additional trading costs that will be incurred whilst we complete a sale to a new purchaser.

The total cost estimate for WCH has been revised down as the supplier and employee costs have been adjusted to reflect costs incurred to date. Since Autumn House has been sold we do not expect to incur any additional trading costs.

Appendix D – Time cost analysis

Elder Homes North LLP - Analysis of Time Costs In Accordance with SIP9 for the period 10 February 2016 to 05 July 2019

Task		Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	1.3	14.2	-	1.9	17.4	6,355.5	365.3
Initial actions	A2	-	2.1	1.2	7.8	11.1	2,200.5	198.2
Appointment and related formalities	A3	-	0.9	0.5	3.6	5.0	995.5	199.1
Receipts and payments accounts	A4	-	1.8	51.1	415.7	468.6	77,929.0	166.3
Checklist and reviews	A5	0.5	16.7	11.7	81.2	110.1	23,188.0	210.6
Cashiering and reconciliations	A6	0.7	7.7	7.0	124.7	140.1	23,953.5	171.0
Bonding and IPS maintenance	A7	-	0.2	-	6.6	6.8	1,078.0	158.5
Case Admin	A8	-	-	3.0	19.4	22.4	3,735.5	166.8
Subtotal		2.5	43.6	74.5	660.9	781.5	139,435.5	
Investigations								
Correspondence with directors	B1	-	1.4	-	0.2	1.6	567.0	354.4
Directors questionnaire/checklists	B2	-	0.2	2.4	-	2.6	677.0	260.4
Statement of affairs	B3	-	0.3	-	4.5	4.8	885.5	184.5
Reports of Directors' conduct	B4	-	5.7	-	9.9	15.6	3,580.5	229.5
Books and records	B5	-	-	-	1.3	1.3	199.5	153.5
Other investigations	B7	-	-	-	2.8	2.8	392.0	140.0
Subtotal		-	7.6	2.4	18.7	28.7	6,301.5	
Realisation of assets								
Sale of business	C2	1.0	100.1	90.3	64.5	255.9	75,788.5	296.2
Book debts	C4	-	2.0	0.0	3.4	5.4	1,166.0	215.9
Property, plant and vehicles	C6	-	-	1.2	4.4	5.6	951.0	169.8
Other assets	C7	-	-	0.2	-	0.2	57.0	285.0
Health & Safety/Insurance	C8	-	14.2	13.8	7.2	35.2	9,939.0	282.4
Legal issues/litigation	C9	-	24.8	50.9	1.5	77.2	23,287.0	301.6
Fixed Charge Property	C10	-	71.9	0.4	1.8	74.1	29,402.5	396.8
Subtotal		1.0	213.0	156.8	82.8	453.6	140,591.0	
Trading								
Initial control of operations	D1	-	4.1	-	-	4.1	1,578.5	385.0
Ongoing trading / monitoring	D2	2.4	167.1	234.6	158.7	562.8	154,226.0	274.0
Closure of trading	D3	-	0.3	-	-	0.3	115.5	385.0
Employees - Payroll	D4	-	4.8	14.6	101.3	120.7	21,409.0	177.4
Employees - HR Issues	D5	-	-	9.1	0.4	9.5	2,649.5	278.9
Preparing trading statements	D7	-	3.7	-	4.0	7.7	2,124.5	275.9
Liasing with Careport - financial matters	D8	-	8.0	32.1	30.6	70.7	16,008.5	226.4
Liasing with Careport - operational matters	D9	-	130.1	7.7	15.7	153.5	57,784.0	376.4
Liasing with CQC and CCGs	D10	-	14.2	-	1.3	15.5	5,843.0	377.0
Subtotal		2.4	332.3	298.1	312.0	944.8	261,738.5	
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	0.4	0.8	13.0	14.2	2,261.5	159.3
Secured creditors	E2	1.0	31.3	7.5	0.4	40.2	14,688.0	365.4
Pensions	E3	-	0.6	9.3	0.6	10.5	2,640.0	251.4
Employees	E4	-	1.0	15.4	7.9	24.3	5,812.0	239.2
ROT creditors	E5	-	-	-	0.8	0.8	112.0	140.0
Subtotal		1.0	33.3	33.0	22.7	90.0	25,513.5	
Tax								
Pre-appointment CT	F2	-	4.9	-	12.0	16.9	3,566.5	211.0
Post appointment CT	F4	1.0	4.5	5.3	7.7	18.5	5,121.5	276.8
Post appointment VAT	F5	-	2.0	-	-	2.0	690.0	345.0
Tax advice on transactions	F6	-	2.0	-	-	2.0	770.0	385.0
Other post appointment tax	F7	-	-	1.1	-	1.1	313.5	285.0
Subtotal		1.0	13.4	6.4	19.7	40.5	10,461.5	
Reporting								
Proposals	G2	-	4.0	1.1	16.8	21.9	4,147.0	189.4
Other statutory reports/meetings	G3	-	12.2	41.6	65.1	118.9	25,433.0	213.9
Secured creditor reports	G4	1.2	42.3	72.6	79.5	195.6	50,471.5	258.0
Secured creditor calls	G5	-	-	0.3	1.8	2.1	327.0	155.7
Subtotal		1.2	58.5	115.6	163.2	338.5	80,378.5	
Other								
Other	H1	-	4.1	-	-	4.1	1,414.5	345.0
Subtotal		-	4.1	-	-	4.1	1,414.5	
Total Time by Grade		9.1	705.8	686.8	1,280.0	2,681.7		
Total Cost by Grade		4,327.5	278,738.5	187,045.0	195,723.5	665,834.5		
Average by Grade		475.5	394.9	272.3	152.9	248.3		
		Time Costs	Category 1	Category 2	Total			
Total Costs to Date		665,834.5	1,526.1	-	667,360.6			
Amount Billed		(292,771.0)	(825.0)	-	(293,596.0)			
Total WIP		373,063.5	701.1	-	373,764.6			

Appendix D – Time cost analysis

Elder Homes North LLP - Analysis of Time Costs in Accordance with SIP9 for the period 06 January 2019 to 05 July 2019

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost	
Administration and Planning								
Strategy and planning	A1	-	7.0	-	7.0	2,695.0	385.0	
Appointment and related formalities	A3	-	-	0.5	0.5	145.0	290.0	
Receipts and payments accounts	A4	-	-	84.3	84.3	14,752.5	175.0	
Checklist and reviews	A5	-	7.5	0.7	12.3	5,805.5	283.2	
Cashiering and reconciliations	A6	-	-	1.5	29.7	5,632.5	180.5	
Bonding and IPS maintenance	A7	-	-	-	1.0	175.0	175.0	
Case Admin	A8	-	-	-	5.3	927.5	175.0	
Subtotal		0.0	14.5	2.7	132.6	30,133.0		
Realisation of assets								
Sale of business	C2	-	39.0	2.6	2.9	44.5	17,574.0	394.9
Health & Safety/Insurance	C8	-	12.9	-	-	12.9	4,966.5	385.0
Subtotal		-	51.9	2.6	2.9	57.4	22,540.5	
Trading								
Ongoing trading / monitoring	D2	1.1	51.5	6.8	4.5	63.9	23,164.5	362.5
Employees - Payroll	D4	-	-	0.5	9.3	9.8	1,772.5	180.9
Liasing with Careport - financial matters	D8	-	-	-	0.9	0.9	157.5	175.0
Liasing with Careport - operational matters	D9	-	11.9	-	-	11.9	5,474.0	460.0
Liasing with CQC and CCGs	D10	-	-	-	0.4	0.4	70.0	175.0
Subtotal		1.1	63.4	7.3	15.1	86.9	30,638.5	
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	-	-	2.5	2.5	437.5	175.0
Secured creditors	E2	-	8.0	-	-	8.0	3,080.0	385.0
Subtotal		-	8.0	-	2.5	10.5	3,517.5	
Tax								
Post appointment CT	F4	-	-	-	0.7	0.7	122.5	175.0
Subtotal		-	-	-	0.7	0.7	122.5	
Reporting								
Other statutory reports/meetings	G3	-	9.3	-	10.4	19.7	5,460.5	277.2
Secured creditor reports	G4	-	30.2	12.5	17.8	60.5	19,132.0	316.2
Subtotal		-	39.5	12.5	28.2	80.2	24,592.5	
Total Time by Grade		1.1	177.3	25.1	182.0	385.5		
Total Cost by Grade		577.5	71,838.0	7,279.0	31,850.0	111,544.5		
Average by Grade		525.0	405.2	290.0	175.0	289.4		
		Time Costs	Category 1	Category 2	Total			
Total Costs to Date		111,544.5	-	-	111,544.5			
Amount Billed		-	-	-	-			
Total WIP		111,544.5	-	-	111,544.5			

Appendix D – Time cost analysis

Waverley Care Homes Ltd - Analysis of Time Costs In Accordance with SIP9 for the period 10 February 2016 to 05 July 2019

Task		Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	1.6	7.1	-	3.9	12.6	3,919.5	311.1
Initial actions	A2	-	2.1	1.2	8.5	11.8	2,298.5	194.8
Appointment and related formalities	A3	-	0.9	-	3.6	4.5	850.5	189.0
Receipts and payments accounts	A4	-	1.0	55.0	223.3	279.3	45,770.5	163.9
Checklist and reviews	A5	0.5	4.8	10.9	72.8	89.0	15,895.5	178.6
Cashiering and reconciliations	A6	0.7	2.5	10.3	66.5	80.0	13,552.5	169.4
Bonding and IPS maintenance	A7	-	0.2	-	5.0	5.2	812.0	156.2
Case Admin	A8	-	0.5	2.8	18.2	21.5	3,517.5	163.6
Subtotal		2.8	19.1	80.2	401.8	503.9	86,616.5	
Investigations								
Correspondence with directors	B1	-	0.9	-	0.2	1.1	374.5	340.5
Directors questionnaire/checklists	B2	-	0.2	2.3	-	2.5	652.0	260.8
Statement of affairs	B3	-	0.3	-	4.0	4.3	798.0	185.6
Reports of Directors' conduct	B4	-	5.7	-	9.9	15.6	3,580.5	229.5
Electronic records	B6	-	-	-	0.4	0.4	70.0	175.0
Other investigations	B7	-	-	-	1.3	1.3	182.0	140.0
Subtotal		-	7.1	2.3	15.8	25.2	5,657.0	
Realisation of assets								
Cash and investments	C1	-	-	-	0.4	0.4	56.0	140.0
Sale of business	C2	3.1	85.3	203.8	70.8	363.0	99,602.0	274.4
Post-completion obligations	C3	-	-	-	4.2	4.2	693.0	165.0
Book debts	C4	-	-	-	2.1	2.1	294.0	140.0
Other assets	C7	-	-	0.2	-	0.2	57.0	285.0
Health & Safety/Insurance	C8	-	0.8	16.3	21.0	38.1	7,358.0	193.1
Legal issues/litigation	C9	-	0.2	19.3	-	19.5	5,577.5	286.0
Subtotal		3.1	86.3	239.6	98.5	427.5	113,637.5	
Trading								
Initial control of operations	D1	-	13.8	-	-	13.8	5,313.0	385.0
Ongoing trading / monitoring	D2	5.3	9.4	266.2	64.5	345.4	90,374.0	261.7
Closure of trading	D3	-	28.6	58.2	28.1	114.9	29,073.5	253.0
Employees - Payroll	D4	-	6.9	4.8	44.9	56.6	10,247.5	181.1
Employees - HR Issues	D5	-	-	41.0	0.2	41.2	11,721.0	284.5
Preparing trading statements	D7	-	5.2	-	-	5.2	2,002.0	385.0
Liasing with Careport - financial matters	D8	-	11.7	27.1	31.5	70.3	16,232.0	230.9
Liasing with Careport - operational matters	D9	-	79.6	7.4	19.2	106.2	35,454.5	333.8
Liasing with CQC and CCGs	D10	-	15.1	-	1.5	16.6	6,023.5	362.9
Subtotal		5.3	170.3	404.7	189.9	770.2	206,441.0	
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	2.2	6.0	16.6	24.8	4,723.5	190.5
Secured creditors	E2	0.2	22.9	7.3	-	30.4	10,987.0	361.4
Pensions	E3	-	2.2	14.7	12.8	29.7	6,467.5	217.8
Employees	E4	-	1.0	7.3	9.0	17.3	3,671.5	212.2
ROT creditors	E5	-	-	-	2.0	2.0	280.0	140.0
Lease creditors	E7	-	-	-	0.6	0.6	84.0	140.0
Subtotal		0.2	28.3	35.3	41.0	104.8	26,213.5	
Tax								
Initial reviews CT and VAT	F1	-	1.0	-	-	1.0	385.0	385.0
Pre-appointment CT	F2	-	6.0	-	14.7	20.7	4,368.0	211.0
Post appointment CT	F4	-	10.5	1.9	12.1	24.5	6,748.0	275.4
Post appointment VAT	F5	-	-	-	2.5	2.5	350.0	140.0
Tax advice on transactions	F6	0.5	26.2	-	0.1	26.8	10,258.0	382.8
Other post appointment tax	F7	-	1.0	1.1	-	2.1	698.5	332.6
Subtotal		0.5	44.7	3.0	29.4	77.6	22,807.5	
Reporting								
Proposals	G2	-	3.5	0.9	16.8	21.2	3,924.5	185.1
Other statutory reports/meetings	G3	-	4.9	41.2	55.4	101.5	20,772.0	204.7
Secured creditor reports	G4	0.7	14.4	68.3	52.5	135.9	32,689.0	240.5
Secured creditor calls	G5	-	-	0.3	1.9	2.2	341.0	155.0
Subtotal		0.7	22.8	110.7	126.6	260.8	57,726.5	
Other								
Other	H1	-	20.9	2.0	-	22.9	7,780.5	339.8
Subtotal		0.0	20.9	2.0	0.0	22.9	7,780.5	
Total Time by Grade		12.6	399.5	877.8	903.0	2,192.9		
Total Cost by Grade		6,007.5	152,622.5	238,683.5	129,566.5	526,880.0		
Average by Grade		476.8	382.0	271.9	143.5	240.3		
		Time Costs	Category 1	Category 2	Total			
Total Costs to Date		526,880.0	2,482.2	-	529,362.2			
Amount Billed		(521,274.0)	(2,482.2)	-	(523,756.2)			
Total WIP		5,606.0	-	-	5,606.0			

Appendix D – Time cost analysis

Waverley Care Homes Ltd - Analysis of Time Costs In Accordance with SIP9 for the period 06 January 2019 to 05 July 2019

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Receipts and payments accounts	A4	-	-	1.0	1.0	175.0	175.0
Checklist and reviews	A5	-	-	5.7	5.7	997.5	175.0
Cashiering and reconciliations	A6	-	1.0	0.2	1.2	325.0	270.8
Bonding and IPS maintenance	A7	-	-	1.0	1.0	175.0	175.0
Case Admin	A8	-	0.5	-	0.8	332.5	255.8
Subtotal	0.0	0.5	1.0	8.7	10.2	2,005.0	
Trading							
Closure of trading	D3	-	0.7	-	0.7	269.5	385.0
Employees - Payroll	D4	-	-	1.5	1.5	262.5	175.0
Employees - HR Issues	D5	-	-	1.6	-	464.0	290.0
Subtotal	0.0	0.7	1.6	1.5	3.8	996.0	
Reporting							
Other statutory reports/meetings	G3	-	3.5	-	4.5	1,522.5	338.3
Secured creditor reports	G4	-	-	1.5	3.7	1,082.5	208.2
Subtotal	0.0	3.5	1.5	4.7	9.7	2,605.0	
Total Time by Grade	0.0	4.7	4.1	14.9	23.7		
Total Cost by Grade	0.0	1,809.5	1,189.0	2,607.5	5,606.0		
Average by Grade	0.0	385.0	290.0	175.0	236.5		
	Time Costs	Category 1	Category 2	Total			
Total Costs to Date	5,606.0	-	-	5,606.0			
Amount Billed	-	-	-	0.0			
Total WIP	5,606.0	-	-	5,606.0			

Appendix E – Additional Information in relation to Administrators' fees pursuant to SIP9

Detailed below is FTI's policy in relation to:

- staff allocation and the use of subcontractors;
- professional advisors; and
- disbursements.

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 be drawn from a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g., report compilation and distribution, do we seek to charge and recover our time in this regard.

Professional advisors

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

Name of professional advisor	Basis of fee arrangement	Fees paid to date, excl VAT (£)
Hogan Lovells LLP (legal advice)	Hourly rate and disbursements	218,699
Careport Advisory Services Ltd	Fixed monthly fee and disbursements	424,113
Knight Frank (Sales Agent)	Percentage of achieved sale values	26,100
Cushman & Wakefield (Valuer)	One-off fixed fee	3,000

We note that the total fees paid to Hogan Lovells include amounts in relation to pre-appointment work undertaken that have been paid from the administration estates of the Companies.

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

We have utilised the services of other teams within FTI to assist with the administration process. The fees of our tax and strategic communications teams have been included in our SIP9 analysis provided to creditors of the Companies and allocated to the work streams and entities to which their work related, for approval by those parties approving our fees.

We consider that the rates chargeable for these services are in line with general market practice and that the service is comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the administration work streams has been possible.

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 of 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 disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder.

The Administrators and their staff have not incurred any Category 2 disbursements in properly dealing with the Administrations of the Companies.

Charge-out rates

A schedule of FTI's charge-out rates (exclusive of VAT) for this assignment to date is below. All time incurred by the Administrators and their staff is recorded in six minute increments.

Grade	10 Feb 16 – 8 May 18 £ (Per hour)	9 May 18 – 5 Jul 19 £ (Per hour)
Senior Managing Director	450	525
Managing Director	385	460
Senior Director	345	425
Director	345	385
Senior Consultant	285	340
Consultant	250	290
Associate	140	175

Note: These are discounted rates compared to our standard charge out rates, as agreed with the Secured Creditor.

Appendix F – Creditors' statement of claim form

Elder Homes North LLP

Waverley Care Homes Limited

- both in Administration (together "the Companies")

Please tick the box corresponding to the company you are making a claim against i.e. the company that has engaged you to provide goods or services. If you have a claim against more than one company please submit a separate form for each company.

Date of Administration –

10 February 2016

Name and address of creditor:

Amount claimed in the Administration:

(Including VAT)

£ _____

Signature of creditor:

Name of creditor:

Telephone:

E-mail:

Date:

_____/_____/_____

Please provide appropriate documentation in support of your claim.

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

Please return this form when you have completed it to Alex Lewis at FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD or email it to EH@fticonsulting.com.

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds for bad debts account.

Claims lodged in the Administration should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue and Customs for the VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.



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About FTI Consulting

FTI Consulting, LLP. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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