In accordance with Rule 3.35 of the Insolvency (England and Wales) Rules 2016 Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986 and regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.

AM03

Notice of administrator's proposals

Companies House

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

1 Company details

Company number	0 1 8 3 2 3 2 1
Company name in full	Ty Mawr Limited

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

2 Administrator's name

Full forename(s)	Huw
Surname	Powell

3 Administrator's address

Building name/number	Ground Floor, 16 Columbus Walk
Street	Brigantine Place
Post town	Cardiff
County/Region	
Postcode	C F 1 0 4 B Y
Country	

4 Administrator's name ❶

Full forename(s)	Katrina Jane
Surname	Orum

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Ground Floor, 16 Columbus Walk
Street	Brigantine Place
Post town	Cardiff
County/Region	
Postcode	C F 1 0 4 B Y
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM03
Notice of Administrator's Proposals

6 Statement of proposals

- [x] I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ❶

- [ ] I attach a copy of the qualifying report
- [ ] I attach a statement of disposal

❶ As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's Signature

Signature
X [signature] X

Signature date: d0 d7 m0 m4 y2 y0 y2 y5

AM03
Notice of Administrator's Proposals

Presenter information

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

Contact name	Nadine Romanick
Company name	Begbies Traynor (Central) LLP
Address	Ground Floor, 16 Columbus Walk
	Brigantine Place
Post town	Cardiff
County/Region	
Postcode	C F 1 0 4 B Y
Country	
DX	
Telephone	029 2089 4270

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

XADM1002P

Begbies Traynor

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

Ty Mawr Limited t/a Ty Mawr Nursing Home (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Contents

1. INTERPRETATION

Expression	Meaning
"the Company"	Ty Mawr Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 4 March 2025
"the administrators", "we", "our", "us"	Huw Powell and Katrina Orum of Begbies Traynor (Central) LLP, Ground Floor, 16 Columbus Walk, Brigantine Place, Cardiff, CF10 4BY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Ty Mawr Limited
Trading name(s):	Ty Mawr Nursing Home
Date of Incorporation:	12 July 1984
Company registered number:	01832321
Company registered office:	Ground Floor, 16 Columbus Walk, Brigantine Place, Cardiff, CF10 4BY
Former registered office:	104 Walter Road, Swansea, SA1 5QF
Trading address:	Ty Mawr Nursing Home, Station Road, Swansea, SA9 1TP
Principal business activities:	Healthcare - Care Home
Directors and details of shares held in the Company (if any):	Name / Shareholding William Moelwyn Davies – 91 ordinary shares William Andrew Adrian – -
Company Secretary and details of the shares held in Company (if any):	N/A
Accountant:	Morgan Hemp, 104 Walter Road, Swansea, SA1 5QF
Share capital:	100 ordinary shares
Shareholders:	William Davies – 91 ordinary shares Jason Davies – 9 ordinary shares
Moratorium under Part A1 of the Act:	No such moratorium has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	4 March 2025
Date of resignation:	N/A
Court:	High Court of Justice Business and Property Courts at Bristol
Court Case Number:	CR-2025-BRS-000014
Person(s) making appointment / application:	Barclays Security Trustee Limited, 1 Churchill Place, London, E14 5HP

Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended)

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

"3 (1) The administrator of a company must perform his functions with the objective of-

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

(2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.

(3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-

(a) that it is not reasonably practicable to achieve that objective, or
(b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.

(4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-

(a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
(b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was incorporated on 12 July 1984 as a family run business, trading as a care home from premises at Ty Mawr Nursing Home, Abercrave, Swansea, SA9 1TP ("the Care Home"), where the Company has been the legal freehold owner of the Care Home since 23 February 1989.

According to Care Inspectorate Wales ("CIW"), the Care Home offers nursing, personal care and mental health provision, registered for a maximum number of 54 places.

Mr William Davies appears to have been a director alongside his son Jason (who resigned in 1997) from incorporation in 1984 until he resigned on 1 June 2019. Mr William Adrian's now deceased mother was appointed as a director on 31 December 1988 until her resignation in 1997, though she stayed on as secretary until she passed away on 4 June 2020. William Adrian was appointed as a director 11 January 2019 and Mr Davies was therefore the sole director for some 22 years and he was reappointed as a director on 25

September 2022, apparently without the knowledge of Mr Adrian. Mr Adrian resigned as a director on 20 March 2023 before being reappointed on 15 December 2024.

Furthermore, per the filed confirmation statement dated 7 June 2023, Mr Davies apparently inherited Mr Adrian's mother's 49% shareholding on 3 June 2023, making him the 91% shareholder, with his son Jason owning the remining 9%.

The Company' bank accounts and finances were controlled by William Davies, who is based in the USA, and it is understood that William Adrian had no access to financial information, including online banking, bank statements and accounting software.

The accounts for the year ended 31 December 2016 indicate that Mr Davies had made a loan to the Company of £64,541 and this increased year on year, peaking at £339,460 for the year ended 31 December 2020. The Company had obtained a loan from Barclays Bank plc ("Barclays"), which was refinanced with additional lending taken on 6 March 2017 with a term loan facility of £835,000. Barclays has the benefit of various security from 1989 comprising legal charges over the Care Home; plus fixed and floating charges over the Company's assets via a debenture.

The terms of the loan expired in December 2020 with the principal debt repayable at the time understood to £740,986. As a result, as no agreement was in place on repayment terms the Company has been technically insolvent since that date. No payments have been received since and interest has continued to accrue. Despite a sustained commitment by Barclays to negotiate with the directors to try and finalise a suitable agreement that worked for both parties, no new terms were agreed. Barclays sought to introduce Begbies Traynor (Central) LLP ("Begbies Traynor") to provide advice to the Company in October 2022, and although an initial conversation was held with William Adrian, matters did not progress.

Barclays had encouraged the directors to market the business for sale, but it is understood that William Davies chose to undertake discrete marketing and did not disclose full details of this to Barclays. We understand that there were three interested parties and that Mr Davies had progressed two offers to a stage where solicitors were in correspondence, and most recently one party had agreed heads of terms. However, details of this were not disclosed to Barclays.

Barclays issued Formal Demand for full repayment on 27 November 2024 and further corresponded with the Company on 30 January 2025 requiring a firm financial commitment within seven days. Barclays had concerns about trading as they had no visibility over cash flow or any recent management information, and further, had heard a rumour that following a death outside the Care Home, an embargo on new residents was in place.

A further Formal Demand for repayment in full was issued on 24 February 2025. Having received no payment or communication from the directors in terms of agreeing a timescale for repayment, Barclays made the decision to appoint an administrator under paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as amended). Huw Powell and Katrina Orum of Begbies Traynor as joint administrators on 4 March 2025.

5. STATEMENT OF AFFAIRS

Despite a formal request for submission, no statement of affairs has been provided by the directors. The joint administrators have therefore provided details of the estimated financial position as at 4 March 2025 along with details of the Company's creditors at Appendix 2.

It should be noted that due to a lack of available financial information or cooperation from the directors, the joint administrators are unable to confirm any values with certainty. Nonetheless, our comments on the estimated financial position of the Company can be found at Appendix 2.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 4 March 2025 to 7 April 2025.

TRADING ACCOUNT – RECEIPTS

Sales
The sum of £3,992.86 has been received in respect of care home fees payable for the period after the commencement of the administration. Other receipts are currently held in 'suspense' awaiting further information as detailed below.

TRADING ACCOUNT – PAYMENTS

Medical supplies & consumables
The total sum of £1,127.40 plus VAT has been paid in respect of the purchase of medical supplies and consumables, being £596.44 paid to Cymru Healthcare Limited and £530.96 paid to RGS Group Limited.

Agency staff costs
The sum of £3,218.39 has been paid to Newcross Healthcare Solutions Limited in respect of agency staff costs.

Wages and Salaries
The total sum of £70,514.30 has been paid in respect of net wage payments to the Company's employees. This includes an apportioned amount of £24,873.13 paid in relation to the pre-appointment period.

Utilities
The sum of £1,700.00 plus VAT has been paid to Cornerstone Care Solutions Limited ("Cornerstone") in reimbursement of the sum paid to PBE Fuels Limited for the supply of pellets for the Company's biomass boiler.

Professional Fees
The sum of £333.00 plus VAT has been paid to Morgan Hemp & Co Limited for their fees in respect of processing the Company's payroll.

Repairs & Maintenance
The total sum of £307.00 has been paid in respect of repair and maintenance costs, being £75 paid to J Grffiths Electrical, £112 paid to M. Jones Plumbing and Heating, and £120.00 paid to Bryncethin CCTV Services.

Subscriptions
The sum of £270.00 plus VAT has been paid to Care Management Systems Limited in respect of ongoing access to care plan software.

Irrecoverable VAT
As it is understood that the Company was not registered for VAT, VAT cannot be reclaimed on expenses incurred. The sum of £431.07 has been incurred in respect of VAT on trading payments.

RECEIPTS

Book Debts
The sum of £307.14 has been received in respect of care home fees payable for the period prior to the commencement of the administration.

Sundry Refunds
The sum of £5,417.14 has been received from Dwr Cymru Welsh Water in respect of the credit balance held on the Company's account as at the date of the joint administrators' appointment.

Suspense Account
The total sum of £136,227.71 has been received into the administration and is currently being held in suspense pending receipt of further information. This sum is broken down as follows:

- £78,373.99 has been received from NatWest in respect of the credit balance held on the Company's account. However, we are advised that this balance includes £6,654.30 of post-appointment receipts and we are yet to receive full bank statements from NatWest to enable a reconciliation of the sum received.
- £49,084.11 has been received from Neath Port Talbot County Borough Council in respect of resident fees, although we are awaiting details of the period that these funds relate to in order to allocate within the receipts and payments account.
- A total of £8,769.61 has been received from resident's family members in respect of resident fees, and as above, we are awaiting details of the period that these funds relate to in order to allocate within the receipts and payments account.

PAYMENTS

Irrecoverable VAT
The sum of £20.80 has been incurred in respect of VAT on non-trading payments.

Statutory Advertising
The sum of £104 plus VAT has been paid to EPE Reynell Advertising Limited in respect of statutory advertising costs.

Suspense Account – Cornerstone Float
The sum of £11,377.35 has been paid to Cornerstone to enable payments to be made in respect of the day to day running of the Care Home, to include food, biomass pellets and fuel, clinical waste collections, repairs and maintenance and medical supplies. This amount will be allocated to more detailed expenditure categories in due course.

Work undertaken by the Administrators and their staff

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - http://www.begbies-traynorgroup.com/work-details. Under the following headings we have explained the specific work that has been and will be undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been and will be done, why it is necessary and what financial benefit (if any) the work has provided and will provide to creditors.

The details below relate to the work undertaken in the period of the report only.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case. At the onset of the case we sought to form a strategy for how the case will be managed, and have attempted to obtain sufficient information to determine the nature and level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. The joint administrators are required to comply with statutory obligations and duties and this has included preparing the post appointment statutory notifications of the administration along with the required statutory advertising in the London Gazette. An administration bank account has been opened.

Notice of the joint administrators' appointment has been circulated to creditors, Companies House, directors, the Company's banks and other parties who would have an interest in the proceedings.

We have also incurred time costs in preparing the attached proposals in line with statute and best practice guidance, along with requesting the preparation of the statement of affairs by the directors.

The joint administrators also have a duty to ascertain the anticipated level of realisations to ensure that the case is adequately bonded to cover any funds received into the case.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Investigations

The joint administrators are required to undertake an initial investigation into the director's actions in respect of the Company and to determine whether or not further detailed investigations are required. Questionnaires have been issued to all those that held office as director in the three years prior to the commencement of the administration in order to obtain information about the affairs of the Company but no response has been received.

We have also requested completion of a statement of affairs and financial and other information, but very little cooperation or information has been received from the directors and their family members who controlled financial information. We have therefore sought input from TLT to seek to resolve this position.

Partial bank statements have been obtained and an initial review conducted, and enquiries into the Company's financial position have been made with the Company's accountant, who has provided information available to them, albeit they have lost access to financial information that was controlled in the USA.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

Upon our appointment, our first priority was to ensure, as far as possible, the continued normal operation of the Care Home until a sale to a new operator could be achieved for the benefit of all stakeholders including residents, employees and creditors.

Eddisons Insurance Services Limited, part of the Begbies Traynor group, were engaged to ensure that appropriate insurance cover is being maintained.

We attended the Company's trading premises with Cornerstone immediately following our appointment to notify the directors and employees of the administration and to take control of the Company's trade and assets. One of the Company's directors, Mr William Adrian, was present on site, and contact was sought with his fellow director, Mr William Davies, who is also based in the USA. We also made contact with Mr Davies' son and 9% shareholder, Jason Davies, who is also based in the USA. Further details in relation to the Company's ongoing trade can be found below under the heading 'Trading'.

The Company's banks were notified of the administration and requests for the transfer of credit balances held were made. To date, the sum of £78,373.99 has been received, although we await copy bank statements in order to determine the nature of the funds received.

Conversations with Jason Davies concluded that the Company was insolvent on both a cash flow and balance sheet basis. Initial conversations were held as to whether the Davies family could settle the Barclays debt and regain control of the Company. However, Jason Davies was informed that they would need to evidence that the Company could return to solvency and within a few days the Davies family confirmed his could not be achieved, therefore the joint administrators are continuing with efforts to achieve a sale of the Care Home.

Due to the hostile nature of the appointment, the joint administrators had very little financial information available prior to their appointment, and we immediately set about requesting such information from the directors, Jason Davies and employees. To date, despite these requests, very little information regarding the nature and assets of the Company has been made available to the joint administrators by the Davies family and access to software controlled by the Davies family has been removed, which has hampered our ability to fully assess the financial position of the business and caused temporary disruption to operations.

Soon after the joint administrators' appointment, it became apparent that prior to the commencement of the administration, the directors had been in discussion with at least three interested parties in respect of a sale of the Care Home. We established that the Davies family had progressed two offers to a stage where solicitors were in correspondence. Most recently one party had agreed heads of terms on 30 January 2025 with the Davies family to purchase the Company's business and assets (but not shares or liabilities) along with the adjoining land at Tymawr Farm which is privately owned by the Davies family. This led to that party submitting an application for registration to operate the Care Home to CIW.

Following our appointment, we have continued the dialogue with the two most progressed parties, however, matters have become complicated by the fact that the Davies family have raised a boundary and access dispute in relation to the adjoining land. Jason Davies purports to own this land, but William Davies is the registered owner at HM Land Registry.

Jason Davies asserts that the Company has no right to use any part of Tymawr Farm for the purposes of parking; has no rights to access the rear of the Care Home over and along Tymawr Farm; that a biomass boiler must be removed; that the electricity/phone/internet cables serving the Care Home which run through Tymawr Farm are a trespass and will be taken down/removed; and that there is no right for the Company to use Tymawr Farm for storage.

Staff have confirmed that the Company has had access over Tymawr Farm for in excess of 20 years and likely since 1989 or earlier. We have established that the Company installed and paid for a biomass boiler in a custom-built building on the adjoining land during 2014 and this provides the main source of heat and hot water to the Care Home. In addition, the Company appears to have paid for maintenance and wood pellets to run the boiler and

Jason Davies instructed the construction of a barrier on the purported boundary and which prevented vehicular access to the biomass boiler and the rear of the Care Home, which has been used for ambulance and waste vehicle access and is required for the safe operation of Care Home. These actions appear to be an attempt to frustrate the administration and prevent any sale of the Care Home. He has also made direct contact with proposed purchasers of the Care Home in respect of the above issues and is demanding payment for ongoing access to the site and use of the boiler, without providing any evidence of the basis for such charges. In addition, Jason Davies has been seeking an adjustment to the apportionment of consideration to be allocated to the Premise and the adjoining land on a ransom basis that does not reflect market value.

Having sought legal advice, the joint administrators are satisfied that the Company has access rights to the boiler and consider that any attempts to prevent access would put the Care Home's 31 vulnerable residents at risk. The joint administrators' stance has been notified to Jason Davies, the directors and their legal representatives and the barrier has been removed.

Independent agent Jeremy Cashmore MRICS of Christie & Co has provided a valuation report in respect of the Care Home and Rob Kinsman FRICS of Christie & Co has provided a recommendation for sale following a review of the two offers received. On 3 April 2025 Christie & Co recommended that an offer received in the sum of £850,000 made on a cash basis from the party who has already submitted an application for registration to CIW should be accepted. This offer was made with a commitment to install a new boiler on the Care Home premises prior to completion, at the cost of the interested party. The second offer received was considered less attractive as it was not a cash offer and was dependent upon the sale of the adjoining land, which the Company does not control.

Following correspondence with Barclays Bank plc as fixed charge creditor, the offer has been accepted subject to contract and we are negotiating full heads of terms with a view to exchanging contracts within the next two weeks.

Gerald Cole MRICS of independent agent Gavel Auctioneers Limited ("Gavel") has been instructed to provide a valuation of the Company's chattel assets for the purposes of apportioning the total sale value achieved for the Care Home. Gavel will also provide assistance with a sale of the biomass boiler, should this be required.

Time has also been incurred in notifying Ofgem of our appointment and providing administration bank account details to enable Renewable Heat Incentive ("RHI") rebates to be paid to the administration.

Trading

To ensure a smooth transition and to maintain high standards of care, Cornerstone were appointed as the new operating consultant to oversee trading operations at the Care Home on behalf of the joint administrators.

Time has been incurred in liaising with Cornerstone in respect of various aspects of trading, to include resident care, an operational review, health and safety matters (including dealing with an ongoing HSE enquiry), employee and payroll matters and expenditure on required items such as food and medical supplies, agency staff, heating, fuel and clinical waste collections.

Prior to the joint administrators' appointment, Barclays had confirmed that ongoing trade could be funded via a £100,000 overdraft facility, and time has been incurred in opening administration bank accounts and liaising with Barclays for the provision of the facility.

Cornerstone's initial view was that they were confident, based on research, that if they were appointed to manage the Care Home, their expertise and relations with CIW and local authorities meant that they could attract new residents (if required) and that as trading normalised, it should be possible to trade in the region of break-even or at a small loss, before administration and professional costs, any major capital expenditure and excluding wage arrears as at the date of the administrators' appointment of approximately £88,000.

Cornerstone conducted a rapid initial assessment of the Care Home, and whilst Cornerstone were satisfied with the level of care being provided, it was apparent that the Care Home had not received the necessary investment, and following the death of a resident there had been an embargo on new residents until February 2025. Whilst the embargo had since been lifted, certain measures required by the Health and Safety Executive ("HSE") remained outstanding.

The joint administrators' primary priorities are to maintain the quality and safety of care provided at the Care Home, and to this end, time has been incurred by the joint administrators and Cornerstone in liaising with residents, families/next of kin, the Care Inspectorate Wales, HSE, health boards, local authorities, employees and key suppliers.

As detailed above, very little financial information has been made available and the joint administrators and Cornerstone have spent considerable time in attempting to create a profit and loss and cash flow forecast for the administrators' trading period, as well as seeking to identify whether care for each resident has been pre-paid or is in arrears.

Contact has been made with various key suppliers to provide undertakings for continued supply during the administration trading period.

The Company's payroll is processed by the Company's accountants, Morgan Hemp, and time has been incurred in liaising with them in respect of the ongoing provision of their services to ensure that employee wages and salaries continue to be paid during the administration. It also became apparent that a number of employees are sponsored under a Skilled Worker sponsor licence, and time has been incurred in liaising with solicitors TLT LLP ("TLT") for advice on the position and making the necessary notifications to the UK Visas and Immigration Service and seeking to obtain access the Company's registration online.

In respect of the trading period, to date, £3,992.86 has been received in respect of fee income, though this is pending reconciliation of the amounts currently held in suspense. As detailed in the receipts and payments account at Appendix 1, trading expenses, including irrecoverable VAT, totalling £66,174.15 have been discharged to date, and a further £11,377.35 has been paid to Cornerstone to enable purchases to be made by them on the joint administrators' behalf.

Please note that the estimated costs of trading provided within the estimate of expenses at Appendix 3 are estimates based upon present information, and a revised estimate of expenses may be required if trading continues for a longer period than anticipated or any unforeseen problems or issues are encountered.

As detailed above, it is anticipated that it should be possible to trade in the region of break-even or at a small loss amend so it is expected that trading will not have a direct financial benefit to creditors, based upon present information. However, the value anticipated to be achieved for the Care Home will be significantly higher if sold whilst trading than if sold in a shutdown scenario and the Company would avoid material costs and losses if a wind down strategy was implemented. In addition, in achieving such a sale, creditor claims, including employee claims for redundancy and notice pay estimated to be approximately £157,000, will be mitigated. Finally, moving the Care Home's residents would present a risk to their health and is considered a last resort.

Dealing with all creditors' claims (including employees), correspondence and distributions

As is expected with such an assignment, general queries are received from creditors throughout the course of the administration, which we have responded to in a timely and effective manner.

Upon the joint administrators' appointment, the Company employed 49 employees, 47 of which have been retained to provide business continuity and minimise disruption whilst trading continues. Following an operational review, two employees whose roles were no longer required were made redundant on 17 March 2025.

Considerable time has been incurred in liaising with the employees made redundant in order to obtain the required supporting evidence to verify the accuracy of their employment claims. Guidance has been sought from the Redundancy Payments Service in respect of the treatment of claims where there are insufficient records for the joint administrators to verify the accuracy and validity of claims being made. In addition, significant time has been incurred in liaising with one former employee in respect of various items being claimed as personal belongings without any evidence of ownership being provided.

Time has also been incurred in liaising with TLT and Barclays in respect of the ongoing strategy of the administration and to seek Barclays' agreement to acceptance of the offer recommended by Christie & Co.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

Time has been incurred in preparing the necessary documents to seek secured creditor approval of various resolutions.

Enquiries have been made into the pension scheme operated by the Company in order to comply with s120 of the Pensions Act 2004, and the necessary notifications have been made. Access to the Company's online pension account has been obtained in order to review the current position.

Time has also been incurred in travelling to the Company's trading premises.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case.

Why have subcontractors been used?

As detailed within the proposals, Cornerstone have been appointed as the Care Home operating consultant to oversee the day to day operation of the Care Home, as well as ensuring that the required standards of safety and quality are met.

Cornerstone are specialist consultants who have the knowledge and experience required for the continued trading of the Care Home at the required standard.

Cornerstone's costs in this regard are £8,000 plus VAT per month, with double fees being payable in the first and last months of trade to account for setup and handover costs.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the estimated financial position at Appendix 2) are as follows:

Secured creditors

Barclays hold legal charges created on 23 February 1989 and 28 February 1989 over the property at Ty Mawr Nursing Home, Station Road, Swansea, SA9 1TP.

In addition, Barclays holds a debenture dated 4 October 1989 granting fixed and floating charges over the Company's assets.

The sum outstanding to Barclays as at 4 March 2025 was estimated at £925,527.85.

We understand that a personal guarantee was provided to Barclays by William Davies in the sum of £50,000.

Preferential creditors

Two employees were made redundant on 17 March 2025. Their preferential claims of for holiday pay are yet to be determined and have therefore been included within the estimated financial position with an uncertain value. There is also a potential subrogated preferential claim in respect of pre-appointment wage arrears paid post appointment. In addition there are potential pension arrears and any employee contribution element would be preferential. These matters are currently under review.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs ("HMRC") are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions ("NIC"), Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

According to HMRC's proof of debt, their secondary preferential claim is estimated at £56,057.74 relating to PAYE and employee's NIC for periods ending 5 February 2024 onwards.

Unsecured creditors

Due to the lack of financial information received from the directors, it has proved difficult to estimate the level of unsecured claims, including those of the former employees, with certainty. Based upon information obtained by the joint administrators to date, claims of unsecured creditors are estimated to be at least £127,000, but could be materially more when all creditors contact us.

Included within this total, and according to HMRC's proof of debt, the unsecured claim of HMRC is estimated at £66,082.49, relating to employer's NIC for periods ending 5 February 2024 onwards, plus interest.

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

Secured creditors

Based upon present information, it is anticipated that there will be sufficient funds to enable a distribution to Barclays, however the quantum and timing of such a distribution is entirely dependent upon the value achieved for the Care Home. It is anticipated that Barclays will suffer a shortfall on their indebtedness. A further update will be provided within our next report.

Preferential creditors

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

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to HMRC as secondary preferential creditor.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The prescribed part of the *Company's net property* is calculated by reference to a sliding scale as follows:

Where a charge is created between 15 September 2003 and up to 6 April 2020:

- 50% of the first £10,000 of net property;
- 20% of net property thereafter;
- Up to a maximum amount to be made available of £600,000

Or, where a charge is created on or after 6 April 2020:

- 50% of the first £10,000 of net property;
- 20% of net property thereafter;
- Up to a maximum amount to be made available of £800,000

An administrator will not be required to set aside the prescribed part of net property if:

- the net property is less than £10,000 <u>and</u> the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

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

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a). Due to the lack of Company records and financial information available, it is not considered likely that any interested party would wish to retain the business of the Care Home within the current entity. Consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

We consider that this objective will be achieved, as we consider that being able to trade (even at a loss) will allow for a potential sale of the business and assets as a whole and mitigation of claims through retention of jobs. This is anticipated to achieve a far higher value than would be achieved if the Company were to cease trading and enter into liquidation and without the associated losses if a wind down of activities was required.

It is anticipated that the higher value achieved will outweigh any trading losses in that the anticipated return to the secured creditor will be significantly enhanced. Creditor claims would also be mitigated, including employee claims for wages arrears, redundancy and notice pay estimated to be in the region of £250,000 had the Company ceased to trade on 4 March 2025.

Additionally, if the Company were to cease trading, considerable work would be required in liaising with residents' next of kin and local authorities in order to find suitable alternative accommodation for the current residents. Due to the fact that it is known that moving residents typically has a detrimental impact on health, a cessation of trade would be a last resort if circumstances beyond our control dictated this outcome.

Details of proposals

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property and to complete our statutory duties. The principal matters to deal with in this respect are:

- Continued trading of the Care Home with the assistance of Cornerstone;
- Achieve a sale of the Care Home;
- Completion of the joint administrators' duty to investigate the affairs of the Company and the conduct of its directors; and
- Complete distributions to the secured creditor.

A detailed summary of the work required to be completed in the administration is as follows:

<u>General case administration and planning</u>

The joint administrators will be required to undertake periodic reviews of the case and to update their case strategy to ensure that the case is being progressed appropriately. Effective case management and planning benefits creditors generally as it ensures that the administration is progressed in a strategic manner. It also ensures that our duties are carried out correctly and effectively, with realisations being achieved as quickly as possible.

<u>Compliance with the Insolvency Act, Rules and best practice</u>

The Insolvency Act, Rules and best practice require us to undertake various activities during the course of the administration, which include the following:

- Provide creditors with six monthly progress reports, including filing at Companies House;
- Producing a final report at the end of the administration; and
- Performing regular statutory bond reviews.

It may become necessary to seek an extension of the administration for a further period of 12 months after the anniversary of our appointment. Should this be required, a decision will be sought from creditors and time will be incurred in recording the outcome of the decision.

Time will also be incurred in liaising with the directors in respect of the preparation of the statement of affairs, which as detailed above, is yet to be received.

Although there is no direct financial benefit to creditors, this work is required under insolvency legislation.

Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations will include analysis of the Company's books and records (to the extent they are available), bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

As detailed above, very little cooperation or information has been received from the directors and their family members who controlled financial information to date and stapes will be taken to seek to resolve this, with TLT as required.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

Realisation of assets

Appropriate steps will be taken to progress the realisation of the Company's assets.

We will continue to liaise with TLT with a view to completing the agreed sale of the Care Home as soon as possible.

We will also liaise with Gavel in respect of the valuation of the Company's chattel assets, including the biomass boiler.

Time will also be incurred in ensuring that all fee income relating to both the pre and post-administration periods are received, and that any credit balances held at the Company's banks are transferred to the administration.

We will also liaise with Ofgem to ensure that any RHI rebates due to the Company in respect of the biomass boiler are received into the administration.

Trading

We anticipate that trading will continue for a number of weeks and potentially months, whilst we seek to achieve a sale of the business. During this period, trading performance will be monitored in conjunction with Cornerstone and we will continue to monitor the costs of trading to support the administration strategy.

As detailed above, the estimated costs of trading provided within the estimate of expenses at Appendix 3 is based upon present information, and a revised estimate of expenses may be required if trading continues for a longer period than anticipated or any unforeseen problems or issues are encountered.

Dealing with all creditors' claims (including employees), correspondence and distributions

The joint administrators will undoubtedly continue to receive queries and correspondence from the Company's creditors, and we aim to respond to these in both a timely and effective manner.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

Time will be incurred in continuing to verify the accuracy of the employee claims, and in making the required submissions to the Redundancy Payments Service.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

The joint administrators are required to submit tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC.

As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable, and if necessary, submit a claim for unpaid contributions to the Redundancy Payments Service.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

Extending the administration

It may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the realisation of the Company's property. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Exit from Administration via Dissolution

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered into administration, we carried out work consisting of liaising with Barclays and their solicitor regarding the preparation of the administrators' appointment documents ("the Work").

The Work was carried out before the Company entered administration because it related to the administrators' appointment. We consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	3,481.00	696.20	4,177.20
Legal fees and disbursements	TLT LLP	5,065.00	1,013.00	6,078.00
TOTAL PRE-ADMINISTRATION COSTS		8,546.00	1,709.20	10,255.20

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part fund of any net floating charge property. In these circumstances, approval to discharge such costs ("the unpaid pre-administration costs") as an expenses is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, the secured creditor of the Company. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a document detailing the work carried out, the associated costs and the proposed remuneration is provided together with a pre-administration Time Costs Summary at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged.

Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. Both Begbies Traynor and TLT are currently on the secured creditor's panel of approved suppliers of insolvency services. As a result, we consider that both firms have a business relationship with the secured creditor. However, we do not consider that the relationships will give rise to a conflict of interest in this case.

The costs charged by Begbies Traynor detailed in the above table represent the reduced panel rates, and the costs charged by TLT represent their fees capped at £5,000 plus VAT plus disbursements of £65 plus VAT, as agreed with the secured creditor.

10. REMUNERATION AND EXPENSES

Remuneration

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out.

At this early stage in the administration, we do not intend to seek approval of the basis of the joint administrators' remuneration. It is anticipated that this approval will be sought in conjunction with our first six month progress report.

Expenses

The following non-trading expenses have been incurred since our appointment:

- Statutory advertising - £104 plus VAT
- Bond - £103 plus VAT
- Postage - £124.18 plus VAT
- Property valuation fee - £3,500 plus VAT

In addition, as detailed above, excluding professional and any significant capital expenditure costs required, trading is expected to be conducted at around break-even or a small loss, subject to the apportionment of pre-paid fees and excluding pre-appointment wages. Income and expenditure is expected to average approximately £33,000 per week, and therefore we will not provide a breakdown of expenses incurred here but will fully account for trading costs in the receipts and payments accounts enclosed with our progress reports.

Category 2 Expenses

We propose that expenses for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These expenses will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Since our appointment, the following Category 2 expenses have been incurred:

- Insurance, estimated at £1,675 per month, payable to Eddisons Insurance Services Limited, part of the Begbies Traynor group.

For the avoidance of doubt, no sums have been paid in respect of Category 2 expenses and will not be paid unless and until the required approval is obtained.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Connected party transactions

There have been no sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 9 April 2025.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at https://www.begbies-traynorgroup.com/privacy-notice If you require a hard copy of the information, please do not hesitate to contact us.

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

We presently consider that as explained in Section 7 above, the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part).

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 9 April 2025. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.

Huw Powell
Joint Administrator

Date: 7 April 2025

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS
4 March 2025 to 7 April 2025

Ty Mawr Limited Trading As: Ty Mawr Nursing Home
(In Administration)
Joint Administrators' Trading Account
To 07/04/2025

S of A £		£	£
	POST APPOINTMENT SALES		
	Sales	3,992.86	
			3,992.86
	PURCHASES		
	Medical supplies & consumables	1,127.40	
			(1,127.40)
	OTHER DIRECT COSTS		
	Agency staff costs	3,218.39	
	Monthly Payroll	8,191.88	
	Weekly Payroll	62,322.42	
			(73,732.69)
	TRADING EXPENDITURE		
	Utilities		
	Heating Fuel	1,700.00	
	Professional Fees		
	Accountancy Fees	333.00	
	Repairs & Maintenance	307.00	
	Subscriptions	270.00	
	Irrecoverable VAT	431.07	
			(3,041.07)
	TRADING SURPLUS/(DEFICIT)		**(73,908.30)**

Ty Mawr Limited Trading As: Ty Mawr Nursing Home
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 07/04/2025

S of A £		£	£
	SECURED ASSETS		
Uncertain	Freehold Land & Property	NIL	
			NIL
	SECURED CREDITORS		
(925,527.85)	Barclays Bank UK Plc	NIL	
			NIL
	ASSET REALISATIONS		
Uncertain	Furniture & Equipment	NIL	
Uncertain	Stock	NIL	
Uncertain	Book Debts	307.14	
	Sundry Refunds		
	Utilities	5,417.14	
Uncertain	Cash at Bank	NIL	
	Trading Surplus/(Deficit)	(73,908.30)	
			(68,184.02)
	COST OF REALISATIONS		
	Irrecoverable VAT	20.80	
	Statutory Advertising		
	Advertising	104.00	
			(124.80)
	PREFERENTIAL CREDITORS		
Uncertain	Employees re Arrears/Hol Pay	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(56,057.74)	HMRC	NIL	
			NIL
	UNSECURED CREDITORS		
(37,172.82)	Trade Creditors	NIL	
(24,369.43)	Employees	NIL	
(1.00)	Banks/Institutions	NIL	
(66,082.49)	HMRC (non VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
(1,109,311.33)			**(68,308.82)**
	REPRESENTED BY		
	Barclays Current Acc (Overdraft)		56,541.54
	Suspense Account - Cornerstone Float		11,377.35
	Suspense Account		(136,227.71)
			(68,308.82)

Huw Powell
Joint Administrator

APPENDIX 2

ESTIMATED FINANCIAL POSITION AS AT 4 MARCH 2025

Insolvency Act 1986

Ty Mawr Limited Trading As: Ty Mawr Nursing Home
Company Registered Number: 01832321

Estimated Financial Position as at 4 March 2025

	Book Value £	Estimated to Realise £	£
ASSETS			
Freehold Land & Property	Uncertain	Uncertain	
Barclays Bank UK Plc		(925,527.85)	
Deficiency c/d		(925,527.85)	
Furniture & Equipment	Uncertain		Uncertain
Stock	Uncertain		Uncertain
Book Debts	Uncertain		Uncertain
Cash at Bank	Uncertain		Uncertain
			NIL
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employees re Arrears/Hol Pay (Count=2)		Uncertain	
			NIL
			NIL
2nd PREFERENTIAL CREDITORS:-			
HMRC		56,057.74	
			56,057.74
			(56,057.74)
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
Deficiency b/d			925,527.85
			(981,585.59)
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			(981,585.59)
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			(981,585.59)
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			NIL
			(981,585.59)
Estimated prescribed part of net property where applicable (brought down)			NIL
			(981,585.59)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors		37,172.82	
Employees (Count=2)		24,369.43	
Banks/Institutions		1.00	
HMRC		66,082.49	
			127,625.74

Insolvency Act 1986

Ty Mawr Limited Trading As: Ty Mawr Nursing Home
Company Registered Number: 01832321

Estimated Financial Position as at 4 March 2025

	Book Value	Estimated to Realise	
	£	£	£
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(1,109,211.33)
			(1,109,211.33)
Issued and called up capital			
Ordinary Shareholders		100.00	
			100.00
TOTAL SURPLUS/(DEFICIENCY)			(1,109,311.33)

Begbies Traynor (Central) LLP
Ty Mawr Limited Trading As: Ty Mawr Nursing Home
Company Registered Number: 01832321
B - Company Creditors

Key	Name	Address	£
CA00	Advisory Insurance Brokers Limited t/a Towergat	2 Minster Court, Mincing Lane, London, EC3R 7PD	1.00
CA01	Acticare UK Limited	Skylon House, Unit 3 Munitions Close, Skylon Park, Hereford, HR2 6FN	8,020.08
CA02	Approach Care Services Ltd	117 Llanllienwen Close, Ynysforgan, Cwmrhydyceirw, Swansea, SA6 6NF	4,594.99
CB00	BT Group Plc	1 Braham Street, London, E1 8EE	330.29
CB01	Barclays Security Trustee Limited	1 Churchill Place, London, E14 5HP	925,527.85
CC00	Compare Insurance Limited	Compare House, Charter Court, Phoenix Way, Swansea, SA7 9FS	3,430.74
CC01	Cymru Healthcare Supplies Limited	Unit 6 Triange Business Park, Pentrebach, Merthyr Tydfil, CF48 4TQ	620.22
CC02	Citibank UK Limited	PO Box 4012, Swindon, SN4 4JZ	1.00
CC03	Care Management Systems Limited	Almondsbury Business Park, Unit 6 Apex Court, Bristol, BS32 4JT	1.00
CE00	ESP Environmenal Ltd	12A Soar Road, Bynea, Llanelli, SA14 9LG	1.00
CE01	Employee claims	c/o Begbies Traynor (Central) LLP, Ground Floor, 16 Columbus Walk, Brigantine Place, Cardiff, CF10 4BY	24,369.43
CF00	FedEx Express UK Limited	Express House, Holly Lane, Atherstone, England, CV9 2RY	967.28
CF01	Fire-Check (Wales)	Unit 1, 59/69 Queens Road, High Wycombe, HP13 6AH	1.00
CG00	Gartec Limited	Unit 6 Midshires Business Park, Smeaton Close, Aylesbury, HP19 8HL	4,099.37
CH00	HM Revenue & Customs	Debt Management, EIS-C, BX9 1SH	122,140.23
CH01	Health and Safety Executive	William Morgan House, 6 Central Square, Cardiff, CF10 1EP	1.00
CI00	Insight Workplace Health	Suite 24 Llan Coed House, Llandarcy, Neath, SA10 6FG	116.00
CJ00	JLA	Meadowcroft Lane, Ripponden, West Yorkshire, HX6 4AJ	3,883.83
CL00	LPG Gas Wales Direct Ltd	E M Edwards Works, Llandarcy, Skewen, Neath, SA10 6JY	500.83
CM00	Morgan Hemp & Co Ltd	103-104 Walter Road, Swansea, SA1 5QF	1,137.69
CN00	Newcross Healthcare Solutions	Gallery Office, The Granary, Dartington Estate, Totnes, TQ9 6EE	1.00
CN01	Nisbets Limited	Fourth Way, Avonmouth, Bristol, BS11 8TB	1.00
CN02	Natural UK Limited	Unit 3, Capel Hendre Industrial Estate, Ammanford, SA18 3SJ	3,412.69
CP00	PBE Fuels Limited	New House Farm, Canaston Bridge, Narberth, Pembrokeshire, SA67 8DE	4,998.00
CP01	Powys County Council	Powys County Hall, Spa Road East, Llandrindod Wells, Powys, LD1 5LG	1.00
CP02	Preventapest Limited	Unit E1, Capel Hendre Industrial Estate, Capel Hendre, Ammanford, SA18 3SJ	1.00
CP03	Phillips Services (Wales) Ltd	Stadium House, 182 Neath Road, Plasmarl, Swansea, SA1 2JT	1.00
CS00	SSE Plc	Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ	1,049.81

Begbies Traynor (Central) LLP
Ty Mawr Limited Trading As: Ty Mawr Nursing Home
Company Registered Number: 01832321
B - Company Creditors

Key	Name	Address	£
CW00	Welsh Water	Fortran Road, St Mellons, Cardiff, CF3 0LT	1.00
29 Entries Totalling			**1,109,211.33**

Notes to the Estimated Financial Position

1. As detailed within the proposals, due to the lack of available information or cooperation from the directors, the joint administrators are unable to confirm any values with certainty. Therefore, where insufficient data is held, values have been stated as uncertain.

2. Barclays holds legal charges created on 23 February 1989 and 28 February 1989 over the properties at Ty Mawr Nursing Home, Station Road, Swansea, SA9 1TP and Y Llon, Station Road, Swansea, SA9 1TP respectively. In addition, Barclays holds a debenture dated 4 October 1989 granting fixed and floating charges over the Company's assets.

   We understand that a personal guarantee was granted to Barclays by William Davies in the sum of £50,000.

3. On 3 April 2025, Jeremy Cashmore, MRICS, of Christie & Co provided a recommendation for a sale of the Care Home in the sum of £850,000. Please note that as the valuation provided by Christie & Co is commercially sensitive, it is not being disclosed here.

4. Gavel Auctioneers Limited have been instructed to provide a valuation of the Company's chattel assets, including the biomass boiler.

5. In respect of the Company's book debts, Cornerstone are in the process of reconciling each resident's account. This information is not fully available from Company records and there is no available management information since the December 2023 accounts. In addition, errors and omissions have been discovered in the Company's billing.

6. Employee claims under The Employment Rights Act 1996 which are claimed preferentially constitute arrears of pay to a maximum of £800 per employee and holiday pay, together with any element of employee pension contribution arrears. Pay in lieu of notice, redundancy pay, arrears of pay in excess of £800 and any employer pension contribution arrears are non-preferential. These values are currently uncertain.

7. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "Net property" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The prescribed part is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of either £600,000 or £800,000).

   We will not be required to set aside the prescribed part of net property if:

   a. The net property is less than £10,000 <u>and</u> we think that the cost of distributing the prescribed part would be disproportionate to the benefit;

   b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.

8. The secondary preferential claim of HMRC is estimated at £56,057.74 relating to PAYE and employee's NIC for periods ending 5 February 2024 onwards.

9. The unsecured claim of HMRC is estimated at £66,082.49, relating to employer's NIC for periods ending 5 February 2024 onwards, plus interest.

10. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.

11. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

12. Transactions with directors and associates.

    Standard practice requires disclosure to the creditors of any transactions (other than in the ordinary course of business) between the Company (including any of its subsidiaries or any other company in which it has or had an interest) and any of its directors or their associates (as defined in Section 435 of the Act) in the period of two years prior to the commencement of administration, and in the period since the commencement of the administration, or proposed to be undertaken.

    The joint administrators are not aware of any such transactions, however, as detailed above there has been a lack of available information or cooperation from the directors. Should we become aware of any such transactions, these will be disclosed within future progress reports.

JOINT ADMINISTRATORS' EXPENSES

To assist creditors in determining the matter of pre-administration costs and the joint administrators' expenses, the following further information appears in this appendix:

- Begbies Traynor (Central) LLP's charging policy
- Pre-administration work, costs and proposed remuneration with Pre-Administration Time Costs Analysis is attached.
- Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: http://www.creditorinsolvencyguide.co.uk/

TY MAWR LIMITED - IN ADMINISTRATION

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

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

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

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

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.

- Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:

  (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or

  (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London[£150) per meeting
- Car mileage which is charged at the rate of 45 pence per mile

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

It may become necessary to instruct Eddisons Commercial Limited to provide services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the period following appointment is £1,675 per month inclusive of Insurance Premium Tax, but is dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm and is currently on the Barclays' panel of approved suppliers of insolvency services. The panel rates applying to the Cardiff office as at the date of this report are as follows:

Grade of staff	Charge-out rate
Appointment taker/partner	295
Managers/directors	295
Other professional	295
Junior professional/support	295

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6 minute units.

DETAILS OF THE WORK CARRIED OUT PRE ADMINISTRATION, THE ASSOCIATED COSTS AND THE PROPOSED REMUNERATION FOR THE WORK

CASE NAME:	Ty Mawr Limited t/a Ty Mawr Nursing Home
CASE TYPE:	Administration
OFFICE HOLDERS:	Huw Powell and Katrina Orum
DATE OF APPOINTMENT:	4 March 2025

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

Staff with the appropriate skills and expertise have been assigned to the day to day administration of this matter.

1.3 Overview of work undertaken prior to appointment

In the period before the Company entered into administration, we carried out work consisting of liaising with Barclays and their solicitor regarding the preparation of the administrators' appointment documents. We also reviewed publicly available information and formulated our strategy in conjunction with Cornerstone.

1.4 Complexity of work undertaken prior to appointment

In the period before the Company entered administration, time was spent liaising with Barclays with a view to achieving the best possible outcome for creditors.

The lack of information regarding the Company's financial position and hostile nature of our appointment brought a moderate level of complexity.

1.5 Exceptional responsibilities

None.

1.6 **The proposed Administrators' effectiveness**

We consider that the work undertaken has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). We therefore consider that our work has been completed effectively.

1.7 The views of the creditors

Discussions were held with the Company's largest creditor, Barclays. Unfortunately, without a substantial repayment of their outstanding liability, or a willingness to agree new loan terms by the directors, Barclays considered that there was no alternative but to appoint administrators under their floating charge security.

1.8 Approval of fees, and expenses incurred in the period prior to appointment

The joint administrators are seeking a resolution in relation to their pre-administration costs that the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

None.

1.10 Other professionals employed & their costs

Solicitors TLT LLP were engaged to assist with the preparation of the administrators' appointment documents in respect of the sale of the Company's business and assets. Their fees are on a time cost basis capped at £5,000 plus VAT as agreed with the secured creditor. In addition, disbursements of £65 plus VAT where applicable were incurred.

1.11 Staffing and management

Staff with the appropriate expertise were assigned to engagement

TY MAWR LIMITED - IN ADMINISTRATION

SIP9 Ty Mawr Limited - Pre Appointment - 40TY039.PRE Pre-Administration Time Costs Analysis For The Period From 01/01/2000 To 04/03/2025

Staff Grade		Consultant/ Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration	Administration	13				0.1					140	413.00	295.00
	Case planning	3.6		19					2.7		8.20	2,419.00	295.00
Assets	Negotiation of sale of business +/ assets												
Creditors	Other creditors												
	Secured - correspondence and meetings	0.7									0.70	206.50	295.00
Other Matters	Meetings and correspondence with directors		0.3	0.2							0.50	147.50	295.00
	Travel			10							100	295.00	295.00
Total hours by staff grade		5.6	0.3	3.1		0.1			2.7		118		
Total time cost by staff grade £		1652.00	88.50	914.50		29.50			796.50			3,481.00	
Average hourly rate £		295.00	295.00	295.00		295.00			295.00				295.00
Total fees drawn to date £												0.00	

TY MAWR LIMITED - IN ADMINISTRATION

TY MAWR LIMITED TY MAWR NURSING HOME

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, requisitioned meetings, dividends etc.	£104 per advert
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	£103
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy	£1,675 per month
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	32.2p per box per month for storage plus £6 per box for destruction
5.	Property agent's valuation fees and disbursements	The fees of any third party instructed to assist with the valuation of the Company's freehold property and their anticipated disbursements	£3,500 plus VAT
6.	Property agent's deal management fee and disbursements	The fees of Christie & Co, instructed to assist with the sale of the Company's freehold property to the existing interested party and their anticipated disbursements.	£5,500 plus VAT plus disbursements estimated at up to £1,500 In the event that full marketing is required, Christie & Co's costs would be £20,000 plus VAT and disbursements estimated at up to £1,500
7.	Chattel asset agent's valuation fees and disbursements	The fees of any third party instructed to assist with a valuation of the Company's chattel assets	£1,000 plus VAT (estimated) and disbursements estimated at up to £500

8.	Chattel asset agent's sale fees, and disbursements	The fees of any third party instructed to assist with the sale of the Company's chattel assets	Seller's commission of 10% of realisations (excluding any buyer's premium if sold via auction) plus VAT and disbursements (no estimate currently available)
9.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	£50,000 plus VAT (based on Barclays' panel rates)
10.	Operating consultant's costs	The costs of Cornerstone Care Solutions Ltd's costs in acting as operating consultant for the Care Home	£8,000 plus VAT per month, plus double fees in the first and last months of trading.
11.	Mileage costs	The mileage costs of Begbies Traynor employees in attending to case specific matters	45p per mile
12.	Trading expenses	Expenditure incurred in trading the business to include, but not limited to, wages/salaries, PAYE/NIC, pension contributions, agency staff costs, operating consultant's fees, accountant's fees, rates, heating fuel, utilities, IT/software, telephone/internet, food and medical supplies	£33,000 per month plus wage arrears of up to £88,000 (of which c£32,000 is expected to be paid direct by the administrators)
13.	Capital expenditure	Capital expenditure incurred in relation to the Care Homea s required by HSE or other legislation	£25,000 plus VAT (estimated)
14.	Corporation tax	Tax is payable as an expenses of the administration on bank or other interest received	Payable the prevailing rate, currently 19% for the first year and 25% thereafter

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.

As the Company was not registered for VAT, VAT incurred on expenses cannot be recovered from HM Revenue & Customs.