In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

# AM10
## Notice of administrator's progress report

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.

# AM10
Notice of administrator's progress report

## 6 Period of progress report

| | | | |
|---|---|---|---|
| From date | d0 d4 | m0 m3 | y2 y0 y2 y5 |
| To date | d0 d3 | m0 m9 | y2 y0 y2 y5 |

## 7 Progress report

☑ I attach a copy of the progress report

## 8 Sign and date

Administrator's signature

Signature

X [signature] X

| | | | |
|---|---|---|---|
| Signature date | d0 d3 | m1 m0 | y2 y0 y2 y5 |

# AM10
Notice of administrator's progress report

## 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 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

Begbies Traynor

Huw Powell and Katrina Orum were appointed joint administrators on 4 March 2025

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)

## Progress report of the joint administrators

## Period: 4 March 2025 to 3 September 2025

**Important Notice**

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

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# Contents

# 1. INTERPRETATION

| **Expression** | **Meaning** |
|---|---|
| "the Company" | Ty Mawr Limited t/a Ty Mawr Nursing Home (In Administration) |
| "the administration" | The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 4 March 2025 |
| "the administrators" "we" "our" and "us" | Huw Powell and Katrina Orum of Begbies Traynor (Central) LLP |
| "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<br>(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 Insolvency Act 1986 |

# 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 |

# 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

| | |
|---|---|
| Names of the administrators: | Huw Powell and Katrina Orum, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP |

| | |
|---|---|
| The administrators contact address: | Ground Floor, 16 Columbus Walk, Brigantine Place, Cardiff, CF10 4BY |
| Date of administrators' appointment: | 4 March 2025 |
| Date of administrators' 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) |
| Extensions of the administration period: | There have been no previous extensions to the administration period. |

# 4. PROGRESS DURING THE PERIOD

**Receipts and Payments**

Attached at Appendix 1 is our trading account and abstract of receipts and payments for the period from 4 March 2025 to 3 September 2025.

As the Company provided services exempt from VAT, it was not VAT registered. Therefore, VAT incurred on expenses cannot be reclaimed from HM Revenue & Customs ("HMRC"). For the purposes of our receipts and payments account, all expenses have been detailed inclusive of VAT where applicable.

A sale of the Company's business and assets to Mawr Care Limited ("MC") completed on 30 June 2025. Further detail in this regard can be found below under the heading 'Realisation of assets'.

<u>TRADING ACCOUNT – RECEIPTS</u>

*Sales*
The sum of £521,304.96 has been received in respect of care home fees payable for the period after the commencement of the administration up to completion of the sale on 30 June 2025.

<u>TRADING ACCOUNT – PAYMENTS</u>

*Purchases*
The total sum of £30,800.32, inclusive of VAT where applicable, has been paid in respect of direct purchases relating to food in the sum of £18,151.18 and medical supplies and consumables in the sum of £12,649.14.

*Other Direct Costs*
The total sum of £415,094.89 has been paid in respect of staffing costs, relating to agency staff costs in the sum of £27,742.91, monthly and weekly payroll costs in the sum of £21,060.46 and £283,377.45 respectively, PAYE/NIC deductions thereon in the sum of £82,361.94, and pension contributions in the sum of £552.13.

Included within the amounts stated for monthly and weekly payroll costs is the sum of £32,406.86 which relates to the pre-administration period, and was required to be paid in order ensure the continued operation of the business.

*Trading Expenditure*
The total sum of £124,095.25 has been paid in respect of trading expenditure. Please refer to the trading account for a full detailed breakdown, though the material costs included are as follows:

- The sum of £13,041.21 has been paid to PBE Fuels Limited for the supply of pellets for the Company's biomass boiler;

- As detailed within our statement of proposals, prior to our appointment the Health and Safety Executive ("HSE") had placed an embargo on new residents until February 2025 following the death of a resident. Whilst the embargo had been lifted, certain measures required by the HSE had to be implemented. The administration estate has therefore incurred the sum of £26,626.99 in relation to repairs and maintenance services required to comply with HSE requirements, which is shown as a trading expense rather than as capital expenditure; and

- To ensure a smooth transition and to maintain high standards of care, specialist consultants Cornerstone Care Solutions Limited ("Cornerstone") were appointed as operating consultants to oversee trading operations on behalf of the joint administrators. The total sum of £56,909.53 has been paid to Cornerstone in relation to their fees and expenses.

<u>FIXED CHARGE – RECEIPTS</u>

*Freehold Land & Property*
The sum of £800,000 has been realised in respect of premises at Ty Mawr Nursing Home, Abercrave, Swansea, SA9 1TP ("the Care Home"). Further detail in this regard can be found below under the heading 'Realisation of assets'.

*Fixtures & Fittings*
The sum of £39,495 has been realised in respect of the Company's fixtures and fittings. Further detail in this regard can be found below under the heading 'Realisation of assets'.

*Goodwill/Records/Contracts/Name/IPR*
The total sum of £5 has been realised in respect of the Company's goodwill, business records, contracts, trading name and intellectual property rights, with the sum of £1 attributable to each. Further detail in this regard can be found below under the heading 'Realisation of assets'.

<u>FIXED CHARGE – PAYMENTS</u>

*Legal Fees*
The sum of £54,269.88 inclusive of VAT has been paid to TLT LLP ("TLT") in relation to their costs for assisting with the sale of the Company's business and assets.

*Agents/Valuers Fees*
The sum of £10,800 inclusive of VAT has been paid to Christie, Owen & Davies Limited ("Christie & Co") in relation to their costs for assisting with the valuation, marketing and sale of the Care Home.

*Secured Creditors*
The sum of £500,000 has been distributed to Barclays Security Trustee Limited ("Barclays") under the terms of their legal charges and debenture. Further detail in this regard can be found below under Section 5.

FLOATING CHARGE – RECEIPTS

*Plant & Machinery, Furniture & Equipment*
The sum of £10,500 has been realised in respect of the Company's plant and machinery and furniture and equipment. Further detail in this regard can be found below under the heading 'Realisation of assets'.

*Stock*
The sum of £500 has been realised in respect of the Company's stock. Further detail in this regard can be found below under the heading 'Realisation of assets'.

*Book Debts*
The sum of £68,887.96 has been received in respect of care home fees payable for the period prior to the commencement of the administration. Further detail in this regard can be found below under the heading 'Realisation of assets'.

*Sundry Refunds*
The sum of £5,437.14 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.

*Cash at Bank*
The sum of £48,906.44 has been realised in respect of the Company's cash at bank. Further detail in this regard can be found below under the heading 'Realisation of assets'.

*Trading Surplus/(Deficit)*
As detailed within the trading account, a deficit in the sum of £48,685.50 has been generated during the administration trading period to date. However, please note that although the trading period ceased on 30 June 2025, the trading deficit is subject to change for the following reasons:

- There remain unpaid resident fees of approximately £26,500, which are overdue and being chased for payment. The level of anticipated recovery in this regard is uncertain at this time in part as the fees payable can be retrospectively amended following assessments of needs and means by councils and following the death of a resident;

- We have been unable to pay all pension deductions to the Company's pension scheme as access to the scheme's online account has been blocked by the pension provider. As a result, the Company's payroll advisor has been unable to upload contribution schedules and the joint administrators have been unable to make the corresponding payments. A formal complaint has been made to the pension provider and the Pension Ombudsman. Further pension deductions expected to be in the region of £7,500 will be payable in due course, once the Company's access has been reinstated;

- We are continuing to liaise with the Company's suppliers following completion of the sale of the Company's business and assets, and await confirmation as to the final trading period expenses payable by the Company, currently anticipated to be between £15,000 and £21,500;

- Insurance costs of £5,221 are yet to be paid;

- We will liaise with HMRC in relation to whether approximately £10,600 in straddling period PAYE/NICs will rank as an expense; and

- The sum of £13,172.40 is currently held in 'Suspense Account – Purchaser' relating to care home fees for the period after completion of the sale of the Care Home, but received by the administration estate. These funds are currently being ringfenced for MC, but a proportion may be retained by the administration estate as payment for fees paid to MC instead of the Company.

FLOATING CHARGE – PAYMENTS

*Pre-Administration Expenses*
The following sums have been paid in respect of pre-administration fees and expenses, as approved by Barclays as secured creditor:

- Begbies Traynor (Central) LLP – £4,177.20 inclusive of VAT
- TLT – £6,067.00 inclusive of VAT

*Legal Fees*
The sum of £8,064.00 inclusive of VAT has been paid to TLT in relation to their costs for assisting with employment and director dispute related matters. Further information can be found under the headings 'Realisation of assets' and 'Dealing with all creditors' claims' below.

*Statutory Advertising*
The sum of £124.80 inclusive of VAT has been paid to EPE Reynell Advertising Limited in respect of statutory advertising costs.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

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 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 done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

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. Case files have been set up and regular case reviews have been carried out to ensure that case specific matters are adequately progressed.

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 joint administrators are required to comply with statutory compliance and reporting requirements, and this has included preparing the post appointment statutory notifications of the administration to the Company, the Registrar of Companies and creditors, along with the required statutory advertising.

Time has also been incurred in preparing the joint administrators' statement of proposals, which were circulated to the Registrar of Companies, creditors and members, along with the subsequent notice of approval of the administrators' proposals. We have also requested the preparation of the statement of affairs from one of the Company's directors, though this has not been returned.

The 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. The bond level has been regularly reviewed.

Whilst there is no direct financial benefit to the administration, all of the above will allow the joint administrators to effectively manage the administration and creditors do benefit from the information they receive.

*Investigations*

We have a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, an administrator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department of Business Innovation and Skills. These duties have been complied with during the period covered by this report.

Correspondence to the directors of the Company who held office within the three years prior to the commencement of the administration, including a questionnaire to assist with the joint administrators' investigations, has been delivered, but no response has been received.

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 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 and access to software controlled by the directors has been removed, which has hampered our ability to fully assess the financial position of the business and caused a temporary disruption to operations.

However, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration and potential recoveries for the estate using the limited records available, including bank statements and full financial statements.

We are also assisting HSE with their ongoing criminal investigation into the death of a resident outside the home prior to our appointment.

The joint administrators' investigations remain ongoing at this time and full information in this regard cannot be provided so as not to prejudice our position. A full update will be provided when it is appropriate to do so.

*Realisation of assets*

*Business and Asset Sale*
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 based in the USA. We also made contact with Mr Davies' son, Jason Davies, who is also based in the USA and is a 9% shareholder. Further details in relation to the Company's ongoing trade can be found below under the heading 'Trading'.

Conversations with Jason Davies confirmed 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 this could not be achieved, therefore the joint administrators are continued efforts to achieve a sale of the Care Home.

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. One party, which later incorporated as MC, 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 Ty Mawr Farm which is privately owned by the Davies family and/or Mr Adrian. This led to MC submitting an application for registration to operate the Care Home to Care Inspectorate Wales ("CIW") shortly prior to our appointment.

Following our appointment, we continued the dialogue with the two most progressed parties. However, matters became complicated by the fact that the Davies family raised a boundary and access dispute in relation to the adjoining land at Ty Mawr Farm. Jason Davies purports to own this land, but William Davies is the registered owner at HM Land Registry and Mr Adrian also appears to claim an interest in the land.

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

Enquiries were made of staff, who confirmed that the Company has had access over Ty Mawr Farm for in excess of 20 years and likely since 1989 or earlier. Further, we established that the Company installed and paid for a biomass boiler in a custom-built building on Ty Mawr Farm during 2014 and this provided the main source of heat and hot water to the Care Home.

Jason Davies instructed the construction of a barrier on the purported boundary, which prevented vehicular access to the biomass boiler and the rear of the Care Home. This access point had also been used for ambulance and waste vehicle access and was required for the safe operation of Care Home. These actions were purportedly taken to look after the interests of the Davies family but also sought to frustrate the administration and prevent any sale of the Care Home on commercial terms. Jason Davies had also made direct contact with proposed purchasers of the Care Home in respect of the above issues and was demanding payment from the administration for ongoing access to the site and use of the boiler, without providing any evidence of the basis for such charges.

Having sought legal advice, the joint administrators were satisfied that the Company had access rights to the boiler and considered that any attempts to prevent access would put vulnerable residents of the Care Home at risk. The joint administrators' stance was notified to Jason Davies, the directors and their legal representatives, and the barrier was removed.

Independent agent Jeremy Cashmore MRICS of Christie & Co provided a valuation report in respect of the Care Home and Rob Kinsman FRICS of Christie & Co provided a recommendation for sale following a review of the two offers received. On 3 April 2025 Christie & Co recommended that the offer received in the sum of £850,000, on a cash basis from MC, who had 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 as secured creditor, the offer was accepted subject to contract and full heads of terms were negotiated.

Gerald Cole MRICS of independent agent Gavel Auctioneers Limited ("Gavel") was 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.

Considerable time was incurred by the administrators and Cornerstone in liaising with the purchaser and CIW to ensure that all required steps to achieve a sale were completed. As detailed above, a sale of the Company's business and assets to MC completed on 30 June 2025, for total consideration of £850,500 which was paid in full upon completion. The sale is broken down as follows:

| **Category of Asset** | **Sum Paid £** |
|---|---|
| The Care Home | 800,000 |
| Fixtures & fittings | 39,495 |
| Plant & machinery, furniture & equipment | 10,500 |
| Stock | 500 |
| Goodwill | 1 |
| Business records | 1 |
| Contracts | 1 |
| Trading name | 1 |
| Intellectual property rights | 1 |

*Book Debts*
As detailed above, access to software controlled by the directors had been removed, and we were not provided with aged debtor information. We have worked closely with Cornerstone to obtain copies of any physical records remaining on site at the Care Home which indicated amounts invoiced in relation to each resident. These invoices were reviewed against receipts identified within the available bank statements, in attempt to ascertain whether there were any residual balances outstanding as at the date of our appointment. Input has also been sought from local authority funding providers where applicable, to assist with these reconciliations.

We identified outstanding balances as at the date of our appointment totalling £77,955.36. Time has been incurred in liaising with Cornerstone and requesting payment of these outstanding balances, and the total sum of £68,887.96 has been received to date. This time has predominantly been charged to trading, since the collection of debtors was intrinsically linked to ongoing resident fees.

It has not been possible to fully reconcile the position of each resident because there is no certainty that the records we have been able to obtain from the Care Home are complete. In addition, the bank statements that we are in possession of do not date as far back as the commencement date for some residents, cheque receipts within the bank statements are without narrative and therefore cannot be attributed to particular residents, and we do not have full information in relation to historic fee structures of every resident. For these reasons, we cannot be fully certain as to whether the debtor balances that we have identified are complete.

*Cash at Bank*
The Company's banks were notified of the administration and requests for the transfer of credit balances held were made. During the period, the total sum of £93,215.19 has been received from National Westminster Bank Plc ("NatWest") in relation to both the credit balance held on appointment and the sum of post-administration credits received by the account. Initially, and at the time of circulating the joint administrators' statement of proposals, funds were held in a suspense account pending reconciliation. Time has been incurred liaising with NatWest to obtain copy bank statements in order to determine the nature of the funds received. Upon receipt of the bank statements and following a review of the transactions, it transpired that a proportion of these funds were identified as relating to either book debts or pre-appointment payment of fees payable for the period after the commencement of the administration, and were therefore allocated to book debts and trading sales accordingly, and are reflected within these respective figures detailed above. The residual sum of £48,906.44 represents the underlying cash at bank credit balance available as at the date of our appointment.

*Biomass Boiler*
Following completion of the sale of the Company's business and assets, which excluded the biomass boiler, Gavel were also instructed to provide a valuation and market the biomass boiler for sale. Time has been incurred liaising with Gavel for periodic updates. Gavel have advised that they are liaising with interested parties, but a sale has not yet materialised in part as Gavel are experiencing issues in accessing the boiler on the privately owned land. As part of the sale agreement, any net realisations from the biomass boiler are to be split 50/50 with MC.

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, albeit no sums have been received during the period.

*Trading*

As detailed above, 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 as detailed above, 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 HSE remained outstanding.

The joint administrators' primary priorities were 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 CIW, 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 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 was in arrears.

Contact was made with various key suppliers to provide undertakings for continued supply during the administration trading period, and these undertakings were withdrawn following completion of the sale of the Care Home.

The Company's payroll was 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 during the trading period to ensure that employee wages and salaries continued to be paid during the administration. It also became apparent that a number of employees were sponsored under a Skilled Worker sponsor licence, and time has been incurred in liaising with TLT for advice on the position and making the necessary notifications to the UK Visas and Immigration Service and obtaining access the Company's registration online.

As detailed above and as shown within the trading account, a net deficit in the sum of £48,685.50 has been generated during the trading period to date. However, although the trading period ceased on 30 June 2025, the net trading deficit is subject to change as we continue to reconcile the final position for reasons as set out above. In addition, included within the deficit are wage arrears of £32,406.86, and operating consultant's fees of £56,909.53. We currently expect that the final outcome will be a trading loss of between approximately £63,000 and £92,000, which is in line with our expectations at the time of issuing our proposals that trading would be at approximately break even or a small loss excluding employee arrears and care agent costs.

As anticipated, although trading the business has not had a direct financial benefit to creditors, the value achieved for the sale of the Care Home was significantly higher than the anticipated value that would have been achieved if sold in a shut down scenario.

Further, the Company has been able to avoid material costs and losses if a wind down strategy was implemented, including employee claims for redundancy and notice pay estimated to have been approximately £157,000. Debtor realisations would have been reduced and residents who paid in advance would also have creditor claims. Finally, moving the Care Home's residents would present a risk to their health and was 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 aim to respond in a timely and effective manner. We have received enquiries and correspondence from a number of creditors, which we are required to deal with in order to establish the level of claims against the Company. Creditor claims received to date have been registered within the joint administrators' records.

Upon the joint administrators' appointment, the Company employed 49 employees, 47 of which were 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 ("RPS") 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 the former employees 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 accept the offer recommended by Christie & Co in relation to the sale of the Company's business and assets.

*Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel*

Time has been incurred in preparing the necessary documents to seek secured creditor approval of various resolutions sought following the joint administrators' appointment.

Notification of the administration was sent to HMRC and time has been incurred in liaising with Morgan Hemp in respect of the required PAYE submisisons.

Enquiries have been made into the pension schemes operated by the Company in order to comply with s120 of the Pensions Act 2004, and the necessary notifications have been made. As detailed above, access to the Company's online pension account has been restricted by the pension provider and significant time has been incurred liaising with the pension provider, including raising a formal complaint, regarding the reinstatement of access. The complaint remains without resolution, and therefore the matter has also been brought to the attention of The Pensions Regulator and The Pensions Ombudsman.

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

# 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals. On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

**Secured creditor**

Barclays hold legal charges created on 23 February 1989 and 28 February 1989 over the Care Home. 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.

As detailed above, an interim distribution in the sum of £500,000 has been paid to Barclays under their fixed charge. Based upon present information, it is anticipated that there may be sufficient funds to enable a further small distribution to Barclays under their fixed charge security, though this is dependent upon the finalisation of the administration realisations and costs, and the agreement of the joint administrators' remuneration. It is anticipated that Barclays will suffer a significant 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**

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

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, there is no net property as defined in Section 176A(6) of the Act 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 we have previously confirmed, 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.

# 6. PRE-ADMINISTRATION COSTS

On 7 April 2025, the following amounts in respect of unpaid pre-administration costs were approved by Barclays, as the secured creditor:

| **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** |

# 7. REMUNERATION & EXPENSES

The basis of the joint administrators' remuneration has not yet been fixed as a decision has not previously been sought. In conjunction with the progress report we will be seeking a decision of the secured creditor for approval of our remuneration on a time cost basis as set out in the fees estimate at Appendix 2.

However, we have already been authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 4 March 2025 to 3 September 2025 amount to £232,784.50 which represents 789.1 hours at an average rate of £295.00 per hour.

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

- Time Costs Analysis for the period 4 March 2025 to 3 September 2025
- Begbies Traynor (Central) LLP's charging policy

For the avoidance of doubt, no sums have been drawn on account of the joint administrators' remuneration to date, and will not be drawn until the necessary approval is obtained.

**Time Costs Analysis**

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

**Category 1 Expenses**

To 3 September 2025, we have not drawn any expenses.

**Why have subcontractors been used?**

As detailed above, Cornerstone were 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 were met.

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

Their total fees and expenses in this regard were £56,909.53, inclusive of VAT where applicable.

**Category 2 Expenses**

Details of the Category 2 expenses that have been incurred, but not yet drawn, during the period of this report in accordance with the approval obtained in the total sum of £5,300.18, inclusive of VAT where applicable, are as follows:

| **Other amounts paid or payable to the office holder's firm** | |
|---|---|
| **Type and purpose** | **Amount £** |
| Mileage – Begbies Traynor (Central) LLP employees | 79.38 |
| Eddisons Insurance Services Limited, which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets. | 5,220.80 |
| **TOTAL** | **5,300.18** |

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

# 8. ADMINISTRATORS' EXPENSES

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

**Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated the expenses of the administration would total £85,103, plus the following variable expenses:

- Advertisements charged at £104 per advert;
- Insurance premiums charged at £1,675 per month;
- Storage costs charged at 32.2p per box per month for storage and £6 per box for destruction;
- Estimated property agent's disbursements of up to £1,500;

- A provision of £20,000 and estimated disbursements of up to £1,500 for property agent's deal management fees and disbursements in the event that full marketing was required;
- Estimated chattel agent's disbursements of up to £500;
- Chattel agent's commission charged at 10% of realisations;
- Operating costs charged at £8,000 per month, plus double fees in the first and last month of trading;
- Mileage costs charged at 45p per mile;
- Trading expenses of £33,000 per month plus wage arrears of up to £88,000;
- Corporation tax charged at the prevailing rate; and
- VAT where applicable.

Technically, the expenses that we have incurred so far have exceeded the estimate provided in the table included in our proposals and there will be further expenses to pay before the case concludes. The reason why the estimate has been exceeded is that there was a typographical error within the table of our original estimate in relation to trading expenses, which should have detailed an estimate of £33,000 per week, rather than £33,000 per month. The narrative included in the proposals report correctly noted that the trading expenses would be approximately £33,000 per week, but this disclosure is being made for the sake of transparency.

For further completeness, the following additional costs have been incurred that were not included in our original estimate, albeit without the above error, the estimate would not have been exceeded:

- Additional legal fees have been incurred in relation to employment and director dispute matters, which were not anticipated at the time of our original estimate; and
- No provision was made for operating consultant's disbursements, which included material travel costs.

Otherwise, the expenses that we have incurred and expect to incur are in line with our original estimate and we include a revised estimate covering the above in appendix 3.

# 9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

We have requested the preparation of the statement of affairs by the director, though this has not been provided. As detailed above, due to the lack of available information or cooperation from the directors, the joint administrators are unable to confirm any asset values with certainty. We understood the assets of the Company to comprise of the Care Home, plant and machinery, furniture & equipment, stock, book debts and cash at bank. As this stage in the administration, we have the following assets left to realise:

- Outstanding sales;
- Stock reconciliation;
- The biomass boiler and RHIs;
- Book debts; and
- Any transaction or sum which may be deemed recoverable as a result of our investigations, which remain ongoing at this time.

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

_General case administration and planning_

The joint administrators will continue to undertake periodic reviews of the case and will update their case strategy as necessary 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.

*Compliance with the Insolvency Act, Rules and best practice*

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

- Providing creditors with six monthly progress reports, including filing at Companies House;
- Producing a final report at the end of the administration;
- Implementing an appropriate exit route from 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 the secured creditor and time will be incurred in recording the outcome of the decision.

*Investigations*

We will continue to undertake our assessment of the manner in which the business was conducted prior to the administration and potential recoveries for the estate using the limited records available, including bank statements and full financial statements.

Any transaction which may be deemed recoverable as a result of our investigations will be pursued accordingly.

The joint administrators' investigations remain ongoing at this time and full information in this regard cannot be provided so as not to prejudice our position. A full update will be provided when it is appropriate to do so.

*Realisation of assets*

*Stock reconciliation*
MC were obliged to provide an independent stock take following completion but have failed to do so and we are in negotiations to seek to agree a further payment for stock as at completion.

*Book Debts*
We will continue to pursue the outstanding debtor balances to obtain funds for the benefit of the administration estate.

*Biomass Boiler*
We will continue to liaise with Gavel for updates with regards to the progression of the sale of the biomass boiler. We will also continue to liaise with Ofgem to obtain any RHI rebates payable to the Company.

*Trading*

We will continue to liaise with residents, local authorities, MC, suppliers, utility companies, HMRC and the Company's pension provider in order to finalise the trading receipts and payments position.

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

We will continue to deal with general creditor queries as and when they arise until the administration is closed.

Time will be incurred in liaising with Barclays in respect of the settlement of their outstanding liability, and in making distributions as appropriate.

*Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel*

As detailed above, in conjunction with the progress report we will be seeking a decision of the secured creditor for approval of our remuneration. The necessary documents will be prepared, and the outcome of the decision recorded.

We will submit the corporation tax returns to HMRC throughout the course of the administration as and when they fall due. We will seek clearance from HMRC prior to closure of the administration.

We will continue to liaise with the Company's pension provider, The Pensions Regulator and The Pensions Ombudsman to seek to reinstate the Company's access to the online pension account. Once access has been obtained, a review of the account will be undertaken and any outstanding pre-administration contributions will be claimed via the RPS, if eligible. Details of pension contributions relating to the trading period will be uploaded and paid accordingly as a trading expense of the administration.

**How much will this further work cost?**

As detailed within the fee estimate attached at Appendix 3, it is anticipated that the cost of the work already completed and remaining to be completed will be £282,285.50 excluding VAT.

**Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses attached at Appendix 3.

**What is the anticipated payment for administering the case in full?**

As detailed above, we estimate that the cost of administering the case will be £282,285.50, and approval for us to draw our remuneration up to that level is being sought from the secured creditor. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, less any costs incurred in realising those assets. At this stage in the administration, subject to approval, I can estimate that total remuneration drawn will be in the region of £246,000 to £282,285.50 excluding VAT.

Costs incurred over and above our approval will be written off. However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

# 10. OTHER RELEVANT INFORMATION

**Connected party transactions**

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

**Proposed exit route from administration**

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.

Should an extension to the administration be required, this will be sought from Barclays.

**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.

# 11. CREDITORS' RIGHTS

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

# 12. CONCLUSION

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

**Huw Powell**
Joint Administrator

Dated: 3 October 2025

**APPENDIX 1**

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 March 2025 to 3 September 2025

## Ty Mawr Limited Trading As: Ty Mawr Nursing Home
## (In Administration)
## Joint Administrators' Trading Account
## To 03/09/2025

| S of A £ | | £ | £ |
|---|---|---|---|
| | POST APPOINTMENT SALES | | |
| | Sales | 521,304.96 | |
| | | | 521,304.96 |
| | PURCHASES | | |
| | Food | 18,151.18 | |
| | Medical supplies & consumables | 12,649.14 | |
| | | | (30,800.32) |
| | OTHER DIRECT COSTS | | |
| | Agency staff costs | 27,742.91 | |
| | Wages and Salaries | | |
| | Monthly Payroll | 21,060.46 | |
| | Weekly Payroll | 283,377.45 | |
| | PAYE/NIC | 82,361.94 | |
| | Pension | 552.13 | |
| | | | (415,094.89) |
| | TRADING EXPENDITURE | | |
| | Rates | 547.40 | |
| | Utilities | | |
| | Heating Fuel | 13,041.21 | |
| | Gas | 870.65 | |
| | Water | 3,659.65 | |
| | Telephone/Internet | 1,058.35 | |
| | Professional Fees | | |
| | Accountancy Fees | 2,397.60 | |
| | Recruitment Fees | 4,942.08 | |
| | Advisory Fees | 694.80 | |
| | Bank Charges/Interest | 44.24 | |
| | Service Contracts | 7,278.56 | |
| | Repairs & Maintenance | 26,626.99 | |
| | Sundry Expenses | 3,093.18 | |
| | Training | 1,476.00 | |
| | Subscriptions and Licences | 1,455.01 | |
| | Agents' Fees and Expenses | | |
| | Fees | 52,284.70 | |
| | Expenses | 4,624.83 | |
| | | | (124,095.25) |
| | **TRADING SURPLUS/(DEFICIT)** | | **(48,685.50)** |

**Ty Mawr Limited Trading As: Ty Mawr Nursing Home**
**(In Administration)**
**Joint Administrators' Summary of Receipts & Payments**
**To 03/09/2025**

| S of A £ | | £ | £ |
|---|---|---|---|
| | SECURED ASSETS | | |
| Uncertain | Freehold Land & Property | 800,000.00 | |
| | Fixtures & Fittings | 39,495.00 | |
| | Goodwill/Records/Contracts/Name/IPR | 5.00 | |
| | | | 839,500.00 |
| | COSTS OF REALISATION | | |
| | Legal Fees | | |
| | Fees | 54,269.88 | |
| | Agents/Valuers Fees | | |
| | Christie & Co | 10,800.00 | |
| | | | (65,069.88) |
| | SECURED CREDITORS | | |
| (925,527.85) | Barclays Bank UK Plc | 500,000.00 | |
| | | | (500,000.00) |
| | ASSET REALISATIONS | | |
| Uncertain | Plant & Machinery, Furniture & Equipm | 10,500.00 | |
| Uncertain | Stock | 500.00 | |
| Uncertain | Book Debts | 68,887.96 | |
| | Sundry Refunds | | |
| | Utilities | 5,437.14 | |
| Uncertain | Cash at Bank | 48,906.44 | |
| | Trading Surplus/(Deficit) | (48,685.50) | |
| | | | 85,546.04 |
| | COST OF REALISATIONS | | |
| | Pre-Administration Expenses | | |
| | Begbies Traynor (Central) LLP | 4,177.20 | |
| | TLT LLP | 6,067.00 | |
| | Legal Fees | | |
| | Fees | 8,064.00 | |
| | Statutory Advertising | | |
| | Advertising | 124.80 | |
| | | | (18,433.00) |
| | 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 |

**Ty Mawr Limited Trading As: Ty Mawr Nursing Home**
**(In Administration)**
**Joint Administrators' Summary of Receipts & Payments**
**To 03/09/2025**

| S of A £ | | £ | £ |
|---|---|---|---|
| | DISTRIBUTIONS | | |
| (100.00) | Ordinary Shareholders | NIL | |
| | | | NIL |
| **(1,109,311.33)** | | | **341,543.16** |
| | REPRESENTED BY | | |
| | Barclays Current Acc (Overdraft) | | 358,375.21 |
| | Accruals (Expenditure) | | (3,659.65) |
| | Suspense Account - Purchaser | | (13,172.40) |
| | | | **341,543.16** |

Note:

Huw Powell
Joint Administrator

**APPENDIX 2**

# COSTS AND EXPENSES

a. Begbies Traynor (Central) LLP's charging policy;

b. Time Costs Analysis for the period from 4 March 2025 to 3 September 2025; and

c. A fees estimate.

# 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).

* STATEMENT OF INSOLVENCY PRACTICE 9, (SIP9) – PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES FROM AN ESTATE

- 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.

<u>Payments anticipated to be made to associates</u> *(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):

Instruction of Eddisons Commercial Limited to provide additional 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 costs of insurance cover for subsequent quarter periods will be 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 the 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. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Cardiff office as at the date of this report are as follows:

| Grade of staff | Charge-out rate range (£ per hour) 1 May 2025 until further notice |
|---|---|
| Appointment taker/partner | 620-700 |
| Managers/directors | 460-590 |
| Other professional | 250-350 |
| Junior professional/support | 200 |

Prior to 1 May 2025, the following rates applied:

| Grade of staff | Charge-out rate range (£ per hour) |
|---|---|
| Appointment taker/partner | 560-640 |
| Managers/directors | 415-540 |
| Other professional | 215-300 |
| Junior professional/support | 170 |

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.

* STATEMENT OF INSOLVENCY PRACTICE 9, (SIP9) – PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES FROM AN ESTATE

## SIP9 Ty Mawr Limited - Administration - 40TY039.ADM : Time Costs Analysis From 04/03/2025 To 03/09/2025

| Staff Grade | | Consultant/Partner | Director | Snr Mngr | Mngr | Asst Mngr | Snr Admin | Admin | Jnr Admin | Support | Total Hours | Time Cost £ | Average hourly rate £ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General Case Administration and Planning | Case planning | 8.0 | 1.8 | 4.3 | | 5.7 | | | 3.1 | | 22.9 | 6,755.50 | 295.00 |
| | Administration | | | | | | | | | | | | 0.00 |
| | **Total for General Case Administration and Planning:** | **8.0** | **1.8** | **4.3** | | **5.7** | | | **3.1** | | **22.9** | **6,755.50** | **295.00** |
| Compliance with the Insolvency Act, Rules and best practice | Appointment | 1.0 | 0.1 | 0.7 | | 3.0 | | | 24.6 | | 29.4 | 8,673.00 | 295.00 |
| | Banking and Bonding | 0.3 | 8.7 | 5.5 | | 9.5 | | 3.7 | 2.1 | 44.8 | 74.6 | 22,007.00 | 295.00 |
| | Case Closure | | | | | | | | | | | | 0.00 |
| | Statutory reporting and statement of affairs | 4.5 | | 17.7 | | 5.0 | | | | | 27.2 | 8,024.00 | 295.00 |
| | **Total for Compliance with the Insolvency Act, Rules and best practice:** | **5.8** | **8.8** | **23.9** | | **17.5** | | **3.7** | **26.7** | **44.8** | **131.2** | **38,704.00** | **295.00** |
| Investigations | CDDA and investigations | 4.9 | | 2.8 | | 10.5 | | | | | 18.2 | 5,369.00 | 295.00 |
| | **Total for Investigations:** | **4.9** | | **2.8** | | **10.5** | | | | | **18.2** | **5,369.00** | **295.00** |
| Realisation of assets | Debt collection | 1.5 | 0.1 | 0.1 | | | | | | | 1.7 | 501.50 | 295.00 |
| | Property, business and asset sales | 39.7 | 0.4 | 15.3 | | 8.8 | 0.1 | | | | 64.3 | 18,968.50 | 295.00 |
| | Retention of Title/Third party assets | 1.5 | 0.1 | | | | | | | | 1.6 | 472.00 | 295.00 |
| | **Total for Realisation of assets:** | **42.7** | **0.6** | **15.4** | | **8.8** | **0.1** | | | | **67.6** | **19,942.00** | **295.00** |
| Trading | Trading | 77.5 | 1.2 | 178.5 | | 200.5 | | | 18.9 | | 476.6 | 140,597.00 | 295.00 |
| | **Total for Trading:** | **77.5** | **1.2** | **178.5** | | **200.5** | | | **18.9** | | **476.6** | **140,597.00** | **295.00** |
| Dealing with all creditors claims (including employees), correspondence and distributions | Secured | 8.5 | | 1.2 | | 1.1 | | | | | 10.8 | 3,186.00 | 295.00 |
| | Others | 8.1 | 0.6 | 15.1 | | 16.1 | 0.1 | 6.1 | 0.9 | | 47.0 | 13,865.00 | 295.00 |
| | Creditors committee | | | | | | | | | | | | 0.00 |
| | **Total for Dealing with all creditors claims (including employees), correspondence and distributions:** | **16.6** | **0.6** | **16.3** | | **17.2** | **0.1** | **6.1** | **0.9** | | **57.8** | **17,051.00** | **295.00** |
| Other matters which includes meetings, tax, litigation, pensions and travel | Seeking decisions of creditors | | | | | 0.9 | | | | | 0.9 | 265.50 | 295.00 |
| | Meetings | | | | | 1.5 | | | | | 1.5 | 442.50 | 295.00 |
| | Other | 1.2 | 0.2 | 1.1 | | 6.5 | | | 2.2 | | 11.2 | 3,304.00 | 295.00 |
| | Tax | | 0.2 | | | 0.1 | | | 0.9 | | 1.2 | 354.00 | 295.00 |
| | Litigation | | | | | | | | | | | | 0.00 |
| | **Total for Other matters:** | **1.2** | **0.4** | **1.1** | | **9.0** | | | **3.1** | | **14.8** | **4,366.00** | **295.00** |
| | **Total hours by staff grade:** | **156.7** | **13.4** | **242.3** | | **269.2** | **0.2** | **9.8** | **52.7** | **44.8** | **789.1** | | |
| | **Total time cost by staff grade £:** | **46,226.50** | **3,953.00** | **71,478.50** | | **79,414.00** | **59.00** | **2,891.00** | **15,546.50** | **13,216.00** | | **232,784.50** | |
| | **Average hourly rate £:** | **295.00** | **295.00** | **295.00** | **0.00** | **295.00** | **295.00** | **295.00** | **295.00** | **295.00** | | | **295.00** |
| | **Total fees drawn to date £:** | | | | | | | | | | | **0.00** | |

**THE ADMINISTRATORS' ESTIMATE OF THE FEES THAT THEY WILL INCUR**

Further to the information set out in the report, the Administrators anticipate that the following fees will be incurred to conclusion of the administration. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column. Details of the hourly rates that will be charged for each level of staff working on the case form part of this appendix.

| **Details of the work that the administrators and their staff propose to undertake** | **Hours** | **Time cost £** | **Average hourly rate £** |
|---|---|---|---|
| General case administration and planning | 45.6 | 13,452.00 | 295.00 |
| Compliance with the Insolvency Act, Rules and best practice | 168.5 | 49,707.50 | 295.00 |
| Investigations | 22.0 | 6,490.00 | 295.00 |
| Realisation of assets | 76.1 | 22,449.50 | 295.00 |
| Trading | 548.8 | 161,896.00 | 295.00 |
| Dealing with all creditors' claims (including employees), correspondence and distributions | 62.5 | 18,437.50 | 295.00 |
| Other matters which include seeking decisions of creditors via deemed consent procedure and/or decisions procedures, meetings, tax, litigation, pensions and travel | 33.4 | 9,853.00 | 295.00 |
| **Total hours** | **956.9** | | |
| **Total time costs** | | **282,285.50** | |
| **Overall average hourly rate £** | | | **295.00** |

Further to the information set out in the report, the joint administrators are seeking approval of their remuneration from the secured creditor.

We have arrived at this estimate by considering the nature and complexity of the work that is necessary to conclude the case, and we also believe that this increase is a fair and reasonable reflection of the same.

As detailed above, it is anticipated that the cost of the work already completed and remaining to be completed will be £282,285.50.

However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, less any costs incurred in realising those assets. At this stage in the administration, subject to approval, I can estimate that total remuneration drawn will be in the region of £246,000 to £282,285.50 excluding VAT.

Dated: 3 October 2025

**APPENDIX 3**

# STATEMENT OF ADMINISTRATORS' EXPENSES

| **Type of expense** | **Name of party with whom expense incurred** | **Amount incurred £** | **Amount discharged £** | **Balance to be discharged £** |
|---|---|---|---|---|
| Expenses incurred with entities **not** within the Begbies Traynor Group | | | | |
| Trading expenses | Various | Up to 620,392.70 | 569,990.46 | Up to 50,402.24 |
| Legal fees and expenses | TLT LLP | 63,053.88 | 62,333.88 | 720.00 |
| Property Agents' fees and expenses | Christie, Owen & Davies Limited | 10,800.00 | 10,800.00 | Nil |
| Chattel Asset Agents' fees and expenses | Gavel Auctioneers Limited | 1,200.00 | Nil | 1,200.00 |
| Statutory advertising | EPE Reynell Advertising Limited | 124.80 | 124.80 | Nil |
| Specific bond premiums | Specialist Risk Insurance Solutions (SRIS) Limited | 123.60 | 123.60 | Nil |
| Search fees | HM Land Registry | 15.00 | 15.00 | Nil |
| Postage costs | Postworks Limited | 325.73 | 325.73 | Nil |
| Expenses incurred with entities within the Begbies Traynor Group (*for further details see Begbies Traynor Charging Policy*) | | | | |
| Mileage | Begbies Traynor (Central) LLP | 79.38 | 79.38 | Nil |
| Insurance | Eddisons Insurance Services Limited | 5,220.80 | Nil | 5,220.80 |

NOTES:

As the Company was not VAT registered, VAT incurred on expenses cannot be reclaimed from HM Revenue & Customs. As detailed within the progress report, the expenses detailed above are stated inclusive of VAT.

The specific bond premiums, search fees, postage costs and mileage costs detailed above have been discharged in full by Begbies Traynor (Central) LLP, who will be reimbursed from the administration estate in due course.

**REVISED 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. | £124.80 per advert |
| 2. | Bond | An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds | £123.60 |
| 3. | Insurance | An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity.<br><br>Administration fees may also be charged on the policy | £5,220.80 to 3 September 2025, plus £22.50 per month thereafter |
| 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. | 38.64p per box per month for storage plus £7.20 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 | £4,200 |
| 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. | £6,600 |
| 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 | £1,200 (estimated) and disbursements estimated at up to £600 |
| 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 | £63,053.88 (based on Barclays' panel rates) |

| | | | |
|---|---|---|---|
| 10. | Operating consultant's costs and disbursements | The costs of Cornerstone Care Solutions Ltd's costs in acting as operating consultant for the Care Home and their anticipated disbursements | £56,909.53 |
| 11. | Mileage costs | The mileage costs of Begbies Traynor employees in attending to case specific matters | 54p 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 **week** plus wage arrears of up to £88,000 (of which c£32,400 has been paid direct by the administrators) |
| 13. | Corporation tax | Tax is payable as an expense of the administration on bank or other interest received | Payable the prevailing rate, currently 19% for the first year and 25% thereafter |

NOTES:

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. The costs in the above table have therefore been stated inclusive of VAT where applicable.