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***Nestor Primecare Services Limited – in  
administration***

Remuneration Report: Initial Information to  
Creditors including Fees Estimate

6 March 2019



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# 1. Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used during this report:

<b>Abbreviation or definition</b>	<b>Meaning</b>
Administrators / we / us / our	Anthony Steven Barrell and Zelf Hussain
Allied / the Company	Nestor Primecare Services Limited (in administration) - trading as Allied Healthcare
Bank / RBSIF	RBS Invoice Finance Limited, the secured creditor
BEIS	Department for Business, Energy & Industrial Strategy
CVA	Company voluntary arrangement under Part 1 IA86
CVL	Creditors' voluntary liquidation
CQC	Care Quality Commission
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
LtO	Licence to Occupy
preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Purchaser / CRG	Allied Health-Services Limited and Allied Health Support Limited, which are under the control of Health Care Resourcing Group Limited (more widely known as CRG)
PwC	PricewaterhouseCoopers LLP
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
RFF	Receivables Finance Facility
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
secured creditor	A creditor with security in respect of their debt, in accordance with Section 248 IA86

<b>Abbreviation or definition</b>	<b>Meaning</b>
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SPA	The agreement for the sale and purchase of the business and assets of the Company dated 30 November 2018 and made between: <ul style="list-style-type: none"> <li>• the Company (the Seller), acting through the Administrators;</li> <li>• Allied Health-Services Limited and Allied Health Support Limited (the Buyer);</li> <li>• Health Care Resourcing Group Limited (the Guarantor of the Buyer's obligations); and</li> <li>• RBS Invoice Finance Limited (in relation to debts subject to a Receivables Finance Facility).</li> </ul>
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
unsecured creditors	Creditors who are neither secured nor preferential
WIP	Work in progress (unbilled amounts at the time of appointment relating to the provision of care services prior to the administration)

*Anthony Steven Barrell and Zelf Hussain have been appointed as joint administrators of Nestor Primecare Services Limited to manage its affairs, business and property as its agents without personal liability. They are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.*

*The joint administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

*The joint administrators may act as controllers of personal data, as defined by UK data protection law, depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint administrators.*

## 2. Background

### 2.1. Purpose of this initial advice to creditors

If a company or individual is facing financial difficulty they may enter a formal insolvency process under the control of an independent external person (an insolvency practitioner). The costs of the proceedings are paid out of the assets of the company or the individual's estate and include the insolvency practitioner's remuneration, which in this case would be our fees for acting as joint administrators.

We must seek approval to the basis of our remuneration before it is paid and provide the fee approving body with sufficient information for them to make a decision. Insolvency law determines who the fee approving body is (and it depends on the circumstances of the case), but it's usually those creditors who have a direct interest in the amount paid because it impacts on how much those creditors recover.

We are required to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. Also, if our fees are proposed to include remuneration calculated on a time costs basis, we must provide an estimate of those fees. This report provides all this information and details of where further information can be obtained.

### 2.2. Action required by you

The following table gives our current estimates on the likely return for the various classes of creditors. We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment from the Company's assets. The joint administrators, their firm, its members, partners and staff and advisers accept no liability to any party for any reliance placed upon this report.

*Table 1 – dividend prospects*

<i>Class of creditor</i>	<i>Amount owed</i>	<i>Forecast return</i>	<i>Timing</i>
Secured creditor	£2.082m	Uncertain	Uncertain
Preferential creditors	Nil	Not applicable	Not applicable
Unsecured creditors	£58.45m	Uncertain	Not applicable

We stated in our proposals that we believe there will be no funds to distribute to unsecured creditors, other than via the prescribed part. We do not expect to pay a dividend to preferential creditors because we don't think there are any. As part of the SPA and to minimise disruption to the business as a result of the administration, the Bank provided funding for the Company to discharge all November 2018 employee arrears and other costs.

Therefore if no committee is appointed, the secured creditor has the responsibility for fixing the basis of our fees and Category 2 disbursements (as defined in Section 4.1). We will seek such fee approval separately in due course.

This Remuneration Report is therefore for information purposes only and no action is required.

#### **Creditors' rights**

You can find information on administrators' fees and your rights at:

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

A copy can be obtained free of charge by contacting James Moran on 0113 2894067, or at [james.moran@pwc.com](mailto:james.moran@pwc.com).

### ***2.3. How fees are calculated***

Insolvency law currently allows fees to be calculated in three ways:

- As a percentage of the value of the property which we deal with (often referred to as a “percentage basis”);
- By reference to the time properly given by us and our staff attending to the matters arising (“time costs basis”); or
- A set amount (a fixed fee).

The basis of our fees can be a combination of the above and different bases can be used for different parts of our work. The fee approving body decides which basis (or combination of bases) should be used to calculate fees, once it is satisfied that the fee basis proposed represents the most appropriate mechanism in the circumstances of the case.

In this case we are proposing that our remuneration is on a time costs basis only, for the following reasons:

- It ensures that creditors are only charged for work that is performed;
- We are required to perform a number of tasks which do not relate to the realisation of assets (for example: reporting to creditors, investigating the conduct of the directors and distributing surplus funds, if any); and
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the administration.

In the next section, we include details of our fees estimate.

# 3. Our fees estimate

## 3.1. Summary

This section provides the following information:

- Details of the work we propose to undertake;
- The hourly rates we propose to charge for each part of that work;
- The time we anticipate each part of the work will take; and
- Whether we think it will be necessary to seek approval to exceed the amount of the estimate, and if so, why.

The total amount of our fees estimate is £1,108k. The following tables summarise our anticipated time costs and then provide more detail on each area of work. Time costs are shown at the hourly rates set out later. We haven't included an estimate of our fees and the expenses for any potential subsequent liquidation.

In the period since our appointment to 1 February 2019, we have incurred time costs of £566k, representing 50% of the fees estimate.

*Table 2 – Time costs*

<i>Category of work</i>	<i>Hours</i>	<i>Fees estimate (£k)</i>	<i>Average hourly rate (£/hour)</i>	<i>Hours incurred to 1 February 2019</i>	<i>Time costs incurred to 1 February 2019 (£k)</i>	<i>Average hourly rate for time costs incurred to 1 February 2019 (£/hour)</i>
Accounting and treasury	415	111	267	333	98	294
Assets	1,505	407	270	828	237	286
Creditors	206	63	306	106	30	283
Employees and pensions	219	84	384	66	25	379
Investigations	115	36	313	21	6	286
Secured creditors	84	42	500	60	28	467
Statutory and compliance	527	181	343	261	102	391
Strategy and planning	225	99	440	57	20	351
Tax and VAT	144	85	590	30	20	667
<b>Total hours and fees estimate</b>	<b>3,440</b>	<b>1,108</b>	<b>322</b>	<b>1,762</b>	<b>566</b>	<b>321</b>

Our total remuneration cannot exceed the total amount of this fees estimate without prior consent from the fee approving body.

The above table provides an estimate of the anticipated time likely to be required on the various areas of work and in future reports we will provide an update by reference to actual costs incurred. To facilitate such a comparison, we are likely to report costs on the same basis and using our normal rates.

## 3.2. Work we propose to undertake

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks. The fees estimate for each category is also shown, together with costs incurred to 1 February 2019.

*Table 3 – Work we propose to do*

<b>Category of work</b>	<b>General description</b>	<b>Work included</b>
<b>Accounting and treasury</b> Estimate: 415 hours £111k  Incurred to date: 333 hours £98k	Accounting and treasury	<ul style="list-style-type: none"> <li>Opening and closing bank accounts and arranging facilities □</li> <li>Dealing with receipts, payments and journals not relating to trading □</li> <li>Carrying out bank reconciliations and managing investment of funds □</li> <li>Corresponding with bank regarding specific transfers □</li> </ul>
<b>Assets</b> Estimate: 1,505 hours £407k  Incurred to date: 828 hours £237k	Sale of business           Property	<ul style="list-style-type: none"> <li>Finalising SIP16 report preparation and send to all known creditors ✓</li> <li>Tracking the progress of customer contract novations and agreeing or negotiating proposed changes ✓</li> <li>Facilitating the signing of completed customer contract novations ✓</li> <li>Ensuring the Purchaser's obligations regarding third party assets are met as per the SPA □</li> <li>Ensuring the Purchaser's obligations regarding recording and keeping information requests are met as per the SPA □</li> <li>Agreeing a recharge for transition costs to be met by the Purchaser ✓</li> <li>Securing relevant property records ✓</li> <li>Creating a rent profile for all LtO properties □</li> <li>Validating the licence fee paid for each of the properties and calculating additional amounts due □</li> <li>Confirming pre-appointment landlord payments made □</li> <li>Issuing invoices for payment for licence fees □</li> <li>Paying rent to landlords □</li> <li>Liaising with the Purchaser regarding rent payment queries □</li> <li>Liaising with landlords and responding to queries □</li> <li>Liaising with landlords in relation to lease assignments and surrender of leases □</li> </ul>
	Debtors/deferred consideration	<ul style="list-style-type: none"> <li>Corresponding with debtors □</li> <li>Securing and reconciling funds received across various bank accounts □</li> <li>Reviewing and assessing debtors ledgers □</li> <li>Reviewing the allocation of receipts to customer accounts □</li> <li>Liaising with Purchaser accounts team regarding disputed accounts □</li> <li>Liaising with secured creditor regarding debtor ledgers □</li> <li>Reviewing and approving credit notes and adjustments to invoices □</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Identifying potential issues requiring attention of insurance specialists ✓</li> <li>Reviewing insurance policies □</li> <li>Corresponding with insurer regarding initial and ongoing insurance requirements □</li> <li>Realising any value within policies →</li> </ul>
	Third party assets	<ul style="list-style-type: none"> <li>Ensuring the Purchaser has complied with its obligations to third parties under the SPA □</li> </ul>



<b>Category of work</b>	<b>General description</b>	<b>Work included</b>
<b>Creditors</b> Estimate: 206 hours £63k  Incurred to date: 106 hours £30k	Creditor enquiries	<ul style="list-style-type: none"> <li>Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓</li> <li>Maintaining and updating dedicated website ☐</li> <li>Receiving and following up creditor enquiries via telephone, email and post ☐</li> <li>Reviewing and preparing correspondence to creditors and their representatives ☐</li> <li>Receipting and filing proofs of debt ☐</li> </ul>
	Unsecured claims	<ul style="list-style-type: none"> <li>Receiving proofs of debt and maintaining up to date register of claims received and creditor contact details ☐</li> <li>Liaising with CVA supervisor regarding residual CVA claims ☐</li> </ul>
<b>Employees and pensions</b> Estimate: 219 hours £84k  Incurred to date: 66 hours £25k	Communications with employees	<ul style="list-style-type: none"> <li>Drafting, issuing and sending initial communications and announcements ✓</li> <li>Preparing letters to employees advising of their entitlements and options available ✓</li> <li>Receiving and following up employee enquiries via telephone, post and email ☐</li> </ul>
	Employee payroll	<ul style="list-style-type: none"> <li>Calculating and paying periodic payroll ✓</li> <li>Ensuring PAYE/NIC is deducted and remitted to HMRC ✓</li> <li>Calculating contributions and requesting payments to the relevant scheme or policy ☐</li> </ul>
	Other employee matters	<ul style="list-style-type: none"> <li>Liaise with lawyers regarding numerous employment tribunals ☐</li> <li>Reviewing and responding to correspondence from the Employment Tribunal and Claimants representatives ☐</li> <li>Correspondence with CVA contact ☐</li> </ul>
	Pensions	<ul style="list-style-type: none"> <li>Reviewing pension policies ✓</li> <li>Issuing statutory notices ✓</li> <li>Dealing with general pension scheme issues and the Pension Protection Fund ☐</li> </ul>
<b>Investigations</b> Estimate: 115 hours £36k  Incurred to date: 21 hours £6k	Conducting investigations	<ul style="list-style-type: none"> <li>Collecting company books and records where related to investigatory work ✓</li> <li>Reviewing books and records ☐</li> <li>Preparing comparative financial statements and deficiency statement ☐</li> <li>Reviewing specific transactions and liaising with directors regarding certain transactions ☐</li> <li>Preparing investigation file and lodging findings with BEIS ☐</li> </ul>
	Asset recoveries	<ul style="list-style-type: none"> <li>Identifying potential asset recoveries ☐</li> <li>Instructing and liaising with solicitors regarding recovery actions →</li> <li>Holding internal meetings to discuss status of litigation →e→</li> </ul>
<b>Secured creditors</b> Estimate: 84 hours £42k  Incurred to date: 60 hours £28k	Secured creditors	<ul style="list-style-type: none"> <li>Notifying secured creditor of appointment ✓</li> <li>Preparing reports to secured creditor ☐</li> <li>Responding to secured creditor's queries ☐</li> <li>Making distributions in accordance with security entitlements →</li> </ul>
<b>Statutory and compliance</b>	Initial letters and notifications	<ul style="list-style-type: none"> <li>Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment ✓</li> </ul>

<b>Category of work</b>	<b>General description</b>	<b>Work included</b>
Estimate: 527 hours £181k	Remuneration report	<ul style="list-style-type: none"> <li>• Preparing and circulating to creditors this report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred <input type="checkbox"/></li> </ul>
	Case reviews	<ul style="list-style-type: none"> <li>• Conducting case reviews after the first month, then every six months <input type="checkbox"/></li> </ul>
Incurred to date: 261 hours £102k	Proposals	<ul style="list-style-type: none"> <li>• Preparing a statement of proposals to creditors including statutory information ✓</li> <li>• Circulating notice of the proposals to creditors, members and the Registrar of Companies ✓</li> <li>• Confirming the deemed approval of the proposals to creditors. <input type="checkbox"/></li> </ul>
	Progress reports and extensions	<ul style="list-style-type: none"> <li>• Preparing and issuing periodic progress reports to creditors and the Registrar →</li> <li>• Making applications to creditors or court for the extension of the administration and filing relevant notices →</li> </ul>
	Other meetings / resolutions	<ul style="list-style-type: none"> <li>• Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration →</li> <li>• Convening meetings for resolutions to be considered / issuing resolutions to be considered by correspondence <input type="checkbox"/></li> </ul>
	Books and records	<ul style="list-style-type: none"> <li>• Collecting company books and records where not related to investigatory work ✓</li> <li>• Dealing with records in storage <input type="checkbox"/></li> <li>• Sending job files to storage →</li> </ul>
	Other statutory and compliance	<ul style="list-style-type: none"> <li>• Filing of documents <input type="checkbox"/></li> <li>• Updating checklists and diary management system <input type="checkbox"/></li> </ul>
	Closure procedures	<ul style="list-style-type: none"> <li>• Withdrawing undertakings not relating to trading and obtaining clearances from third parties →</li> <li>• Completing checklists and diary management system →</li> <li>• Closing down internal systems →</li> </ul>
	<b>Strategy and planning</b>	Strategy and planning
Estimate: 225 hours £99k		
Incurred to date: 57 hours £20k		
<b>Tax &amp; VAT</b>	Tax	<ul style="list-style-type: none"> <li>• Gathering information for the initial tax review ✓</li> <li>• Carrying out tax review and subsequent enquiries ✓</li> <li>• Preparing tax computations <input type="checkbox"/></li> <li>• Liaising with HMRC <input type="checkbox"/></li> </ul>
	VAT	<ul style="list-style-type: none"> <li>• Gathering information for the initial VAT review ✓</li> <li>• Carrying out VAT review and subsequent enquiries ✓</li> <li>• Preparing VAT returns →</li> <li>• Liaising with HMRC <input type="checkbox"/></li> </ul>
Estimate: 144 hours £85k		
Incurred to date: 30 hours £20k		

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These typically relate to fulfilling obligations imposed by statute or regulatory bodies. Other tasks performed

have been/will be carried out in order to realise funds for the benefit of creditors and to work towards agreement of creditor claims (where relevant) so that any potential dividends can be paid to the respective classes of creditor.

### ***3.3. Our time charging policy and hourly rates***

The time we charge to the administration is by reference to the time properly given by our staff and us in attending to matters arising.

It is our policy to delegate tasks to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the administrators personally.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually, or likely to be, involved on this assignment.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.05 units). There has been/will be no allocation of any general costs or overhead costs. These rates will apply to each part of our work.

Specialist departments with our firm, such as Tax, VAT, Property and Pensions are also used where their expert advice and services are required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour.

*Table 4 – Charge-out rates*

<i>Grade</i>	<i>Maximum rate per hour (£)</i>	<i>Specialist maximum rate per hour (£)</i>
Partner	890	1315
Director	540	1210
Senior Manager	465	1230
Manager	365	735
Senior Associate	275	545
Associate	180	270
Support staff	95	160

In common with all professional firms, hourly rates increase from time to time over the period of the administration (for example to cover annual inflationary cost increases). Any material amendments to these rates will be advised to the fee approving body when seeking fee approval, and to creditors in our next statutory report.

### ***3.4. Further approval***

Creditors should be assured that the provision of a fees estimate will not affect the proper conduct of the administration. If the necessary work exceeds (or is likely to exceed) that included in the fees estimate, we can seek consent, usually from the fee approving body, for our fees to exceed the fees estimate.

Our fees estimate is based on a number of assumptions, which are explained in Section 5. In broad terms and in our experience, the key issues likely to affect the level of costs are the:

- availability and quality of the books and records;
- level of co-operation received, for example: from the Purchaser and directors;

- the extent of any post-sale matters;
- time required to deal with all property matters including the LtO and landlord issues;
- support from external stakeholders, including landlords and suppliers; and
- any changes to our strategy that might be necessary as a result of the above.

At the present time, we do not anticipate it will be necessary to seek further approval to an increase in the fees estimate because we have already made a provision in our fees estimate for known issues. If during the period of the administration, there is a change to the class of creditors with a financial interest in our remuneration, in the circumstances of the case, it would be our intention to seek the views of those creditors on our remuneration as administrators (or subsequently appointed liquidators).

In our periodic progress reports, we will keep creditors updated on how our fees are comparing to the fees estimate. If fees are likely to exceed this fees estimate we will need further approval to draw those fees.

# 4. Expenses

## 4.1. What is an expense?

Expenses are defined in SIP9 as amounts properly payable by the office holder from the estate which are not office holders' remuneration or a distribution to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

<b>Disbursement</b>	<b>SIP9 definition</b>
Category 1	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question.
Category 2	Costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis.

Our firm's disbursements policy allows for all properly incurred expenses to be recharged to the case. We don't need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 disbursements as these are for services provided by our firm. The body of creditors who approve our fees also have responsibility for agreeing the policies for the payment of Category 2 disbursements, which in this case are as follows:

**Photocopying** At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.

**Mileage** At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).

## 4.2. Our expenses estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred.

The total expenses estimate for the case is £6,120k.

The estimate excludes any potential tax liabilities that may be payable as an expense of the administration in due course because amounts due will depend on the position at the end of the tax accounting period.

Our expenses estimate includes pre-administration costs that, if approved, would be payable as an expense of the administration and which were explained in more detail in our proposals dated 6 December 2018. Whilst pre-administration costs are subject to approval in the same manner as our remuneration, they do not form part of our remuneration in relation to our work as joint administrators following our appointment.

*Table 5 – Expenses estimate*

<i>Nature of expenses</i>	<i>Incurred to 1 February 2019 (£k)</i>	<i>Estimate of future expenses (£k)</i>
Agents' fees and disbursements (CAPA) *	-	Uncertain*
Bank charges	0.2	0.5
Subcontractor costs and expenses	243	250
Employee related costs	118	382
Wages and salaries	2,788	-
PAYE, National Insurance and Pensions	781	238
Insurance	8	20
Intercompany administrative fees	31	-
Legal fees and expenses (Pinsents)	72	78
Office holders' disbursements	4	7
Pre-administration costs	63	-
Statutory advertising	0.1	0.1
Irrecoverable VAT	42	237
Property clearance fees	0.2	-
Contingency	-	500
<b>Total expenses</b>	<b>4,150.5</b>	<b>1,969.6</b>

\* Costs are dependent on level of recoveries made, with CAPA to receive an agreed percentage of this total.

We have not included the rent that is paid to landlords from funds provided by the Purchaser.

## 5. Professionals and subcontractors

*Table 6 – Professionals and subcontractors*

<b><i>Service provided</i></b>	<b><i>Name of firm</i></b>	<b><i>Reason selected</i></b>	<b><i>Basis of fees</i></b>
Legal advice, including: <ul style="list-style-type: none"><li>• Drafting and review of SPA</li><li>• Property issues</li><li>• Advice and drafting LtO</li></ul>	Pinsent Masons	Industry knowledge	Time costs and disbursements
Agents – rates refunds	CAPA	Industry knowledge	Percentage of realisations
Insurance related matters	JLT	Industry knowledge	Initial fixed fee

We require all third party professionals to submit time costs analyses and narrative and where applicable a schedule of realisations achieved in support of invoices rendered. We undertake to review the narrative, work undertaken, time charged and value added in respect of professional firms' costs.

# ***6. Notes and assumptions***

## ***6.1. Fees estimate***

Add notes and assumptions here. Examples include:

- We have assumed the administration will last between one and two years.
- Only one extension will be required to the statutory one year period of the administration, which can be granted by the appropriate class(es) of creditors.
- We have assumed that the number of properties where we need to recharge and pay rent liabilities will diminish in number over time.
- We have assumed that our hourly charge out rates will increase by up to 5% per year, with increases likely to happen on 1 July.

## ***6.2. Expenses***

- We have not included the rent, service charge and utilities that are paid to landlords from funds provided by the Purchaser.
- We have assumed that the number of properties where we need to pay rent liabilities will diminish in number over the next few months.
- Estimated future expenses are based on current estimated time frames.
- Estimated future expenses are based on current estimates with current providers.
- Estimated future expenses assumes all VAT will be recoverable.

## ***6.3. Associates***

The administrators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the administrators in respect of the appointment where the relationship could give rise to a conflict of interest.