a.m.BUSINESS HELPLINE – INFORMATION FACT FIND

1 General Information

|  |  |  |
| --- | --- | --- |
| 1. Company name | Aberdeen House Care Limited |  |
|  |  |  |
| 1. Previous Company name(s) | n/a |  |
|  |  |  |
| 1. Other trading name(s) of the Company | n/a | |
|  |  |  |
| 1. Company registration number | 07658860 |  |
|  |  |  |
| 1. Company’s registered office | West Walk Building, Regent Road, Leicester, LE1 7LT |  |
|  |  |  |
| 1. Company’s principal trading address | 20 Stockerston Rd, Uppingham, Oakham LE15 9UD | |
|  |  |  |
| 1. Date of Company's incorporation | 6 June 2011 |  |
|  |  |  |
| 1. Date Company commenced trading | July 2011 | |
|  |  |  |
| 1. Date Company ceased trading | TBC | |
|  |  |  |
| 1. Office telephone number | 01572 823308 / 07967 551135 (Rakesh) | |
|  |  |  |
| 1. Nature of Company | Residential Care Home | |
|  |  |  |
| 1. Date of Interview / Initial Meeting | 12 December 2023 | |
|  |  |  |
| 1. Location of Meeting | Opus Restructuring – Birmingham | |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| 1. Company website address | TBC | |
|  |  |  |
| 1. Please provide the Companies House login details | TBC | |

|  |  |
| --- | --- |
| 1. Source of Enquiry | Referral |

**2 Case Information and Background**

*Establish from director/interviewees what reason or circumstances have caused them to seek professional insolvency advice at this time. What has been the “final straw” which has prompted this course of action?*

|  |
| --- |
| Director duties:   * RK responsible for operations * TK responsible for payroll / book keeping. * MK responsible for property management * PK responsible for financial controls, invoice payments * RK advised however any Company decision making is made coherently between all directors. * Company established in 2011 as family run business offering residential care services. * RK advised business has been running successfully until COVID-19 when they experienced downturn and cash flow problems. * During the pandemic the Company relied on support from the Local Authority under ‘care home support package’. RK cannot recall the amount received. * During the pandemic, the Company experienced difficulties with retaining staff. RK believes staff felt at more risk within the industry and subsequently many staff resigned from positions. Leaving the Company reliant on agency staff (at increased costs). * Additional costs for measures required during the pandemic hindered the Companies cash flow. * Also reduced occupancy limited cash flow. * Recently a purpose-built care home ‘prime life’ was built in the community which has served competition for the care home. * The purpose-built care home is provided with reduced benefit rates and funding from the local authority that the Company is unable to obtain. * The Local Authority established a weekly rate based on a scaled chart, with a minimum bed charge set at £750 per week. Nevertheless, Prime Life managed to provide beds at a lower cost, offering them at £650 per week. The Local Authority actively promoted the use of purpose-built homes over other alternatives, encouraging residents to choose such facilities. Residents were advised that if they opted for a different care home, they would need to cover the additional costs ('top up') beyond the Local Authority's set rate of £650 per week. * In attempts to mitigate further losses, RK approached the local authority and requested the Company be able to reduce their rates outside of the tiered scale, so the beds in the home can be filled. However, his endeavours rejected. * The home previously homed up to 18 residents at one time. * Currently homing 9 residents, which RK intends to discuss with the local authority for re-housing in preparation of the liquidation.   Further notes:   * RK confirmed that he doesn’t believe there to be a ‘lease agreement’ between AP & AC however, approx. £3,000 per month is paid to AP for use of premises / rental payments. * RK not prepared to pay accountant to bring accounts up to date. * TK will be able to extract P&L, up to date management accounts till October 2023. * Company isn’t VAT registered. * Queried the depreciation of assets on the latest set of accounts; RK advised he believes its due to the time limited for 5 years to write down the assets. But we will need to ratify with accountant. * He has confirmed that no assets have been sold / no longer available for realisation. * Discussed about Hazardous waste. RK confirmed waste is collected every Monday and they will remove and dispose of Hazardous waste in preparation of liquidation. * Discussed the patient records. RK confirmed he will be contacting local authority to uplift and collect patient records. * Books and records held at Leicester office – approx. 13 boxes for the last 3 years. * RK aware he will need to provide bank statements for last 3 years (since beginning of 2020). |

3 Directors

Please provide the following information for each shareholder of the company:

|  |  |  |
| --- | --- | --- |
| Director  (Full name including title) | Address and Contact Details | Shareholding |
| Rakesh Kotecha | Telephone: 07967 551135  Email: [rakesh@hsmidlands.com](mailto:rakesh@hsmidlands.com)  Address: 4 Hampton Gate, 4 Friday Lane, Barston, B92 0HY | 25%  Value £25.00  Share Amount: 25 |
| Mahesh Vithaldas Kotecha | Telephone:  Email:  Address: 5 Lynmouth Drive, Wigston, LE18 1BP | 25%  Value £25.00  Share Amount: 25 |
| Pragna Kotecha | Telephone:  Email:  Address: 15 Lynmouth Drive, Wigston, LE18 1BP | 25%  Value £25.00  Share Amount: 25 |
| Trushali Kotecha | Telephone:  Email:  Address: | 25%  Value £25.00  Share Amount: 25 |

4 Shareholders

Please provide the following information for each shareholder of the company:

|  |  |  |
| --- | --- | --- |
| Shareholder  (Full name including title) | Address | Shareholding |
| Rakesh Kotecha | Telephone: 07967 551135  Email: [rakesh@hsmidlands.com](mailto:rakesh@hsmidlands.com)  Address: 4 Hampton Gate, 4 Friday Lane, Barston, B92 0HY | 25%  Value £25.00  Share Amount: 25 |
| Mahesh Vithaldas Kotecha | Telephone:  Email:  Address: 5 Lynmouth Drive, Wigston, LE18 1BP | 25%  Value £25.00  Share Amount: 25 |
| Pragna Kotecha | Telephone:  Email:  Address: 15 Lynmouth Drive, Wigston, LE18 1BP | 25%  Value £25.00  Share Amount: 25 |
| Trushali Kotecha | Telephone:  Email:  Address: 4 Hampton Gate, 4 Friday Lane, Barston, B92 0HY | 25%  Value £25.00  Share Amount: 25 |

If the Company has more than four shareholders, please request a shareholders’ input template if you have not already been provided with one.

**How have the Directors and Shareholders been renumerated from the Company**

|  |
| --- |
| Details  Director advised that none of the directors / shareholders are renumerated from the Company. |

5 Associates

Please provide details of any associates of the Company, such as holding or group companies.

|  |  |  |
| --- | --- | --- |
| Name of Associate | Address | Any outstanding balance  £ |
| Aberdeen House Property Limited  07659006 | West Walk Building, Regent Road, LE1 7LT | See debtor / creditors section |
| Wayside Care Limited  08350330 | West Walk Building, Regent Road, LE1 7LT | See debtor / creditors section |
| Wayside Property 2013 Limited  08354423 | West Walk Building, Regent Road, LE1 7LT | See debtor / creditors section |
| Trinity House Property Limited  10157604 | West Walk Building, Regent Road, LE1 7LT | See debtor / creditors section |
| Trinity House Care Limited  10157634 | West Walk Building, Regent Road, LE1 7LT | See debtor / creditors section |

Please explain the nature of the Company’s relationship with the associate and whether there is a trading relationship.

|  |
| --- |
| Comments  Inter Company loans between Companies. Schedule breakdown on Trial Balance sheets for Companies. Request from accountant up to date ledger for intercompany movements. |

6 Banking arrangements

Please provide details of all bank accounts held by the Company

|  |  |  |  |
| --- | --- | --- | --- |
| Bank | Account number  and  Sort Code | Type of account, eg current account, loan account, savings account | Balance  DR/CR  £ |
| Lloyds Bank | TBC | TBC | TBC on date of appointment |

7 Assets

|  |  |  |  |
| --- | --- | --- | --- |
| Type of asset | Delete as applicable | Estimated value | Amount of outstanding finance/loan (if applicable) |
| Premises 1: Trading premises. No lease agreement. No requirement for disclaimer. | Freehold/Leasehold |  |  |
|  |  |  |  |
|  |  |  |  |
| Plant & machinery | Owned | £8,707.47 (2022 accounts)  Depreciated to NIL  Refer to strategy for further guidance. |  |
| Office furniture & Equipment & fixtures and fittings. | Owned | £52,055.95 as of 2022 accounts. Deprecation value of last set of accounts 23 substantial.  Refer to strategy for further guidance. |  |
| Stock & WIP | Owned |  |  |
| Debtors | Inter- Company loan…  Wayside Property  Trade debtors –  Trinity House Care  Wayside Care | £14,980.00  £10,113.22 (who is this?)  £6,965.67  £80,000.00 |  |
| Other (details)  HMRC- Corporation Tax / VAT reclaims? | HMRC  Unknown – establish whether any CT able to be reclaimed from previous years and VAT returns up to date. | Unknown |  |
| Overdrawn / Illegal dividends. | Shareholders.  Dividends for £28,000 drawn based on draft accounts. See strategy for further guidance. | £16,348 / £28,000 (depending on liquidators’ stance) |  |
| Local Authority payments  Are payments made in arrears or advance? |  |  |  |
| Prepayments and accrued income |  | £2,046.00 on last set of accounts? |  |

|  |
| --- |
| Have any Assets been sold prior to the interview date or within 2 years?  NO |

8 Debtors

Is the Company owed any money from customers?

Please obtain an aged sales ledger listing and provide your view of the overall debtor position below:

|  |  |  |  |
| --- | --- | --- | --- |
| Debtor Name | Type of Debtor | Reference Number | Balance Owing |
| Wayside Care | Inter-Company |  | £80,000.00 |
| Trade Debtors (require ledger and invoices) | Trade |  | £10,113.32 |
| Trinity House Care | Inter-Company |  | £6,965.97 |
| Wayside Property | Inter-Company |  | £14,980.00 |

|  |  |
| --- | --- |
|  | £ |
| Total outstanding debts due to the Company | £112,059.29 |
| Less: Provision for bad debts | NIL |
| Less: Amount due to factoring company (if applicable) | n/a |
| Do you or any other Directors owe money to the Company | See above notes for overdrawn dividends. |
| Overall Estimated balance due to the Company | £128,407.29 |

If the debts are subject to a factoring agreement, please obtain a copy of the agreement.

9 Creditors

Detail the known extent of creditor debt and any matters that will require special consideration such as, current litigation claims or other salient matters, has any preference been given, judgement creditors, wind up petitions.

|  |  |  |  |
| --- | --- | --- | --- |
| Creditor Name | Type of Creditor | Reference Number | Outstanding Balance |
| Director Loan Accounts (MK/PK) |  |  | £26,769.00 |
| Aberdeen Property | Intercompany |  | £67,890.79 |
| Davlyn House | Intercompany |  | £8,339.00 |
| HMRC – PAYE | PAYE |  | £39,131.32 |
| Nest Pensions |  |  | TBC – Clumber  RK advised 2 payroll records behind. |
| P32 | Trade |  | £37,644.61 |
| Sharmans Pest Control | Trade |  | £70.00 |
| Elevator Repairs LTD | Trade |  | £1,300.00 |
| Paynes Dairies | Trade |  | £273.71 |

If applicable, has the Company given any lender security over any of the Company’s assets? If so please provide details

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Bank / financial provider | Type of security and date of registration | Assets secured | Amount of Security  £ | Reason for granting Security |
| Lloyds Bank | Fixed and Floating charge | Company assets – mainly secured on property of Aberdeen Property Limited | TBC |  |

10 Retention of title

Please provide details of any stock that you consider could be subject to a retention of title claim from any of your creditors

|  |  |  |
| --- | --- | --- |
| Creditor | Type of stock | Estimated value  £ |
| n/a | n/a | n/a |

11 COVID Support

Has the Company had any financial support during Covid? If yes, please provide details. Continue on a separate page if necessary.

|  |  |
| --- | --- |
| * Bounce Back Loan * Coronavirus Job Retention Scheme (furlough) * Small Business Grant Fund * Retail, Hospitality and Leisure Grant Fund * Local Authority Discretionary Grants Fund * Coronavirus Business Interruption Loan Scheme | Company received furlough and care home scheme during pandemic.  No BBL / CBILS |
| How much funding did the company receive? | RK unknown – to be audited on bank statements. |
| Date(s) funding received | TBC following audit |
| Have any of the monies been paid to the director(s) and/or any connected party? If so, please provide details. | TBC following audit |
| Has the company made any repayments of the loan? | n/a |
| How was the amount received determined? | n/a |

Has any legal action been commenced against the Company? If so please provide details below:

|  |
| --- |
| Details of any legal action  Unknown  **Company received letter from ‘Raven’ advising a petition has been served at court for the wind up of the Company. Looked into further and cannot locate any advertisement of petition.** |

Have the directors given any personal guarantees to obtain finance for the Company?

|  |
| --- |
| If yes, please provide details of the person who has acted as guarantor, who the lender is, when the guarantee was given and any other relevant details.  No |

12 Crown departments –

Please provide the following information

|  |  |
| --- | --- |
| PAYE/NIC tax reference number | 120PY00332649 |
| Corporation tax reference number | 5118223343 |
| VAT registration number | N/A |
| Has the company exercised an option to tax on property? If yes, please provide more details | TBC |
| Does the company use a cash accounting scheme? | No |
| Any other department of HMRC you have dealt  Department:  Reference number: | No |

13 Landlord

|  |  |
| --- | --- |
| Name and address and contact details of Landlord | Aberdeen Property Limited  (associated co) |
| What is the rent due date? | n/a |
| What is the amount of rent outstanding? | n/a |
| For what period does the outstanding rent relate to? | n/a |

14 Professionals

If the Company instructed any of the following professionals, please provide the following information

|  |  |  |
| --- | --- | --- |
| Address | Telephone number | Contact |
| Accountants  Newby Castleman  Chartered Accountants  West Walk Building, 110 Regent street, LE1 7LT | 01162549262 | John Griffin  [www.newbycastleman.co.uk](http://www.newbycastleman.co.uk/)  [jbg@newbyc.co.uk](mailto:jbg@newbyc.co.uk) |
| Solicitors  n/a | n/a | n/a |
| Insurance brokers |  |  |

15 Pension schemes

Please provide the following information in respect of all of the Company’s pension scheme

|  |  |  |
| --- | --- | --- |
| Pension company | Address | Policy number |
| NEST Pensions |  |  |

16 Employees

|  |  |
| --- | --- |
| How many staff? | 20 |
| Redundancy / Employee claims required? | YES – Clumber instructed |
| Location of wage records and contracts of employment | Director to provide – based at Leicester office |
| Has the Company ever had any Employees? |  |
| Are all staff paid up to date? | NO |
| Date of Last Dividend / Director Renumeration | RK advised not renumerated from Company |

16 GDPR procedures

Please provide the following information in respect of all of the Company’s GDPR procedures.

|  |  |
| --- | --- |
| Does the company/individual have a GDPR compliant privacy policy, and is it available in accordance with GDPR rules? | YES / NO |
| Do they have documented processes to support their procedures for dealing with personal data? | YES / NO |
| Does the business have any specific data retention requirements, aside from the standard HMRC retention periods? | YES / NO |
| Is the nature of the business one that means that personal financial data is stored?  Eg a mortgage broker who holds personal ID documents | YES / NO |
| Are the customers principally consumers where advance payments are made? | YES / NO |
| Does the data stored by the business include special category data regarding its employees or potential employees? | YES / NO |
| Does the Company operate a BYOD policy  (Bring your own device – ie staff use their own personal phones to view company information such as email.) | YES / NO |
| Is any data held outside of the UK and the EU? | YES / NO |

18 Other matters

|  |  |
| --- | --- |
| If the company is a regulated business as required by the Money Laundering and Terrorist Financing Regulations 2019, who is the money laundering reporting officer (MLRO)? | n/a |
| Have there been, or are there any criminal or civil investigations into the company?  If yes, please give further information. | NO |
| Is the company regulated by the Financial Conduct Authority? If so, provide reference number | NO |

INTERNAL - Further points of Consideration

|  |  |  |
| --- | --- | --- |
| 1 | General Company position  Is the company insolvent on balance sheet or on payment of liabilities basis?  Is the company currently trading profitably or at a loss?  Is the problem short term, and would a moratorium be appropriate to look into?  If profitable has a CVA been considered?  Is administration or administrative receivership an option? | Both balance sheet and P&L  Loss  No  No  No |
| 2 | Current pressure points  Have any creditors commenced recovery proceedings? (Distraint, petition) – Possible petition from HMRC.  Extend of any HMRC liability? Last payment to HMRC for PAYE was in April 2023  Any lease/HP assets repossessed? NO  Any bank pressure – overdraft exceeded; loan repayments defaulted on? NO | |
| 3 | Assets Liabilities  Indication of the estimated level of assets – See above notes.  Any major creditors? No.  Any debtor/creditor disputes? No. | |

|  |  |  |
| --- | --- | --- |
| 4 | Directors’ personal position  Any personal guarantees given? No  Directors’ responsibilities continue until liquidation.  Advise about CDDA enquiries and reporting. – advised at meeting and covered in engagement terms. | |
| 5 | Has liquidation procedure and IP’s duties been discussed?  Realisation of assets  Pay creditor claims in order/prescribed part  Distribution to creditors after costs of liquidation  Duty to investigate  Changing role of IP | Note here any comments from directors.  Director happy for agent to assess assets. Premises is to be sold as a vacant possession so will need to be cleared by end of January.  RK queried at meeting if IP feels there would be any further implications. GW advised he is unable to advise on such matters as this is reliant on investigation matters. |
| 6 | Mechanics of putting company into liquidation  Board resolutions  Shareholders resolutions  Creditors decision procedure  Directors may be required to attend VM  Redundancies  Required notice periods  Short notice/consent  Quorum  Proxies | Note here any comments from directors.  NS discussed with RK on 14 December 2023 – advised formal resolution and meetings to be held in January. |
| 7 | Hiatus period  Safeguard and maximise realisable value of assets  Incur no further liabilities  Don't prefer any one creditor | Note here any comments from directors.  Advised and noted in engagement terns, |
| 8 | Banking  Is the bank account overdrawn?  May need to freeze account  Ask debtors to pay money into a different account | Note here any comments from directors.  Debtors to pay into estate account. Estate account required to be opened on appointment or by board resolution.  Final balance to e provided on cessation of trade. |
| 9 | Environmental issues/public liability  Does the company’s business involve hazardous materials? Safety, disposal of could be issues.  Are there any environmental risks?  Security of premises, access.  Are there any licensing concerns? | Note here any comments from directors.  YES – confirmed with director that Hazardous waste is to be disposed of by Company prior to liquidation.  Will require confirmation from client prior to proceedings. |

|  |  |  |
| --- | --- | --- |
| 10 | Internal  Money laundering ID obtained/discussed?  Conflict of interest, ethics, bribery act issues considered | Yes  The following issues identified:  Ethics & Bribery – external agents and joint appointments  Refer to appropriate checklists. |
| 11 | Costs of winding up  S of A and decision procedures fee – what estimate given?  How will the SOA be funded? | £7,000.00 + VAT (including costs)  Resolutions to be sought to recover costs of agents & ERA specialists.  Company – from funds repaid from ledger with Trinity Care. |
| 12 | Bonding Level Require  **Insolvency bonding**  Level of bond required bearing in mind the extent of secured assets.  **Insurance of assets**  Consider what assets will require insuring, what level of insurance will be required and whether any special considerations or cover will be required. | £100,001 - £250,000  (£1064)  Will depend on agents’ advice and whether uplifted prior to appointment or remain in situ. |
| 13 | Type of Meeting required | Virtual  (possible short notice / centre bind – due to assets and threat of petition) |
| 14 | External Agents  Will the firm be required to use external Advisors / Agents  *Note: ensure that the file contains a note documenting the reasons for choosing the particular advisor and confirming that the work is warranted* | Solicitors – may require advice at later date based on intercompany loans and detriment to the Company from movement to Wayside Property.  Agents / Valuers – YES to be instructed via Opus.  Employee Claims / Pensions - YES clumber instructed by BHG 14 December 2023  Tax Advisors – NO |
| 15 | **Directors – ongoing**  What do the directors intend to do now or in the future?  What is the financial position of the Directors, do they have any personal liabilities / assets  Have any of the directors been involved in any  other insolvency proceedings (personally or as a director)? | Directors are continuing to trade associated Company in preparation of sale.  Director has personal assets. |
| 16 | **Investigations**  Day 1 issues?  Concerns raised by creditors?  Concerns raised by Committee?  Collection and retention of books and records / computer records |  |
|  | **Potential Risks**  Ethics: any safeguards implemented to manage risks? Effective?  AML ongoing monitoring: consider whether transactions have been consistent with knowledge of case.  AML: due diligence on any relevant purchasers?  Bribery: consider value of work undertaken by 3rd parties as against fees paid | Refer to checklists.  Refer to checklists.  Refer to checklists.  Refer to checklists. |