

## Examiner appointed to healthcare firms

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The High Court has appointed an interim examiner to two related companies providing healthcare and other workers which employ 45 permanent staff and 400 temporary employees on a weekly payroll.

One of the companies is an approved HSE home care provider and provides a homecare service for some 300 elderly and disabled people.

Some 80 per cent of that company's turnover comes from the HSE and it claims its difficulties were compounded after, as a result of health cutbacks, it had to extend credit terms to the HSE from 40 to 75 days.

Both companies are insolvent but are stated to have a reasonable prospect of survival provided certain conditions are met, including capitalisation of the business and strengthening of financial controls. Due to cash flow problems, they were unable to pay wages due on Friday October 30th until the following Tuesday and the next wages payment is due on November 20th. Without court protection, liquidation was likely, it was stated.

The biggest creditor of the companies is the Revenue Commissioners, owed more than €2 million, and the companies say they were unable to meet their liabilities to the Revenue in accordance with an agreement providing for payments in instalments.

However, the companies also say they recently won a contract to supply nursing and medical staff to a UK private hospital group and have a number of "blue chip" clients here, including the HSE, The Beacon Clinic and the Lagan Group. Their difficulties could be overcome by implementation of the recommendations of the report of an independent accountant, they believed.

On the application of Gary McCarthy, for the directors, Mr Justice Brian McGovern today appointed Neil Hughes of Hughes Blake Chartered Accountants as examiner to Servisource Helath Care Ltd and Servisource Recruitment Ltd, both with registered offices at Quayside Business Park, Dundalk, Co Louth, plus offices in Dublin, Cork and Galway.

The directors of both companies are Declan and Marguerite Murphy. Both companies trade together with SHC specialising in healthcare recruitment while SRC provides services to the construction and related sectors.

SHC has expanded rapidly in recent years which, it said, had contributed to the problems now facing it. It provides human resource services to the health sector and places nurses, carers, catering and domestic staff into hospitals, nursing homes, private home care and businesses across the country.

While 2008 and 2009 had been challenging, both companies had made a net profit, before Corporation tax, of €82,207 for the first ten months of 2009, it was stated. However, they anticipated that profit would be eliminated by bad debt provision of some €136,000. Their combined turnover for the ten months to October last was € 7.5 million, down from €9.4 million for the year to end December 2008.