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

AM10

Notice of Administrator's progress report

Companies House

SATURDAY

A6LVDU4W
A17 23/12/2017 #707
COMPANIES HOUSE

1 Company details

Company number	0 1 8 4 2 2 4 0
Company name in full	Lifeline Project

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

2 Administrator's name

Full forename(s)	David
Surname	Thornhill

3 Administrator's address

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

4 Administrator's name ❶

Full forename(s)	Russell Stewart
Surname	Cash

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

5 Administrator's address ❷

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

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

AM10

Notice of Administrator's progress report

6	**Administrator's name** ❶	
Full forename(s)	Geoffrey Lambert	❶ **Other administrator** Use this section to tell us about another administrator.
Surname	Carton-Kelly	

7	**Administrator's address** ❷	
Building name/number	7th Floor	❷ **Other administrator** Use this section to tell us about another administrator.
Street	Ship Canal House	
Post town	98 King Street	
County/Region	Manchester	
Postcode	M 2 4 W U	
Country		

10	**Period of progress report**
From date	0 2 0 6 2 0 1 7
To date	0 1 1 2 2 0 1 7

11	**Progress Report**
	☑ I attach a copy of the progress report

12	**Sign and date**
Administrator's signature	Signature X X
Signature date	2 1 1 2 2 0 1 7

Lifeline Project
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 02/06/2017 To 01/12/2017 £	From 02/06/2017 To 01/12/2017 £
	SECURED ASSETS		
410,000.00	Freehold Property	NIL	NIL
NIL	Leasehold Improvements	NIL	NIL
1.00	Goodwill	1.00	1.00
		1.00	1.00
	COSTS OF REALISATION		
(35,000.00)	Estimated Disposal Costs	NIL	NIL
(7,000.00)	VAT - Irrecoverable	NIL	NIL
(20,000.00)	Insurance	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
NIL	Secured Chargeholder	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
45,000.00	Equipment	45,000.00	45,000.00
NIL	Motor Vehicles	NIL	NIL
5,000.00	Stock	5,000.00	5,000.00
1,187,389.00	Book Debts	2,201,439.61	2,201,439.61
2.00	Contracts/Records	2.00	2.00
60,000.00	Prepayments	NIL	NIL
2,748,208.00	Cash at Bank	2,276,788.57	2,276,788.57
NIL	Rent Deposits	NIL	NIL
	CGL Licence Fee	502,491.64	502,491.64
	CGL Apportioned Funds	189,746.91	189,746.91
	Bank Interest Gross	2,813.35	2,813.35
	Rent	30,000.00	30,000.00
	Sundry Refunds	21,433.53	21,433.53
	Business Rates Refunds	5,434.24	5,434.24
	Petty Cash	116.50	116.50
		5,280,266.35	5,280,266.35
	COST OF REALISATIONS		
(750,000.00)	Administrators' Remuneration	310,000.00	310,000.00
(500.00)	Administrators' Disbursements	4,524.77	4,524.77
	Administrators' Remuneration - Pre Ad	28,245.75	28,245.75
	Administrators' Disbursements - Pre A	234.77	234.77
	Agents/Valuers Disbursements - Pre A	266.75	266.75
(25,000.00)	Agents/Valuers Fees	13,810.00	13,810.00
	Agents/Valuers Fees - Pre-Administrati	34,300.00	34,300.00
(250,000.00)	Legal Fees	104,651.50	104,651.50
	Legal fees - Pre-Administration	33,275.00	33,275.00
	Legal Disbursements	138.44	138.44
(100,000.00)	Other Costs	NIL	NIL
(225,000.00)	VAT Irrecoverable	135,119.29	135,119.29
	Stationery & Postage	21,880.53	21,880.53
	Courier Costs	63.00	63.00
	Statutory Advertising	84.60	84.60
	Other Property Expenses	5,129.18	5,129.18
	Insurance	24,719.95	24,719.95

Lifeline Project
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 02/06/2017 To 01/12/2017 £	From 02/06/2017 To 01/12/2017 £
	Employee Expenses	7,319.12	7,319.12
	CGL Apportioned Funds	77,614.17	77,614.17
	Bank Charges - Floating	27.50	27.50
	Licence Fee Rent	383,263.26	383,263.26
		(1,184,667.58)	(1,184,667.58)
	PREFERENTIAL CREDITORS		
(280,000.00)	Pension Contributions	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(3,999,000.00)	Unsecured Creditors	NIL	NIL
		NIL	NIL
(1,235,900.00)		**4,095,599.77**	**4,095,599.77**
	REPRESENTED BY		
	IB Current Floating		3,996,725.59
	IB Licence Fee Account		98,874.18
			4,095,599.77

Note:

FRP Advisory

Lifeline Project (In Administration) ("the Company")

High Court of Justice, Chancery Division, Manchester District Registry No. 2516 of 2017

The Joint Administrators' Progress Report for the period 2 June 2017 to 1 December 2017 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

21 December 2017

Contents and Abbreviations

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company or Lifeline	Lifeline Project (In Administration)
The Joint Administrators	David Thornhill, Russell Stewart Cash, Geoffrey Lambert Carton-Kelly of FRP Advisory LLP
The Reporting Period	The Reporting Period 2 June 2017 to 1 December 2017
The Proposals	The Joint Administrators' Proposals dated 8 June 2017.
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying Floating Charge Holder
HMRC	HM Revenue & Customs
DBEIS	Department of Business, Energy and Industrial Strategy
Taylors	Taylors Solicitors LLP
GVA	GVA Grimley Limited
HilCo	Hilco Global
CGL or the Purchaser	Change, Grow, Live
NatWest	National Westminster Bank Plc
IBR	Independent Business Review
SPA	Sale and Purchase Agreement
TUPE	Transfer of Undertaking (Protection of Employment) Regulations 2006
Charities Act	Charities Act 2011
Dewsbury	3 Wellington Street, Dewsbury, WF13 1LY
Northallerton	85 South Parade, Northallerton, DL7 8TZ
Rotherham	Carnson House, 1 Moorgate Road, Rotherham, S60 2EN

1. Progress of the Administration

David Thornhill, Russell Cash and Geoff Carton-Kelly of FRP were appointed Joint Administrators of the Company on 2 June 2017. On 8 June 2017 the Joint Administrators circulated their Proposals to all known creditors. The Proposals were approved by deemed consent on 23 June 2017. On this date it was also confirmed that a creditors' committee would not be formed. As a result of there being no committee of creditors and there being no known secured creditors it fell to the preferential and unsecured creditors to approve the basis and quantum of the Joint Administrators' remuneration and disbursements in this matter.

The Joint Administrators approached the general body of creditors in a letter dated 14 August 2017 to seek approval of the following decisions by way of a decision by correspondence:

A decision date of 30 August 2017 was set and on this date, the following resolutions were approved on the basis of the votes received:

- That a creditors' committee not be formed;
- Approval of the payment of the Joint Administrators' Disbursements for mileage costs;
- The approval of the Joint Administrators' discharge from liability in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986.

The following resolutions were not approved on the basis of the votes received:

- The basis of the Joint Administrators' Remuneration, being a proposed fixed fee of £714,000; and
- Approval of the Joint Administrators' Pre-Appointment Costs being met as an expense of the Administration.

The Joint Administrators re-approached the general body of creditors in a letter dated 18 October 2017 to seek approval of the following decisions by way of a decision by correspondence:

- That a creditors' committee not be formed;
- The basis of the Joint Administrators' Remuneration as detailed in the Joint Administrators fee proposal report dated 18 October 2017; and
- Approval of the Joint Administrators' Pre-Appointment Costs being met as an expense of the Administration.

A decision date of 8 November 2017 was set and on this date, all resolutions were approved on the basis of the votes received without modification.

This report serves to provide the general body of creditors an update on the progress of the Administration for the Reporting Period.

Background information regarding the Company together with full details of the events that resulted in the appointment of the Joint Administrators, the transaction with CGL and why it was considered to be in the overall best interest of the creditors of the Company as a whole were set out in the Joint Administrators' Proposals which were approved by deemed consent on 23 June 2017.

A copy of this report and previous reports can be found using the following link: http://creditors.frpadvisory.com using case code **L0717MAN.**

Alternatively, a hard copy of this report can be provided on request.

This report is to be read in conjunction with the Joint Administrators' Proposals and their subsequent reports on their proposed fee basis dated 14 August 2017 and 18 October 2017 which can also be found using the link above.

1. Progress of the Administration

FRP Advisory

Work undertaken during the Reporting Period

I attach at **Appendix C** a schedule of work undertaken during the Reporting Period together with a summary of work still to be completed.

Attached at **Appendix E** is a Receipts and Payments Account detailing transactions for the Reporting Period.

Asset Realisation

Sale of Business and Certain Assets

As detailed in the Joint Administrators' Proposals, in order to maximise realisations for creditors, the Company's business and certain assets were sold as a going concern to CGL, an unconnected party, on 2 June 2017. Contracts to be transferred to CGL are in the process of being, or have been novated.

Where commissioners of the Company's services did not wish to proceed with CGL, these services are being delivered by alternative providers ensuring the continuity of all Lifeline services. Contract novations to these providers are being dealt with separately.

The sale consideration, recommended for acceptance by both HilCo and GVA, was received from CGL on 4 July 2017 and is broken down as follows:

Asset	Price Apportionment
Goodwill	£1
Stock	£5,000
Plant and Machinery	£45,000
Seller's Records	£1
Contracts	£1
Total	£50,003

Whilst the sale consideration for stock and fixtures & fittings was lower than the ex-situ valuation detailed in the Proposals, the offer was accepted because the costs of uplifting the remaining stock from over 90 locations would be substantial, eroding potential value for this equipment on a piecemeal basis. In addition, any stock on location was anticipated to be subject to retention of title claims, further eroding realisable value.

The sale was considered in the best interests of creditors for the following reasons:

- The majority of the Company's employees transferred to CGL under TUPE with the remaining staff transferred to the other new services providers under the same legislation. This mitigated creditor claims and ensured continuity of employment for some 1,300 staff.

- CGL also agreed to pay certain significant pensions arrears on behalf of staff transferred to them, further reducing creditor claims in the Administration.

- Asset realisations for stock and equipment have been maximised, as for the reasons detailed above, it would likely have been uncommercial to realise these assets on a break up basis.

- This transaction also resulted in CGL taking over a number of onerous and loss making contracts operated by Lifeline which ensured continuity of service to the vulnerable clients of the Company.

- The Joint Administrators believe the continuity of service provided by CGL and other providers will maximise book debt collections.

Assets Excluded from the Sale

Cash at Bank

The Joint Administrators have received the cash proceeds held in the Company's current account. Following adjustments for book debt receipts, agreed CGL apportionments and other charges, cleared funds of £2,276,789 has been received as per the Receipts and Payments Account attached at **Appendix E.**

The sum received is lower than that set out in the Proposals dated 8 June 2017 as a result of book debt monies received into the account being paid in advance by certain commissioners. These monies were properly due to CGL who have provided services post Administration and have since been paid to CGL.

Book Debts

It was previously reported that the debtor ledger totalled £3,177,556, of which £802,779 was not collectible as it related to invoicing in advance for services provided in June. A total of £2,374,777 represented the book debt ledger collectible in the Administration.

Since that date, former Lifeline staff completed a further review of the book debt ledger, which identified invoices that had yet to be included. On discussion with these staff, the final balance of the collectable ledger in the Administration was £2,931,677.

Any debtor receipts received relating to services provided by CGL post Administration have been apportioned and transferred to CGL accordingly.

The Joint Administrators have engaged CGL to assist with the debt collection process and to deal with any invoicing discrepancies, queries or credit note issues.

Of the outstanding ledger, receipts collected and allocated as debtors per the Company records during the Reporting Period total £2,201,440, with a further £301 held in the Company's former current account but not transferred during the Reporting Period. These funds will be transferred to the Administration bank account forthwith.

The remaining debtors per the Company records total £681,077, of which £669,494 comprises three key debtors. These debtors have been referred to Taylors who have issued formal demand letters. In order not to prejudice future collections, no further information on the outstanding ledger can be provided at this time. However, creditors will be updated in further reports.

It should be noted that the Receipts and Payments Account attached at **Appendix E** details CGL apportioned funds in the sum of £189,747 which relates to debts collected and received to the Company's previous bank account or directly into the Administration estate for services provided by CGL after the date of Administration.

Of this amount £77,614 has been remitted to CGL with the balance to be transferred in due course. These proceeds to not represent an asset of the Administration estate.

Freehold Property

As detailed in the Proposals, on appointment, the Joint Administrators were advised that the Company owned two freehold properties (Dewsbury and Northallerton) with a further freehold property (Rotherham) registered as owned by the Company but acquired using funds provided to the Company by National Health England via a local authority.

The Joint Administrators, their agents (GVA) and their solicitors (Taylors) have reviewed the available documentation and made enquires to confirm the ownership of the Rotherham property. The Joint Administrators have been advised that they are able to progress with a sale of the Rotherham property based on the information available.

GVA were engaged to assist with the marketing and disposal of the three properties as follows:

- 3 Wellington Street, Dewsbury, WF13 1LY
- 85 South Parade, Northallerton, DL7 8TZ
- Carnson House, 1 Moorgate Road, Rotherham, S60 2EN

1. Progress of the Administration

All properties are currently under offer following recommendation by GVA, independent RICS certified chartered surveyors.

In order not to prejudice the prospective sales, no further information can be provided at this time. Creditors will be updated in future progress reports.

Rent

In addition to the licence fee referred to below which relates to the leasehold properties, CGL currently occupy the Dewsbury freehold property. Until such a time this property is sold or CGL vacate, rent is payable in the sum of £5,000 per calendar month.

To date the Joint Administrators have received rent of £502,492 from CGL, however a further £160,810 is now payable following a second extension to the original licence to occupy detailed in the Receipts and Payments Account attached at **Appendix E**.

These proceeds are not an asset of the Administration estate and are solely to defray any occupational charges due under the licences to occupy granted to CGL.

Prepayments and Rent Deposits

On appointment the Joint Administrators wrote to a number of suppliers to whom business critical prepayments and ransom payments were made in addition to numerous landlords to whom rent deposits were also paid.

To date, no recoveries have been made under these categories with many creditors claiming a right of set of.

Sundry Refunds

During the Reporting Period Sundry Refunds totalling £21,434 have been received which have not been reconciled to either prepayments, rent deposits or known debtors. These miscellaneous receipts mainly consist of customer refunds, credit balances on account and utilities refunds that have not been offset against debit balances.

Business Rates Refunds

A small business rates refund in the sum of £5,434 has been received in relation to a former Lifeline property during the Reporting Period.

The Joint Administrators have engaged their agents, Carndearg Consultants Ltd t/a PCA, to review the historic rates position of all properties within Lifeline's portfolio to ascertain whether any recoveries can be made for the benefit of the Administration estate. This process is ongoing with an update on projected recoveries to be provided in future reports to creditors.

Motor Vehicle

The Joint Administrators were advised that the Company did not own any vehicles, instead these were either leased or included in the service contact. All leased vehicles have been returned to their respective leasing agent or have been novated to CGL with one exception.

The Joint Administrators were contacted by a former Lifeline employee advising that she was in possession of a van owned by Lifeline. Upon review of supporting documentation provided by the individual, the Joint Administrators are in the process of agreeing a sale of the vehicle.

No sale has been completed and an update to creditors will be provided in the next progress report.

1. Progress of the Administration

Other Assets

Petty Cash

On their appointment the Joint Administrators were made aware of petty cash held on site totalling £117 which has been collected and banked to the Administration estate.

Bank Interest Gross

During the Reporting Period gross bank interested has been received in the sum of £2,813.

Leasehold Property

As detailed in the Proposals, Lifeline operated under lease or alternative occupation in approximately 57 properties with 33 other properties either in informal occupation, with another occupier or with no interest. For the avoidance of doubt, the Joint Administrators have not adopted any leases or other agreements with any landlords.

A licence to occupy was granted to CGL regarding those properties which house services transferred to CGL for an initial period of three months from the date of Administration. This licence to occupy was granted in order to provide CGL sufficient time to contact the landlord of each property and make a decision regarding future occupation. This licence to occupy also served to safeguard the services provided from these properties for the recipients of Lifeline's services.

The Joint Administrators will look to ensure that the leases or occupation agreements held by Lifeline are properly dealt with once CGL have either vacated or agreed a basis for continued occupation.

As CGL's correspondence with the landlords continued but was not finalised, an extension to the licence to occupy was agreed to 30 November 2017. This was extended again in respect of a number of properties and for various periods as requested by CGL in order to progress negotiations with landlords.

CGL have paid the Administration estate licence fees associated with their ongoing occupation of the various properties. These licence fees do not represent an asset of the Administration estate. The licence fee for the second extension to the licence to occupy was not received during the Reporting Period and is therefore not presented in the Receipts and Payments Account attached at **Appendix E**.

Following correspondence with each landlord, and on receipt of the relevant invoice in accordance with lease entered into by the Company, the Joint Administrators have utilised the licence fee to settle outstanding rent and associated charges in arrears as they have fallen due.

The Joint Administrators will settle all licence fees falling due until such a time as the licence comes to an end, subject to any further extensions required.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against the Trustees or other parties, and what recoveries could be made. I have preliminarily reviewed the Company's books and records and accounting information, requested further information from the Trustees, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

I have submitted a report to the Secretary of State for Business, Energy and Industrial Strategy on the conduct of the Trustees and any de facto or shadow directors as appropriate. This report remains confidential between myself and the Secretary of State for Business, Energy and Industrial Strategy.

Further details of the conduct of my investigations are set out in the schedule of work attached at **Appendix C**.

1. Progress of the Administration

As detailed in the Proposals, the Joint Administrators believe that significant investigation into the Company books and records (including electronic and other financial records) is required to fully understand the reasons for failure. This process is ongoing and should anything further come to light which requires reporting to the Secretary of State for Business, Energy and Industrial Strategy, further confidential submissions will be made in due course.

It should also be noted that, in conjunction with their own investigations, the Joint Administrators may be obliged to provide assistance to the Insolvency Service or the Charity Commission should they undertake their own investigations into the Company's failure. Creditors should be aware that these external investigations may not lead to additional asset recovery.

Extension to the Initial Period of Appointment

The initial period of the Administration has not been extended and it is not envisaged that an extension to the Administration will be necessary.

Anticipated Exit Strategy

It is currently envisaged that the Company will have sufficient funds to enable a distribution to unsecured creditors (other than that by virtue of a Prescribed Part). As such the Joint Administrators will take the necessary steps to place the Company into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986.

It is likely that the Company will be placed into CVL prior to the 12 month anniversary, however, should the Administration need to be extended prior to this date the Administrators will take the necessary steps in accordance with the Insolvency Rules.

2. Estimated Outcome for the Creditors

The Estimated Outcome for Creditors was set out in the Proposals.

Based on the information available to date and assets realised during the Reporting Period the anticipated outcome for creditors is set out below:

Outcome for the Secured Creditors

The Company granted National Westminster Bank Plc a fixed and floating charge debenture over all property and assets of the Company on 17 January 2007.

There is however, no outstanding debt due to the bank and therefore there are not believed to be any Secured Creditors in this matter.

The Joint Administrators note the existence of outstanding charges at Companies House in favour of The Co-Operative Bank Plc and the Council of the City of Manchester. The Joint Administrators have received confirmation from the Council of the City of Manchester that its charge is satisfied in full and correspondence has been lodged at the Companies House in support of the same.

The Co-Operative Bank Plc have been written to regarding the Administration, however, no details of a claim have been received.

The Joint Administrators will provide further updates in this matter in future updates to creditors.

Outcome for Preferential Creditors

As part of the business and asset sale agreement, the Company's employees were transferred to CGL in accordance with the Transfer of Undertaking (Protection of Employment) Regulations 2006.

Staff members working on contracts not novated to CGL were transferred to other providers under the same regulations.

CGL have agreed to honour certain employee pension arrears linked to the contracts that they have acquired. The impact of the TUPE transfer and settlement of certain pension contributions outstanding has significantly reduced preferential and unsecured employee claims.

It was previously anticipated all outstanding pension contributions would be met in full from the Administration estate. However, given the quantum of projected claims were in excess of £370k, the Joint Administrators sought advice from Taylors as to the qualifying preferential liability.

Due to changes in pensions legislation, approximately £37,273 of unpaid contributions will now in fact rank as a preferential claim with the balance ranking as an unsecured claim. Preferential claims will still be met in full, however, this split will be confirmed once all claims are adjudicated in full.

Upon receipt of this advice the Joint Administrators have spent time ensuring that forms are submitted to the Redundancy Payments Service so that pension contributions are met as far as possible.

Outcome for Unsecured Creditors

Based on the assumptions made in the estimated outcome statement included in previous correspondence it is currently estimated that there will be sufficient funds available to make a distribution to unsecured creditors. This distribution will be paid by subsequently appointed Liquidators in due course however, it is not possible to estimate the quantum of the distribution that may be made as the asset realisation process is still ongoing, and all claims have not yet been received or adjudicated.

Please note the Joint Administrators have included an updated estimated outcome statement at **Appendix G** for the reference of creditors. This now reflects the amended preferential claim following legal advice, together with an update of unsecured creditor claims estimated at £6,155,000.

2. Estimated Outcome for the Creditors

This has been updated following investigation by a third party accountant who is assisting with the preparation of the Statement of Affairs (which is still to be received). It also reflects the reduction in preferential claims previously notified which are now included in unsecured non-preferential claims.

These claims are estimated only and remain subject to a full adjudication process.

As a result of the above the estimated outcome statement attached shows that a dividend of 62.4p in the £ may be payable, but creditors should note that this estimate is subject to change.

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000 and the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits.

A prescribed part does not apply because there is no floating charge debt outstanding.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

FRP Advisory

Joint Administrators' Remuneration

Following circulation of the Proposals and the second approach to creditors regarding the Joint Administrators' proposed fee basis, the creditors passed a resolution by way of decision process by correspondence that the Joint Administrators' remuneration should be calculated as a combination of:

1. Remuneration charged by reference to the time incurred in attending to matters arising;
2. Remuneration charged on a percentage of the value of property; and
3. Remuneration charged as a set amount.

The decision approved by creditors is categorised as follows with estimated remuneration based on asset realisations detailed separately:

Category	Time Costs (£)	Percentage of Realisations (£)	Fixed Fee (£)	Total (£)
Case Administration and Statutory Matters	-	-	95,000	95,000
Asset Realisations*	-	151,795	-	151,795
Leasehold Properties	-	-	190,000	190,000
Investigations	125,000	-	-	125,000
Creditors	125,000	-	-	125,000
Total	**250,000**	**151,795**	**285,000**	**686,795**

*Asset Realisations		Percentage
Cash at Bank		2%
Fixtures and Fittings, Stock		10%
Freehold Property		3%
	First £1,912,000	2%
Book Debt Realisations	£1,912,001 to 2,500,000	5%
	Over £2,500,001	10%

Details of remuneration charged during the Reporting Period are set out in the statement of expenses attached at **Appendix F.** To date fees of £310,000 excluding disbursements and VAT have been drawn from the funds available, calculated as follows:

Category	Billed (£)	Calculated by
Case Administration and Statutory Matters	75,000	Fixed Fee
Asset Realisations:		
Cash at Bank	45,456	2% of realisations
Fixtures, Fittings & Stock	5,000	10% of realisations
Book Debts	44,690	*See table below
Investigations	82,697	Time Costs
Creditors	57,077	Time Costs
Total	**310,000**	

*Book Debt Increments	Percentage	Realised (£)	Billed (£)
First £1,912,000	2%	1,912,000	38,240
£1,912,001 to 2,500,000	5%	129,000	6,450
Over £2,500,001	10%	nil	nil
Total			**44,690**

A breakdown of the time costs incurred across all categories during the Reporting Period is attached at **Appendix D**.

Time costs for the Reporting Period total £321,631 which comprises 1,151 hours at an average hourly rate of £279. Time costs during the Reporting Period which relate to those categories of remuneration calculated on a time costs basis (Investigations and Creditors) total £152,843 which comprises 601 hours at an average hourly rate of £254.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

The remuneration anticipated to be recovered by the Joint Administrators is not likely to exceed the sum provided in the fees estimate circulated to creditors. It is currently envisaged that the Company will be placed into Liquidation as it is anticipated that a distribution will be paid to the unsecured creditors.

Should the Joint Administrators be appointed as Joint Liquidators, the basis agreed for the drawing of the Joint Administrators' remuneration will also be that utilised in determining the basis of the Joint Liquidators' remuneration, in accordance with the Insolvency Rules. At this stage it is envisaged that the remuneration referred to above will include the work to be done by the subsequently appointed Joint Liquidators. However, for the avoidance of doubt the Joint Liquidators may revert to creditors for the approval of further fees should they deem it to be appropriate.

Joint Administrators' Disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Reporting Period are set out in **Appendix D**.

Joint Administrators' Expenses

An estimate of the Joint Administrators' expenses was set out in the estimated outcome statement included in the Proposals and an update was provided in the second approach to creditors regarding the proposed fee basis. I attach at **Appendix F** a statement of expenses that have been incurred during the Reporting Period covered by this report. It is currently uncertain as whether the expenses incurred or anticipated to be incurred are likely to exceed the details previously provided. Please note that for the avoidance of doubt, the amounts stated include those expenses paid and those committed to but not yet paid.

In the estimated outcome statement previously circulated to creditors and the revised estimated outcome statement attached at **Appendix G** the Joint Administrators stated anticipated expenses other than their pre appointment costs, post appointment remuneration, legal fees and estimated agents and valuers fees of £100,000. This is a general estimate to cover the costs associated with the Administration, of which £59,224 have been incurred and paid during the Reporting Period.

The Joint Administrators are currently uncertain as to whether the expenses incurred during the course of the Administration will exceed this estimate given the nature of this matter and apparent lack of complete books and records.

The Joint Administrators' expenses, legal fees and agents fees may increase substantially if a high number of dilapidations claims are brought or issues arise when dealing with the portfolio of leasehold properties. Creditors will note from section one that the Joint Administrators have extended the licence to occupy twice for the benefit of the Administration which has increased costs further.

If the expenses incurred cumulatively throughout the Administration exceed the estimates provided during future reporting periods, full detail of the expenses incurred will be provided in future progress reports following the relevant reporting periods.

Creditors have a right to request further information from the Joint Administrators and further have a right to challenge the Joint Administrators' remuneration and other expenses, which are disclosed in this report, under the Insolvency Rules. (For ease of reference these are the expenses incurred in the Reporting Period as set out in **Appendix F** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link http://creditors.frpadvisory.com/feesguide.htm and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

Joint Administrators' Pre-Appointment Costs

Attached to the Proposals and subsequent approaches to creditors on the basis of the Joint Administrators fees was a statement of the costs charges or incurred by the Joint Administrators prior to the date of Administration of £95,662 plus disbursements of £1,706 plus VAT.

These outstanding costs were approved the general body of creditors by decision by correspondence, the result of which was posted to the FRP Advisory creditor's portal on 10 November 2017.

With the exception of some disbursements incurred, all outstanding pre-appointment costs have now been drawn from the Administration estate.

Appendix A

Statutory Information

COMPANY INFORMATION:

Other Trading Names:	None
Date of Incorporation:	20 August 1984
Company Number:	01842240
Registered Office:	c/o FRP Advisory LLP 7th Floor, Ship Canal House 98 King Street, Manchester M2 4"U
Previous Registered Office:	Unit 14-15 Third Floor, 12 Hilton Street Manchester, M1 1JF
Business Address:	Unit 14-15 Third Floor, 12 Hilton Street Manchester, M1 1JF

ADMINISTRATION DETAILS:

Names of the Joint Administrators:	David Thornhill Russell Stewart Cash Geoffrey Lambert Carton-Kelly
Address of the Joint Administrators:	FRP Advisory LLP 7th Floor Ship Canal House 98 King Street Manchester M2 4WU
Date of appointment of Joint Administrators:	2 June 2017
Court in which Administration Proceedings were Brought:	High Court of Justice Chancery Division Manchester District Registry
Court Reference Number:	2016 of 2017
Appointor details:	Company Directors/ Trustees
Previous office holders, if any:	None
Extensions to the initial period of appointment:	None
Date of approval of Administrators' proposals:	Approved by Deemed Consent on 23 June 2017

Appendix B

CH Form AM10 Formal Notice of the Joint Administrators' Progress Report

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 4 2 2 4 0
Company name in full	Lifeline Project

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

2 Administrator's name

Full forename(s)	David
Surname	Thornhill

3 Administrator's address

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

4 Administrator's name ❶

Full forename(s)	Russell Stewart
Surname	Cash

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

5 Administrator's address ❷

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

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

AM10

Notice of Administrator's progress report

6	Administrator's name ❶	
Full forename(s)	Geoffrey Lambert	❶ **Other administrator** Use this section to tell us about another administrator.
Surname	Carton-Kelly	

7	Administrator's address ❷	
Building name/number	7th Floor	❷ **Other administrator** Use this section to tell us about another administrator.
Street	Ship Canal House	
Post town	98 King Street	
County/Region	Manchester	
Postcode	M 2 4 W U	
Country		

10	Period of progress report
From date	0 2 / 0 6 / 2 0 1 7
To date	0 1 / 1 2 / 2 0 1 7

11	Progress Report
	☐ I attach a copy of the progress report

12	Sign and date
Administrator's signature	Signature X [signature] X
Signature date	2 1 / 1 2 / 2 0 1 7

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	Michael Cheetham
Company name	FRP Advisory LLP
Address	7th Floor
	Ship Canal House
Post Town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	
DX	
Telephone	0161 833 3344

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.

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the follow:

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

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

Appendix C

Schedule of Work

Lifeline Project (In Administration)

Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holders during the Reporting Period together with an outline of work still to complete. Where work undertaken results in the realisation of funds from the sale of assets, recoveries from successful actions taken against third parties, there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the Trustee, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

Note	Category			
1	**ADMINISTRATION AND PLANNING** **Work undertaken during the reporting period**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**	**Fee Basis Agreed**
	Necessary Administrative and Strategy Work: - Further meetings with management and the purchaser - Liaising with those creditors having a debenture registered against the Company (NatWest, the Council of the City of Manchester and the Co-Operative Bank) and other significant creditors including HMRC; - Ascertaining that no money was owed to debenture holders and therefore there was no QFCH; - Liaising with the Company's relevant regulatory body being the Charity Commission; - Correspondence, conference calls and meetings with local authorities and commissioners; - Obtaining confirmation of the validity of the Joint Administrators' appointment.		General review of the conduct of the case and strategy to ensure compliance with the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to. Continued formal case reviews overseeing the conduct of the case and associated strategy as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management. Continued liaison with the Charity Commission with updates on the progress of the Administration as required.	Fixed Fee £95,000 Fee combined with Section 5 below.

	- Preparation of press releases and engagement with press advisors. - Production and revisions of an estimated outcome statement to consider and understand projected outcomes for creditors. - Formal case reviews overseeing the conduct of the case and associated strategy as required by the insolvency practitioners regulatory professional body - Correspondence with insurance providers to confirm case insurance requirements are appropriate as assets are realised. ***Statutory Matters:*** - Liaising with Solicitors, the Chief Executive and Trustees regarding TUPE employment requirements; - Assisting with employee matters and TUPE consideration;		Correspondence with insurance providers to confirm case insurance requirements with cancellation of cover once assets are realised to control costs. Internal staff discussions and case updates where required.	
	Regulatory Requirements Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations. Completion and continued consideration of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act and Data Protection Act ("DPA"). Consideration if there are any other case specific matters be aware of prior to or on appointment. For example, health and safety; environmental concerns; particular		Continued monitoring of online presence of the Company, taking appropriate and taking appropriate measures as required. Continued reference to statutory provision throughout the case in relation to direction, review and reporting requirements. As applicable, further communication with the relevant regulatory bodies including: - Care Quality Commission ("CQC")	

	licences or registrations; tax position; social media; profile of the client or its stakeholders. Ascertaining the online presence of the Company and monitoring this as appropriate. Regular reference to statutory provision throughout the duration of the case in relation to direction, review and reporting requirements. As applicable, communication and notification with the relevant regulatory bodies including: - Care Quality Commission ("CQC") - DPA - Other Local authorities/ commissions as requested. Liaising with CGL to ensure proper novation of patient data.		- DPA - Other Local authorities/ commissions as requested. Liaising with CGL to ensure proper novation of patient data and any further information requests.	
	Case Management Requirements Determine case strategy and to document this in accordance with internal procedures. Setting up and administering bank accounts throughout the duration of the case. Compiling a forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant		Continued administration of the insolvent estate bank accounts including regular bank reconciliations as appropriate throughout the duration of the case. Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted and any ad hoc legal advice required.	

	approving creditors to assess and vote on the fee bases proposed. Initial and continued discussions with a third party who will assist the Trustees in their submission of a statement of the Company's affairs. Instruction of the following professional firms to assist the Joint Administrators: - Taylors Solicitors – to provide legal advice and all aspects of the case. - HilCo – to provide a valuation of the assets held by the Company including stock, equipment and fixtures and fittings. - GVA – to provide valuation and advice and assist with the disposal of the Company's freehold properties, as well as a review of potential premiums within the leasehold portfolio. - David Newton – to collate and provide information in relation to the Company's property portfolio. Arranging for insurance on the assets in the estate and the cancellation of this as assets are realised and disposed of. Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted and any ad hoc legal advice required. Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries.		Future correspondence and assistance with the instructed third party, and trustees, as to the completion of the Statement of Affairs. Submission of the Trustee's Statement of Affairs and any statements of concurrence once received in accordance with the Insolvency Rules. Correspondence with the former advisors to the Company requesting third party information to assist with general enquiries where required.

	Circulating a second fee proposal to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed.			
2	**ASSET REALISATION** **Work undertaken during the reporting period**		**ASSET REALISATION** **Future work to be undertaken**	**Fee Basis Agreed**
	One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation. Insurance has been arranged by the Joint Administrators to ensure available assets are protected until such time as they are realised. This will be regularly reviewed and amended as necessary. **Contracts** The Joint Administrators continue to liaise with CGL, Taylors and local commissioners over the novation of contracts previously held in Lifeline to CGL. This has involved continued communication between all parties, reconciliation of monies owed from commissioners and will ultimately requires review of over 50 individual agreements. **Book Debts** The Joint Administrators worked with the Company and CGL to collect outstanding book debt since appointment. The Joint Administrators have and continue to reconcile the debtor ledger and deal with any queries from debtors		**Contracts** Continued correspondence with CGL, Taylors and local commissioners to complete the novations of all remaining contracts. **Book Debts** The Joint Administrators, with the assistance of the Purchaser and their solicitors (Taylors) will take the necessary steps to collect the remaining ledger (over and above what was collected prior to appointment).	Percentage of Realisations (Various) Estimated to be approximately £151,795

	to provide copy correspondence or dispute unreconciled balances. Substantial realisations have been made to date with key remaining debtors referred to Taylors to issue formal demand letters. Correspondence and recoveries are ongoing. The Joint Administrators have continued to correspond with NatWest to ensure receipts paid to the Company's previous current account are remitted to the Administration estate.		In order to complete this and ensure full recovery of amounts owed, both the Purchaser and the Joint Administrators are in correspondence with debtors. The Joint Administrators will continue to reconcile the debtor position and ensuring any disputes are rectified or copy documents provided to ensure prompt payment. Ongoing correspondence, will be maintained with NatWest to ensure receipts paid to the old Lifeline account are remitted to the Administration estate. Reconciliations and correspondence with the Purchaser is required to identify the receipts due to CGL. The Joint Administrators will continue correspondence with the assistance of Taylors to ensure realisations are maximised for the benefit of the Administration estate. It is anticipated that the remaining balance of book debts may require further assistance from the Joint Administrators' solicitors, however, the book debts remain outstanding to the Company and every effort will be made to collect them.	
	Stock All stock was included in the sale consideration as part of the transaction with CGL. Any stock subject to ROT		**Stock** Should any further ROT claims be brought against stock included in the sale, the Joint Administrators will work with the Purchaser and ensure these claims are dealt with appropriately.	

	claims will be dealt with as appropriate with the assistance of CGL. Time has already been spent liaising with several creditors who have submitted ROT claims. Such time includes a review of the validity of the claim as well as communication of these claim to CGL. No further claims are envisaged. **Freehold Property** Two freehold properties were identified with potentially a third property available for sale which will now be sold for the benefit of the estate (following legal advice). GVA have marketed all three properties for sale and all properties are under offer. Negotiations are ongoing with completion expected during the next Reporting Period. As no transaction has yet completed, no further information can be provided at this time. In accordance with SIP 13, no assets have been sold to connected parties. **Motor Vehicle** The Joint Administrators were advised that the Company did not own any vehicles however they were contacted by a former member of staff advising that she was in possession of a van owned by Lifeline. The Joint Administrators have reviewed the documentation provided by the individual and are in the process of agreeing a sale of the right and title they have in this asset.		Please note that no further claims of ROT have been received since the last schedule of work was circulated to creditors however they were received during the Reporting Period and have therefore been included. **Freehold Property** Steps will be taken to complete a sale of the properties currently under offer. **Motor Vehicle** On receipt of the sale consideration for this vehicle all relevant correspondence will be forwarded to ensure the right and title passes to the purchaser. **Other Assets** The Joint Administrators will take steps to identify any further assets that may have a realisable value. If identified the Joint Administrators will take the necessary steps to properly value and realise these assets in the most cost efficient manner to ensure realisations for the estate are maximised. For	

	Cash at Bank The Joint Administrators have secured the transfer of funds to the Administration estate and this has been reconciled.		example, a firm of specialist agents have been retained to investigate whether any claims for rate rebates may be made for periods prior to the Administration, given the size of the Company's property portfolio across some 90+ properties. If any other assets are uncovered which are onerous, these may be disclaimed as appropriate. Any prepayments made prior to the Joint Administrators appointment will be reviewed and if possible, pro-rata recoveries will be pursued.	
3	**LEASEHOLD PROPERTIES** **Work undertaken during the reporting period**		**LEASEHOLD PROPERTIES** **Work undertaken during the reporting period**	**Fee Basis Agreed**
	In conjunction with the sale to CGL, a licence to occupy certain properties was agreed with CGL and leases will be assigned, surrendered or disclaimed depending on whether CGL requires the relevant leasehold property going forward. During the initial licence period, the Joint Administrators have written to and engaged further with the various landlords of the Company's property portfolio. Discussions have been held directly with landlords to establish the rents payable, ongoing arrangements for the payment of rent under the licence fee paid by CGL, future plans for the properties and other matters specific with each property.		The Joint Administrators will, with the assistance of the Purchaser and Taylors, continue to assign, surrender or disclaim (in Liquidation) the leasehold properties (of which there are over 90) that the Company occupied on a case by case basis until this process is finalised. The Joint Administrators have and will continue to engage with landlords and/or their agents throughout this process and administer payments to them under the licence to occupy (which in certain cases has now been extended twice). This will also include a review of the lease agreements and any payments due with regards to service charge, insurance and rates in accordance with each lease. As an extension of the existing licence has been required (over and above the extension which has	Fixed Fee (£195,000)

	Time has also been spent reviewing and processing the licence fee payments to the landlords of the property portfolio. An extension to the licence on certain properties for a further 3 months to November 2017 was agreed. Discussions with landlords over the ongoing position have continued in this regard. A further extension to the licence on certain properties has been extended for varying lengths of time (the longest being to 31 March 2018). Certain properties have now been vacated by CGL and the Joint Administrators have taken steps to return the keys to these properties to the landlords and agree a surrender of the lease. Further, correspondence has continued with landlords to ensure that the pre-existing lease/occupation agreement is dealt with properly in the Administration.		already been implemented), time will continue to be spent liaising with landlords and administering payments for this extended period of time. Each leasehold property will either be surrendered or have the lease assigned to the Purchaser. The Joint Administrators are in constant correspondence with the Purchaser to ensure this is completed as quickly as possible whilst keeping landlords updated to each development. The Joint Administrators will also ensure each surrender or assignment is properly completed with the appropriate legal advice and documentation to support this signed off by all parties involved.	
4	**CREDITORS** **Work undertaken during the reporting period**		**CREDITORS** **Future work to be undertaken**	**Fee Basis Agreed**
	Notifying all creditors, including HMRC, of the Joint Administrators' appointment. Dealing with queries from former employees with their residual claims and liaising with the Redundancy Payments office as required.		**Secured Creditors:** It is understood that there are no secured creditors with outstanding balances on appointment. The Joint Administrators will continue to correspond with the holders of any outstanding charges to seek	Time Costs capped at £125,000

	Preferential Creditors: The majority of preferential creditor claims have been mitigated as all employees have been transferred under TUPE to CGL or other service providers. The Joint Administrators have made the necessary submissions to the Redundancy Payments Service for residual claims. Obtaining legal advice from Taylors as to the preferential status of pension contributions. Once confirmed liaising with CGL to ensure submissions to the Redundancy Payments Service can be made, so outstanding contributions can be brought up to date as far as possible. The Joint Administrators have liaised with previous Company staff and utilised the books and records of the Company to verify any residual employee claims. **Pensions:** Establishing the position with regards any Employer pension scheme and notifying the relevant parties in accordance with the legislation. Instruction of specialist advisor to confirm the Joint Administrators' obligations under the schemes and the period of liability ranking as a preferential or unsecured claim. Correspondence with the Pension Regulator where required.		confirmation of these nil balances. In the event debit balances are uncovered that were previously not disclosed to the Joint Administrators this will be reviewed and further steps will be taken as appropriate in accordance with the Insolvency Rules including obtaining advice on the validity of any security. **Preferential creditors:** It is currently anticipated that sufficient funds will be available to enable a distribution to preferential creditors. The office holder will agree claims and pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution. Steps will be taken to agree the final level of pension scheme contributions payable by the Administration estate. **Pensions:** Continued correspondence with pension providers and specialist agents with regards to each scheme and where appropriate appointing an independent trustee to the scheme and winding it up. Correspondence with CGL is ongoing regarding the submission of the necessary RP15 forms regarding any shortfall in contributions. Correspondence will be opened with the Insolvency Service once all forms are submitted.	

	Assets on finance: Establishing the position with regards assets on finance and arranging for assets to be returned to the relevant finance company if needed or if possible assisting with a transfer to the Purchaser. **Unsecured Creditors:** Review and respond to various creditor enquiries and correspondence received in the Administration to date.		**Unsecured creditors:** If sufficient funds are available to make a distribution to the unsecured creditors the office holder will write to all known creditors to notify of the possibility of a distribution and requested submission of claims. To date the Joint Administrators are aware of approximately 5,300 potential creditors according to the information currently available. As required the office holder will advertise for claims and adjudicate on them if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the office holder will make a distribution to creditors, placing the Company into liquidation if required. Deal with further creditor enquiries as they are received. **HMRC claims:** Liaising with HMRC to establish their claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate.	
5	**INVESTIGATIONS** **Work undertaken during the reporting period**		**INVESTIGATIONS** **Future work to be undertaken**	**Fee Basis Agreed**
	Conducting initial enquiries into the conduct of the Company and its Trustees.		Considering any additional information provided by stakeholders that might identify further assets or lines	Time Costs capped at £125,000

	Collating books and records to identify the assets that may be available to realise for the benefit of the insolvency estate. FRP's IT department have liaised with the Company's IT providers and senior members of CGL staff to obtain backups of the Company's system via servers and devices obtained from members of staff. This includes but is not limited to the following: - Full data capture across two key servers held in the Manchester offices; - Download and capture of Outlook and Gmail accounts of key members of staff in addition to multiple mailboxes provided by the Company's previous supplier; - Collection of multiple devices used by senior members of staff for review and interrogation purposes; - Copies of both Sage 50 accounts and Sage 200 desktop versions for review and interrogation; - Key data captures have been uploaded to a specific portal for review by multiple case staff. Obtaining such information has been challenging given the fragmented nature of the Company's IT systems. However, the information extracted to date will be reviewed to understand if there are any further reporting requirements, or any potential actions that could be taken by the Joint Administrators. Requesting all directors/trustees/members of staff with significant control of the Company both current and those holding office within 3 years of the insolvency to		or enquiry for the office holder to explore if a benefit to the estate is possible. Detailed review of information downloaded from the Company's IT system. Further reporting and action, if appropriate, will be considered upon review of this additional information. Further investigation work may be appropriate on receipt of new information or at the request of DBEIS or the Charity Commission. Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director. We will discuss any potential actions/investigations with the committee if appointed or the creditor body as there will have to be some benefit to the creditors in incurring the costs of pursuing any action, unless creditors resolve otherwise. Consider how the Joint Administrators weigh up the merits of pursuing actions and if these are being pursued explain the likely benefit to creditors or if further consultation with creditors is likely. Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.	

	complete a questionnaire to assist in preparing the statutory return to the DBEIS in accordance with the Company Directors Disqualification Act. A review of questionnaires returned has been completed to assist with the investigation into the Company's affairs prior to the Administration. A review of Trustee board meeting minutes and associated sub-committee minutes to understand decisions taken prior to the Administration. Review of associated management accounts and other financial information where available. Recording of investigations undertaken and drafting of a report to DBEIS, submitted on 1 September 2017. Further areas of investigation not completed prior to the submission of the report to DBEIS have been followed up as appropriate and are ongoing. Should these investigations, once finalised, result in any benefit for the Administration estate they will be actioned accordingly.			
6	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken during the reporting period**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**Fee Basis Agreed**
	Provide creditors with the proposals for the conduct of the Administration for approval by creditors in accordance with legislation. To calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level.		To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims. To provide a statutory reports to various stakeholders, including creditors, the Board of Trustees and the charity commission, at regular intervals and manage any queries arising therefrom.	Fixed Fee £95,000 Fee combined with Section 1 above.

	Advertising notice of the Joint Administrators' appointment as required by statute and any other immediate appointment formalities. Reviewing Company records and other available information to establish the existence of any pension schemes and staging dates for auto-enrolment and take appropriate action to notify all relevant parties and appoint independent trustees if required. The completion of a SIP 16 memo is included within the Joint Administrators Proposals, in compliance with SIP 16. The Joint Administrators have also complied with their internal SIP 16 and pre-pack procedures. Submission of an initial fee proposal to creditors, together with associated documentation and notices. A result of this decision procedure was circulated to creditors in accordance with the Insolvency Rules. Submission of a second fee proposal to creditors, together with associated documentation and notices. The result of this decision process was circulated to creditors in accordance with the Insolvency Rules. As a result of this second fee proposal, the basis on which the office holder's fees will be calculated was approved.		To deal with the statutory requirements in order to bring the case to a close and for the office holders to obtain their release from office; this includes preparing final reports for creditors, other stakeholders, convening final meetings after the Company is placed into Liquidation, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies.	

Appendix D
Details of the Joint Administrators' Time Costs and Disbursements for the Reporting Period and Cumulatively

FRP

Lifeline Project (In Administration)

Time charged for the period 02 June 2017 to 01 December 2017

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**26 50**	**7 00**	**143.60**	**15 60**	**192.70**	**53,739 25**	**278 88**
Case Accounting			7 60	1 65	9 25	2,098 25	226 84
Travel			9 00		9 00	1 800 00	200 00
Case Control and Review	26 50	7 00	16 80		50 30	19 406 50	385 82
Case Accounting - General			9 20	0 80	10 00	2,020 00	202 00
General Administration			12 50	13 00	25 50	4,966 50	194 76
Insurance			6 00		6 00	1,608 50	268 08
Strategy			30 80		30 80	8 810 50	286 06
Fee and WIP			51 70	0 15	51 85	13 029 00	251 28
Asset Realisation	**53 50**	**7 50**	**184.10**		**225 10**	**73,880 75**	**328 21**
Asset Realisation	5 00		27 70		32 70	9 240 50	282 58
Freehold/Leasehold Property	36 00	1 00	116 00		153 00	50,215 75	328 21
Debt Collection	5 00	1 00	17 70		23 70	7 986 00	336 96
Legal-asset Realisation			1 80		1 80	398 00	221 11
Sale of Business	5 50	3 50			9 00	4,035 00	448 33
Asset Realisation Floating	2 00	2 00	0 90		4 90	2,005 50	409 29
Creditors	**28 00**	**2 05**	**328 60**	**34 95**	**393 60**	**94,104 25**	**239.09**
Unsecured Creditors	17 00	0 55	148 75	30 90	197 20	46 339 50	234 99
Secured Creditors		1 50			1 50	562 50	375 00
Employees	2 50		34 70	4 05	41 25	9 777 25	237 02
Preferential Creditors			3 20		3 20	906 00	283 13
HP/ Leasing			3 75		3 75	757 50	202 00
ROT			6 20		6 20	1,591 50	256 69
Legal-Creditors			2 20		2 20	649 00	295 00
Pensions	8 50		28 80		37 30	12,371 00	331 66
Landlord			101 00		101 00	21,150 00	209 41
Investigation	**16 60**	**27 41**	**160 80**	**2 25**	**207 06**	**58,738 75**	**283 68**
Investigatory Work	1 00		8 60		9 60	2,671 00	278 23
CDDA Enquiries	6 50	3 00	47 60		57 10	16 950 00	296 85
IT – Investigations	8 10		50 95		59 05	16,736 00	283 42
Forensic		22 16	20 90	2 25	45 31	14 154 25	312 39
Forensic – Data Capture	1 00	0 50	7 50		9 00	2 582 50	286 94
Relativity - Internal		1 75	25 25		27 00	5 645 00	209 07
Statutory Compliance	**36 50**	**7 20**	**86.40**	**0 80**	**130 90**	**40,261 50**	**307.57**
Statutory Compliance - Genera	6 50	2 00	21 40		29 90	8 247 50	275 84
Statutory Reporting/ Meetings	17 50	4 50	57 70	0 50	80 20	23 577 50	293 98
Appointment Formalities	9 50	0 70	1 20	0 30	11 70	5 494 00	469 57
Statement of Affairs	3 00		5 30		8 30	2 782 50	335 24
Bonding/ Statutory Advertising			0 80		0 80	160 00	200 00
Trading	**1 75**		**0.20**		**1 95**	**906 25**	**464 74**
Case Accounting - Trading			0 20		0 20	40 00	200 00
IT – Trading / Sale support	1 75				1 75	866 25	495 00
Total Hours	162 85	51 16	883 70	53 60	1,151 31	321,830 75	279 36

FRP Charge out rates

Grade	From 1st May 2016
Appointment taker / Partner	450-495
Managers / Directors	340-465
Other Professional	200-295
Junior Professional & Support	125-175

Disbursements for the period

02 June 2017 to 01 December 2017

	Value £
Category 1	
Congestion Charge	17 00
Hotels	350 28
Insurance	2 025 00
Parking	19 50
Postage	66 12
Subsistance	154 01
Sundries/General	277 77
Taxis	55 00
Travel	355 58
Mobile Telephone	19 67
Computer Consumables	905 93
Property	12 00
Category 2	
Car/Mileage Recharge	271 03
Grand Total	4,528 89

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

Appendix E

Receipts and Payments Account for the Period and Cumulatively

Lifeline Project
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 02/06/2017 To 01/12/2017 £	From 02/06/2017 To 01/12/2017 £
	SECURED ASSETS		
410,000.00	Freehold Property	NIL	NIL
NIL	Leasehold Improvements	NIL	NIL
1.00	Goodwill	1.00	1.00
		1.00	1.00
	COSTS OF REALISATION		
(35,000.00)	Estimated Disposal Costs	NIL	NIL
(7,000.00)	VAT - Irrecoverable	NIL	NIL
(20,000.00)	Insurance	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
NIL	Secured Chargeholder	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
45,000.00	Equipment	45,000.00	45,000.00
NIL	Motor Vehicles	NIL	NIL
5,000.00	Stock	5,000.00	5,000.00
1,187,389.00	Book Debts	2,201,439.61	2,201,439.61
2.00	Contracts/Records	2.00	2.00
60,000.00	Prepayments	NIL	NIL
2,748,208.00	Cash at Bank	2,276,788.57	2,276,788.57
NIL	Rent Deposits	NIL	NIL
	CGL Licence Fee	502,491.64	502,491.64
	CGL Apportioned Funds	189,746.91	189,746.91
	Bank Interest Gross	2,813.35	2,813.35
	Rent	30,000.00	30,000.00
	Sundry Refunds	21,433.53	21,433.53
	Business Rates Refunds	5,434.24	5,434.24
	Petty Cash	116.50	116.50
		5,280,266.35	5,280,266.35
	COST OF REALISATIONS		
(750,000.00)	Administrators' Remuneration	310,000.00	310,000.00
(500.00)	Administrators' Disbursements	4,524.77	4,524.77
	Administrators' Remuneration - Pre Ad	28,245.75	28,245.75
	Administrators' Disbursements - Pre A	234.77	234.77
	Agents/Valuers Disbursements - Pre A	266.75	266.75
(25,000.00)	Agents/Valuers Fees	13,810.00	13,810.00
	Agents/Valuers Fees - Pre-Administrati	34,300.00	34,300.00
(250,000.00)	Legal Fees	104,651.50	104,651.50
	Legal fees - Pre-Administration	33,275.00	33,275.00
	Legal Disbursements	138.44	138.44
(100,000.00)	Other Costs	NIL	NIL
(225,000.00)	VAT Irrecoverable	135,119.29	135,119.29
	Stationery & Postage	21,880.53	21,880.53
	Courier Costs	63.00	63.00
	Statutory Advertising	84.60	84.60
	Other Property Expenses	5,129.18	5,129.18
	Insurance	24,719.95	24,719.95

Lifeline Project
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 02/06/2017 To 01/12/2017 £	From 02/06/2017 To 01/12/2017 £
	Employee Expenses	7,319.12	7,319.12
	CGL Apportioned Funds	77,614.17	77,614.17
	Bank Charges - Floating	27.50	27.50
	Licence Fee Rent	383,263.26	383,263.26
		(1,184,667.58)	(1,184,667.58)
	PREFERENTIAL CREDITORS		
(280,000.00)	Pension Contributions	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(3,999,000.00)	Unsecured Creditors	NIL	NIL
		NIL	NIL
(1,235,900.00)		**4,095,599.77**	**4,095,599.77**
	REPRESENTED BY		
	IB Current Floating		3,996,725.59
	IB Licence Fee Account		98,874.18
			4,095,599.77

Note:

Appendix F

Statement of Expenses Incurred in the Reporting Period

Lifeline Project (In Administration)
Statement of Expenses for the Period Ended
1 December 2017

Expenses	Period to 1 December 2017 £
Joint Administrators' Remuneration (Paid & Incurred)	321,631
Joint Administrators' Disbursements	4,529
Joint Administrators' Pre Appointment Remuneration	28,246
Joint Administrators' Pre Appointment Disbursements	235
Legal Fees - Pre Administration	33,275
Agents/ Valuers Fees - Pre Administration	34,300
Agents/ Valuers Disbursements - Pre Administration	267
Agents/ Valuers Fees	13,810
Legal Fees	104,652
Legal Disbursements	138
Stationery and Postage	21,881
Courier Costs	63
Statutory Advertising	85
Other Property Expenses	5,129
Insurance	24,720
Employee Expenses	7,319
Bank Charges	28
Total	600,306

Appendix G

A Revised Estimated Outcome Statement

Lifeline Project - 21 December 2017 Estimated outcome statement / '£		NBV 28 Feb 2017 (or latest schedule if available)	Estimated to Realise
Fixed Charge Assets			
Goodwill	1	-	1
Freehold Properties	2	1,243,884	510,000
Leasehold Improvements	3	1,080,828	-
Less: Estimated Costs (exc Insurance)	4		(20,000)
Less: Insurance	4		(20,000)
Less: Irrecoverable VAT	5		(4,000)
Less: Due to Chargeholder	6		-
Surplus/ (shortfall)			**466,001**
Assets not specifically pledged			
Surplus b/d from fixed charge		-	466,001
Equipment	1	467,874	45,000
Stock	1	-	5,000
Book Debts/Accrued Income	7	3,177,556	2,412,786
Cash at Bank	8	3,033,959	2,276,789
Motor Vehicles	9	30,627	-
Contracts/Records	1	-	2
Rent Deposits	10	27,705	-
Rental Income	11	-	35,000
Other Asset Realisations	12	448,562	30,000
			5,270,577
Less Costs of Realisations:			
Administrators' outstanding pre-appointment fees (and disbursements)	13		(29,526)
Outstanding Legal pre-appointment fees (and disbursements)	13		(33,276)
Outstanding Agent pre-appointment fees (and disbursements)	13		(34,567)
Administrators'/Liquidators' post-appointment fees	4		(686,795)
Legal post-appointment fees	4		(250,000)
Agent post-appointment fees	4		(25,000)
Other Costs	4		(100,000)
Irrecoverable VAT	5		(231,833)
			(1,390,996)
Net realisations after costs			**3,879,581**
Preferential creditors			
Employee arrears of pay & holiday			-
Pension Contributions	14		(37,273)
Net Property			**3,842,309**
Less: Prescribed Part	15		-
Available to Unsecured Creditors			**3,842,309**
Estimated Unsecured Creditor Claims	16		(6,155,000)
Shortfall to creditors			**(2,312,691)**

Note	Category	Comment
Note 1	**Goodwill/Equipment/Stock/ Contracts/Records**	Asset realisations as per the SPA agreed with CGL.
Note 2	**Freehold Properties**	Realisable value included for illustrative purposes only.
Note 3	**Leasehold Improvements**	No realisations anticipated for this class of asset.
Note 4	**Post-appointment Costs**	These costs are estimates only and subject to revision. The Joint Administrators' costs are as detailed in their fee proposal and subject to creditor approval
Note 5	**Irrecoverable VAT**	Lifeline is not VAT registered and therefore no input VAT can be recovered.
Note 6	**Chargeholder**	No indebtedness noted.
Note 7	**Book Debts**	Projected realisations based on realisations to date (£2,007,946) plus an illustrative estimated to realise figure for the outstanding ledger.
Note 8	**Cash at Bank**	Cash at Bank represents monies held in the Company's current accounts on appointment, adjusted for advance receipts due to CGL and book debts received on the appointment date as detailed in Section 3 of the main body of the fee proposal report.
Note 9	**Motor Vehicles**	Motor vehicles were acquired by Lifeline, but are understood to be owned by the local commissioner whose contract Lifeline serviced. Further clarity will be sought by the Joint Administrators over the course of the Administration.
Note 10	**Rent Deposits**	No realisations anticipated for this class of asset due to anticipated contra claims
Note 11	**Rental Income**	Estimated rental income from CGL's occupation of one of the Freehold Properties
Note 12	**Other Asset Realisations**	Estimated realisations relating to an insurance prepayment and other realisations (e.g. sundry refunds).
Note 13	**Pre-Administration Costs**	Estimated as per Appendix D.
Note 14	**Pension Contributions**	Estimated only following additional advice from the Joint Administrators' solicitors The final level of preferential claims will be adjudicated in full prior to distribution.
Note 15	**Prescribed Part**	Not applicable as no outstanding floating charge debt.
Note 16	**Unsecured Creditors**	Estimated based on the information available from the Company records.

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	Michael Cheetham
Company name	FRP Advisory LLP
Address	7th Floor
	Ship Canal House
Post Town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	
DX	
Telephone	0161 833 3344

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.

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the follow:

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

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