In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up

Companies House

TUESDAY

A8B9WKKG
A08 06/08/2019 #157
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 Liquidator's name

Full forename(s)	David
Surname	Thornhill

3 Liquidator's address

Building name/number	4th Floor
Street	Abbey House
Post town	Booth Street
County/Region	Manchester
Postcode	M 2 4 A B
Country	

4 Liquidator's name ❶

Full forename(s)	Geoffrey Lambert
Surname	Carton-Kelly

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

5 Liquidator's address ❷

Building name/number	4th Floor
Street	Abbey House
Post town	Booth Street
County/Region	Manchester
Postcode	M 2 4 A B
Country	

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

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	0	7	0	6	2	0	1	8
To date	0	6	0	6	2	0	1	9

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature

Signature
X
X

	d	d	m	m	y	y	y	y
Signature date	0	5	0	8	2	0	1	9

LIQ03
Notice of progress report in voluntary winding up

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	4th Floor
	Abbey House
Post town	Booth Street
County/Region	Manchester
Postcode	M 2 4 A B
Country	
DX	
Telephone	0161 833 3344

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse
or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

FRP
Advisory

Lifeline Project (In Liquidation)

The Joint Liquidators' Progress Report for the Reporting Period 7 June 2018 to 6 June 2019 pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

5 August 2019

Contents and Abbreviations

FRP Advisory

The following abbreviations may be used in this report:

FRP Advisory — FRP Advisory LLP

The Company or Lifeline — Lifeline Project (In Liquidation)

The Joint Liquidator

	Appointed	Resigned
David Thornhill	7 June 2018	-
Russell Cash	7 June 2018	22 August 2018
Geoffrey Carton-Kelly	7 June 2018	-

The Reporting Period — 7 June 2018 to 6 June 2019.

CVL — Creditors' Voluntary Liquidation

SIP — Statement of Insolvency Practice

SIP 9 — Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders

The Insolvency Rules — The Insolvency (England and Wales) Rules 2016

HMRC — HM Revenue & Customs

DBEIS — Department for Business, Energy and Industrial Strategy

Taylors — Taylors Solicitors LLP

CGL or the Purchaser — Change, Grow, Live

TUPE — Transfer of Undertakings (Protection of Employment) Regulations 2006

RPS — Redundancy Payments Service

JLT — JLT Specialty Limited

1. Progress of the Liquidation

FRP Advisory

Work Undertaken During the Reporting Period

The Joint Liquidators attach at **Appendix B** a receipts and payments account detailing transactions for the Reporting Period.

A Schedule of Work undertaken during the Reporting Period together with details of work still to be completed is attached at **Appendix C**.

Asset Realisations

Sale of Business and Certain Assets

The Company's business and certain assets were sold as a going concern to CGL, an unconnected third party, on 2 June 2017, and the sale consideration was received on 4 July 2017.

Full details of the consideration, and reasons why this was in the best interests of the general body of creditors to achieve the statutory purpose of the Administration was detailed in the Joint Administrators' Proposals and subsequent Progress Reports.

Excluded Assets

Cash at Bank

During the Administration period cash at bank totalling £2,291,789 was received, being the reconciled cash proceeds held in the Company's current account at the date of Administration.

Following a further reconciliation of book debt receipts in respect of post-Administration services, previously received and apportioned to CGL, funds totalling £34,776 have been returned to CGL during the Reporting Period.

This position is now fully reconciled, and no further movement is envisaged.

Book Debts

At the date of Administration, the debtor ledger totalled £3,177,556 which included invoicing in advance for services provided after the date of Administration. Following a reconciliation exercise the remaining debtor ledger was estimated to realise £2,931,667.

During the Administration period, book debt collections totalled £2,383,743 with the remaining ledger per the Company records totalling £525,750 when the Company moved from Administration to Liquidation.

The remaining balance comprised two main debtors totalling £514,167. During the Reporting Period, the Joint Liquidators have recovered a further £214,649 from one of the key remaining debtors.

The second significant debtor has applied set off and submitted a counter claim in the Liquidation (subject to adjudication) therefore no further recovery is expected in relation to this debt.

The remaining debtor balance comprises bad and doubtful debts which would likely result in adverse costs and are considered uncollectable.

Cumulative book debt collections across the Administration period and Reporting Period total £2,598,392. The Joint Liquidators now consider the collection of the debtor ledger exhausted with no further realisations anticipated.

Sundry Refunds

Sundry refunds of £4,359 have been received during the Reporting Period which mainly relate to Council, Bank and Utility refunds that have not been offset against debit balances.

It should be noted that following the submission of the Joint Administrators' Final Report, a utilities refund totalling £57 was received which was subsequently transferred to the Liquidation estate and allocated to the Transfer from Administration.

Insurance Refund

During the Reporting Period, the Joint Liquidators' insurers, JLT, secured a refund from the Company's former insurance broker in respect of pre-Administration insurances totalling £25,995.

1. Progress of the Liquidation

This balance was offset against the general insurance requirements of the Administration and Liquidation and following the cancellation of these insurances, the balance of £3,568 was remitted to the Liquidation estate.

Furniture & Equipment

The Joint Administrators identified electronic items and office equipment belonging to the Company in a leased office. This was collected, securely cleansed and sold by the Joint Liquidators' agent, Wignall Brownlow LLP.

£549 has been remitted to the Liquidation estate representing the amount realised.

Other Assets

Bank Interest Gross

During the Reporting Period gross bank interest has been received in the sum of £24,169. Cumulative bank interest received during the Administration period and the Liquidation to date totals £39,700.

Creditors will note that final bank interest received during the Administration period totalled £15,531 rather than the £12,745 stated in the Joint Administrators' progress report. Prior to the closure of the Administration estate final bank account interest totalling £2,786 was received and subsequently transferred to the Liquidation estate bank account.

Leasehold Property

During the Administration period, the Joint Administrators granted licences to occupy to CGL in respect of a number of properties utilised by Lifeline. This served to provide CGL sufficient time to correspond with the landlord of each property regarding future occupation whilst safeguarding the services provided from each property.

Prior to moving the Company from Administration to Liquidation, the Joint Administrators granted CGL a final extension to the licence to occupy in relation to 16 remaining properties ending on 31 May 2018.

The licence fees associated with the occupation of the properties under licences to occupy have been paid into a separate designated Administration licence fee account. On moving from Administration to Liquidation, the balance of licence fees held totalling £99,742 was transferred to a separate designated Liquidation licence fee account.

During the Reporting Period, the Joint Liquidators have paid rent and associated costs to landlords totalling £13,692 which relates to sums due during the previous period covered by the licence to occupy, and is included in the Receipts and Payments Account attached at **Appendix B**.

The Joint Liquidators have also continued to liaise with CGL regarding these properties, however, for the avoidance of doubt no further extensions to the licence to occupy have been granted in the Liquidation.

During the Reporting Period the Joint Liquidators have taken the necessary steps to disclaim the remaining leasehold properties after serving notice on CGL of their intention to do so.

All properties held by the Company have now been dealt with; licences have either been novated to CGL, surrendered, disclaimed or the term of any previous lease agreement has since expired.

The Joint Liquidators continue to hold the balance of licence fees paid by CGL on account which will be dealt with during the next reporting period.

Investigations

Part of Joint Liquidators' duties include carrying out proportionate investigations into what assets the Company has, including any potential claims that could be brought by the Company or by the Joint Liquidators against any party which could result in a benefit to the estate.

The Joint Liquidators have reviewed the Company's books and records and accounting information, requested further information from the Trustees and any de facto or

1. Progress of the Liquidation

shadow directors as appropriate, and invited creditors to provide information on any concerns they have concerning the way in which the Company's business has been conducted.

The former Joint Administrators submitted a confidential report to the Secretary of State for Business, Energy and Industrial Strategy at the outset of the Administration.

Investigations in this matter were broadly completed in the Administration period and finalised during the Reporting Period.

Should anything further come to light that requires further investigation or reporting to the Secretary of Business, Energy and Industrial Strategy, further confidential submissions will be made in due course.

2. Estimated Outcome for Creditors

The estimated outcome for creditors was included in correspondence previously circulated in the Administration and a further update is as follows:

Outcome for Secured Creditors

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

There is no outstanding debt due to NatWest and therefore there are no secured creditors in this matter.

Preferential Creditors

As part of the business and asset sale agreement, the Company's employees were transferred to CGL in accordance with TUPE.

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

Following the Administration appointment, CGL honoured certain employee pension arrears linked to the contracts acquired. The TUPE transfer and settlement of certain pension contributions has significantly reduced preferential and unsecured employee claims.

Prior to the Joint Administrators' appointment, some employees were made redundant by the Company and subsequently submitted claims to the RPS in respect of wage arrears and outstanding holiday pay.

The RPS submitted an interim subrogated claim in the Administration representing the employees' preferential element for arrears of wages and holiday pay as calculated in accordance with legislation. Of this claim, £1,041 ranks preferentially and is subject to adjudication.

At the outset of the previous Administration, advice was sought from Taylors regarding changes in pension legislation and outstanding pension contributions.

Following this advice and information submitted to the RPS, the Joint Administrators estimate that approximately £37,526 of unpaid pension contributions will rank as a preferential claim in the Liquidation.

The above estimated claims are subject to payments made by the RPS and the final subrogated claim submitted by the RPS in the Liquidation estate.

During the Reporting Period, the Joint Liquidators have continued to liaise with CGL, the RPS and the various pension providers to ensure the appropriate forms are submitted to the RPS and any discrepancies dealt with, allowing outstanding pension contributions to be met in full as far as possible.

The RPS has made distributions to the some of the smaller pension scheme providers however distributions to the larger scheme providers are awaited. The Joint Liquidators continue to liaise with the RPS and will deal with any further queries raised to ensure any distributions are processed as soon as possible.

It is currently envisaged that all preferential claims will be paid in full, however, the final quantum of preferential claims will be confirmed once all claims have been adjudicated on in full.

On receipt of the final claim from the RPS, the Joint Liquidators will make a distribution to preferential creditors as soon as possible.

Unsecured Creditors

The Joint Liquidators anticipate that there will be sufficient funds available to make a distribution to unsecured creditors. The exact quantum of the final distribution is not certain as all claims have not yet been received or adjudicated on.

An updated estimated outcome statement is included at **Appendix G**, for information purposes only. This reflects the current position with updated unsecured creditor claims estimated at £7m. This figure is subject to change as not all creditor claims have been received or adjudicated.

2. Estimated Outcome for Creditors

The estimated outcome statement attached shows that a dividend of c.60.84p in the pound may be payable, but as stated previously this estimate is subject to change as costs are still to be incurred and creditor claims yet to be received remain subject to the full adjudication process.

Any creditors who have not yet submitted a claim and wish to do so should complete and return a proof of debt form with any correspondence in support of any such claim to the Joint Liquidators' address detailed at **Appendix A**. Alternatively this can be emailed to cp.manchester@frpadvisory.com.

Creditors will also note that the timing of a distribution to unsecured creditors is contingent on the distribution to preferential creditors which, in turn, is contingent on final payments being made from the RPS to the various pension scheme providers and the submission of final claims. As noted previously, the Joint Liquidators continue to liaise with the RPS and provide further information in a timely manner in order to expedite this process.

The Prescribed Part

In accordance with the Insolvency Act 1986, the Prescribed Part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

A Prescribed Part does not apply because there is no floating charge debt.

3. Joint Liquidators' Remuneration, Disbursements and Expenses

Joint Liquidators' Remuneration

The Joint Liquidators' proposed fee basis was approved in the Administration by way of a decision procedure by correspondence which was received on 8 November 2017.

The basis agreed for the drawing of the Joint Liquidators' remuneration is the basis determined for the Joint Administrators in the previous Administration, in accordance with the Insolvency Rules.

Details of the Joint Liquidators' remuneration drawn during the Reporting Period is set out in the statement of expenses attached at **Appendix F**. Fees of £189,802 plus disbursements and VAT have been drawn from the funds available during the Reporting Period.

Cumulatively, remuneration drawn by the Joint Administrators and Joint Liquidators to date is £633,337 and is set out as follows:

Category	Billed Administration (£)	Billed Liquidation (£)	Billed Total (£)	Calculated by
Case Administration and Statutory Matters	75,000	20,000	95,000	Fixed Fee
Asset Realisations:				
Cash at Bank	45,536	(396)	45,140	2% of realisations
Fixtures, Fittings & Stock	5,000	-	5,000	10% of realisations
Book Debts	60,575	16,644	77,219	*See table
Creditors & Investigations	139,774	58,554	198,328	Time Costs
Freehold Property	22,650	-	22,650	3% of realisations
Leasehold Property	95,000	95,000	190,000	Fixed Fee
Total	**443,535**	**189,802**	**633,337**	

*Book Debt Increments	Percentage	Realised Administration (£)	Billed Administration (£)	Realised Liquidation (£)	Billed Liquidation (£)
First £1,912,000	2%	1,912,000	38,240	-	-
£1,912,001 to 2,412,000	5%	446,699	22,335	53,301	2,665
Over £2,412,001	7.5%	-	-	186,392	13,979
Total		**2,358,699**	**60,575**	**239,693**	**16,644**

The remuneration drawn by the Joint Liquidators during the Reporting Period is a continuation of the basis under which approval was obtained in the Administration.

A breakdown of the time costs incurred across the categories of work under which remuneration has been drawn on a time cost basis during the Reporting Period is attached at **Appendix D.**

Time costs during the Reporting Period which relate to those categories of remuneration calculated on a time costs basis, being investigations and creditors, total £72,075 which comprises 231 hours at an average hourly rate of £334.

As detailed in the Joint Administrators' Final Progress report, CGL agreed to cover the costs of the Joint Administrators and their appointed solicitors for matters associated with the extensions to the licence to occupy for the months of April and May 2018.

The costs associated with this, although incurred during Administration period, were paid during the Reporting Period, excluding VAT, as follows:

	Paid by CGL (£)
FRP Advisory	24,000
Taylors	6,500
Addleshaw Goddard	500
Total	31,000

The remuneration incurred by the Joint Liquidators in relation to those categories of work for which a time cost basis has been agreed is expected to exceed the fee estimate circulated to creditors on 18 October 2017.

The time cost basis expected to be exceeded specifically relates to the work undertaken in respect of Creditors and the receipt, review and admission or rejection of creditor claims.

Significant work has been undertaken by the Joint Liquidators to date in dealing with Preferential Creditors and liaising with various former employees, pension scheme providers and the RPS which is ongoing.

3. Joint Liquidators' Remuneration, Disbursements and Expenses

Creditors will also note that at the outset of the previous Administration and as detailed in previous correspondence, the Company's purchase ledger contained in excess of 5,000 creditors, all of whom have been written to at various occasions.

367 creditors have submitted claims in this matter, and this number is expected to increase further.

Some of the claims received represent claims from parties not previously on the Company's purchase ledger. These claims have required and will continue to require significant work to adjudicate on as some claims received also relate to refunds claimed or set-off applied at the date of Administration due to the discontinuance of services.

As a result, the claims received to date, and future claims expected to be received require significant work to adjudicate on and this process is expected take a considerable period of time to complete.

The Joint Liquidators are unable to and will not draw remuneration based on time costs exceeding the total amount set out in the fee estimate circulated to creditors in the report dated 18 October 2017, without further approval of the creditors.

When appropriate and at such time the Joint Liquidators are better able to predict the level of time costs they are likely to incur in excess of the initial fee estimate, to bring the claim adjudication process to a close, a revised fee estimate will be circulated to creditors for consideration.

The Joint Liquidators' Disbursements

The Joint Liquidators' disbursements are a recharge of actual costs incurred by them in dealing with this matter. 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**.

Expenses of the Liquidation

An estimate of the expenses expected to be incurred by the Joint Liquidators was initially set out in the estimated outcome statement included with the Joint Administrators' Proposals and updates were provided to creditors in subsequent reports in the Administration.

The Joint Liquidators attach at **Appendix E**, a statement of expenses that have been incurred during the Reporting Period. For the avoidance of doubt, the amounts stated include those expenses paid and those committed to but not yet paid.

In the estimated outcome statements previously circulated to creditors, the Joint Liquidators' stated expenses other than pre appointment costs, post appointment remuneration, legal fees and estimated agents and valuers fees were estimated to total £100,000.

During the Reporting Period the Joint Liquidators have incurred expenses totalling £41,313 which, combined with the expenses incurred and paid during the Administration totalling £67,191, has exceeded the initial estimate by £8,504.

These costs primarily relate to maintaining appropriate insurance requirements throughout the course of the insolvency process, collating and storing the Company's considerable historic records, and physically issuing correspondence to the wider creditor base at various intervals throughout the case.

These costs are likely to increase further during the course of the Liquidation as the Joint Liquidators issue further correspondence to creditors and arrange for the secure destruction of records held in accordance with statute.

The Joint Liquidators will continue to provide details of the expenses incurred in this matter in future progress reports following subsequent reporting periods.

Creditors have a right to request further information from the Joint Liquidators and further have a right to challenge the Joint Liquidators' remuneration and other expenses, which are first disclosed in this progress report, under the Insolvency

FRP Advisory

(England and Wales) Rules. For ease of reference these are the expenses incurred in the Reporting Period as set out in **Appendix E** only.

Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link https://creditors.frpadvisory.com/info.aspx and select the one for Liquidations. 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.

Appendix A

Statutory Information about the Company and the Liquidation

COMPANY INFORMATION:

Other Trading Names:	None
Date of Incorporation:	20 August 1984
Company Number:	01842240
Registered Office:	4th Floor Abbey House Booth Street Manchester M2 4AB
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 Greater Manchester M1 1JF

LIQUIDATION DETAILS:

Joint Liquidators:	David Thornhill Geoffrey Lambert Carton Kelly Russell Stewart Cash (resigned 22 August 2018)
Address of Joint Liquidators:	FRP Advisory LLP 4th Floor Abbey House Booth Street Manchester M2 4AB
Date of appointment of Joint Liquidators:	7 June 2018
Court in which Liquidation Proceedings were Brought:	High Court of Justice Chancery Division Manchester District Registry
Court Reference Number:	2516 of 2017 Liquidation proceedings following previous Administration with above reference number

Appendix B

Joint Liquidators' Receipts & Payments Account for the Reporting Period and Cumulatively

Lifeline Project
(In Liquidation)
Joint Liquidator's Summary of Receipts & Payments
To 06/06/2019

S of A £		£	£
	SECURED ASSETS		
410,000.00	Freehold Property	NIL	
1.00	Goodwill	NIL	
			NIL
	ASSET REALISATIONS		
45,000.00	Plant and Machinery	NIL	
	Furniture & Equipment	549.00	
5,000.00	Stock	NIL	
1,187,389.00	Book Debts	214,649.33	
2.00	Contracts/ Records	NIL	
60,000.00	Prepayments	NIL	
2,748,208.00	Cash at Bank	(34,775.63)	
	Bank Interest Gross	24,168.65	
	Insurance Refund	3,568.45	
	Sundry Refunds	4,358.91	
	CGL Contribution to Licence Extension	8,400.00	
	Transfer from Administration	4,547,813.92	
	Licence Fee	99,742.21	
			4,868,474.84
	COST OF REALISATIONS		
	Joint Administrators' Remuneration	395.74	
	Joint Liquidators' Remuneration	(190,198.22)	
	Joint Liquidators' Disbursements	(130.77)	
	Accountancy Fees	(7,250.00)	
	Agents/Valuers Fees	(457.50)	
	Legal Fees	(123,590.95)	
	Legal Disbursements	(62.00)	
	VAT Irrecoverable	(68,024.19)	
	Stationery & Postage	(5,643.66)	
	Storage Costs	(13,175.65)	
	Statutory Advertising	(69.93)	
	Insurance	(13,795.21)	
	Bank Charges - Floating	(7.80)	
	Licence Fee	(13,692.28)	
			(435,702.42)
	PREFERENTIAL CREDITORS		
(280,000.00)	Pension Contributions	NIL	
			NIL
	UNSECURED CREDITORS		
(3,999,000.00)	Unsecured Creditors	NIL	
			NIL
176,600.00			**4,432,772.42**
	REPRESENTED BY		
	IB Current floating		4,346,266.43
	IB Current Licence Fee Account		86,505.99
			4,432,772.42

Appendix C

Schedule of Work

FRP Advisory

Lifeline Project (In Liquidation)

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 Trustees, 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**
	General Matters			
	Necessary Administrative and Strategy Work: - Revision of the estimated outcome statement to consider and understand projected outcomes for creditors. - Completed formal case reviews overseeing the conduct of the case and associated strategy as required by the insolvency practitioners' regulatory professional body. Internal staff discussions and case updates have also been held when required. - Corresponded with insurance providers to confirm case insurance requirements are appropriate as assets are realised. Insurance has now been cancelled as there are no further assets to be realised.		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. Continue 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. Internal staff discussions and case updates where required.	Fixed Fee of £95,000 *Fee combined with Section 6 below.* Amount billed in the Administration: £75,000 Amount billed in the Liquidation: £20,000

	Statutory Matters: - Liaised with Solicitors and Trustees regarding employment requirements and submitting supplementary forms and information to the Redundancy Payments Service; - Assisting with other employee matters, general queries and TUPE consideration.			
	Regulatory Requirements			
	Continued consideration and checks in accordance with the Money Laundering Regulations including consideration of professional and ethical matters and other legislation such as the Bribery Act and Data Protection Act ("DPA"). Regular reference to statutory provision throughout the duration of the case in relation to direction, review and reporting requirements. Liaised with CGL to ensure proper novation of patient data and storage of books and records and any ad hoc information requests as required. The Joint Liquidators have also considered this positon in relation to GDPR requirements. Following advice received, they have taken the necessary steps to implement the secure destruction of client files held.		Continued reference to statutory provision throughout the case in relation to direction, review and reporting requirements. The Joint Liquidators will continue to implement the secure destruction of client records held and document this in accordance with statute. Any further records identified will be appropriately documented and destroyed appropriately.	
	Case Management Requirements			
	Updated case strategy and to document this in accordance with internal procedures. Continued to administer insolvent estate bank accounts throughout the duration of the case.		Continued administration of the insolvent estate bank accounts including regular bank reconciliations as appropriate throughout the duration of the case. Continue to update ongoing case strategy in accordance with internal procedures.	

	Reviewed and updated the forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case. Continued instruction to Taylors Solicitors to assist the Joint Liquidators and to provide legal advice and all aspects of the case.			
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 was arranged by the Joint Administrators to ensure available assets are protected until such time as they are realised. During the Reporting Period this insurance was further reviewed and cancelled at the point the relevant assets were realised and insurance was no longer required. **Book Debts** During the Reporting Period the Joint Administrators have finalised the book debt collection process with realisations during the Reporting Period totalling £214,649 and cumulatively collections since the Administration appointment totalling £2,598,392. The remaining ledger consists of bad, disputed and doubtful debtors therefore no further realisations are anticipated.		No further assets have been identified or are expected to be realised during future Reporting Periods.	Percentage of Realisations (Various) Amount billed in the Administration: £133,761 Amount billed in the Liquidation: £16,249

	The Joint Liquidators now consider the debtor ledger exhausted with no further realisations anticipated. **Sundry Refunds** Sundry refunds totalling £4,359 have been collected during the Reporting Period. No further realisations are anticipated in respect of this class of asset. **Insurance Refunds** The Joint Liquidators' insurers, JLT Speciality Limited, have obtained an insurance refund in relation to pre-Administration insurances from the Company's former insurance broker. This has been offset against the insurance requirements of the case and the balance of £3,568 has been remitted to the Liquidation estate during the Reporting Period. **Furniture & Equipment** During the Reporting Period, a minimal amount of Computer and office equipment was identified. This was uplifted, valued and sold by the Joint Administrators' agent, Wignall Brownlow LLP, realising £549 for the benefit of the Liquidation estate.			
3	**LEASEHOLD PROPERTIES** **Work undertaken during the Reporting Period**		**LEASEHOLD PROPERTIES** **Work undertaken during the reporting period**	**Fee Basis Agreed**
	During the Reporting Period the Joint Liquidators have defrayed the outstanding costs due in respect of the leasehold properties under the licence to occupy, which expired on 31 May 2018.		The Joint Liquidators will continue to reconcile the licence fees held and ensure the balance is accounted for appropriately.	Fixed Fee (£190,000)

	The Joint Liquidators gave CGL notice of their intention to disclaim the remaining properties with leases that had not been assigned, surrendered or disclaimed depending on whether CGL required the relevant leasehold properties going forward. The Joint Liquidators, with the assistance of Taylors, subsequently completed a disclaimer exercise in respect of the remaining properties. Any remaining rent due to landlords covered by the licence to occupy has been remitted on receipt of the appropriate invoicing. The Joint Liquidators have also completed an exercise to ensure previous landlords of the Company's premises were notified of the appointment of the former Joint Administrators and provided with an opportunity to submit a claim in the Administration. Some dilapidations claims have been received to date which are yet to be adjudicated on.		Should any remaining properties require specific attention, legal advice will be sought and further disclaimers issued in due course. Should any further landlords come forward with outstanding rent arrears for the period of the licence to occupy, this position will be reviewed and any amounts owed paid on receipt of the appropriate invoicing. Any further dilapidations claims made by landlords will be dealt with independently and if necessary, agents will be instructed to assist. All claims for dilapidations will rank as unsecured claims in the Liquidation estate.	Amount billed in the Administration: £95,000 Amount billed in the Liquidation: £95,000
4	**CREDITORS** **Work undertaken during the Reporting Period**		**CREDITORS** **Future work to be undertaken**	**Fee Basis Agreed**
	Secured Creditors: It was understood that there are no secured creditors with outstanding balances on appointment. The previous Joint Administrators have received confirmation of nil balances from the holders of outstanding charges.		**Secured Creditors** There are no secured creditors in this matter.	Time costs capped at £250,000. *Fee combined with section 5 below.* Amount billed in the Administration: £139,775 Amount billed in the Liquidation: £58,554

<table>
<tr><td></td><td>Preferential Creditors:

The Joint Liquidators have continued to deal with various queries from former employees regarding their residual claims and liaised with the Redundancy Payments Service as required.

As stated in correspondence issued by the Joint Administrators, 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 Liquidators have made supplementary submissions to the Redundancy Payments Service and provided additional information required. The Joint Liquidators continue to liaise with the Redundancy Payments Service for updates to ensure any distributions are processed as soon as possible.

Pensions:

The Joint Liquidators have provided further information to the Redundancy Payments Service regarding the employer pension schemes in accordance with their obligations.

The Joint Liquidators have also continued to correspond with the Pensions Regulator regarding any queries raised and have continued to deal with various employee and pensions ombudsman queries.

A specific scheme has been identified with the Company registered as the Trustee which will need to be dealt with appropriately prior to the closure of the case.</td><td></td><td>Preferential Creditors:

The Joint Liquidators anticipate that there will be sufficient funds to enable a distribution to preferential creditors.

Once the Redundancy Payments Service has adjudicated on and made the necessary distributions directly to employees and pension scheme providers, a final proof of debt form will be submitted in the Liquidation estate.

On receipt the Joint Liquidators will review and adjudicate on this claim. The Joint Liquidators will agree any residual claims and pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution.

Pensions:

The Joint Liquidators will continue to chase the Redundancy Payments Service, pension scheme providers and former employees to deal with any further queries raised.

The pension scheme with the Company registered as its Trustee will be transferred to an appropriate third party to be administered independently and ensure the scheme is closed in accordance with the relevant legislation.</td><td></td></tr>
</table>

	Unsecured Creditors: Review and respond to various creditor enquiries and correspondence received in the Administration to date. The Joint Liquidators have commenced the claim adjudication process to ensure the case is progressed as quickly and efficiently as possible. Prior to completing this the Joint Liquidators will need to finalise and process a distribution to preferential creditors.		**Unsecured Creditors:** At the point when the Joint Liquidators are in a position to make a distribution to unsecured creditors, the Joint Liquidators will write to all known creditors to notify of the possibility of a distribution and request 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, 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. Deal with further creditor enquiries as they are received.	
5	**INVESTIGATIONS** **Work undertaken during the Reporting Period**		**INVESTIGATIONS** **Future work to be undertaken**	**Fee Basis Agreed**
	The Joint Liquidators have finalised their investigations during the Reporting Period.		No further investigations are anticipated in this matter.	Time costs capped at £250,000. *Fee combined with section 4 above.* Amount billed in the Administration: £139,775 Amount billed in the Liquidation: £58,554

6	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken during the Reporting Period**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**Fee Basis Agreed**
	The Joint Liquidators have calculated the value of assets that are not subject to charge by obtaining a bond to the correct level and ensuring it is properly maintained. Ensuring all statutory requirements are adhered to in accordance with the Insolvency Rules and any other regulatory bodies as appropriate. Following appointment, the Joint Liquidators have circulated all relevant notices to each class of creditor in accordance with the Insolvency Rules.		To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims. To provide statutory reports to various stakeholders and creditors at regular intervals and manage any queries arising therefrom. 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, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies.	Fixed Fee £95,000 *Fee combined with Section 1 above.* Amount billed in the Administration: £75,000 Amount billed in the Liquidation: £20,000

Appendix D

Details of the Joint Liquidators' Time Costs and Disbursements for Reporting Period and Cumulatively

FRP
Advisory

FRP

Lifeline Project (In Liquidation)

Time charged for the period 07 June 2018 to 06 June 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Creditors	**80.00**	**10.25**	**93.80**	**38.60**	**222.65**	**69,018.75**	**309.99**
Unsecured Creditors	77.50	9.25	55.40	37.80	179.95	59,447.75	330.36
Employees		0.30	2.60		2.90	622.00	214.48
Preferential Creditors	2.50	0.10	1.00		3.60	1,500.00	416.67
Landlord		0.20	0.50	0.80	1.50	288.00	192.00
Pensions - Creditors		0.40	34.30		34.70	7,161.00	206.37
Investigation	**3.25**	**3.00**	**2.30**		**8.55**	**3,056.25**	**357.46**
Investigatory Work	2.00		1.50		3.50	1,290.00	368.57
CDDA Enquiries			0.30		0.30	75.00	250.00
IT – Investigations		3.00	0.50		3.50	1,010.00	288.57
GDPR Work	1.25				1.25	681.25	545.00
Total Hours	**83.25**	**13.25**	**96.10**	**38.60**	**231.20**	**72,075.00**	**311.74**

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
07 June 2018 to 06 June 2019

	Value £
Category 1	
Prof. Services	49.93
Bonding	30.00
Computer Consumables	862.78
Property	72.00
Grand Total	**1,014.71**

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

Appendix E

Statement of Expenses Incurred in the Reporting Period

FRP Advisory

Statement of Expenses for the Reporting Period Ended 6 June 2019

Expenses	Reporting Period to 6 June 2019 £
Joint Liquidators' Remuneration (Time Costs)	72,075
Joint Liquidators' Remuneration (Fixed Fee)	115,000
Joint Liquidators' Remuneration (Percentage)	16,249
Joint Liquidators' Disbursements	1,015
Agents/ Valuers Fees	458
Legal Fees	120,682
Legal Disbursements	62
Stationery and Postage	5,644
Statutory Advertising	70
Insurance	13,795
Bank Charges	3
Storage Costs	14,552
Accountancy Fees	7,250
Total	**366,853**

Appendix F

Revised Estimated Outcome Statement

Lifeline Project - July 2019 Cumulative 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	755,000
Leasehold Improvements	3	1,080,828	-
Less: Due to Chargeholder	4		-
Surplus/ (shortfall)			**755,001**
Assets not specifically pledged			
Surplus b/d from fixed charge		-	755,001
Equipment	1	467,874	45,000
Stock	1	-	5,000
Book Debts/Accrued Income	5	3,177,556	2,598,392
Cash at Bank	6	3,033,959	2,257,013
Motor Vehicles	7	30,627	50
Contracts/Records	1	-	2
Rent Deposits	8	27,705	-
Rental Income	9	-	35,000
Furniture & Equipment		-	549
Sundry Refunds		-	29,906
Bank Interest		-	39,700
Other Asset Realisations	10	448,562	17,519
			5,783,132
Less Costs of Realisations:			
Administrators' outstanding pre-appointment fees (and disbursements)	11		(28,533)
Outstanding Legal pre-appointment fees (and disbursements)	11		(33,275)
Outstanding Agent pre-appointment fees (and disbursements)	11		(34,567)
Administrators'/Liquidators' post-appointment fees	12		(685,010)
Legal post-appointment fees	12		(303,702)
Agent post-appointment fees	12		(30,000)
Other Costs	12		(138,000)
Irrecoverable VAT	13		(250,617)
			(1,483,704)
Net realisations after costs			**4,299,429**
Preferential creditors			
Employee arrears of pay & holiday	14		(3,341)
Pension Contributions	15		(37,273)
Net Property			**4,258,815**
Less: Prescribed Part	16		-
Available to Unsecured Creditors			**4,258,815**
Estimated Unsecured Creditor Claims	17		(7,000,000)
Shortfall to creditors			**(2,741,185)**
Estimated distribution to unsecured creditors, pence in the £			**60.84**

Note	Category	Comment
Note 1	Goodwill/Equipment/Stock/Contracts/Records	Asset realisations as per the SPA agreed with CGL.
Note 2	Freehold Properties	Total realisations following the sale of the freehold properties.
Note 3	Leasehold Improvements	No realisations are anticipated or have been received for this class of asset.
Note 4	Chargeholder	There is no indebtedness to any secured chargeholders.
Note 5	Book Debts	Final books debt collections have realised £2,598,392. The remaining ledger contains bad and disputed debtors, the Joint Liquidators consider this process exhausted and do not anticipate any further collections.
Note 6	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.
Note 7	Motor Vehicles	Realisations to date - no further realisations are anticipated.
Note 8	Rent Deposits	No realisations anticipated for this class of asset due to anticipated contra claims.
Note 9	Rental Income	Rental income from CGL's occupation of one of the Freehold Properties, this property has been sold and no further rental income is anticipated.
Note 10	Other Asset Realisations	Estimated realisations relating to an insurance prepayment and other realisations achieved to date (e.g. petty cash receipts, insurance refunds, business rates refunds & CGL's contribution to legal fees)
Note 11	Pre-Administration Costs	As per Appendix D of the Joint Administrators' Proposals and agreed by creditors on 8 November 2017.
Note 12	Administration & Liquidation Costs	As per the fee estimate in the report detailing the Joint Administrators' Proposed Fee Basis dated 18 October 2017
Note 13	Irrecoverable VAT	Lifeline is not VAT registered and therefore no input VAT can be recovered.
Note 14	Preferential Creditors	Per Interim Proof of Debt form submitted by the Redundancy Payments Service on 8 May 2018
Note 15	Pension Contributions	Calculated using interim proof of debt form provided by the RPS and estimating the additional preferential element of outstanding pension contributions. The final level of preferential claims will be adjudicated in full prior to distribution.
Note 16	Prescribed Part	Not applicable as there is no outstanding floating charge debt in this matter.
Note 17	Unsecured Creditors	Estimated based on the information available from the Company records, creditor claims received to date and anticipated future claims to be submitted.