In accordance with Rule 3.60 of the Insolvency (England & Wales) Rules 2016 & Paragraph 83(3) of Schedule B1 to the Insolvency Act 1986.

AM22

Notice of move from administration to creditors' voluntary liquidation

Companies House

THURSDAY

A76M3RP4
A34 24/05/2018 #64
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 Court details

Court name	High Court of Justice, Chancery Division
	Manchester District Registry
Court case number	2 5 1 6 o f 2 0 1 7

3 Administrator's name

Full forename(s)	David
Surname	Thornhill

4 Administrator's address

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

7-6-18 65

AM22
Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ❶

Full forename(s)	Russell Stewart
Surname	Cash

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

6 Administrator's address ❷

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

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

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)	Susan
Surname	Ramprogus

8 Proposed liquidator's name

Full forename(s)	David
Surname	Thornhill
Insolvency practitioner number	8 8 4 0

9 Proposed liquidator's address

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

AM22
Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name ❶

Full forename(s)	Russell Stewart
Surname	Cash
Insolvency practitioner number	8 7 8 3

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

11 Proposed liquidator's address ❷

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

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

12 Period of progress report

From date	0 2 / 1 2 / 2 0 1 7
To date	2 2 / 0 5 / 2 0 1 8

13 Final progress report

☑ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature	Signature X [signature] X
Signature date	2 2 / 0 5 / 2 0 1 8

AM22

Notice of move from administration to creditors' voluntary liquidation

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
98 King Street

Post town: Manchester

County/Region:

Postcode: M 2 4 W U

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 and dated 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

Continuation page
Name and address of insolvency practitioner

✓ What this form is for
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

✗ What this form is NOT for
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:
- ☑ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Geoffrey Lambert
Surname	Carton-Kelly

3 Insolvency practitioner's address

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

Continuation page
Name and address of insolvency practitioner

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- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Geoffrey Lambert
Surname	Carton-Kelly

3 Insolvency practitioner's address

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	EC4N 6EU
Country	

FRP
Advisory

Lifeline Project (In Administration)

The Joint Administrators' Final Report for the Reporting Period 2 December 2017 to 22 May 2018

22 May 2018

Contents and Abbreviations

FRP Advisory

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 December 2017 to 22 May 2018
The Proposals	The Joint Administrators' Proposals for achieving the purpose of the Administration dated 8 June 2017
Previous Progress Report	The Joint Administrators' Progress Report for the reporting period 2 June 2017 to 1 December 2017
Previous Reporting Period	The Reporting Period 2 June 2017 to 1 December 2018.
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
SIP 9	Statement of Insolvency Practice 9 – Payments to Insolvency Office Holders and their Associates
QFCH	Qualifying Floating Charge Holder
HMRC	HM Revenue & Customs
DBEIS	Department of Business, Energy and Industrial Strategy
Taylors	Taylors Solicitors LLP

Contents and Abbreviations

FRP Advisory

GVA	GVA Grimley Limited
Hilco	Hilco Global
RICS	Royal Institution of Chartered Surveyors
CGL or the Purchaser	Change, Grow, Live
NatWest	National Westminster Bank Plc
TUPE	Transfer of Undertaking (Protection of Employment) Regulations 2006
Dewsbury	3 Wellington Street, Dewsbury, WF13 1LY
Northallerton	85 South Parade, Northallerton, DL7 8TZ
Rotherham	Carnson House, 1 Moorgate Road, Rotherham, S60 2EN

1. An Overview of the Administration

FRP Advisory

The Proposals

The Joint Administrators identified that the objective of the Administration, as set out in the Proposals approved by deemed consent on 23 June 2017, was to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in Administration).

This objective was to be achieved by a sale of the business and certain assets as a going concern immediately following the appointment of the Joint Administrators and realise the remaining assets within the Administration thereafter.

The Joint Administrators considered this to be the most appropriate strategy for the following reasons:

- Employee claims were mitigated as all employees were transferred to CGL or new service providers under TUPE;
- Asset realisations for stock and other assets were maximised; and
- The continuity of service provided by CGL and other service providers has helped to enhance book debt collections.

It was anticipated that the Company would exit from Administration via Creditors' Voluntary Liquidation should there be sufficient funds available to enable a distribution to unsecured creditors.

The Joint Administrators consider that they have been successful in achieving the objective as the Company is being moved to CVL, with the ultimate objective of distributing to unsecured creditors.

Implementation of the Proposals

A sale of the Company's business and assets was concluded immediately following the Joint Administrators' appointment. Full details of that sale were provided to creditors in the Proposals dated 8 June 2017 and the Previous Progress Report.

Extension of Period of Administration

It has not been deemed necessary to extend the Administration as a distribution to unsecured creditors will be made and it is necessary to place the Company into CVL in order to make this distribution.

Following the filing of Form AM22 at the Registrar of Companies the Company will be moved into CVL.

2. Progress of the Administration in the Reporting Period

Work Undertaken During the Reporting Period

The Joint Administrators 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 Realisations

The summary below details realisations in the Reporting Period as well a summary of realisations in the Administration as a whole.

Sale of Business and Certain Assets

In order to maximise realisations for creditors and to ensure continuity of service for vulnerable clients, the Company's business and certain assets were sold as a going concern to CGL, an unconnected third party, on 2 June 2017. The sale was recommended for acceptance by both Hilco and GVA.

The sale consideration was received from CGL on 4 July 2017 and is apportioned below:

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

Full details of the sale 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 Proposals and the Previous Progress Report.

Assets Excluded from the Sale

Cash at Bank

During the Previous Reporting Period, the Joint Administrators received the cash proceeds held in the Company's current account totalling £2,276,789.

During the Reporting Period, following a further reconciliation of book debt receipts and monies previously apportioned to CGL in respect of post-Administration services, it became clear that £15,000 had been incorrectly allocated to CGL. This has been recovered by the Joint Administrators with cumulative receipts now totalling £2,291,789 as per the Receipts and Payments Account attached at **Appendix E.**

Book Debts

As reported previously, on appointment the debtor ledger totalled £3,177,556 of which, £802,779 was not collectible as it related to invoicing in advance for services to be provided by CGL after the Joint Administrators' appointment. Following a full review of the book debt records and discussions with former staff, the final balance of the collectable ledger was estimated to realise £2,931,677.

The remaining debtors per the Company records total £525,750, of which £514,167 comprises two key debtors. Correspondence is ongoing with these debtors with the assistance of Taylors.

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 future Liquidation progress reports regarding final ledger collections.

Noted in the Joint Administrators' Progress Report and the Receipts and Payments Account attached at **Appendix E** are CGL apportioned funds which relate to debts collected and received into the Company's previous bank account or directly into the Administration estate for services provided by CGL after the date of Administration. These funds do not represent an asset of the Administration.

2. Progress of the Administration in the Reporting Period

During the Reporting Period a further £51,482 was received and the sum of £163,615 was transferred to CGL. The difference being a pending balance of £112,133 that was due to be paid as at the date of the Previous Progress Report. Cumulatively CGL apportioned funds of £241,229 have been received to the Administration estate and returned to CGL. No CGL apportioned funds are currently held on account.

A total of £182,303 has been collected in the Reporting Period, bringing total Administration collections to £2,383,743.

Freehold Property

The Joint Administrators had identified three freehold properties that, following further enquiries by GVA and Taylors, were owned by the Company.

GVA were engaged to assist with the marketing and disposal of the three properties, all of which completed during the Reporting Period. A breakdown of the sale consideration received in relation to each property is as follows:

Property	Sale Consideration	Completion Date	Purchaser
Dewsbury	£275,000	03/01/2018	CGL
Rotherham	£280,000	21/12/2017	CGL
Northallerton	£200,000	22/12/2017	Broadacres Housing Association Limited
	£755,000		

The Northallerton Property was sold to Broadacres Housing Association Limited who are an unconnected third party.

Both the Dewsbury and Rotherham properties were sold to CGL, who previously purchased the business and assets of the Company on 2 June 2017 and occupied the properties from the date of Administration to the dates of completion. CGL are an unconnected third party.

CGL and Broadacres Housing Associated Limited both took independent legal advice in relation to each transaction. It should be noted that the final offers received on all properties were accepted following recommendation by GVA, independent RICS certified chartered surveyors.

All outstanding issues were resolved on completion and no further action is required. There is no sale consideration outstanding nor any further property disposals anticipated.

Rent

As detailed in previous reports, CGL occupied the Dewsbury freehold property referred to above in exchange for rent payable in the sum of £5,000 per month until such a time that the property was sold or CGL vacated.

During the Reporting Period, rent in the sum of £5,000 was received in respect of this property for the month of December 2017 bringing total rent collections to £35,000. As a sale of this property completed on 3 January 2018, no further rent is payable or will be received.

Prepayments and Rent Deposits

As detailed in previous reports, the Joint Administrators wrote to a number of suppliers and landlords to whom business critical and ransom payments were made. No recoveries have been made to date or are likely in respect of these payments as many creditors have claimed a right to set off.

Sundry Refunds

Sundry refunds of £4,058 have been received during the Reporting Period which have not been reconciled to either prepayments, rent deposits or known debtors. Total realisations of this nature are £25,491 in the Administration period.

These receipts mainly consist of customer refunds, credit balances and utilities refunds that have not been offset against debit balances.

2. Progress of the Administration in the Reporting Period

Any further receipts received during the Liquidation will be monitored and allocated accordingly.

Business Rates Refunds

No further business rates refunds have been received during the Reporting Period however the Joint Administrators' agents, Carndearg Consultants Ltd t/a PCA, continue to review the historic rates position of all properties within the Company's portfolio. This review will be finalised in the Liquidation at which point the value of estimated recoveries will be quantified.

Total realisations in the Administration were £5,434. This process will continue to be monitored and any recoveries made by the subsequently appointed Joint Liquidators.

Motor Vehicle

During the Previous Reporting Period the Joint Administrators were contacted by a former employee in relation to a van owned by the Company. On review of the supporting documentation provided by the employee, the van was confirmed to be an asset of the Company.

After further consultation with Hilco, a sale of the van was agreed in the sum of £50 which was received during the Reporting Period.

Other Assets

Petty Cash

No further petty cash receipts have been identified or received during the Reporting Period. The total of £117 was collected shortly following the Joint Administrators' appointment.

Gross Bank Interest

During the Reporting Period gross bank interest has been received in the sum of £9,932, with interest received totalling £12,745 during the Administration..

Leasehold Property

As detailed in the Proposals and the Previous Progress Report, the Company 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.

Following the initial licence to occupy granted to CGL by the Joint Administrators further extensions were granted. This allowed CGL further time to correspond with the landlord of each property and to make a decision regarding future occupation whilst safeguarding the services provided from these properties.

Following a request by CGL to extend certain licences by a month to 30 April 2018, the Joint Administrators agreed a final extension to the licence to occupy in relation to 16 remaining properties ending on 31 May 2018. The Joint Administrators will look to ensure that the leases or occupation agreements held by Lifeline are determined after this date however no further extensions to the licence to occupy will be granted in relation to the remaining properties.

For the avoidance of doubt, CGL agreed to cover the costs of the Joint Administrators and their appointed solicitors in dealing with these matters.

CGL have paid the Administration estate licence fees associated with its ongoing occupation of the various properties. These licence fees do not represent an asset of the Administration estate. The licence fee for the final extension to the licence to occupy was received during the Reporting Period and is included 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 each lease entered into by the Company, the Joint Administrators continue to utilise the licence fee to settle outstanding rent due for CGL's occupation of the properties under licence.

2. Progress of the Administration in the Reporting Period

The Joint Administrators currently hold all licence fees in a separate designated licence fee account and will continue to settle licence fees falling due until the licences come to an end.

Once all leasehold property matters have been attended to, a full reconciliation will be undertaken to ensure any residual funds held in relation to licence fees not paid over to landlords is accounted for and returned to CGL in due course.

It should be noted that after placing the Company into Creditors' Voluntary Liquidation, it is likely that the subsequently appointed Joint Liquidators will take the necessary steps to disclaim any leases that have serve no beneficial interest to the estate or where no correspondence has been returned from landlords in respect of these properties.

Investigations

Part of the Joint Administrators' duties included carrying out proportionate investigations into what assets the Company has, including any potential claims against Trustees or other parties, and what recoveries could be made. The Joint Administrators have 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 had concerning the way in which the Company's business had been conducted.

During the Previous Reporting Period, the Joint Administrators 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 the Joint Administrators 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**.

As detailed in previous reports, 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 will continue throughout the Liquidation. 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.

Exiting the Administration

In accordance with the Proposals, the Administration will be exited by the Company moving to CVL. The date the Administration ceases and the CVL commences will be the date that the requisite notice is filed with the Registrar of Companies. The Joint Administrators will also be acting as the Joint Liquidators. The attached schedule at **Appendix C** also indicates the work that the Joint Liquidators expect to carry out in the Liquidation.

The subsequently appointed Joint Liquidators will continue to finalise the asset realisation process which includes:

- Finalising the book debt position to ensure realisations are maximised for the benefit of the Liquidation estate.

- Liaising with PCA to finalise the review of the historic rates position of the Company's property portfolio to ascertain the quantum of any recoveries and taking the necessary steps to recover these funds.

- Finalising the position in relation to the portfolio of leasehold properties to ensure all outstanding matters are dealt with once CGL have either vacated or agreed a basis for continued occupation. This includes disclaiming any onerous property in due course.

- Completing the novation of contracts outstanding under the original sale agreement.

3. Outcome for Creditors

Initial Estimated Outcome for Creditors

The Proposals stated that there were no secured creditors in this matter and anticipated that there would be sufficient funds to settle preferential creditor claims in full and pay a distribution to unsecured creditors in due course.

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 Secured Creditor

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.

On appointment, the Joint Administrators were made aware of two 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 both The Co-Operative Bank Plc and the Council of the City of Manchester which states that both charges have been satisfied in full and The Co-Operative Bank Plc have submitted a notice to cancel the registered charge with the Land Registry.

Outcome for 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 regulations.

CGL have honoured 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.

Prior to the Joint Administrators' appointment, some employees were made redundant by the Company and, have since submitted claims to the Redundancy Payments Service in respect of wage arrears and outstanding holiday pay. The Redundancy Payments Service will submit a subrogated claim in the Administration representing the employees' preferential element for arrears of wages and holiday pay as calculated in accordance with legislation. The total of these claims that are expected to rank preferentially is £8,250.

As detailed in the Previous Progress Report, advice was sought from Taylors regarding changes in pension legislation and outstanding pension contributions.

Following this advice approximately £37,510 of unpaid pension contributions will rank as a preferential claim with the balance of approximately £357,590 ranking as an unsecured claim in the Administration.

During the Reporting Period the Joint Administrators have continued to liaise with former employees and CGL to finalise this positon and ensure forms are submitted to the Redundancy Payments Service so that outstanding pension contributions are met in full as far as possible. Given the number of employees under each scheme and level of information available to the Joint Administrators this process is ongoing and will be finalised during the Liquidation.

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 in full.

3. Outcome for Creditors

The Joint Administrators will seek to make a distribution to preferential creditors at the earliest opportunity once all pension reports are submitted to the Redundancy Payments Service and their final claim is received.

Specific Preferential Distribution

During the Reporting Period, the Joint Administrators remitted a balance of £28,711 to CGL in respect of some pension arrears that were disputed under the original SPA.

The balance was settled to ensure the offers CGL submitted for the freehold properties at Dewsbury and Rotherham were not reduced. By making this settlement, asset realisations have been maximised and additional time costs disputing the balance of pension arrears have been avoided.

Outcome for Unsecured Creditors

The Joint Administrators are of the belief there will be sufficient funds available to make a distribution to unsecured creditors, and therefore will be moving the Company into CVL. This distribution will be paid by the Joint Liquidators in due course however, it is not possible to estimate the quantum of the final 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. Please note that this figure may increase as not all creditor claims have as yet been received.

It also reflects the reduction in preferential claims previously notified which are now included in unsecured non-preferential claims. These claims are estimated and remain subject to a full adjudication process.

As a result of the above the estimated outcome statement attached shows that a dividend of 72.67p in the pound may be payable, but creditors should note that this estimate is subject to change, be it from costs still to be settled or claims yet to be received.

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.

4. Joint Administrators' Pre-Appointment Costs

FRP Advisory

Pre-Appointment Costs

As detailed in the Joint Administrators' Progress Report, the costs charged or incurred by the Joint Administrators prior to the date of Administration of £95,662 plus disbursements of £1,706 plus VAT were approved by the general body of creditors by a decision by correspondence on 8 November 2017.

The result of this decision process was posted to the FRP Advisory creditors' portal on 10 November 2017 and all outstanding pre-appointment costs have now been drawn from the Administration estate.

5. Joint Administrators' Remuneration, Disbursements and Expenses

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 approving the basis of the Joint Administrators' remuneration. This approval was received on 8 November 2017.

Full details of the approved basis of remuneration was provided in the Joint Administrators' Previous Progress Report.

Details of the remuneration drawn during the Reporting Period are set out in the statement of expenses attached at **Appendix F**. To date, fees of £443,535 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	45,536	2% of realisations
Fixtures, Fittings & Stock	5,000	10% of realisations
Book Debts	60,575	*See table below
Creditors	82,697	Time Costs
Investigations	57,077	Time Costs
Freehold Property	22,650	3% of realisations
Leasehold Property	95,000	Fixed Fee
Total	**443,535**	

*Book Debt Increments	Percentage	Realised (£)	Billed (£)
First £1,912,000	2%	1,912,000	38,240
£1,912,001 to 2,500,000	5%	446,699	22,335
Over £2,500,001	10%	nil	nil
Total		**2,358,699**	**60,575**

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

Time costs incurred during the Reporting Period total £103,783 which comprises 374 hours at an average hourly rate of £278. Time costs during the Reporting Period which relate to those categories of remuneration calculated on a time costs basis (Investigations and Creditors) total £22,938 which comprises 98 hours at an average hourly rate of £234. Time costs incurred cumulatively to date total £427,040 which comprises 1,526 hours at an average hourly rate of £280.

The remuneration anticipated to be recovered by the Joint Administrators is not likely to exceed the fees estimate circulated to creditors. As a distribution will be paid to the unsecured creditors (other than by virtue of the Prescribed Part) as detailed above, following the filing of this final report at the Registrar of Companies the Company will be placed into Liquidation.

As detailed previously, CGL have agreed to cover the costs of the Joint Administrators and their appointed solicitors associated with the extensions to the licence to occupy covering the months of April and May 2018. CGL have agreed the costs of £750 per property per extension. The Joint Administrators have incurred time costs of £7,049 to date, aside from those stated above, which is being recorded separately. This comprises 25 hours at an average hourly rate of £278. No funds have been billed or drawn to date in relation to this agreement.

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.

It is currently envisaged that the remuneration referred to previously will include the work to be done by the subsequently appointed Joint Liquidators. However, for the avoidance of doubt the subsequently appointed Joint Liquidators may revert to creditors for the approval of further fees should they deem it to be appropriate.

5. Joint Administrators' Remuneration, Disbursements and Expenses

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 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**.

The Expenses of the Administration

An estimate of the Joint Administrators' expenses was originally set out in the estimated outcome statement included in the Proposals. Updates were provided in the second approach to creditors regarding the proposed fee basis and the Joint Administrators' Progress Report.

The Joint Administrators attach at **Appendix F**, a statement of expenses that have been incurred during the Reporting Period.

It is currently uncertain as to 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 any additional costs associated with the Administration, of which £1,580 have been incurred and paid during the Reporting Period and £60,804 have been paid and incurred in the Administration as a whole.

Whilst the Joint Administrators believe a significant amount of work has been completed to date, there remains a number of matters outstanding that must be dealt with in the Liquidation as details in the schedule of work attached at **Appendix C**. As such the Joint Administrators are uncertain as to whether the final expenses incurred during the course of the Administration and subsequent Liquidation will exceed the original estimate given the nature of this matter and apparent lack of complete books and records.

The Joint Administrators and the subsequently appointed Joint Liquidators will continue to provide full detail of the expenses incurred in this matter 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 first 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 eight weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

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 4WU
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

Form AM22 – Notice of move from Administration to Creditors' Voluntary Liquidation

In accordance with Rule 3.60 of the Insolvency (England & Wales) Rules 2016 & Paragraph 83(3) of Schedule B1 to the Insolvency Act 1986.

AM22

Notice of move from administration to creditors' voluntary liquidation

Companies House

TH A34 24/05/2018 #0
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 Court details

Court name	High Court of Justice, Chancery Division
	Manchester District Registry
Court case number	2 5 1 6 o f 2 0 1 7

3 Administrator's name

Full forename(s)	David
Surname	Thornhill

4 Administrator's address

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

AM22
Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ❶

Full forename(s)	Russell Stewart
Surname	Cash

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

6 Administrator's address ❷

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

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

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)	Susan
Surname	Ramprogus

8 Proposed liquidator's name

Full forename(s)	David
Surname	Thornhill
Insolvency practitioner number	8 8 4 0

9 Proposed liquidator's address

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

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name

Full forename(s)	Russell Stewart
Surname	Cash
Insolvency practitioner number	8783

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

11 Proposed liquidator's address

Building name/number	7th Floor
Street	Ship Canal House
	98 King Street
Post town	Manchester
County/Region	
Postcode	M2 4WU
Country	

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

12 Period of progress report

From date	02/12/2017
To date	22/05/2018

13 Final progress report

☑ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature	Signature X [signature] X
Signature date	22/05/2018

AM22
Notice of move from administration to creditors' voluntary liquidation

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
98 King Street
Post town: Manchester
County/Region:
Postcode: M 2 4 W U
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 and dated 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

Continuation page
Name and address of insolvency practitioner

✓ What this form is for
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

✗ What this form is NOT for
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☑ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Geoffrey Lambert
Surname	Carton-Kelly

3 Insolvency practitioner's address

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	EC4N 6EU
Country	

Continuation page
Name and address of insolvency practitioner

✓ What this form is for
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

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→ Filling in this form
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- ☐ Administrative receiver
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- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Geoffrey Lambert
Surname	Carton-Kelly

3 Insolvency practitioner's address

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	EC4N 6EU
Country	

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 correspondence 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; - Correspondence, conference calls and meetings with local authorities and commissioners; - 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.		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. Correspondence with insurance providers to confirm case insurance requirements primarily in respect of any remaining leasehold interest with cancellation of cover once assets are realised to control costs.	Fixed Fee of £95,000 *Fee combined with Section 6 below.* Amount billed in the Administration: £75,000

	- Correspondence with insurance providers to confirm case insurance requirements are appropriate as assets are realised. ***Statutory Matters:*** - Liaising with Solicitors and Trustees regarding employment requirements and submitting forms to the Redundancy Payments Service; - Assisting with other employee matters and TUPE consideration.		Internal staff discussions and case updates where required.	
	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. 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 and storage of books and records and any ad hoc information requests as required.		Continued monitoring of the online presence of the Company 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") - DPA - Other Local authorities/ commissions as requested. Continued liaison with CGL to ensure proper novation of patient data, the collection and storage of records and any further information requests.	

Lifeline Project (In Administration)

Schedule of Work

	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. 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. - GVA – to provide valuation and advice and assist with the disposal of the Company's freehold properties. - Addleshaw Goddard – to provide legal advice in relation to the Scottish leasehold properties. - Hilco – to provide a valuation of the assets held by the Company. Arranging for insurance on the assets in the estate and the cancellation of this as assets are realised and disposed of. Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries.		Continued administration of the insolvent estate bank accounts including regular bank reconciliations as appropriate throughout the duration of the case. 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.	

Lifeline Project (In Administration)

Schedule of Work

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 and where applicable, other service providers. 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 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		**Contracts** Continued correspondence with CGL, Taylors and local commissioners to complete the novations of all remaining contracts. **Book Debts** The Joint Administrators, with the ongoing assistance Taylors will take the necessary steps to collect the remaining ledger. The Joint Administrators will continue to reconcile the debtor position and ensuring any disputes are rectified or copy documents provided to ensure prompt payment.	Percentage of Realisations (Various) Estimated to total approximately £151,795 Amount billed in the Administration: £133,761

	demand letters. Correspondence and recoveries in respect of these remaining amounts are ongoing. The Joint Administrators have continued to correspond with NatWest and have now closed the Company's previous current account with the final balance held in respect of book debts collected and remitted to Administration estate. **Stock** All stock was included in the sale consideration as part of the transaction with CGL. Any stock subject to ROT claims have been dealt with as appropriate with the assistance of CGL. During the previous reporting period, time was spent liaising with some creditors who submitted ROT claims. Such time includes a review of the validity of the claim as well as communication of these claims to CGL. No further claims are envisaged or have been received during the Reporting Period. **Freehold Property** During the Previous Reporting Period three freehold properties were identified (following legal advice) as assets of the Administration. During the Reporting Period all three property sales completed with funds transferred to the Administration estate. All three final offers were recommended for acceptance by GVA, independent RICS certificated charted surveyors.		**Stock** No further ROT claims are anticipated and there is no remaining stock to realise. **Freehold Property** All outstanding matters in relation to the freehold properties have complete and not further action is necessary. **Other Assets** The Joint Administrators will take steps to identify any further assets that may have a realisable value. If	

	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 have sold the right and title they have in this asset with the assistance of Hilco. **Cash at Bank** The Joint Administrators have secured the transfer of funds to the Administration estate and this has been reconciled. During the previous reporting period, funds were inadvertently transferred to CGL which were due to the Administration estate. These have been returned to the Administration estate and allocated accordingly. **Business Rates Refunds** A firm of speciality agents have been engaged to investigate whether any claims for rate rebates for the periods prior to the date of Administration can be made. This process is ongoing, and any rates rebates will be transferred directly to the Administration estate.		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. 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 for an initial period of three months and leases have been assigned, surrendered or disclaimed depending on whether CGL requires the relevant leasehold property going forward. To allow CGL additional time to liaise with respective landlords a second licence to granted for certain properties for a period of 3 months. CGL subsequently notified the Joint Administrators that they required a third extension to the licence, for different periods, but with most due to expire on 31 March 2018. 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. Time has also been spent reviewing and processing the licence fee payments to the landlords of the property portfolio. Two monthly and separate extensions to the licence on certain properties was granted to the end of May 2018. The latter of these agreements represents the final licence that will be granted. CGL have agreed to make a contribution to cash for these remaining two licences.		The Joint Administrators will, with the assistance of the Purchaser and Taylors, continue to assign, surrender or disclaim (in Liquidation) the remaining properties 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 until expiry. This includes the review of the lease agreements and any payments due with regards to service charge, insurance and rates in accordance with each lease. The subsequently appointed Joint Liquidators will complete a full review of the remaining properties and ensure all property matters are dealt with appropriately. Each remaining property will either be surrendered or have the lease assigned to the new tenant. The Joint Administrators and subsequently appointed Joint Liquidators will remain in constant correspondence with the landlords and the Purchaser to ensure this is completed as quickly as possible whilst keeping landlords updated. They will ensure each surrender or assignment is properly completed with the appropriate legal advice and documentation to support this signed off by all parties involved. As each remaining property is vacated, landlords may wish to make dilapidations claims. Each claim with be	Fixed Fee (£190,000) Amount billed in the Administration: £95,000

	A fourth and final extension to the licence on certain properties for a further 2 months to the end of May 2018 was agreed. Discussions with landlords over the ongoing position have continued in this regard. 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.		dealt with independently and if necessary agents will be instructed to assist where necessary. All claims for dilapidations will rank as unsecured claims in the Liquidation.	
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 Joint Administrators have received confirmation of nil balances from the holders of outstanding charges. **Preferential Creditors:** Dealing with queries from former employees with their residual claims and liaising with the Redundancy Payments office as required. The majority of preferential creditor claims have been mitigated as all employees have been transferred under TUPE to CGL or other service providers.		**Secured Creditors:** 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 continue to be taken to agree the final level of pension scheme contributions payable by the	Time Costs capped at £125,000 Amount billed in the Administration: £82,697

	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. Liaising with CGL to ensure submissions to the Redundancy Payments Service are made, so outstanding contributions can be brought up to date as far as possible. This process is ongoing. 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. **Assets on finance:** Establishing the position with regards assets on finance and arranging for assets to be returned to the relevant		Administration estate upon submission of the remaining RP15 forms (see below), at which point a preferential distribution will be completed. **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 remaining RP15 forms. **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.	

Lifeline Project (In Administration)

Schedule of Work

	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.	**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. Collating books and records to identify the assets that may be available to realise for the benefit of the insolvency estate. The Joint Administrators have liaised with CGL to ensure all relevant physical and non-physical records are uplifted, categorised and stored securely. 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. The Joint Administrators will liaise with the Insolvency Service in respect of any enquiries they with to make.	Considering any additional information provided by stakeholders that might identify further assets or lines or enquiry for the office holder to explore if a benefit to the estate is possible. Further 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. Providing further assistance/ information to the Insolvency Service and any other relevant body as necessary or required. The Joint Administrators will discuss any potential actions/investigations with 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.	Time Costs capped at £125,000 Amount billed in the Administration: £57,077

Lifeline Project (In Administration)

Schedule of Work

			Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.	
6	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken during the reporting period**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**Fee Basis Agreed**
	To calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level and ensuring this is properly maintained. Ensuring all statutory requirements are adhered to in accordance with the Insolvency Rules and any other regulatory bodies as appropriate. The Joint Administrators provided creditors with a progress report for the first six months of the Administration.		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 after the Company is placed into Liquidation, 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

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 December 2017 to 22 May 2018

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**13.30**	**15.10**	**33.95**	**1.80**	**64.15**	**18,621.75**	**290.28**
Case Accounting		1.30	8.40	1.70	11.40	2,581.00	226.40
Case Control and Review	10.00	8.50	7.40		25.90	9,167.50	353.96
Case Accounting - General	0.30		2.30		2.60	608.50	234.04
General Administration		0.70	4.95		5.65	1,229.75	217.65
Insurance	3.00	2.90	2.80		8.70	2,900.50	333.39
Fee and WIP		0.10	1.60	0.10	1.80	362.50	201.39
Strategy and Planning		1.60	6.50		8.10	1,772.00	218.77
Asset Realisation	**41.50**	**42.40**	**54.90**		**138.80**	**44,044.00**	**317.32**
Asset Realisation	5.00	2.40	2.10		9.50	3,616.50	380.68
Freehold/Leasehold Property	22.50	36.50	51.10		110.10	32,125.00	291.78
Debt Collection	12.50	3.50	1.30		17.30	7,480.00	432.37
Legal-asset Realisation			0.40		0.40	80.00	200.00
Asset Realisation Floating	1.50				1.50	742.50	495.00
Creditors		**15.70**	**55.60**	**3.10**	**74.40**	**16,336.75**	**219.58**
Unsecured Creditors		1.70	10.00	3.10	14.80	2,966.50	200.44
Employees		0.30	10.05		10.35	2,160.25	208.72
Landlord			29.20		29.20	5,840.00	200.00
Pensions - Creditors		13.70	6.35		20.05	5,370.00	267.83
Investigation	**1.00**	**16.30**	**6.25**		**23.55**	**6,601.00**	**280.30**
Investigatory Work	1.00	16.30	5.00		22.30	6,303.50	282.67
IT – Investigations			1.25		1.25	297.50	238.00
Statutory Compliance	**8.00**	**11.10**	**53.90**		**73.00**	**18,179.50**	**249.03**
Statutory Compliance - General	1.00		4.00		5.00	1,325.00	265.00
Statutory Reporting/ Meetings	4.00	6.50	49.40		59.90	13,912.50	232.26
Statement of Affairs	3.00	4.00	0.50		7.50	2,765.00	368.67
Pensions- Other		0.60			0.60	177.00	295.00
Total Hours	**63.80**	**100.60**	**204.60**	**4.90**	**373.90**	**103,783.00**	**277.57**

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 December 2017 to 22 May 2018

	Value £
Category 1	
Delivery	32.35
Grand Total	**32.35**

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

FRP

Lifeline Project (In Administration)

Time charged for the period 02 December 2017 to 22 May 2018

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Plar	**64.15**	**18,621.75**	**290.28**
Case Accounting	11.40	2,581.00	226.40
Case Accounting - G	2.60	608.50	234.04
Case Control and Re	25.90	9,167.50	353.96
General Administrati	5.65	1,229.75	217.65
Insurance	8.70	2,900.50	333.39
Fee and WIP	1.80	362.50	201.39
Strategy and Plannin	8.10	1,772.00	218.77
Asset Realisation	**138.80**	**44,044.00**	**317.32**
Asset Realisation	9.50	3,616.50	380.68
Freehold/Leasehold I	110.10	32,125.00	291.78
Legal-asset Realisati	0.40	80.00	200.00
Debt Collection	17.30	7,480.00	432.37
Asset Realisation Flc	1.50	742.50	495.00
Creditors	**74.40**	**16,338.75**	**219.58**
Employees	10.35	2,160.25	208.72
Unsecured Creditors	14.80	2,966.50	200.44
Landlord	29.20	5,840.00	200.00
Pensions - Creditors	20.05	5,370.00	267.83
Investigation	**23.55**	**6,601.00**	**280.30**
Investigatory Work	22.30	6,303.50	282.67
IT – Investigations	1.25	297.50	238.00
Statutory Compliance	**73.00**	**18,179.50**	**249.03**
Statutory Compliance	5.00	1,325.00	265.00
Statutory Reporting/ I	59.90	13,912.50	232.26
Statement of Affairs	7.50	2,765.00	368.67
Pensions- Other	0.60	177.00	295.00
Grand Total	373.90	103,783.00	277.57

Time charged from the start of the case to 22 May 2018

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**256.85**	**72,361.00**	**281.72**
Case Accounting	20.65	4,679.25	226.60
Case Accounting - General	12.60	2,628.50	208.61
Case Control and Review	76.20	28,574.00	374.99
General Administration	31.15	6,196.25	198.92
Travel	9.00	1,800.00	200.00
Insurance	14.70	4,509.00	306.73
Fee and WIP	53.65	13,391.50	249.61
Strategy and Planning	38.90	10,582.50	272.04
Asset Realisation	**365.90**	**118,814.75**	**324.72**
Asset Realisation	42.40	12,916.00	304.62
Freehold/Leasehold Property	264.90	83,171.75	313.97
Legal-asset Realisation	2.20	478.00	217.27
Sale of Business	9.00	4,035.00	448.33
Debt Collection	41.00	15,466.00	377.22
Asset Realisation Floating	6.40	2,748.00	429.38
Creditors	**464.75**	**109,939.75**	**236.56**
Employees	47.55	11,228.75	236.15
HP/ Leasing	3.75	757.50	202.00
Preferential Creditors	3.20	906.00	283.13
Secured Creditors	1.50	562.50	375.00
Unsecured Creditors	212.00	49,306.00	232.58
ROT	6.20	1,591.50	256.69
Legal-Creditors	2.20	649.00	295.00
Landlord	130.50	27,050.00	207.28
Pensions - Creditors	57.85	17,888.50	309.22
Investigation	**230.61**	**65,339.75**	**283.33**
Investigatory Work	31.90	8,974.50	281.33
CDDA Enquiries	57.10	16,950.00	296.85
IT – Investigations	60.30	17,033.50	282.48
Forensic	45.31	14,154.25	312.39
Forensic – Data Capture	9.00	2,582.50	286.94
Relativity - Internal	27.00	5,645.00	209.07
Statutory Compliance	**203.90**	**58,441.00**	**286.62**
Statutory Compliance - General	34.90	9,572.50	274.28
Statutory Reporting/ Meetings	140.10	37,490.00	267.59
Appointment Formalities	11.70	5,494.00	469.57
Statement of Affairs	15.80	5,547.50	351.11
Bonding/ Statutory Advertising	0.80	160.00	200.00
Pensions- Other	0.60	177.00	295.00
Trading	**1.95**	**906.25**	**464.74**
Case Accounting - Trading	0.20	40.00	200.00
IT – Trading / Sale support	1.75	866.25	495.00
Pre-Appointment	**2.50**	**1,237.50**	**495.00**
Pre Appointment	2.50	1,237.50	495.00
Grand Total	1,526.46	427,040.00	279.76

Disbursements for the period
02 December 2017 to 22 May 2018

	Value £
Category 1	
Delivery	32.35
Grand Total	32.35

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

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

Appendix E

Receipts and Payments Account for the Reporting Period and Cumulatively

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

Statement of Affairs £		From 02/12/2017 To 22/05/2018 £	From 02/06/2017 To 22/05/2018 £
	SECURED ASSETS		
410,000.00	Freehold Property	755,000.00	755,000.00
NIL	Leasehold Improvements	NIL	NIL
1.00	Goodwill	NIL	1.00
		755,000.00	755,001.00
	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	Plant and Machinery	NIL	45,000.00
NIL	Motor Vehicles	50.00	50.00
5,000.00	Stock	NIL	5,000.00
1,187,389.00	Book Debts	182,303.23	2,383,742.84
2.00	Contracts/Records	NIL	2.00
60,000.00	Prepayments	NIL	NIL
2,748,208.00	Cash at Bank	15,000.00	2,291,788.57
NIL	Rent Deposits	NIL	NIL
	CGL Licence Fee	124,943.11	627,434.75
	CGL Apportioned Funds	51,481.78	241,228.69
	Bank Interest Gross	9,932.09	12,745.44
	Rent	5,000.00	35,000.00
	Sundry Refunds	4,057.60	25,491.13
	Business Rates Refunds	NIL	5,434.24
	Petty Cash	NIL	116.50
		392,767.81	5,673,034.16
	COST OF REALISATIONS		
(750,000.00)	Administrators' Remuneration	133,534.94	443,534.94
(500.00)	Administrators' Disbursements	36.47	4,561.24
	Administrators' Remuneration - Pre Administration	NIL	28,245.75
	Administrators' Disbursements - Pre Administration	53.10	287.87
	Agents/Valuers Disbursements - Pre Administration	NIL	266.75
(25,000.00)	Agents/Valuers Fees	11,452.61	25,262.61
	Agents/Valuers Fees - Pre-Administration	NIL	34,300.00
(250,000.00)	Legal Fees	65,253.00	169,904.50
	Legal fees - Pre-Administration	NIL	33,275.00
	Legal Disbursements	6.00	144.44
(100,000.00)	Other Costs	5,607.60	5,607.60
(225,000.00)	VAT Irrecoverable	58,015.54	193,025.63
	Stationery & Postage	NIL	21,880.53
	Courier Costs	NIL	63.00
	Storage Costs	840.69	840.69
	Statutory Advertising	NIL	84.60
	Other Property Expenses	1,575.20	6,704.38

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

Statement of Affairs £		From 02/12/2017 To 22/05/2018 £	From 02/06/2017 To 22/05/2018 £
	Insurance	NIL	24,719.95
	Employee Expenses	NIL	7,319.12
	CGL Apportioned Funds	163,614.52	241,228.69
	Bank Charges - Floating	5.00	32.50
	Licence Fee Rent	129,058.30	511,735.56
		(569,052.97)	(1,753,025.35)
	PREFERENTIAL CREDITORS		
	Preferential Creditors	28,710.86	28,710.86
(280,000.00)	Pension Contributions	NIL	NIL
		(28,710.86)	(28,710.86)
	UNSECURED CREDITORS		
(3,999,000.00)	Unsecured Creditors	NIL	NIL
		NIL	NIL
(1,235,900.00)		**550,003.98**	**4,646,298.95**
	REPRESENTED BY		
	IB Current Floating		4,546,874.70
	IB Licence Fee Account		99,424.25
			4,646,298.95

Note:

Appendix F

Statement of Expenses Incurred in the Reporting Period

Lifeline Project (In Administration)
Statement of expenses for the Reporting Period ended 22 May 2018

Expenses	Period to 22 May 2018 £	Cumulative Period to 22 May 2018 £
Joint Administrators' Remuneration	121,904	443,535
Joint Administrators' Disbursements	32	4,561
Joint Administrators' Pre Appointment Remuneration	-	28,246
Joint Administrators' Pre Appointment Disbursements	53	288
Legal Fees - Pre Administration	-	33,275
Agents/ Valuers Fees - Pre Administration	-	34,300
Agents/ Valuers Disbursements - Pre Administration	-	267
Agents/ Valuers Fees	11,453	25,263
Legal Fees	73,443	178,095
Legal Disbursements	6	144
Stationery and Postage	-	21,881
Courier Costs	-	63
Statutory Advertising	-	85
Other Property Expenses	1,575	6,704
Insurance	-	24,720
Employee Expenses	-	7,319
Bank Charges	5	33
Storage Costs	841	841
Other Costs	5,608	5,608
Total	**214,920**	**815,226**

Reconciliation to Receipts and Payments Account

Total per R&P		(1,753,025)
Legal fees incurred but not yet paid	8,190	
Less: CGL Apportioned Funds	(241,229)	
Less: Irrecoverable VAT	(193,026)	
Less: Licence Fee Rent	(511,736)	
Total		**815,226**

Appendix G

A Revised Estimated Outcome Statement

Lifeline Project - 22 May 2018 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	2,733,743
Cash at Bank	6	3,033,959	2,291,789
Motor Vehicles	7	30,627	50
Contracts/Records	1	-	2
Rent Deposits	8	27,705	-
Rental Income	9	-	35,000
Other Asset Realisations	10	448,562	43,787
			5,909,372
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		(686,795)
Legal post-appointment fees	12		(250,000)
Agent post-appointment fees	12		(30,000)
Other Costs	12		(100,000)
Irrecoverable VAT	12		(232,634)
			(1,395,804)
Net realisations after costs			**4,513,568**
Preferential creditors			
Employee arrears of pay & holiday	13		(3,341)
Pension Contributions	14		(37,273)
Net Property			**4,472,954**
Less: Prescribed Part	15		-
Available to Unsecured Creditors			**4,472,954**
Estimated Unsecured Creditor Claims	16		(6,155,000)
Shortfall to creditors			**(1,682,046)**

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 Property sale.
Note 3	**Leasehold Improvements**	No realisations anticipated for this class of asset.
Note 4	**Chargeholder**	No indebtedness noted.
Note 5	**Book Debts**	Projected realisations based on realisations to date (£2,383,742.84) plus an illustrative estimate to realise figure for the outstanding ledger.
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 as detailed in Section 3 of the main body of the fee proposal report.
Note 7	**Motor Vehicles**	Realisations to date - nothing further 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.
Note 10	**Other Asset Realisations**	Estimated realisations relating to an insurance prepayment and other realisations achieved to date (e.g. sundry refunds, petty cash reciepts and accrued bank interest)
Note 11	**Pre-Administration Costs**	As per Appendix D of the Joint Administrators' Proposals and agreed by creditors on 8 November 2017.
Note 12	**Irrecoverable VAT**	Lifeline is not VAT registered and therefore no input VAT can be recovered.
Note 13	**Preferential Creditors**	Per Interim Proof of Debt form submitted by the Redundancy Payments Service on 8 May 2018
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.