

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



A36 \*A7L6QJWZ\* #355  
20/12/2018  
COMPANIES HOUSE

### 1 Company details

Company number 0 1 8 7 1 9 5 5

Company name in full Lifeline Nursing Services Limited

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

### 2 Administrator's name

Full forename(s) Daniel James Mark

Surname Smith

### 3 Administrator's address

Building name/number PO Box 500

Street 2 Hardman Street

Post town Manchester

County/Region

Postcode M 6 0 2 A T

Country

### 4 Administrator's name ①

Full forename(s) Adrian Peter

Surname Berry

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 1 City Square

Street Leeds

Post town West Yorkshire

County/Region

Postcode L S 1 2 A L

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

### 7 Progress report

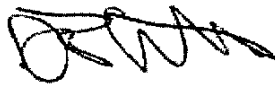
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup>1

<sup>d</sup>9

<sup>m</sup>1

<sup>m</sup>2

<sup>y</sup>2

<sup>y</sup>0

<sup>y</sup>1

<sup>y</sup>8

# AM10

## Notice of administrator's progress report



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Hena Virdee**

Company name **Deloitte LLP**

Address **PO Box 500**

**2 Hardman Street**

Post town **Manchester**

County/Region

Postcode **M 6 0 2 A T**

Country

DX

Telephone **+44 121 632 6000**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**



## **Lifeline Nursing Services Limited (in administration) ("Lifeline"/"the Company")**

Progress report to creditors for the period 25 May 2018 to 24 November 2018 pursuant to Rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Daniel James Mark Smith and Adrian Peter Berry ("the Joint Administrators") were appointed Joint Administrators of Lifeline Nursing Services Limited on 25 May 2016 by The Bank of Ireland ("the Bank"/"the Secured Creditor") in their capacity as qualifying floating charge holder. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.






For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

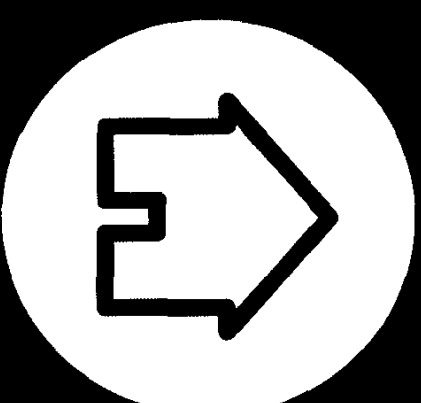
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

19 December 2018

Court Case No. 2945 of 2016  
High Court of Justice  
Chancery Division  
Manchester District Registry  
Company Number: 01871955

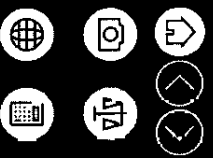
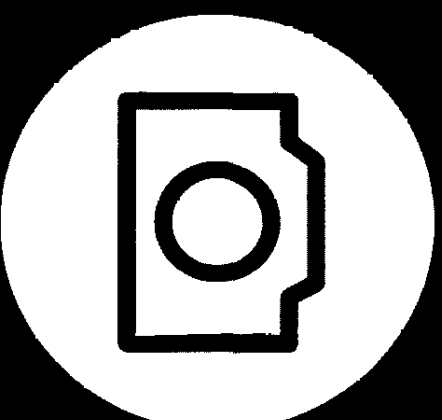
Registered Office:  
c/o Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ

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## Key messages



## Key messages

### Joint Administrators of the Company

Daniel James Mark Smith

Deloitte LLP

PO Box 500

2 Hardman Street

Manchester

M60 2AT

Adrian Peter Berry

Deloitte LLP

1 City Square

Leeds

LS1 2AL

### Contact details

Email: [hvirdee@deloitte.co.uk](mailto:hvirdee@deloitte.co.uk)

Website:

[www.deloitte.com/uk/LifelineNursing](http://www.deloitte.com/uk/LifelineNursing)

ServicesLimited

Tel: 0121 695 5644

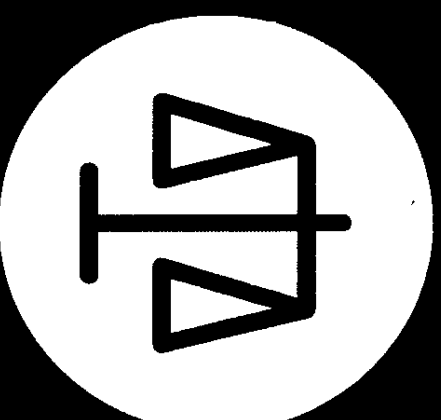


	Commentary
<b>Purpose of administration</b>	<ul style="list-style-type: none"> <li>The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation.</li> </ul>
<b>Progress of administration</b>	<ul style="list-style-type: none"> <li>We continued to trade the two unsold homes (St Claire's and St John's), whilst purchasers have been sought. The homes were operated by Careport Advisory Services Limited ("Careport") on our behalf.</li> <li>Our agents Christie &amp; Co ("Christie's") were actively marketing the homes for sale.</li> <li>Further to our previous report during the period we have completed the sale of St Claire's.</li> <li>The sale of St John's was finalised during the period and sold for £1m.</li> <li>Further details of all home sales are on Page 5, all three homes have now been sold.</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>The basis of our fees has been fixed as a set fee of £1m. Please see Page 12 for further details.</li> <li>To date £500k has been paid.</li> <li>Disbursements of £136 were incurred during the reporting period. This is in line with our current estimate. Please refer to Page 13 for further details.</li> <li>Third party costs of £92.5k (legal fees £32k, Careport £39.5k and agents £21k) have been incurred in the report period as detailed on Page 6. These are in line with our initial estimates.</li> </ul>
<b>Outstanding matters</b>	<ul style="list-style-type: none"> <li>Settle the outstanding trading liabilities.</li> <li>Obtain tax clearance.</li> <li>Closure of the case.</li> </ul>
<b>Dividend prospects</b>	<ul style="list-style-type: none"> <li>The Secured Creditors will not be paid in full.</li> <li>We do not anticipate there to be any preferential creditors of the Company.</li> <li>Unsecured creditors will not be paid.</li> </ul>
<b>Extension to administration period</b>	<ul style="list-style-type: none"> <li>The administration was extended by the Secured Creditor on 26 April 2017 to 24 May 2018.</li> <li>As the sale of the homes was incomplete, a further extension was required, via an application to Court.</li> <li>An extension for 18 months to 24 December 2019 was accordingly granted by the Court on 25 April 2018.</li> </ul>

## **Progress of the administration**

Summary 5

Receipts and payments 7



## Progress of the administration Summary

### Progress of the administration

#### Work done during the report period

The strategy for the administration was to sell the care homes operated by Lifeline as a going concern. This was deemed to be the best option to maximise the net realisable value of the assets of the Company.

#### Trading

As detailed below now all the homes have been sold we will be clearing all trading liabilities and collecting final sale receipts in order to close the administration.

#### Sale of business

Christies, a firm of agents with extensive experience in the care sector, were engaged to market and realise the homes on our behalf.

As previously reported the sale of St Edmund's completed on 11 September 2017 for £2.2m.

The sale of St Claire's completed on 1 June 2018 for £1.075m.

Contracts for the sale of St John's were exchanged on 28 September 2017. However this sale could not completed as the purchaser was unable to obtain the required registration from CQC. A non refundable deposit of £60k was paid upon exchange which is now an asset of the administration.

St John's was subsequently re-marketed and following this was sold on 1 November 2018 to Chengun Care Homes for £1m. We continue to complete various post sale tasks.

### Creditors

A small number of creditor queries have been addressed during the period as they arose.

#### Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management
- Statutory reporting
- Correspondence
- Case reviews
- Cashiering functions
- Closing preparation

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.



# Progress of the administration Summary

## Cost of the work done in the report period

The costs and expenses incurred during the report period are detailed below, these are in line with the estimates as provided in our proposals.

- Trading costs – outlined in the trading receipts and payments account on Page 8.
  - Legal costs – we instructed lawyers to assist with the following;
    - TLT LLP** to advise on a number of matters including property and assets sale advice, property surrenders, any trading issues including CQC requirements.
    - TLT have outstanding legal fees of £32k.
    - During this period, they were paid £20.7k.
  - Agents costs – we have instructed agents to assist in the following matters:
    - Careport** – our operational agents, Careport, have been instructed to manage the day to day trading of the care homes. Careport's fees are £5k plus VAT and expenses per home per month, reducing once a home sold.
- A summary of the fees and expenses incurred, paid and outstanding to Careport are detailed in the table below.

### Careport fee summary

£ (net)	Fees Expenses		Total
Total incurred in the period	35,083	4,410	39,493
Total incurred to date	353,002	22,189	375,191
Total paid in the period	120,075	6,978	127,053
Total paid to date	343,002	20,758	363,760
Total fees outstanding due to Careport	10,000	1,431	11,431

## Cost of the work done during the report period (cont'd)

**Christie's** – aided with the marketing and selling of the homes. Their fee was commission based, being 1% of gross realisations. During the period they were paid £21k.

All fees due have been paid and no further costs are anticipated.

**Freeths LLP** have been instructed on a commissions basis to collect outstanding debts where necessary. To date, no fees have been invoiced as the collection process is ongoing.

Further information in relation to the Administrators' remuneration and expenses are provided on Page 12.

All professional costs are reviewed and analysed in detail before payment is approved.



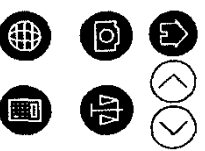
# Progress of the administration Receipts and payments

Lifeline - Receipts and Payment Account Joint Administrators' receipts and payments account 25 May 2018 to 24 November 2018			
£	Notes	Period	To date
Trading surplus/(deficit)	A	-	10,911
St Edmunds Sale Proceeds			33,564
St Claire's Sale Proceeds			2,200,223
St John's Sale Proceeds			1,075,000
St John's Deposit			1,000,000
Book Debts			60,000
Administration Funding - Sycamore	B		292,503
Administration Funding - Care Property	B		125,304
Insurance Refund			252,804
Bank Interest			39,467
			2,500
<b>Total receipts</b>	C	763	1,157
		<b>2,250,156</b>	<b>4,957,217</b>
Postage and re-direction		-	1,040
Advertising		-	406
EPC's and Floor Plans		-	1,185
Bank charges		1,603	3,048
Administrators Fees		200,000	500,000
Administrators Expenses		538	538
Legal Fees		157,767	157,767
Legal Expenses		505	505
Sale Agents Fees and Disbursements		20,750	42,750
Careport Fees		120,075	343,002
Careport Expenses		6,978	20,758
CQC Central Costs		7,698	51,891
Repayment of funding - Sycamore	B		252,804
Funding to Sycamore	B		347,196
Secured Distribution		582,100	2,422,100
Irrecoverable VAT	D	97,752	209,022
<b>Total payments</b>		<b>1,795,766</b>	<b>4,354,012</b>
<b>Balance</b>			<b>603,205</b>
<b>Made up of:</b>			
I/B Current A/c	C		617,058
Employee deductions	E		35,162
Trade creditors	F		49,015
<b>Balance in hand</b>			<b>603,205</b>

A receipts and payments account for Lifeline (including a separate trading account) detailing the transactions in the administration to 24 November 2018 is provided opposite and all transactions since appointment.

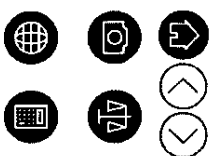
## Notes to receipts and payments account

- A trading account has been provided on the following page.
- Funding has been provided to Lifeline by the Bank (by way of an overdraft) funded through Sycamore Care Limited ("Sycamore") and Care Property Investments Limited. During the period the funding was repaid to Sycamore and £347k of funding was provided to Sycamore. Repayment of the Care Property funding will depend on the home position once all homes in all companies have sold.
- All funds are banked in interest bearing bank accounts. Interest is received gross and will be accounted for the HMRC.
- The Company is not registered for VAT and therefore VAT is irrecoverable.
- Deductions from employee wages (including attachment of earnings) for ongoing payment to the relevant authorities.
- Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents trading invoices received and posted to the cash book but not yet paid from the homes' bank accounts.
- Following the sale of the homes funds have been received in error, these funds are in the process of being repaid to the correct party. Please note that no statement of affairs was provided for the Company.



# Progress of the administration Receipts and payments

Lifetime - Trading Accounts					
Joint Administrators' Trading account					
Period - 25 May 2016 to 24 November 2018					
£	Notes	St Claire's	St Edmunds	St John's	Total
<b>Receipts</b>					
Local Authority		778,861	935,560	3,044,113	4,758,534
Private Residents		1,096,099	1,046,856	251,967	2,394,922
Other		1,341	-	100	1,441
Funds received in error	G	36,407	54,170	31,188	121,765
		<b>1,912,709</b>	<b>2,036,585</b>	<b>3,327,368</b>	<b>7,276,662</b>
<b>Payments</b>					
Payment of funds received in error	G	34,681	38,530	31,188	104,398
Wages and Salaries		1,335,655	1,212,962	2,370,347	4,918,964
Staff Expense		1,274	2,733	14,427	18,434
Agency Staff		166,643	133,655	449,096	749,394
Training		1,317	100	6,070	7,487
Recruitment		4,144	74	9,043	13,261
Other Staff Costs		6,498	3,701	6,339	16,538
Waste Disposal		17,661	14,134	24,446	56,241
Council Tax		3,036	4,759	3,978	11,773
Food and Drink		82,221	80,467	41,692	204,380
Medical Consumables		63,690	17,680	140,135	221,504
Heat & Light		57,986	50,100	73,488	181,574
Water		20,084	-	16,824	36,908
Telephone & Internet		11,572	7,571	10,473	29,616
Equipment Hire		6,125	4,791	10,309	21,225
Repairs and Maintenance		29,402	7,510	14,034	50,946
Fixtures, Fittings & Equipment		7,040	7,722	32,311	47,073
Security		2,202	-	98	2,300
Insurance		11,836	13,286	18,349.68	43,471
Training		5,490	850	1,544	7,884
Cleaning		6,465	53,537	22,090	82,092
Rent		-	-	289	289
Stationery		3,349	3,168	7,184	13,701
Sundry Expenditure		17,352	909	7,412	25,674
Petty Cash		58,696	21,161	81,133	160,989
Ransom Payments		833	1,319	1,206	3,358
Health & Safety		28,998	6,439	11,873	47,310
Residents Funds		-	3,780	-	3,780
Other costs		3,725	2,552	-	6,276
Irrecoverable VAT		-	-	-	156,259
		<b>1,953,293</b>	<b>1,693,487</b>	<b>3,374,191</b>	<b>7,243,097</b>
<b>Trading surplus/(deficit)</b>		<b>(40,584)</b>	<b>343,099</b>	<b>(46,823)</b>	<b>33,564</b>

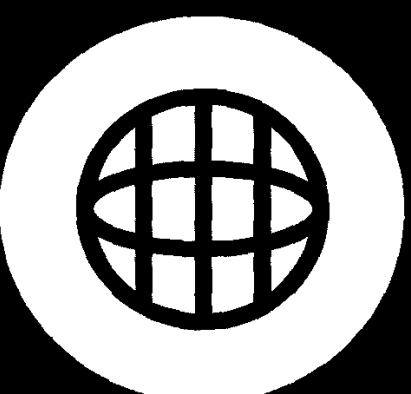




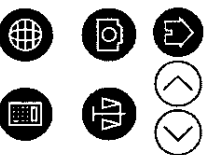
## Information for creditors

Outcome

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# Information for creditors Outcome



## Secured creditors

The Bank, in its capacity as secured creditor has confirmed the debts across the Group (the Company, Sycamore Care Limited, Care Investments (UK) Limited, Care Property Investments Limited, Regents Investments Holdings Limited and Prokwest Limited – all in administration) as c.£15.5m.

These amounts are secured by way of fixed and floating charges over the assets of the Group supported by a number guarantees between certain Group companies.

Based on current available information, we do not expect there to be sufficient asset realisation to enable full repayment to the Bank.

To date the Bank has received £2,422k from the Company plus £1,869k from other Group companies. A total of £4,291k has been repaid.

## Preferential creditors

The employees' arrears at the date of appointment have been settled and were paid whilst the company continued to trade.

Accordingly, we do not anticipate any preferential creditor claims.

## Prescribed Part

As detailed in the proposals, we do not anticipate that there will be a prescribed part fund available for distribution to unsecured creditors.

## Unsecured creditors

On present information insufficient funds will be realised to enable a dividend to be paid to unsecured creditors.

## Claims process – creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

## Claims process – creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 3, marked for the attention of Hena Virdee.

## Extensions to the administration

The administration was extended by the court and will now end on or before 24 December 2019. At the present stage, we do not anticipate that it will be necessary to further extend the period of the administration.

## Exit

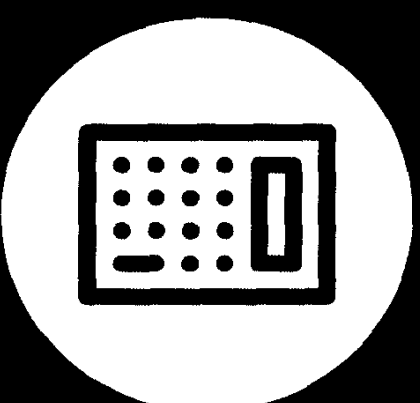
As detailed in our proposals, we consider that an exit pursuant to Paragraph 84 of Schedule B1 of the Act, the Administrators ceasing to act with dissolution of the Company three months after, will be the most appropriate exit route from administration as there are no funds for unsecured creditors.



## Remuneration and expenses

Joint Administrators' remuneration

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## Remuneration and expenses

### Joint Administrators' remuneration

#### Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at [www.deloitte.com/uk/lifelinenursingserviceslimited](http://www.deloitte.com/uk/lifelinenursingserviceslimited)

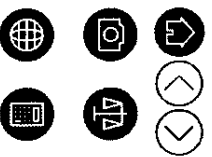
Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost.

#### Basis of remuneration

The basis of our remuneration was fixed on 15 June 2017 by the Secured Creditor as a set amount of £1m.

#### Set amount

We have drawn remuneration of £500k plus VAT against the set fee of £1m, as shown in the receipts and payments account on Page 7.



## Remuneration and expenses

### Detailed information

#### Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

#### Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

### Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below.

#### Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by the Secured Creditor on 15 June 2017.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

#### Category 1 disbursements

£ (net)	Estimate	Incurred in the report period	Cumulative incurred	Paid
Data protection registration	50	-	29	-
Subsistence	100	-	20	-
Travel	-	-	36	-
Postage/Couriers	3,000	136	2,258	538
<b>Total disbursements</b>	<b>3,150</b>	<b>136</b>	<b>2,344</b>	<b>538</b>

#### Category 2 disbursements

£ (net)	Estimate	Incurred in the report period	Cumulative incurred	Paid
Mileage	400	-	668	-
Website set up	500	-	500	-
Case bond	230	-	230	-
<b>Total disbursements</b>	<b>1,130</b>	<b>-</b>	<b>1,398</b>	<b>-</b>

We have not recovered our disbursements in full.

### Creditors' right to request information

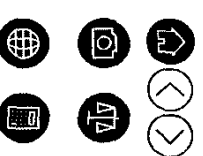
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

### Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



# Deloitte.

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