

AM03

Notice of administrator's proposals



Companies House

For further information, please
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www.gov.uk/companieshouse

1 Company details

Company number **1 0 5 7 7 3 0 1**

Company name in full **Prosperous Life Limited**

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) **Geoffrey**

Surname **Bouchier**

3 Administrator's address

Building name/number **The Shard**

Street **32 London Bridge Street**

Post town **London**

County/Region **Greater London**

Postcode **S E 1 9 S G**

Country **United Kingdom**

4 Administrator's name ①

Full forename(s) **Andrew**

Surname **Knowles**

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number **The Chancery**

Street **58 Spring Gardens**

Post town **Manchester**

County/Region **Greater Manchester**

Postcode **M 2 1 E W**

Country **United Kingdom**

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's
Signature

Signature

X

A. K. K.

X

Signature date

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5

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1

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AM03

Notice of Administrator's Proposals



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 Max Spolverato

Company name Kroll Advisory Ltd.

Address The Chancery

58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M 2 1 E W

Country United Kingdom

DX

Telephone 0161 827 9000



Checklist

We may return forms completed incorrectly or with information missing.

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- ☐ 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.



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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

Statement of Proposals

15 December 2022

Prosperous Life Limited (In Administration)

*Joint Administrators' Statement of Proposals for the period from
20 October 2022 to 15 December 2022*

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1. Introduction

The Joint Administrators were appointed on the Appointment Date by the Court, following an application by the Directors.

The Order was made by the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (Chd), Companies Court, Number 003743 of 2022.

This report is the Joint Administrators' statutory Statement of Proposals. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration. This document should be read alongside the supplementary information provided at www.prosperous-life.co.uk.

You will find other important information in this report such as the proposed basis of the Joint Administrators' remuneration.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 10.

Please also note that an important legal notice about this Statement of Proposals is attached at Appendix 11.

These Proposals are being delivered via the Portal (www.ips-docs.com) and are deemed delivered on the date they are first uploaded to the Portal, being 15 December 2022.

There are statutory forms within this document, Clients (and other creditors) are advised that it is not mandatory to return these forms and it will not affect any of their future rights to claim in the Administration if they choose not to do so.

2. Creditor Summary

Background

The Company was incorporated on 23 January 2017 under company registration number 10577301.

The principal business activity of the Company is the providing of funeral plans to its clients.

The Company's trading premises and registered office address was Second Floor Suite 1 & 3 Metropolitan House, Cheadle Hulme, Cheshire, SK8 7AZ.

Detailed information in relation to the Company's history, background and the main events leading up to the appointment of the Joint Administrators is provided in Section 3 and Section 4 of this report.

Statutory information on the Company is included at Appendix 1.

Events leading up to Administration

Prior to 29 July 2022, the pre-paid funeral plan industry was not FCA regulated. Following this date, all businesses providing pre-paid funeral plans were required to be regulated and were invited to complete an application. The date for applications opening in September 2021 and the Company Directors completed an application in October 2021.

Following meetings and discussions between the Directors and the FCA, it was made clear in May 2022, that regulation would not be granted to the Company and that the Directors would need to make arrangements to transfer the existing policies to an FCA regulated firm before the deadline of 31 October 2022. Given the decision of the FCA the Company ceased the sale of new funeral plans with effect from the 31 July 2022.

Further details surrounding the events leading up to the Administration can be found in Section 4.

Appointment

The Joint Administrators were appointed on the Appointment Date by the Court, following an application by the Directors.

A copy of the Order has been made available to view on the Portal.

Trading

Upon their appointment, the Joint Administrators' strategy was to continue to administer existing plans in conjunction with the Trustees of the Trust, whilst a marketing exercise was undertaken to find an FCA regulated provider to transfer the policies to and to seek value for the Company's creditors. The Joint Administrator's believe there is a real prospect of a better result for both the Company's creditors generally and, for the Plan holders of the Company who have existing plans and have paid money into the Trust, than would be likely if the Company were to be wound up.

Undertakings have been provided by the Joint Administrators to key suppliers to enable the Company to continue to trade and six employees have been retained to ensure that the Company can continue to manage the existing client base.

The Trustees have confirmed that the operational costs are to be funded from the allowable expenses as set out in the Trust Deed. A shareholder funding agreement has also been agreed which will primarily cover the costs of the Administration.

Sale of business

The Joint Administrators have begun the process of marketing the business for sale. The FCA has regulated 26 firms in the industry sector and these have all been contacted by the Joint Administrators.

Further information regarding any potential transaction is provided at section 5.2.3 of this report.

Asset realisations

The Company has few tangible assets available to realise. The main assets of the Company are its book of clients, the associated books and records and the Company's contractual right to raise certain charges for services provided to its clients.

Client contracts are described separately in this report and do not feature on the Balance Sheet of the Company.

Investigations

Detailed investigations into the Company's affairs will be undertaken to assess whether there are causes of action which could be taken by the Joint Administrators to generate potential recoveries for creditors.

Fees and expenses

The basis of the Joint Administrators' remuneration and expenses acting in relation to the Company and its estate assets and liabilities will be subject to the approval by the duly appointed Creditors' Committee (or creditors generally if a Creditors' Committee cannot be constituted).

The Joint Administrators' remuneration in operating the existing client base will be funded by the Trust or shareholder agreement, as agreed prior to the Administration.

Dividend Prospects

Based on the current information available to the Joint Administrators, it is uncertain whether there will be sufficient asset realisations to enable a distribution to be paid to the Secured, Preferential, or Unsecured Creditors of the Company. This will be depending on the potential sale and transfer of the client book.

Anticipated exit from Administration

Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office to be extended for a specified period.

At this stage, the Joint Administrators are unsure if the Administration will be extended. The types of exit routes are detailed in Section 10.

A further update will be provided to creditors in future Progress Reports.

Approval of Proposals

The Joint Administrators are seeking approval to their Proposals via a deemed consent decision procedure. Further details can be found at Section 11.

This document in its entirety is the Joint Administrators' Statement of Proposals. A summary list of the Proposals is included in Section 11, together with the relevant statutory information by way of appendices.

Unless otherwise stated, all amounts in these Proposals are stated net of VAT.

3. Background

Statutory information on the Company is included at Appendix 1. This section should be read in conjunction with the Director's Witness Statement dated 18 October 2022 and the Kroll Report to Court dated 18 October 2022, (both of which were included in the Application Documents filed in support of the Administration Application).

This section provides an update on the disclosures made in both documents.

The Company was incorporated on 23 January 2017. The Company was founded and wholly owned by Edward Smethurst ("Former Director") and who at the time of incorporation, acted as the sole director of the Company. The registered office of the Company was Second Floor Suite 1 & 3, Metropolitan House, Cheadle Hulme, Cheshire, SK8 7AZ.

The Former Director resigned as director of the Company on 2 May 2017. James Murtagh was appointed director of the Company on the same day and remains a current director. Ian Blackhurst and Luke Reid were also appointed directors of the Company on 11 July 2018 and 9 October 2020 respectively.

Between May 2017 and 8 July 2022, the Company sold funeral plan packages to customers on a pre-payment basis. The customers had the option to purchase a range of plans at varying costs. The cost of a funeral plan could either be paid by the customer in full at the outset, or by way of regular monthly payments until the full plan cost is paid, usually over a period of six years.

The plan pre-payments are made into a segregated account operated by The Great British Funeral Trust which is managed and audited by professional Actuaries and professional Trustees.

The Trust is also subject to an actuarial assessment of the liabilities relative to the assets and SAR is produced annually.

The commercial and trading relationship between the Company and the Trust is governed by a trust deed between the Company and the Trustees.

Following the sale of a new funeral plan contract, the initial payment is made by the customer to the Trust's bank account and once the funeral plan contract is live, the Company invoices the Trust on a weekly basis for the administration costs of all the new funeral plans placed during that week, less any cancellations or discounts that have been applied at the point of sale.

The Company was able to draw down any administration costs associated with the administration of funerals by virtue of the Trust Deed. The Terms and Conditions explain what those administration charges

may include such as interest on instalment payments, a cancellation fee, marketing, overheads and any additional costs as may be agreed from time to time with the customer.

In the event that a relative or nominee of a plan holder notifies the Company that they need to make a claim on the plan, the funeral director's fees and services are to be paid under the funeral plan contract by virtue of the Terms and Conditions, provided that the funeral is carried out by a funeral director appointed / selected by the Company.

When the Company receives an invoice from a funeral director, it requests a drawdown from the Trust to cover these costs.

The Trustees invest the funds in the Trust through Great British Funeral Trust Assets Ltd, which is wholly owned and controlled by the Trust.

4. Events Leading up to the Administration

4.1 Summary of key events

New legislation / regulation

In January 2021, the government legislated to bring all pre-paid funeral plan providers with the regulatory remit of the FCA.

The FCA announced in July 2021 that it would be entering into consultation with the view to regulating providers of pre-paid funeral plans. Following this consultation, the FCA announced that on 29 July 2022 all providers required FCA regulatory approval to continue to sell policies.

The two regulated activities are:

1. Entering as provider into a funeral plan contract; and
2. Carrying out a funeral plan contract as a provider.

Unauthorised firms were unable to sell new plans but were able to continue managing any existing plans up until 31 October 2022.

From 31 October 2022, firms who were not able to continue trading in the sector must have either transferred their plans to an FCA regulated firms or refunded their Plan holders through a wind down of the associated Trust.

The Company applied for authorisation on 28 October 2021 and a business plan was prepared and was submitted two weeks after the application portal opened in mid-September 2021. The Company were ultimately unsuccessful in their application.

The Company engaged extensively with the FCA during the application process and made several changes to its business practices and approach following feedback from the FCA.

On 31 May 2022, the Company had an update telephone call with FCA during which it was indicated that the FCA was not recommending the Company for approval.

Thereafter, the Company instructed solicitors to assist it in its communications with the FCA in order to attempt to change the FCA's stated position on authorisation. As the main issues voiced by the FCA concerned the sales practices of the Company, the Company decided to limit the scope of the application to seeking only authorisation to continue administering funeral plan contracts as a provider.

Letters were sent to the FCA on 16 June 2022 and 24 June 2022 addressing the concerns raised by the FCA and confirming that the application was now limited in scope.

By letter dated 22 July 2022, the FCA issued a warning notice to the Company confirming that the FCA proposed to refuse the application. The letter confirmed that the Company had the option to withdraw its application so as to avoid the issuance of a Decision Notice.

The FCA confirmed the Company could continue to administer existing plans until 31 October 2022, following which it would be a criminal offence for the Company to continue these activities without authorisation. The Company formally withdrew its application for authorisation on 19 August 2022, but had ceased the sale of new funeral plans on the 31 July 2022.

As at the end of July 2022, the Company had approximately 23,000 active plans.

The FCA notified all failed applicants that provided they qualified for the extended transition period to 31 October 2022, being that their application had been lodged prior to March 2022, that they were no longer permitted to enter into new funeral plan contracts as a provider until 31 October 2022 to enable either a transfer of the funeral plan contracts to an authorised provider or to refund every customer in full.

4.2 Business cessation / transitional considerations

In its letter dated 22 July 2022, the FCA set out its expectations of the Company during this transitional period. This included weekly updates to the FCA on the progress of any negotiations with authorised firms in respect of a transfer of the funeral plans or, if heads of terms were not agreed by 30 September 2022, it was expected that the Company would communicate with its customers and be ready to issue full refunds by 31 October 2022.

In line with the FCA's expectations, the Company sent enquiries to each of the 26 companies listed on the FCA's website as having been successful in their application for authorisation, inviting them to enter into negotiations for the purchase of the Company's funeral plan contracts.

Despite the Company's efforts, only limited engagement was received from those parties whom themselves were busy preparing for their own authorisation and in the case of several of those providers, were also having similar discussions with other providers who had been unsuccessful in their application.

4.3 Pre-Administration work

Remaining conscious of the approaching deadline of 31 October 2022, the Directors thought it prudent to seek advice from restructuring and insolvency advisors. An introductory meeting was held on 22 September 2022 to discuss the financial position of the Company and the various options available. Kroll were subsequently formally engaged by the Company on 29 September 2022.

Whilst discussions with the interested parties continued, the Directors became increasingly concerned that there would be insufficient time to complete an agreement for the transfer of plans before the deadline.

Consultation with FCA / updates

The Directors concluded that to afford a reasonable opportunity for a sensible and commercial transfer to be agreed and effected, a longer period of time was needed. The main objective of the Directors was to ensure that the continuity of the current administration of the Plan holder funeral plan contracts.

The alternative course would have been to wind-up the Company, leaving the plan holders without a funeral plan or a full refund. In that scenario, the general body of creditors of the Company could expect a zero return and the plan holder could expect to receive a dividend of less than 15p in the £ from the Trust.

In light of this, the board of Directors of the Company met on 14 October 2022 and concluded that, having regards to the financial position of the Company, it would be in the best interests of the Company and its creditors for the Company to be placed into Administration.

The view reached was that if the Company continues to administer existing plans whilst in Administration, then there is a real prospect of a better result for the Company's creditors, including those Plan holders of the Company who have existing plans and have paid money into the Trust, than would be likely if the Company were to be wound up.

It was considered that placing the Company into Administration would:

- Enable the Company to continue to administer plans during the Administration and direct debit instalments can continue to be made by the Plan holders and keep new monies segregated from existing funeral plan contracts;
- [with the approval of the Trustees] allow the existing Plan holders access to Trust monies to meet their funeral costs;
- Provide for an extended period of time to approach market participants and identify an FCA authorised funeral plan contract provider to purchase or transfer the funeral plan contracts at fair value;
- Once transferred to an authorised provider, those Plan holders would enjoy continuity of cover and the benefit of full access to the FSCS should the provider fail; and
- Realise value for the book of funeral plan contracts which in turn benefits the Company's creditors.

4.4 Appointment of Joint Administrators

Geoffrey Bouchier and Andrew Knowles of Kroll were appointed Joint Administrators of the Company at 4.15 pm on 20 October 2022 by order of the Court following an application made by the Directors.

The application to Court was made because, in the circumstances, the Administrators required certain powers and permissions to enable them to carry out their functions, which required the Court's approval. The Joint Administrators considered their position prior to accepting the appointment, having regard to the Insolvency Practitioners Association's ethical guidelines.

The Joint Administrators detailed Kroll's prior involvement with the Company in the Report to Court. The consent to act forms were also filed in Court in support of the Administration application and shared

with the FCA in advance of that hearing. The Joint Administrators formed the view that there were no circumstances preventing them from accepting the appointment as Joint Administrators.

5. Strategy and Progress of the Administration to Date

5.1 Purpose of the Administration

The purpose of an Administration is to achieve one of the following hierarchal objectives:

- Rescuing the Company as a going concern;
- Achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more Secured or Preferential Creditors.

The Joint Administrators believe that the first objective is unlikely as the Company was unable to obtain FCA approval to become regulated to 'carry out a funeral plan contract' and therefore the Company would not be able to continue sell any new funeral plan contracts.

The Report to Court contains the Joint Administrators views as to why they consider there is a real prospect of achieving the second objective, namely a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration.

The Joint Administrators' duties are as follows:

- To realise assets for the benefit of the Administration estate of the Company;
- To carry out an investigation into the Company's affairs to determine whether any claims may be brought against third parties which would benefit creditors of the Administration estate; and
- To distribute funds to creditors of the Company in order of priorities set out under UK insolvency legislation.

In addition to the above, the Joint Administrators in seeking a transfer of the Plan holders to a new authorised provider and hence removing a potential body of contingent creditors, will improve the return to the main body of creditors.

The Joint Administrators' Proposals for achieving the purpose of the Administration are set out in the remainder of this report.

5.2 Progress of the Administration

The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators, and will continue to be managed and financed, are set out below.

5.2.1 Administration Strategy

As outlined in the Report to Court, the Joint Administrators' initial strategy was to:

- Allow for the continuation of the administration of the existing plans;
- Pursue a transaction and / or transfer of the existing plans to an FCA regulated company;
- Ensure that instalments payments received post-administration under existing funeral plan contracts are held by the Trustees in a segregated account;
- Co-operate with the Trustees to ensure that existing Plan holders who pass away receive their funerals. These funerals would be paid from the Trust funds;
- To the extent that refund requests are received from Plan holders post Administration, the Administrators will organise these requests in conjunction with the Trustees;
- Continue the employment of the existing staff of the Company to provide plan services to the existing Plan holders. The Administrators will retain the Company's 6 existing employees who will continue to carry out the Company's administrative functions;
- Commence the marketing exercise to find an FCA regulated firm to transfer the existing policies to maximise returns to all classes of creditor; and
- Maintain regular communication with the FCA in order to facilitate a potential transfer of the existing plans and ensure that all FCA regulations are adhered to.

Further, the Administrators will, to the extent possible, seek to provide information to assist the Trustees in carrying out their duties.

The Joint Administrators' have also, with the support of the Trustees of the Trust, assistance of the Company's Directors and awareness of the FCA, sought expressions of interest from FCA authorised providers to acquire the entire book of existing plans.

5.2.2 The Trust

As detailed in the Report to Court, the Company sold pre-paid funeral plans to its customers / Plan holders. These policies were paid either in a lump sum payment in full or in monthly instalments usually for period of 6 years.

All payments are paid directly into a bank account operated by the Trust. Where a plan is paid on a monthly basis, these instalments are either collected into the Trust by direct debit or made via card payments on a monthly continuous basis into the Trust via a merchant services provider.

Funds are then controlled by the Trustees and no Plan holder funds are held or moved through the Company or its bank accounts.

On the sale of a new policy, the Company would request to draw down from the Trust £1,200 per plan as an administration fee. The Joint Administrators understand from the Company that these administration fees were used to fund the activity of the Company up and until the Company had ceased the sale of new funeral plan contracts.

Where a claim on the plan is notified by the estate of a deceased plan holder to the Company, the Trust are informed of the claim and the Trust then makes payment directly to the designated funeral director on production of the funeral director's invoice.

Based on discussions with and information provided to the Joint Administrators by the Directors and the Trustees, below is a summary of what the Joint Administrators understand was the actuarial assessment of the funding level of the Trust as at 23 August 2022:

Assets	£
Investments (Trust assets held)	6,740,000
Present Value of future payments	48,211,000
Subtotal	<u>54,951,000</u>
Liabilities	
Single payment plans	(11,432,000)
Instalment plans	(31,311,000)
Lapse reserve	890,000
Expense reserve	<u>(1,600,000)</u>
Subtotal	<u>45,233,000</u>
Total Surplus	<u><u>9,718,000</u></u>
 Funding Level	 121.5%

Kroll were advised that as at 14 October 2022, the balance of assets held in the Trust is c£5.6m, consisting of cash held of £3.8m and managed investments totalling £1.8m. The Joint Administrators were informed by the Directors that in the event that refunds were to be made on 14 October 2022, all existing Plan holders, that liability would be £46.5m and therefore there would be a considerable shortfall of c£28m resulting in each Plan holder only receiving approximately 15p in the £.

Subsequently to our appointment, the Joint Administrators have been advised that the Company has a claim against the Trust in the sum of c£1.9m. The Joint Administrators are currently investigating the circumstances in which these funds are payable and will provide an update in our next progress report.

5.2.3 Trading

As previously advised, the Company under the supervision of the Joint Administrators is able to continue to administer plans during the Administration and the direct debit instalments can continue to be made by the Plan holders under the existing plan contracts noting that these are being segregated and will be returned in full in the event of no future transfer of plans.

The Joint Administrators retained six of the Company's and three Directors of the Company, to ensure that the Company can continue to operate on a day-to-day basis.

The Joint Administrators are also assisting in dealing with client queries to ensure that they are aware of the Administration and inform clients that the Company is still managing its existing funeral plans.

As part of the Company's requirements from the FCA as outlined above, the Joint Administrators are continuing to give weekly reports to the FCA in relation to the position of the Trust and progress of any sale.

The Joint Administrators have paid trading costs totalling £36,994 which include wages and professional fees, from the Administration estate.

The Joint Administrators have prepared an estimate of the professional costs likely to be incurred during the first 12 months of Administration on the basis that the Company continues to administer existing plans, whilst seeking a buyer of the book of plan contracts from an FCA authorised firm. Those costs were estimated to be in excess of £750,000 over a 12-month period however, this is likely to be significantly shorter if as anticipated the transfer of the plans can be achieved.

By way of additional security for the costs of the Administration, the Company's shareholders have agreed to underwrite those costs and a Shareholders' Funding Agreement has been agreed.

On the Appointment of the Joint Administrators, the amount of £400,000 has been received into the Administration estate as part of this agreement to fund the operating costs.

As agreed with the Trust, the operating costs and payment to the funeral directors are being paid by the Trust. These costs exclude the Joint Administrators' remuneration and other professional costs, which are covered as outlined above. To date, the Trust has contributed £84,314 to cover the operating costs.

This is above the predicted levels that were estimated by the Joint Administrators of £25,000 however, this is due to a high level of initial client queries that were being dealt with and therefore, this was necessary at the outset of the Administration. The Joint Administrators expect these levels to be at the estimated levels going forward.

A Receipts and Payments Account has been prepared for the Administration Trading Period, which is attached at Appendix 2.

5.2.4 Transfer of Plans

With the assistance of management, the Joint Administrators prepared a 'Teaser' Document which provided a high-level overview of the Trust Assets and its financial data. The Teaser Document was circulated to all those funeral plan operators who received FCA authorisation to carry out funeral plan contracts.

A number of those parties have returned a signed NDA and are now accessing further information in a data room hosted by the Joint Administrators.

The Joint Administrators are currently in discussions with those parties regarding their interest in seeking to enter an agreement for the transfer of the plans.

An update will be provided in the next report to creditors.

5.3 Asset realisations

5.3.1 Leasehold Premises

The Company operated from offices at Second Floor Suite 1 & 3 Metropolitan House Cheadle Hulme Cheshire. The lease is in the name of Prosperous Estate Planning Limited, a connected company by way of common directorship and shareholding.

5.3.2 Debtors

As per the Directors' Statement of Affairs, debtors have a book debt value of £1,915,673. We are advised that these debtors are the proposed management fees allowable under the Trust agreement but are yet to be drawn.

The Joint Administrators are in communication with the Trustees to investigate the realisable values attached to the debtors.

A further update on this will be reported in the next Progress Report.

5.3.3 Tangible assets

The Company has a limited tangible asset base given the nature of the business. The tangible assets consist of office furniture, fixtures and fittings and IT equipment.

The Joint Administrators continue to use the Company's Leasehold Premises and have retained Company staff to continue the day-to-day activities of the Company. Therefore, the Joint Administrators still require the use of the Company's tangible assets and are not currently in a position to realise these.

The Joint Administrators will engage third-party asset agents at the appropriate time to value and realise the assets for the benefit of the Insolvency Estate. At this stage, an estimated to realise value has not been attributed to tangible assets but the Joint Administrators do not expect any significant realisations in this regard.

A further update will be provided in the Joint Administrators' first Progress Report to creditors.

5.3.4 Cash at Bank

There was a nominal sum held in the Company's office account at the date of appointment and Barclays has retained this to set off against its loan account balance. No further funds are anticipated from the Barclays bank accounts.

5.3.5 Other assets

The Joint Administrators have received the Directors' Statement of Affairs and note that there are prepaid expenses of £644,250. These will be for prepayments of insurance, business rates and other costs that are required to be paid in full up front. The Joint Administrators are investigating whether or not there are any realisable assets within these prepayments.

Creditors will be kept apprised in future Progress Reports should any further assets become known.

5.3.6 Shareholder Agreement

As noted above, and in accordance with the Shareholder Funding Agreement, an initial sum of £400,000 has been transferred to the Administration estate.

6. Directors' Estimated Statement of Affairs

In accordance with Paragraph 47 of Schedule B1 to the Act, the Joint Administrators requested a SOA for the Company as at the Appointment Date from the Directors.

The Joint Administrators attach at Appendix 3 the Directors' Statement of Affairs showing the Company position at the Appointment Date.

7. Investigations

The Joint Administrators have a statutory obligation to file a report with the BEIS regarding the conduct of any director that has held office in the three years prior to the Administration (including any shadow directors). This report must be filed within three months from the Appointment Date and the content of this report is confidential.

The Joint Administrators also have a duty to investigate the Company's affairs in order to maximise the return to creditors. This includes conducting investigations to identify any antecedent transactions which include (but are not limited to):

- Transactions at an undervalue, under Section 238 of the Act;
- Preferences, under Section 239 of the Act;
- Wrongful Trading, under Section 214 of the Act; and
- Transactions to defraud creditors, under Section 423 of the Act.

The purpose of undertaking these detailed investigations into the Company's affairs is to assess whether there are potential causes of actions against third parties which could be taken by the Joint Administrators to generate potential recoveries for creditors. As part of this, the Joint Administrators may engage specialist legal advisors to assist with the investigations and the formulation of legal claims.

If any creditor has any information concerning the Company's affairs that they would like to bring to the

Joint Administrators' attention, please do so by writing to ProsperousLife@kroll.com or by post to Prosperous Life Limited (In Administration) c/o Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

8. Joint Administrators' Pre-Administration Costs, Remuneration and Expenses

8.1. Time Costs, Remuneration and Expenses

As noted above, as part of the director's original application to Court for the making of the Order, the Trust would only be requested to cover administrative funds towards operating costs and payment to funeral directors following a claim on a funeral plan contract.

The Company's shareholders had agreed to fund the professional costs that are likely to be incurred during the first 12 months of the Administration as previously discussed. These are separate to the above mentioned operating costs. However, the Trust deed has recently been varied by the Trustees to allow for the payment of professional costs as well as operating costs. Please note that this alteration to the Trust Deed was put through without any involvement of the Joint Administrators and the Joint Administrators have not made any request of the Trust to release funds to cover professional fees.

The Joint Administrators' costs to be covered by the Shareholders' Funding Agreement were also provided within the Report to Court, and this provided an estimate in excess of £587,000 over a 12-month period,

The Joint Administrators' total time costs incurred from the Appointment Date to 7 December 2022 (being approximately 7 weeks) in respect of matters in dealing with the Administration totals £103,396, representing 278 hours at an average hourly rate of £371.

8.2 Statement of Pre-Administration Costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators before the Company entered Administration but with a view to it doing so.

The agreement under which the pre-Administration costs were incurred was via an engagement letter dated 29 September 2022 in which the Company engaged Kroll to assist the Directors in formulating and assisting with implementation of an insolvency strategy which would best protect the interests of Clients and creditors.

The pre-Administration time costs incurred by Kroll from engagement to the Appointment Date total £123,220 representing 233 hours at an average charge out rate of £528 per hour. The time costs incurred by Kroll relate to the work summarised in Section 4.2 above, which was necessary to place the Company into Administration as well as obtain the necessary directions and ancillary relief from Court as mentioned earlier.

A detailed breakdown of the time costs incurred pre-Administration is detailed at Appendix 4. A summary of the total pre-Administration costs incurred are set out below:

Pre-Administration Costs	Paid (£)	Unpaid (£)	Total (£)
Kroll	30,000.00	93,219.00	123,219.00
Pinsent Masons LLP	0.00	30,000.00	30,000.00
Hewlett Swanson Limited	0.00	8,500.00	8,500.00
Total	£30,000.00	£131,719.00	£161,719.00

Please note the Joint Administrators have received £30,000 from the Company as a contribution to the time costs of Kroll placing the Company into Administration.

The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under Rule 3.52 of the Rules, and is not part of the Proposals, subject to approval under Paragraph 53 of Schedule B1 to the Act.

The Joint Administrators are seeking approval of payment of these costs from the Creditors' Committee (or creditors generally if a Creditors' Committee is not constituted) in due course.

8.3 Time Costs and Remuneration

The Joint Administrators' total time costs incurred from the Appointment Date to 15 December 2022 relating to the totals £114,631, representing 302 hours at an average hourly rate of £379. Time is charged in six-minute units.

A breakdown of the Joint Administrators' time costs can be found at Appendix 4, and a summary of the tasks undertaken from the Appointment Date to 15 December 2022 can also be found at Appendix 4.

The Joint Administrators' Fee Estimate is included at Appendix 5. The Fee Estimate quantifies the total amount of time and therefore costs currently anticipated to be spent over the duration of the insolvency process.

Also attached at Appendix 6 is the Fees Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

The Joint Administrators acknowledge that the Fee Estimate is that an estimate, and is based on a number of assumptions, some of which will be accurate and some of which may not be, thereby resulting in future costs differing from the estimate.

The Joint Administrators are seeking approval from the Creditors' Committee (or creditors generally if a Creditors' Committee is not constituted) in due course.

8.4 Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration. Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1 Expenses) and those that do (Category 2 Expenses).

Category 1 Expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 Expenses are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

The Joint Administrators have prepared an estimate of the expenses likely to be incurred during the Administration and these total £190,329, as detailed at Appendix 7.

This illustrates the estimated expenses for the whole of the Administration and is for information purposes only. This estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in future progress reports.

During the Reporting Period, the Joint Administrators have incurred Category 1 Expenses of £19,421 of which £104 has been paid.

During the Reporting Period, the Joint Administrators have incurred Trading Category 1 Expenses of £36,994 in relation to wages and professional costs, which has all been paid

During the same period, the Joint Administrators have incurred Category 2 Expenses of £23 of which none have been paid to date.

A breakdown of the Joint Administrators' Category 1 and Category 2 Expenses incurred and paid in the Reporting Period are detailed at Appendix 4.

9. Dividend Prospects

9.1 Secured Creditor

According to the records maintained at Companies House, the Company granted a debenture in favour of Barclays dated 18 March 2022 which confers fixed and floating charges over all the assets of the Company.

The debenture was created following a restructure of the CBILS loan with a group company that was no longer trading. This was subsequently placed on the Company on 18 March 2022.

The Joint Administrators are yet to receive a claim from Barclays however, from the Company's records we understand Barclays' claim to be £233,963 in respect of the principal amount of the CBILS loan being £230,000, accruing interest and unauthorised overdraft charges of £3,333.

A further update will be provided in the Joint Administrators' first Progress Report to creditors.

9.2 Preferential Creditors

Preferential Creditors consist of employee claims for arrears of pay and unpaid accrued holiday pay, the majority of which are likely to be subrogated to the BEIS following payment to the employees by the RPS. Secondary preferential claims from HMRC include claims for PAYE income tax and employee NIC.

Secondary preferential claims are paid after the Preferential Creditor claims are settled in full.

As previously advised, the Company originally had 126 employees. After the FCA regulated the pre-paid funeral plan industry, the Directors transferred 120 of the employees to the service business of the related group companies under TUPE.

Six employees were retained by the Joint Administrators on appointment to ensure the Company could continue to operate on a day-to-day basis. If a transfer of the Company's business and its plans to a new FCA authorised provider is achieved, these employees may be transferred to the new provider under TUPE. Alternatively, these employees may be offered employment by related group companies. If neither of these options is available, it is anticipated that these employees will be made redundant by the Joint Administrators.

The Joint Administrators therefore do not expect any Preferential Creditor claims to be received unless the Joint Administrators are required to make these employees redundant.

According to the Company's books and records, the total indebtedness to HMRC totals, £322,276. This is in relation to unpaid PAYE and employee NIC and as such, will rank as a secondary preferential claim behind the employee claims.

The Joint Administrators are yet to receive any claim from HMRC to date.

On current information, it is considered likely that there will be sufficient asset realisations to enable a dividend to be paid to Preferential Creditors; however, investigations are ongoing.

9.3 Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:

50% unless the Joint Administrator considers that the costs of making a distribution to the unsecured creditors would be disproportionate to the benefits.

Net property greater than £10,000: 50% up to £10,000 plus 20% thereafter to a maximum of £800,000.

The Company granted a floating charge to Barclays on 18 March 2022 and therefore, the Prescribed Part provisions will apply.

On current information, it is considered unlikely that there will be sufficient asset realisations to enable a dividend to be paid to non-preferential Unsecured Creditors via the Prescribed Part; however, investigations are ongoing.

9.4 Unsecured Creditors

According to the Company's records, non-preferential Unsecured Creditors can be summarised as follows:

Creditor Category	£
HMRC	322,276
Trade and Expense Creditors	12,309
Intercompany	1,144,042
Total	1,478,627

Whilst it is possible that Clients may assert to have unsecured creditor claims against the Company, at present it is not possible to establish whether such claims exist at this time.

On current information, it is uncertain whether there will be sufficient asset realisations to enable a dividend to be paid to non-preferential Unsecured Creditors. It should however be noted that the Joint Administrators are continuing their investigations.

A further update will be provided to creditors in the Joint Administrators' first Progress Report to creditors.

10. End of Administration

10.1 Exit from Administration

The options available to the Joint Administrators for the exit from the Administration are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation (CVL)
- Company Voluntary Arrangement
- Return of Control to the Directors
- Dissolution of the Company

You will note from the Proposals at Section 11 below that the Joint Administrators have left the choice of exit route from Administration open so that the most appropriate route may be pursued.

This will largely depend on whether there may be sufficient funds available to enable a distribution to unsecured creditors and whether this is done via the Prescribed Part or not. Should this be the case, a CVL would likely be pursued or an extension of the Administration for that purpose, or alternatively if there are not sufficient funds available then the most appropriate exit route may be dissolution.

10.2 Discharge of Liability

The Joint Administrators propose to seek approval from the Court and / or to the extent necessary any Creditors' Committee or creditors generally that they will be discharged from liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments Account with the Registrar of Companies or their appointment otherwise ceasing.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against the Joint Administrators.

11. Joint Administrators' Proposals

11.1 Approval of Proposals

The Joint Administrators are seeking approval to this Statement of Proposals by deemed consent.

A notice of seeking a decision by deemed consent is attached at Appendix 14.

The Joint Administrators will seek approval of resolutions found at sections 11.4.4 to 11.4.5 from the Creditors' Committee (or creditors generally if a Creditors' Committee is not constituted) in due course.

11.2 Creditors' Committee

11.2.1 Invitation to Form a Creditors' Committee

In accordance with Rule 3.38(4) of the Rules, the Joint Administrators are required to invite nominations for membership of a Creditors' Committee any time they seek a decision from creditors (if a Creditors' Committee has not already been formed), such as the decisions sought at Section 11.1.

The Joint Administrators are currently seeking nominations for creditors who wish to participate. At Appendix 12 and 13 are:

- Notice of Invitation to Form a Creditors' Committee ("Notice of Committee"); and
- Nomination for Membership of the Creditors' Committee and Consent to Act Form ("Nomination Form").

If you wish to nominate a representative to become a member of the Creditors' Committee, please complete the Nomination Form at Appendix 13 and return the completed Nomination Form to the Joint Administrators as instructed in the Notice of Committee by 6 January 2023.

11.2.2 Formation of a Creditors' Committee

Following the passing of the deadline stated above, the Joint Administrators will collate a list of those creditors who have nominated a representative for membership of the Creditors' Committee.

If the Joint Administrators receive considerably more nominations than the permitted maximum of five Creditors' Committee members, we will communicate with those nominated with a view to attempting to reduce the number and/or identify a shortlist of nominees.

The Joint Administrators will be aiming for the establishment of a Creditors' Committee which is representative and balances the interests of creditors. The Joint Administrators will also be considering the relevant experience of nominees to assess their ability to assist the Joint Administrators in discharging their duties.

Therefore, when speaking to nominees, as well as establishing the amounts owed to nominees and their eligibility to act, the Joint Administrators will also be seeking details of the experience of nominees and what they believe they may be able to contribute to Creditors' Committee.

The Joint Administrators may also ask the nominees to produce, by a certain date, a short statement for circulation to creditors describing why they wish to be a member of the Creditors' Committee and the reasons why creditors might wish to vote for them.

If there are more nominations than can form the Creditors' Committee after the abovementioned process, it is likely the Joint Administrators will provide all creditors with the shortlist of nominees (via the Portal: www.ips-docs.com (see earlier communications regarding how to access same)) together with a copy of the short statement describing why they wish to be a member of the Creditors' Committee and the reasons why creditors might wish to vote for them.

The Joint Administrators will then likely ask all creditors to vote upon those they wish to make up the Creditors' Committee.

If however, there are sufficient nominations without the need to conduct a further vote, a Creditors' Committee will be formed.

11.2.3 Role of a Creditors' Committee

A Creditors' Committee represents the interest of the creditors as a whole, rather than the interests of individual creditors.

The main function of the Creditors' Committee is to assist the Joint Administrators in discharging their duties. This may include assisting the Joint Administrators in key decisions, representing the main body of unsecured creditors, or providing information relating to the Company, its business, and affairs.

The Creditors' Committee will also be responsible for approval of the following:

- The basis of the Joint Administrators' remuneration out of the estate;
- The payment of Category 2 Expenses out of the estate;
- The payment of unpaid pre-Administration costs out of the estate; and
- The discharge from liability of any actions taken as Joint Administrators.

The minimum number of committee members is three and the maximum is five.

In order to enable creditors to make an informed decision, a guidance note on the rights, duties and the functions of the Committee entitled 'A Guide for Creditors – March 2017' can also be found at the following link: <https://www.kroll.com/-/media/assets/pdfs-international/uk/creditors-guide/a-guide-for-creditors-march-2017.ashx?la=en-gb&hash=33FCAF379D2B3977216E2D41DB2FFC2F762522E1>

11.2.4 Eligibility of a Member

A creditor is eligible to be a member of the Creditors' Committee if:

- the person has proved for the debt;
- the debt is not fully secured; and
- neither of the following apply (i) the proof has been wholly disallowed for voting purposes; or (ii) the proof has been wholly rejected for the purpose of distribution or dividend.

As discussed above, the Joint Administrators will allow nominations from both Unsecured Creditors to become members of the Creditors' Committee.

11.2.5 Establishment of the Creditors' Committee

The Creditors' Committee is not established (and accordingly cannot act) until the membership of the Creditors' Committee has been established and the Joint Administrators have delivered notice of the membership to the Registrar of Companies.

11.3 Statement of Creditors' Rights

Creditors who meet one of the thresholds set out in the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the proposed decisions. The statutory thresholds for requesting a meeting are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

If creditors fulfil the requirements set out above, the deemed consent procedure will terminate without any decisions being made.

Further information on creditors' rights to request a decision or physical meeting and the relevant procedures required is provided at Appendix 9.

In addition, the statement also sets out information on the remuneration and expenses of the Joint Administrators.

11.4 Summary of Proposals

In addition to the specific itemised proposals detailed below, this document in its entirety constitutes the Joint Administrators' Proposals.

The Joint Administrators propose the following:

11.4.1 General

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors;
- Seek an extension to the Administration period if considered necessary; and
- Enable the Company to continue to act as Trustee of the Trusts under the supervision of the Joint Administrators.

11.4.2 Distributions

- To make distributions to the Secured and Preferential Creditors where funds allow;
- To make distributions to the Unsecured Creditors from the Prescribed Part, where applicable; and
- To make further distributions to the Unsecured Creditors over and above the Prescribed Part, if funds become available and apply to Court for authority to do so, where applicable.

11.4.3 End of Administration

That the Joint Administrators might use any or a combination of the following exit route strategies to bring the Administration to an end:

- Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
- Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Bouchier and Andrew Knowles of Kroll would act as

Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;

- Place the Company into Company Voluntary Arrangement if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Bouchier and Andrew Knowles of Kroll would act as Supervisors should the Company be placed into Company Voluntary Arrangement. The creditors may nominate a different person as the proposed Supervisors, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by Supervisors is to be done by all or any one or more of them;
- Petition to the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Bouchier and Andrew Knowles of Kroll would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow the Administration to end automatically.

The Joint Administrators will be seeking specific agreement to the following resolutions that do not form part of the Proposals, from the Creditors' Committee (or creditors generally in the event that a Creditors' Committee is not duly constituted) in due course.

11.4.4 Remuneration and pre-Administration Costs

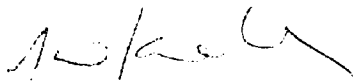
- That the Joint Administrators' remuneration in connection with the Insolvency Estate be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration;
- That the Joint Administrators' Fee Estimate provided in Appendix 5 in the total sum of £588,990, is approved;
- That the Joint Administrators be authorised to pay the following expenses to associates in dealing with the Administration ("Category 2 Expenses"):
 - Mileage allowance payments to staff at the rate of 45p per mile
 - Travel, accommodation, and subsistence payments for staff

- That the unpaid Pre-Administration costs totalling £131,719 plus VAT as detailed in the Joint Administrators' Statement of Pre-Administration costs and fees is approved for payment as an expense of the Administration.
- Where a Creditors' Committee is formed, the Joint Administrators' will seek to obtain approval from the Creditors' Committee.

11.4.5 Discharge of Liability

- That the Joint Administrators be discharged from all liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments Account with the Registrar of Companies or their appointment otherwise ceasing.
- Where a Creditors' Committee is formed, the Joint Administrator's will seek to obtain approval from the Creditors' Committee.

If you require further information or assistance, please do not hesitate to contact the Joint Administrators at ProsperousLife@kroll.com.



Andrew Knowles
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Geoffrey Bouchier and Andrew Knowles, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory information

Company information

Company and trading name	Prosperous Life Limited	
Date of incorporation	23 January 2017	
Registered Number	10577301	
Company Director(s)	Ian Blackhurst, James Murtagh and Luke Reid	
Company Secretary	James Murtagh	
Shareholders	Ian Blackhurst – 23% of shareholding Belinda Blackhurst – 22% of shareholding James Murtagh – 36% of shareholding National Savings Solutions Limited – 9% of shareholding	
Trading address	Second Floor Suite 1 & 3 Metropolitan House Cheadle Hulme SK8 7AZ	
Registered office	Current: Kroll Advisory Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Second Floor Suite 1 & 3 Metropolitan House Cheadle Hulme SK8 7AZ

Administration information

Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts, 3743 of 2022.	
Appointor	Directors	
Appointment Date	20 October 2022	
Joint Administrators	Geoffrey Bouchier and Andrew Knowles	
Original purpose	Achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	19 October 2023	

Prescribed Part

The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors.

Application of EC Regulations

EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 – Joint Administrators' Receipts and Payments Account

Prosperous Life Limited (In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 20 October 2022 to 14 December 2022 £
OTHER DIRECT COSTS	
Direct Labour	(30,145.82)
	<u>(30,145.82)</u>
TRADING EXPENDITURE	
Professional Costs	(6,848.00)
	<u>(6,848.00)</u>
Trading Surplus/(Deficit)	(36,993.82)

Prosperous Life Limited (In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 20 October 2022 to 14 December 2022 £
ASSET REALISATIONS	
Shareholder Funding	400,000.00
Funds from Trustee	645,534.68
Trading Surplus/(Deficit)	(36,993.82)
	1,008,540.86
COST OF REALISATIONS	
Irrecoverable VAT	(20.70)
Marketing	(299.00)
Statutory Advertising	(103.50)
Funds to Trustee	(645,534.68)
	(645,957.88)
	362,582.98
REPRESENTED BY	
Floating/main current account	362,582.98
	362,582.98

Appendix 3 – Directors' Estimated Statement of Affairs

STATEMENT OF AFFAIRS

Company Name: Prosperous Life Limited (In Administration)

Company Number: 10577301

In the High Court of Justice, the Business and Property Courts of England and Wales, 003743 of 2022

Statement as to the affairs of (a) Prosperous Life Limited

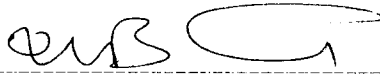
on 20 October 2022, the date that the company entered Administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above-named company as at 20 October 2022, the date that the company entered Administration.

Full name: IAN BLACKHURST

Signed



Dated 14/12/2022

A – Summary of Assets

Assets

Assets subject to fixed charge:

Intangible Assets

Barclays Bank plc Fixed Charge

Assets subject to floating charge:

Debtors

Fixtures, Fittings & Equipment

Uncharged assets:

Prepaid Expenses

Book Value £	Estimated to Realise £
£0	Uncertain
(£233,963)	(£233,963)
£1,915,673	Uncertain
£96,240	£0
£644,250	£0
£2,422,200	Uncertain

Signature



Date: 14/12/2022

A1 -- Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		Uncertain
Liabilities		
Preferential Creditors	£	
Employee claims	£0	£0
HMRC secondary preferential claim	(£322,757)	(£322,757)
Estimated deficiency/surplus as regards preferential creditors	£2,099,443	Uncertain
Estimated prescribed part of net property where applicable (c/d)	(£0)	(£0)
Estimated total assets available for floating charge holders	£2,099,443	Uncertain
Debts secured by floating charges	(£0)	(£0)
Estimated deficiency/surplus of assets after floating charges	£2,099,443	Uncertain
Estimated prescribed part of net property where applicable (b/d)	(£0)	(£0)
Total assets available to unsecured creditors	£2,099,443	Uncertain
Unsecured non-preferential claims:-		
Trade & Expense Creditors	(£11,715)	(£11,715)
Employee Claims (unsecured element)	(£0)	(£0)
Other Unsecured Creditor	(£1,690,415)	Uncertain
Estimated deficiency after floating charge where applicable (b/d)		
Estimated deficiency/surplus as regards creditors	£397,313	Uncertain
Issued and called up capital	£90	£90
Estimated total deficiency/surplus as regards members		Uncertain

Signature



Date 14/12/2022

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value £	Details of Shares held
James Murtagh	[REDACTED]	36	£36	ORD
Ian Blackhurst	[REDACTED]	23	£23	ORD
Belinda Blackhurst	[REDACTED]	22	£22	ORD
National Savings Solutions Limited	170 Lake Road, Poole, BH15 4LW	9	£9	ORD
TOTALS			90	£90

Signature WBS

Date 14/12/22

COMPANY UNSECURED CREDITORS

Name of Unsecured Creditor	Address (with postcode)	Book Value	Realisable Value	Details
Stockport Borough Council	Local Taxation, Town Hall, Stockport, SK1 3XE	£6.099	£6.099	TRADE
GoCardless	65 Goswell Road London EC1V 7EN United Kingdom	£5.616	£5.616	TRADE
TFA Planning Limited	Second Floor Suite 1 & 3, Metropolitan House, Cheadle Hulme, Cheshire, England, SK8 7AZ	£672.081	£672.081	OTHER - IC
Late Life Planning Limited	Second Floor Suite 1 & 3, Metropolitan House, Cheadle Hulme, Cheshire, England, SK8 7AZ	£240.832	£240.832	OTHER - IC
Ian Blackhurst	[REDACTED]	£577.502	£577.502	OTHER - DL
Corporation Tax Accrual	N/A	£200.000	Uncertain	OTHER - Accrual
TOTALS		£1,702,130	Uncertain	

Signature  Date 14/12/2022

Appendix 4 – Analysis of Time Charged for the Insolvency Estate

Analysis of the Joint Administrators' pre-Appointment Time Costs

Prosperous Life Limited (In Administration)									
Analysis of the Joint Administrators' Pre-appointment Time Costs									
ADM - Administration - Pre Appt.									
Classification of Work Function	Hours			Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £	
	Managing Director	Manager	Senior						
Administration and Planning									
Cashiering & accounting	0.00	0.00	0.00	1.45	0.00	1.45	275.50		190.00
Dealing with notice of intention to appoint	0.00	5.90	0.00	0.00	0.00	5.90	3,274.00		554.92
Dealings w/ directors & management (inc associated updates/reporting)	0.00	1.50	0.00	0.00	0.00	1.50	840.00		560.00
Financial review	0.00	34.20	0.00	0.00	0.00	34.20	14,682.00		429.30
IPS set up & maintenance	0.00	1.00	0.00	0.00	0.00	1.00	500.00		500.00
Strategy planning & control (incl engagement financial control)	47.40	123.00	0.00	17.70	0.00	188.10	103,050.00		547.85
Creditors									
Dealings with creditors and employees	0.00	0.00	0.00	0.20	0.00	0.20	38.00		190.00
Secured Creditors	0.00	1.00	0.00	0.00	0.00	1.00	560.00		560.00
Total Hours:	47.40	166.60	0.00	19.35	0.00	233.35			528.05
Total Fees Claimed: £	35,550.00	84,017.00	0.00	3,652.50	0.00		123,219.50		

Analysis of the Joint Administrators' Time Costs to 15 December 2022

Prosperous Life Limited (In Administration)

Analysis of the Joint Administrators' Post Appointment Time Costs
ADM - Administration - Post Appt.

Classification of Work Function	Hours				Support	Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant				
Plan Holders and Trust	5.60	27.85	0.00	19.40	0.00	52.85	22,242.00	420.85
Administration and Planning								
Case review & Case Diary management	0.00	1.70	0.00	2.55	0.00	4.25	1,401.50	329.76
Cashiering & accounting	0.00	5.55	0.00	4.75	0.00	10.30	3,691.00	358.35
Dealings w/ directors & management (inc associated updates/reporting)	0.00	11.75	0.00	0.00	0.00	11.75	6,040.00	514.04
IPS set up & maintenance	0.00	0.00	10.00	2.35	0.00	12.35	1,661.64	134.55
Insurance	0.00	1.00	0.00	0.50	0.00	1.50	595.00	396.67
Statutory matters (Meetings & Reports & Notices)	0.00	8.30	0.00	50.10	0.00	58.40	12,404.81	212.41
Strategy planning & control (incl engagement financial control)	2.00	32.30	0.00	14.05	0.00	48.35	21,693.50	448.68
Tax Compliance / Planning	0.00	0.00	0.00	0.30	0.00	0.30	57.00	190.00
Creditors								
Dealings with creditors and employees	2.50	2.00	0.00	7.00	0.00	11.50	4,041.00	351.39
Non Pref Creditors / Employee claims handling	0.00	1.20	0.00	0.00	0.00	1.20	612.00	510.00
Secured Creditors	0.00	0.75	0.00	0.00	0.00	0.75	375.00	500.00
Investigations								
CDDA & reports & Communication	0.00	0.50	0.00	12.90	0.00	13.40	2,689.00	200.67
Financial review and investigations (S238/239 etc)	0.00	0.00	0.00	0.30	0.00	0.30	57.00	190.00
Realisation of Assets								
Sale of business	6.00	51.20	0.00	9.50	0.00	66.70	32,927.00	493.66
Trading								
Trading - Accounting	0.00	1.25	0.00	0.00	0.00	1.25	655.00	524.00
Trading - Employees	0.00	1.25	0.00	0.40	0.00	1.65	701.00	424.85
Trading - Insurance	0.00	0.00	0.00	0.60	0.00	0.60	114.00	190.00
Trading - Operations	1.40	3.00	0.00	0.60	0.00	5.00	2,674.00	534.80
Total Hours:	17.50	149.60	10.00	125.30	0.00	302.40		379.07
Total Fees Claimed: £	13,125.00	77,926.50	1,215.14	22,364.81	0.00		114,631.45	

Narrative of work carried out for the period to 15 December 2022

The key areas of work have been:

Key areas of activities undertaken to date

Administration and planning	• Monitoring and reviewing the Administration strategy; • Regular case management and reviewing of process including regular team update meetings and calls; • Meeting with management to review and update strategy and monitor progress; • Reviewing and authorising junior staff correspondence and other work; • Dealing with queries arising during the appointment; • Reviewing matters affecting the outcome of the Administration; • Allocating and managing staff/ case resourcing and budgeting exercises and reviews; • Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and • Complying with internal filing and information recording practices, including documenting strategy decisions.
Creditors	• • Updating the list of Unsecured Creditors; • Responding to enquiries from Creditors regarding the Administration and submission of their claims; • Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; and • Drafting progress statutory progress reports. • Providing written and oral updates to the Secured Creditor regarding the progress of the Administration and cases strategy; and • Filing notice of the extension of the Administration.
Investigations	• Managing and reviewing the Company books and records; • Investigating the affairs of the Company to identify any actions available to the company against third parties in respect of antecedent transactions or other litigation; • Obtaining records from third parties; • Conducting interviews with counterparties and officeholders; • Enquiring with counterparties who has raised disputes against the Company; • Reviewing pre-appointment transactions; and • Documenting investigations.
Statutory and compliance	• Ensuring compliance with all statutory obligations within the relevant timescales; • Uploading information to the Creditors' Portal;

- Drafting and publishing progress reports;
 - Running decision procedures;
 - Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;
 - Monitoring the fees estimate; and
 - Monitoring the expenses estimate.
- Cashiering
- Preparing statutory Receipts and Payments Accounts;
 - Renewing bonding and complying with statutory requirements;
- Asset realisations
- Collating information from the Company's records regarding assets,
 - Liaising with finance companies in respect of assets subject to finance agreements;
 - Liaising with agents regarding the sale of assets;
 - Liaising with key suppliers;
 - Reviewing outstanding debtors and management of debt collection strategy;
 - Liaising with third parties regarding costs incurred;
 - Reviewing and agreeing invoices;
 - Reviewing costs incurred to ensure recorded accurately; and
 - Arranging payments to agents and solicitors in a timely manner.
- Trading
- Attending to supplier and client queries and correspondence;
 - Reviewing invoices to ensure they correspond with the relevant purchase orders;
 - Raising payments to suppliers in respect of Administration costs; and
 - Contacting all suppliers to obtain final invoices for the trading period.
- Tax
- Analysing and considering the tax effects of asset sales;
 - Working on tax returns relating to the periods affected by the Administrator;
 - Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
 - Dealing with post appointment tax compliance.

Joint Administrators' Expenses to 15 December 2022

The Joint Administrators have incurred the following expenses during the Administration Period.

Category 1 Expenses			Current period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)
Courts Advertising Ltd	Statutory Advertising	Fixed fee	104.00	104.00
Pinsent Masons LLP	Legal advice on trusts and the Administration	Time costs	18,595.20	0.00
Pinsent Masons LLP	Legal Disbursements	Fixed fee	38.12	0.00
Aon	Statutory bond premium	Fixed fee	225.00	0.00
Aon UK Limited	Asset insurance	Fixed fee	459.00	0.00
Total			19,421.32	104.00

Category 2 Expenses			Current period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)
Kroll	Travel to and from site	Fixed fee	8.00	0.00
Kroll	Subsistence	Fixed fee	15.00	0.00
Total			23.00	0.00

Notes

The above costs exclude VAT.

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.

Kroll, being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Joint Administrators.

It is considered that these expenses are fair and reasonable and proportionate to the Administration

The Joint Administrators have the authority to pay Category 1 Expenses without the need for any prior approval from the creditors of the Company.

Category 2 Expenses are to be approved in the same manner as the Joint Administrators' remuneration.

Appendix 5 – Fee Estimate

Fee Estimate for the Administration Period

	Partner	Manager	Hours		Assistant	Support	Total Hours	Time Cost	Avg. Hourly
Plan holders and Trust									
Future Court Application / Directions	15.00	25.00	0.00	0.00	15.00	0.00	55.00	25,100.00	456.36
Issuing plan holder updates / Communications	10.00	20.00	0.00	0.00	20.00	0.00	50.00	20,300.00	406.00
Plan holders books and records	10.00	20.00	0.00	0.00	20.00	0.00	50.00	20,300.00	406.00
Planholder Queries	10.00	20.00	0.00	0.00	20.00	0.00	50.00	20,300.00	406.00
Trust operations	0.00	1.00	0.00	0.00	3.00	0.00	4.00	1,070.00	267.50
Updating and Reporting to FCA	10.00	19.00	0.00	0.00	10.00	0.00	39.00	17,900.00	458.97
	55.00	105.00	0.00	0.00	88.00	0.00	248.00	104,970.00	400.14
Admin & Planning									
Case review and Case Diary management	5.00	3.00	0.00	0.00	20.00	0.00	28.00	8,550.00	305.36
Cashiering & accounting	0.00	15.00	0.00	0.00	25.00	0.00	40.00	12,250.00	306.25
Dealings with Directors and Management	0.00	20.00	0.00	0.00	5.00	0.00	25.00	10,950.00	438.00
Insurance	0.00	2.00	0.00	0.00	5.00	0.00	7.00	1,950.00	278.57
IPS set up & maintenance	0.00	0.00	0.00	0.00	2.00	0.00	2.00	380.00	190.00
Statement of affairs	0.00	2.00	0.00	0.00	2.00	0.00	4.00	1,380.00	345.00
Statutory matters (Meetings, Reports and Notices)	10.00	38.00	7.00	0.00	140.00	0.00	195.00	54,410.00	279.03
Strategy planning & control	10.00	55.00	0.00	0.00	40.00	0.00	105.00	41,600.00	396.19
Tax Compliance/Planning	0.00	2.00	0.00	0.00	5.00	0.00	7.00	1,950.00	278.57
	25.00	137.00	7.00	0.00	244.00	0.00	413.00	133,420.00	313.00
Creditors									
Communications with Creditors / Employees	5.00	10.00	0.00	0.00	30.00	0.00	45.00	13,950.00	310.00
Non Pref Creditors/Employee claims handling	0.00	5.00	0.00	0.00	20.00	0.00	25.00	6,300.00	252.00
Pref claims adjudication & distribution	0.00	10.00	0.00	0.00	25.00	0.00	35.00	9,750.00	278.57
Secured Creditors	5.00	10.00	0.00	0.00	20.00	0.00	35.00	12,050.00	344.29
	10.00	35.00	0.00	0.00	95.00	0.00	140.00	42,050.00	236.97
Investigations									
CDDA, reports & Communication	5.00	5.00	0.00	0.00	45.00	0.00	55.00	14,300.00	260.00
Financial review and investigations (S238/239 etc)	5.00	5.00	0.00	0.00	45.00	0.00	55.00	14,300.00	260.00
	10.00	10.00	0.00	0.00	90.00	0.00	110.00	28,600.00	173.33
Realisation of assets									
Sale of business	20.00	133.00	0.00	0.00	110.00	0.00	263.00	100,400.00	381.75
	20.00	133.00	0.00	0.00	110.00	0.00	263.00	100,400.00	76.35
Trading									
Trading- Accounting	6.00	45.00	0.00	0.00	35.00	0.00	86.00	33,050.00	384.30
Trading- Employees	5.00	40.00	0.00	0.00	25.00	0.00	70.00	28,000.00	400.00
Trading- Insurance	5.00	32.00	0.00	0.00	25.00	0.00	62.00	24,000.00	387.10
Trading- Operations	10.00	100.00	0.00	0.00	200.00	0.00	310.00	94,500.00	304.84
	26.00	217.00	0.00	0.00	285.00	0.00	528.00	179,550.00	246.04
Total Hours	146.00	637.00	7.00	0.00	912.00	0.00	1,702.00		
Total Estimated Fees	94,900.00	318,500.00	2,310.00	0.00	173,280.00	0.00		588,990.00	

Appendix 6 – Fee Narrative

Prosperous Life Limited (In Administration)

The Joint Administrators' Fee Estimate for the whole period of the Administration

Geoffrey Bouchier and Andrew Knowles were appointed Joint Administrators of the Company on 20 October 2022.

Introduction

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration in relation to the Company. It is a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs, and expenses of the related activities, and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Statement of Proposals, which provides further details of the assets, liabilities, progress to date and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Fee Estimate', 'Estimated Expenses' and 'Analysis of the Joint Administrators' Time Costs'.

The Joint Administrators acknowledge that the Fee Estimate and therefore the supporting narrative is an estimate and is based on a number of assumptions, some of which will be accurate and some of which may differ from the eventual costs incurred. The Fee Estimate effectively acts on a cap as to the value of fees which the Joint Administrators are entitled to draw.

The Fee Estimate provides an estimate of the Joint Administrators' time costs in relation to their management of the business and of the assets affairs.

Estimated Fees and Expenses

It should be noted that in the Report to Court, the Joint Administrators anticipated their fees to total £58,550 for the first 12 months of the Administration.

The Joint Administrators now therefore estimate the fees in the Administration to total £588,990 as shown in the Fee Estimate at Appendix 5. This estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in subsequent progress reports.

Estimated Return to Creditors

Please see Section 9 of the Proposals for further information in this regard.

Joint Administrators' Estimated Time Costs

Plan holders and Trust

The Joint Administrators have incurred costs in relation to dealing with Plan holders queries and updates and have also been dealing with Trust matters to ensure that constant communications are kept between the Company and the Trust. As part of the FCA requirements as noted in the body of the Proposals the Joint Administrators have been sending weekly updates and reports to the FCA in relation to the Company position.

The Joint Administrators have incurred £22,242 since the Appointment Date in respect of 'Plan holders and Trust', representing 53 hours at an average charge out rate of £421.

Total time, including future costs, are anticipated to be £104,970, which includes but is not limited to the following:

- Future Court applications and actioning directions from the Court;
- Issuing Plan holders with updates and communications on the progress of the Administration;
- Keeping updated with the Plan holders books and records and ensuring these are kept up to date;
- Dealing with any queries from Plan holders in relation to the Progress of the Administration;
- Ensuring Trust communications are constant and ensuring all operations are in place; and
- Weekly updates and reporting to the FCA as required.

Statutory Compliance, Planning, Formal Reporting and Case Administration

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining, and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond and various Treasury functions.

The Joint Administrators have incurred £47,544 since the Appointment Date in respect of 'Administration and Planning', representing 147 hours at an average charge out rate of £323.

Total time, including future costs, are anticipated to be £133,420, which includes but is not limited to the following:

- Complying with Anti-Money Laundering Checks, Bribery Act and ethical checks;
- Monitoring and reviewing the Administration strategy;
- Setting up the Administration on our internal systems and on the Portal;
- Companies House and Court filings;

- Calculating and obtaining the Insolvency Practitioners' bond;
- Undertaking treasury functions in setting up the Administration;
- Internal strategic discussions and meetings and completing case reviews;
- Advertising the Joint Administrators' appointment and notifying relevant stakeholders;
- Opening Administration bank accounts and facilitating a transfer of funds to the Administration;
- Discussions with management and legal advisors following Administration Order;
- Completing internal compliance reviews and checklists;
- Preparing the Joint Administrators' Statement of Proposals and Progress Reports;
- Performing periodic and strategic case reviews;
- HMRC statutory notifications;
- Undertaking ongoing cashiering and accounting functions;
- Dealings with the directors and management;
- Ensuring that all insurance and bonding requirements are appropriate; and
- Internal strategic discussions and meetings.

Creditors

The Joint Administrators will incur time costs in dealing with creditor correspondence.

Total time incurred in relation to creditors total £5,028 representing 13 hours at an average charge out rate of £374. Work undertaken to date has included explaining the background to the Joint Administrators' appointment and the Company's financial difficulties and handling claims.

Total time, including future costs, are anticipated to be £42,050, which includes but is not limited to the following:

- Creditor correspondence, emails and telephone conversations regarding claims in the Administration;
- Maintaining up to date creditor information and claims status on the case management system;
- Maintaining the Portal;
- Adjudicating and agreeing creditor claims if there are sufficient funds to enable a distribution to be paid to creditors; and
- Reviewing and recording potential Client creditor claims.

Investigations

It is a statutory requirement that the Joint Administrators provide reports to the Secretary of State on the conduct of the Director in their management of the Company to determine their unfitness to act in such roles. These reports will entail a broad level of investigation to ensure that best practice standards are met, and the Fee Estimate reflect this standard. If the Secretary of State then instigates Directors' Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigations may or may not lead to further asset recoveries, so creditors should not assume that this activity will provide monetary benefit to the Administration estates.

Initial fact gathering will be undertaken by lower level staff but the nature of the investigations requires more experienced (and hence high cost) staff to review the information.

Total time incurred in relation to investigations totals £2,746, representing 14 hours at an average charge out rate of £195. This includes obtaining and reviewing the Company's books and records, writing to the Bank to request historic bank statements, and reviewing these statements.

Total time, including future costs, are anticipated to be £28,600, which includes but is not limited to the following tasks:

- Seeking the completion of a questionnaire by the Directors;
- Completing a detailed bank statement analysis noting that there are 2 bank accounts that we are currently aware of;
- Investigation of any potential claims in respect of antecedent transactions;
- Investigation of the conduct of the current and former directors and officers of the Company;
- Completing a detailed review of all the Company's financial accounts available;
- Companies House searches;
- Logging and reviewing creditor complaints and concerns regarding director conduct; and
- Statutory investigations and reporting requirements to the Secretary of State in respect of directors' conduct and any resulting correspondence with the BEIS.

The Fee Estimate assumes a diligent but basic investigation into the Company's affairs. However, should circumstances prove more difficult it is likely that the Fee Estimate may need to increase. Creditors will be consulted as appropriate.

Realisation of Assets

The fundamental duty of an Administrator is that of the recovery and realisation of the Company's assets, the Joint Administrators' powers are designed to ensure the effective execution of this duty. The Joint Administrators must recover the assets of the Company for the benefit of the creditors and ultimately the members and must realise the same to affect the best possible distributions.

The Joint Administrators' actions and ongoing strategy in respect of the Company's assets is detailed below. The Joint Administrators have incurred £32,297 in relation to realisation of assets of the Company, representing 67 hours at an average charge out rate of £494. This includes reviewing the Company's records to understand what tangible and intangible assets are owned by the Company which may be of benefit to the Administration estate.

Total time, including future costs, are anticipated to be £100,400 which may include but is not limited to the following:

- Collating information from the Company's records regarding assets;
- Communications with the 26 FCA regulated industries;
- Progressing the sale of the client book; and
- Preparing of the teaser documents in relation to the sale.

Trading

Total time incurred in relation to trading totals £4,144, representing 9 hours at an average charge out rate of £418.

Total time, including future costs, are anticipated to be £179,550.

Please refer to Section 5.2.3 of the body of this report for further details of actions taken in the Trading Period.

Appendix 7 – Expenses Estimate for the Insolvency Estate

Prosperous Life Limited (In Administration)
Joint Administrators' Estimated Expenses for the Duration of the Administration

Notes	Company	Activity	Fee Basis	Anticipated Total Cost (£)
Expenses				
1	Category 1			
2	Courts Advertising	Statutory Advertising	Fixed Fee	103.50
3	AON	Bordereau Fee	Fixed Fee	225.00
4	Total Data Management	Storage Fee	As Incurred	500.00
5	Pinsents	Solicitors Fees & Expenses	As Incurred	185,000.00
6	TBC	Accountants Fees	Fixed Fee	1,000
7	AON	Insurance	Fixed Fee	1,500.00
8	TBC	Agents Fees	As Incurred	TBC
9	CLIQSmart	Professional Fees	As Incurred	42,000.00
		Total Category 1 Expenses		£188,328.50
10	Category 2			
11	Mileage @ 45p per mile			1,000.00
12	Travel & Subsistence costs			1,000.00
		Total Category 2 Expenses		£2,000.00
Total Estimated Expenses			TOTAL	£190,328.50

The above costs exclude VAT

Prosperous Life Limited (In Administration)
Notes to Expenses Schedule

- 1 Category 1 Expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.
- 2 Statutory advertising in the London Gazette is required under insolvency legislation.
- 3 The Joint Administrators are required to have sufficient insurance in place.
Books and records of the Company will be stored offsite with an external provider for at least the duration of the Administration plus one year.
- 4 In addition, it is a statutory requirement that books and records of the Joint Administrators must be kept for six years after the conclusion of the Administration.
- 5 Solicitors fees and expenses in relation to ad-hoc post-appointment legal advice provided throughout the duration of the Administration.
- 6 Accountants Fees incurred in respect of general accountancy services provided pertaining to corporation tax compliance matters.
- 7 Insurance costs for unsold assets.
- 8 Valuation and Selling agents fee agreed to value the assets of the Company.
- 9 Card handling agency for dealing with payments and transferring monies to the Trust.
- 10 Category 2 Expenses are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.
- 11 Mileage is the reimbursement of staff expenses, at a specified rate, travelling by car to attend the Company's premises.
- 12 Travel and subsistence costs are the reimbursement of staff expenses travelling by public transport to attend the Company's premises.

The total anticipated expenses is an estimate based on information at the commencement of the appointment.
The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration

Appendix 8 – Statement of Creditors' Rights

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact ProsperousLife@kroll.com.

Information for Creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expense policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Guide for Creditors on Insolvency Practitioner Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/disputes-and-investigations/restructuring/corporate-restructuring/creditor-guides-and-employee-fact-sheets>

Should you require a copy, please contact this office.

Creditors may requisition a physical meeting of Creditors for approval of the Joint Administrators' Proposals under Rule 15.6 of the Insolvency (England and Wales) Rules 2016

The Joint Administrators shall summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the following procedures are followed:

The request for a requisitioned physical meeting must be made within five business days of the date on which the Joint Administrators' Proposals were delivered and include either:

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

If you wish to request a physical Creditors' meeting, please complete and return the physical meeting requisition form available on Portal.

Creditors may requisition a decision to be made by all of the Creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's Creditors as to whether they approve the Proposals if requested by Creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within eight business days of the date on which the Joint Administrator's statement of Proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting Creditor's claim together with—

- a list of the Creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each Creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting Creditor of the deposit sum.

Appendix 9 – Proof of Debt Form

PROOF OF DEBT - GENERAL FORM

Prosperous Life Limited - in Administration Company Registration No. 10577301		
Date of Administration: 20 October 2022		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	REF
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor ----- Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator

Appendix 10 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
The Actuaries	Embark Actuarial
The Administration Period	The period from the Appointment Date to the date of this report
The Application	The application to the Court by the Director for the appointment of the Joint Administrators heard on 20 October 2022
the Appointment Date	20 October 2022, being the date of appointment of the Joint Administrators
Barclays / the Bank	Barclays Bank plc, with whom the Company banked
BEIS	Department for Business, Energy & Industrial Strategy
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
CBILS	Coronavirus Business Interruption Loan Scheme
Clients	The individuals who have a pre-paid Funeral plan with the Company
the Company / Prosperous	Prosperous Life Limited (In Administration) (Company Number: 10577301)
The Court	High Court of Justice, Business and Property Courts of England and Wales
the Directors	Ian Blackhurst, James Murtagh and Luke Reid, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme

Hewlett Swanson	Hewlett Swanson Limited, solicitors engaged to provide legal assistance with Pre-Administration matters
HMRC	HM Revenue and Customs
the Joint Administrators	Geoffrey Bouchier of Kroll, The Shard, 32 London Bridge Street, London, SE1 9SG and Andrew Knowles of Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
Kroll	Kroll Advisory Ltd.
Leasehold Premises	The Company's leasehold premises at Second Floor Suite 1 & 3 Metropolitan House Cheadle Hulme Cheshire SK8 7AZ
NDA	Non-Disclosure Agreement
NIC	National Insurance Contributions
the Order	The Court Order dated 20 October 2022 obtained in the High Court of Justice, Business and Property Courts of England & Wales (ChD) (Court Number: CR-2022-003743)
PAYE	Pay as You Earn
the Plan holders	Clients of the Company who hold an existing pre-paid funeral contract
Pinsents	Pinsent Masons LLP, solicitors engaged to provide legal assistance with the Administration
the Portal	The online portal where documents issued to creditors of the Company have been uploaded and can be accessed via www.ips-docs.com
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full.
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
the Report to Court	The Proposed Administrators' Report to Court dated 18 October 2022 contained in the Administration application

RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SAR	Solvency Assessment Report
the Secured Creditor / Barclays	Barclays Bank PLC, the holder of a debenture conferring of fixed and floating charges over the Company's assets
the Shareholder's Funding Agreement	Agreement dated 20 October 2022 between the Company and the shareholders for the funding of the Administration
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
SOA	Statement of Affairs, documentation [to be] supplied by the Director outlining the Company's financial position as at the Appointment Date
Terms & Conditions	Being the Terms & Conditions as in the Trust Deed between the Company and the Trust
Trust	The Great British Funeral Trust
Trustees	Guardian Professional Trustees
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

Appendix 11 – Notice about this Statement of Proposals

This Statement of Proposals has been prepared by Geoffrey Bouchier and Andrew Knowles, the Joint Administrators of the Company, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their Proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

These Proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in these Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these Proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint administrators do not assume any responsibility and will not accept any liability in respect of these Proposals.

Geoffrey Wayne Bouchier and Andrew William Knowles are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Kroll Advisory Ltd. does not assume any responsibility and will not accept any liability to any person in respect of these Proposals or the conduct of the Administration.

Appendix 12 – Notice of Invitation to Form a Creditors' Committee

Prosperous Life Limited (In Administration)

Company Number: 10577301

High Court of Justice Business and Property Courts of England and Wales No. 003743 of 2022

NOTICE OF INVITATION TO FORM A COMMITTEE

The primary purpose of a Committee is to assist the Administrators in fulfilling their duties. Further detail on the rights, duties and the functions of the Committee can be found here:

<https://www.kroll.co.uk/assets/pdfs-international/uk/a-guide-for-creditors.pdf>

This is a link to the R3 (Association of Business Recovery Professionals) booklet **'Liquidation / Creditors' Committees and Commissioners: A Guide for Creditors'** issued in conjunction with the Recognised Professional Bodies.

This notice is an invitation to creditors to decide whether a Committee should be established if sufficient creditors are willing to be members of the Committee.

Nominations are therefore invited for membership of the Committee: if you wish to be considered please complete the attached Nomination for Membership of the Committee form. Nominations (plus a completed Proof of Debt if not already provided) must be delivered to:

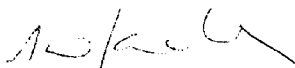
Geoffrey Bouchier & Andrew Knowles - Joint Administrators
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Email : ProsperousLife@Kroll.com
By 9 January 2023

Nominations will only be accepted if the Joint Trustee is satisfied as to the creditor's eligibility.

Therefore, the creditor must have submitted a Proof of Debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes, or the proof has not been wholly rejected for the purpose of distribution or dividend.

* A Committee is a
Creditors' Committee in an Administration, an Administrative Receivership, and a Bankruptcy
Liquidation Committee in a Creditors' Voluntary Liquidation and a Winding Up by the Court

Signed: 

Andrew Knowles- Joint Administrator

Dated 15 December 2022

Appendix 13 - Nomination for Membership of the Creditors' Committee and Consent to Act Form

Nomination for Membership of the Committee* and Consent to Act

Prosperous Life Limited (In Administration)

Company registration number: 10577301

A Creditor can act in person as a Committee member or appoint a representative to act on their behalf on the Committee.

PART A: Creditor details

..... (Name of creditor),

consent to act as a member of the Committee in respect of Prosperous Life Limited – In Administration

Address of Creditor:

.....

.....

Reference:

I consent further to Committee business being conducted by electronic communication as and when appropriate and for this purpose my/my representative's designated email address is:-

.....

(leave blank if consent is not given)

Part B: Creditor's Representative

The following person is duly authorised by proxy to act as the creditor's representative on the Committee:

Name of Representative:

Address of Representative:

.....

.....

Signature of Representative:

Representative's Tel:

Signature of Creditor or authorised person.....

Name in block letters..... **Date**.....

Position or relationship with creditor/other authority for signature

.....

Appendix 14 - Notice of Seeking Decision by Deemed Consent of the Proposals

Notice of seeking a decision of Creditors by deemed consent

Name of Company Prosperous Life Limited (In Administration)	Company Number 10577301
In the High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (Chd)	Court case number 003743 of 2022

We (a)

Geoffrey Bouchier of Kroll, The Shard, 32 London Bridge Street, London, SE1 9SG and
Andrew Knowles of Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW

hereby give notice to the Creditors of (b) Prosperous Life Limited,

The Chancery, 58 Spring Gardens, Manchester, M2 1EW

That, pursuant to Rule 15.7 we are seeking a decision(s) using deemed consent. We consider that the deemed consent procedure is the most appropriate method for seeking a decision of Creditors in this instance for the following reasons:

- The decision(s) to be made is/ are not contentious;
- It is the most cost effective and efficient way of obtaining a decision; and
- We believe it is in the best interests of Creditors to do so.

The decision(s) being sought using deemed consent are:

Proposed Decision 1

That the Joint Administrators may continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.

Proposed Decision 2

That the Joint Administrators may do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration.

Proposed Decision 3

That the Joint Administrators may investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors.

Proposed Decision 4

That the Joint Administrators may seek an extension to the Administration period if considered necessary.

Proposed Decision 5

Enable the Company to continue to act as Trustee of the Trusts under the supervision of the Joint Administrators.

Proposed Decision 6

That the Joint Administrators may make distributions to the Secured and Preferential Creditors where funds allow.

Proposed Decision 7

That the Joint Administrators may make distributions to the Unsecured Creditors from the Prescribed Part, where applicable.

Proposed Decision 8

That the Joint Administrators may make further distributions to the Unsecured Creditors over and above the Prescribed Part, if funds become available and apply to Court for authority to do so, where applicable.

Proposed Decision 9

That the Joint Administrators may apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Director.

Proposed Decision 10

That the Joint Administrators may place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Bouchier and Andrew Knowles of Kroll would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

Proposed Decision 11

Place the Company into Company Voluntary Arrangement if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Bouchier and Andrew Knowles of Kroll would act as Supervisors should the Company be placed into Company Voluntary Arrangement. The creditors may nominate a different person as the proposed Supervisors, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by Supervisors is to be done by all or any one or more of them

Proposed Decision 12

That the Joint Administrators may petition to the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Geoffrey Bouchier and Andrew Knowles of Kroll would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

Proposed Decision 13

That the Joint Administrators may take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed.

Proposed Decision 14

That the Joint Administrators may allow the Administration to end automatically.

Proposed Decision 15

That a Creditors' committee will be established if there are sufficient creditors willing to act as members of the committee.

The decision date will be 9 January 2022.

If the decision date expires without 10% in value of Creditors objecting to deemed consent, or one of the thresholds for requisitioning a physical meeting being met, the Creditors will be treated as having made the proposed decision(s) at 23:59 hours on the decision date.

If you agree with the proposed decision(s), no further action is required.

A Creditor may appeal a decision in accordance with Rule 15.35 by applying to court not later than 21 days after the decision date.

What you need to do if you wish to object to the deemed consent decision(s)

Creditors who wish to object to the proposed decision(s) must do so, in writing, by sending notice stating their objection together with a proof of debt form, not later than the decisions date detailed above, failing which the objection will be disregarded.

Any Creditor whose debt is treated as a small debt (i.e. £1,000 or less) must still deliver a proof of that debt, not later than the decision date detailed above, if they wish to object to deemed consent, failing which the objection will be disregarded.

Any Creditors who has opted out from receiving notices may still object to deemed consent, provided they provide a proof of debt not later than the decision date, failing which the objection will be disregarded.

Please note, if objecting to no Creditors' Committee being formed, please also provide any nominations for membership of the committee. Such nominations for membership must be delivered to the Joint Administrators by the decision date and can only be accepted if we are satisfied as to the Creditors' eligibility under Rule 17.4.

It is our responsibility to aggregate any objections to see if 10% or more in value of Creditors have objected to deemed consent.

If this threshold is met, the deemed consent procedure will terminate without a decision(s) being made. If a decision(s) is sought on the same matter(s), it/they will be sought by a decision procedure.

What you need to do if you wish to request a physical meeting to consider the proposed decision(s)

Creditors who meet one of the thresholds set out in the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the decision(s). In order to do so a Creditor must complete and return the physical meeting requisition form, available at the Portal.

If one of these thresholds is not met, the deemed consent procedure will continue as outlined above.

If you require any further details, wish to lodge an objection or want to request a physical meeting, please contact my office at the details shown.

Signed



Andrew Knowles

Joint Administrator

Dated

15 December 2022

Administrators' postal address: Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW

Alternative contact name and details:

Max Spolverato

ProsperousLife@kroll.com

+44 (0) 161 827 9000