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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.

AM10

Notice of administrator's progress report


6 Period of progress report

From date	^d 2	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3	
To date	^d 1	^d 9	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X 	X						
Signature date	^d 1	^d 4	^m 1	^m 1	^y 2	^y 0	^y 2	^y 3

AM10

Notice of administrator's progress report



Presenter information

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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



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Progress Report to Creditors

14 November
2023

Prosperous Life Limited (In Administration)

*Joint Administrators' Progress Report for the period from 20 April 2023 to
19 October 2023.*

Kroll Advisory Ltd
The Chancery
58 Spring Gardens
Manchester M2 1EW

Duff & Phelps Ltd. has recently rebranded as Kroll with a new name, Kroll Advisory Ltd. Insolvency cases handled by insolvency practitioners from Duff & Phelps Ltd. are still being dealt with in the same way, by the same insolvency practitioners and staff. Our staff email addresses are now from kroll.com and our correspondence and website reflects the Kroll branding.

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1. Introduction

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' previous progress report.

The Joint Administrators' have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 9.

2. Creditor summary

This Progress Report covers the period from 20 April 2023 to 19 October 2023.

Summary of Proposals

A summary of the Proposals is included at Appendix 2. A copy of the Statement of Proposals is available on the creditors' portal.

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' Proposals for achieving the purpose of the Administration, were deemed approved by Creditors on 9 January 2023 without modifications.

In accordance with Paragraph 49(2) of Schedule B1 to the Act and as stated in the Joint Administrators Proposals, the Joint Administrators believed it was unlikely for the first objective to be achieved due to the fact that 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 to sell any new funeral plan contracts. Whilst the Joint Administrators have been able to transfer the majority of the plans to Dignity as detailed later in this report, they have been unable to rescue the Company as a going concern, due to the lack of FCA approval and therefore, have not achieved the first objective.

The second objective has been achieved by the Joint Administrators through a sale of the Company's customer base, which has resulted in the transfer of c.90% of the Company's plan holders who have taken on a new plan with Dignity, with Dignity honouring the terms of the old Company plans. Therefore, the Joint Administrators have, achieved 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) in accordance with Paragraph 3(1)(b).

The Joint Administrators believe that the third objective may be achieved. However, any distribution to the Secured Creditor and the Preferential Creditors is dependent on a distribution to the Company from the Trust as a secondary beneficiary as set out at 5.4 of this report and also on the Trust's treatment of the management fees of £1,915,673 which are purportedly due to the Company as a debtor, (see section 3.2.2).

Progress to date

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

Outcome for Creditors

Secured Creditor

As detailed in the Statement of Proposals, 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 Joint Administrators have received a claim from Barclays in the sum of £234,144 in respect of the principal amount of the CBILS loan and accrued interest and unauthorised overdraft charges.

It is still currently uncertain as to whether the Secured Creditor will be repaid in full. Any distribution available to the Secured Creditor is dependent upon the future level of the 'Dignity Surplus', the treatment by the Trust of the management fees purportedly due, the Company's position as secondary beneficiary of the Trust and the costs of the Administration.

A further update will be provided in the Joint Administrators' next progress report to Creditors.

Preferential Creditors

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

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

The six remaining employees of the Company were made redundant by the Joint Administrators on 31 July 2023.

Immediately following their redundancy, all six of the employees were offered employment on 1 August 2023 by a connected company, being TFA. The directors of the Company have employed these former employees and understand the TUPE obligations and have accepted this risk.

As such, the Joint Administrators do not expect any primary Preferential Creditor claims.

Secondary Preferential Creditor claims are paid after the Preferential Creditor claims (if any) are settled in full.

The Joint Administrators have now received a claim from HMRC in respect of unpaid PAYE and employee NIC contributions and as such, this will rank as a secondary preferential claim. The secondary Preferential Creditor claim that has been received from HMRC amounts to £337,141.

Based on the information currently available to the Joint Administrators, it is uncertain if there will be sufficient realisations to enable a dividend to be paid to Preferential Creditors. This will be dependent on level of future realisations as set out earlier in this report.

Unsecured Creditors

The Joint Administrators are finalising the transfer of the plans to Dignity. The Planholders who have not opted into a new Dignity funeral plan, are now to be considered as Unsecured Creditors of the Company for amounts paid towards their funeral plan less any amount which may become payable by the Trust. The Planholders who do not opt into a Dignity funeral plan, will remain primary beneficiaries of the Trust and may receive a refund, or partial refund, of amounts paid towards their funeral plan from the Trust upon the winding up of the Trust. Any residual claim that the Planholders may have will rank as an Unsecured Creditor claim in the Administration.

The Company is a secondary beneficiary of the Trust and a distribution from the Trustees could have been made once all primary beneficiaries of the Trust have been satisfied. However, it now seems unlikely that a distribution will be made to the secondary beneficiaries.

The quantum of any dividend to Unsecured Creditors is dependent on whether the Company receives a distribution from the Trust in its capacity as a secondary beneficiary of the Trust, whether the management fees of £1,915,673 are deemed payable to the Company by the Trust and whether any funds are realised from the Dignity surplus.

Consequently, the quantum of any dividend to Unsecured Creditors is presently unknown. A further update will be provided in the Joint Administrators' next progress report.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the Reporting Period. The Joint Administrators' Statement of Proposals issued to the Company's Creditors are available to view at <https://micro.kroll.com/ukrestructuring> and paper copies can be provided free of charge by writing to Max Spolverato at Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

3.1 Strategy and progress to date

3.1.1 Administration Strategy

As the Joint Administrators outlined in the Report to Court, the 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 instalment 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 Planholders who pass away receive their funerals. These funerals would be paid from the Trust funds;
- To the extent that refund requests are received from Planholders 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 Planholders. The Administrators will retain the Company's six existing employees who will continue to carry out the Company's administrative functions;
- Commence the marketing exercise to find an FCA regulated entity to transfer the existing policies to maximise returns to all classes of Creditor;
- 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; and
- To the extent possible, seek to provide information to assist the Trustees in carrying out their duties.

Throughout the Reporting Period, the Joint Administrators, where possible, have continued to pursue each of the strategies set out to the Court.

The Joint Administrators issued their Statement of Proposals to creditors on 15 December 2022, The Administrators obtained deemed consent to these proposals on 9 January 2023.

3.1.2 The Trust

As previously advised, the Company sold pre-paid funeral plans to its customers / Planholders. These policies were paid either in a lump sum payment in full or in monthly instalments usually for a period of six years.

All payments from Planholders were paid directly into a bank account operated by the Trust and are considered to be primary beneficiaries of the Trust in respect of future funeral costs and expenses set out in the Planholders' policies. Where a plan was paid on a monthly basis, these instalments were 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 were then controlled by the Trustees and no Planholder funds were held or moved through the Company or its bank accounts.

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

3.1.3 Trading – approach

As reported previously, the Company, under the supervision of the Joint Administrators, continued to administer the funeral plans throughout the previous reporting period and continued to collect instalments due from Planholders pursuant to the funeral plan contracts, whilst at the same time, seeking a transfer of the Company's plans to an FCA regulated provider.

During this period, the Joint Administrators sought to identify a purchaser for the Company's funeral plan book or to facilitate a transfer of all existing plans to an FCA regulated and authorised funeral plan operator.

In the previous reporting period, the Joint Administrators also assisted in managing Planholder queries and communicated with all Planholders to ensure they were aware of the Administration and that the Company was to continue to administer existing funeral plans until a sale or transfer of the book of funeral plans could be achieved.

As detailed in the Statement of Proposals, by way of an additional security for the costs of the Administration, the Company's shareholders agreed to underwrite such costs and a Shareholders' Funding Agreement was entered with the Joint Administrators. On appointment, the Joint Administrators received £400,000 into the Administration estate as part of this agreement, to underwrite the professional costs of the Administration. The Joint Administrators have since received a further £350,826, under the Shareholders Funding Agreement, to underwrite further anticipated professional costs of the Administration.

During the Administration, the Joint Administrators have submitted draw down applications to the Trust for a net amount of £1,040,702 in accordance with the Trust Deed. These funds were required to cover the costs associated with trading the business and dealing with all necessary customer enquires up to October 2023.

As mentioned above, the trading costs are provided for by the Trust pursuant to the Trust Deed. The Joint Administrators are expecting further funds to be transferred from the Trust, to cover the total costs of the Administration.

The trading costs incurred throughout the Administration are significantly higher than the Joint Administrators initially estimated. The principal reason for the increase in costs, was due to the fact that when the Joint Administrators first began the sale process, it was uncertain whether the transfer process would involve the individual Planholders opting in and transferring over on an on case by case basis, rather than the new provider simply completing a block transfer of all the Planholders as a whole. Therefore, significantly higher third-party costs and expenses were incurred in relation to client communications, the use of the call centre and dealing with clients on an individual basis.

The trading costs include the payroll expenses for the six retained employees of the Company, IT support costs, and expenses of TFA. A Service Agreement was entered into with TFA in October 2022. Under this agreement TFA are continuing to provide call centre facilities and staff to assist the Joint Administrators in handling client communications, and with the high volume of telephone calls being received by the Company's call centre, from the client base of c20,000 Planholders during the transfer process. A description of the work undertaken by TFA is detailed below:

- Fielding enquiries from Planholders during the initial weeks following the Administration;
- Handling Planholder claims;
- Following the completion of the Dignity sale, the call centre has handled a high volume of inbound calls from those Planholders eligible for a new Dignity plan during the six-month transition period;
- Handling calls from the ineligible Planholders;
- Dealing with queries from the Opt Out Planholders, whom are chasing a refund; and
- Answering queries on a daily basis from Dignity.

Whilst a significant cost, the Joint Administrators believe that without the support of the call centre the high take up of new Dignity plans might not have been achieved.

A final trading account of the Joint Administrators receipts and payments will be provided in the Joint Administrators' next progress report.

As previously advised, following an administrative error by the Trust, the Joint Administrators received £645,535 on 30 November 2022. However, as these funds were not requested from the Joint Administrators this amount was immediately returned in full to the Trust.

Trading receipt and trading payments are shown in the Receipts and Payments account of the Joint Administrators at Appendix 3.

3.1.4 Sale of certain assets and funeral plans.

As previously advised, since the Appointment Date, the Joint Administrators sought to protect the interests of the Company's Planholders, including exploring the possibility of an FCA authorised pre-paid funeral plan provider taking on all of the Company's funeral plans for the benefit of its customers.

As advised in the Joint Administrators' previous progress report to creditors, the Joint Administrators sold the customer base to Dignity, after an extensive marketing process.

Dignity is regulated and authorised by the FCA to enter into and carry out funeral plan contracts. Following extensive discussions, the Joint Administrators entered into an Asset Sale Agreement with Dignity reflecting the following key terms:

- Dignity will offer a funeral plan to each eligible customer which matches their existing funeral plan as closely as possible;
- Where eligible customers' funeral plans are fully paid, Dignity will offer customers a new plan at no further cost;
- Where eligible customers' funeral plans are not fully paid, Dignity will only collect the remaining instalments from customers;
- Customers who elect to opt-in to a Dignity plan will be required to assign their interest in the Trust to Dignity; and
- Dignity will pay to the Company annually over a period of 10 years, an amount that reflects 50% of the Surplus generated by acquiring the Company's interest in the plans and the Trust ('Dignity Surplus').

The Joint Administrators consider that the transaction is in the best interests of Planholders in addition to the Company's Creditors.

Both the Joint Administrators and Dignity have written to all of the Company's Planholders to provide further information about the offer from Dignity and the options available to them.

Eligible Planholders originally had a deadline of 21 May 2023 to decide whether to accept the offer from Dignity. This deadline was subsequently extended to the 31 July 2023.

Due to the number of Planholders that were still yet to be transferred after the 31 July 2023 deadline date, the Joint Administrators, Dignity and the Trustees agreed to extend this deadline to 23 October 2023 to allow more time for Planholders to be able to opt into a new Dignity plan.

The deadline for Planholders to opt-in to a new Dignity plan passed, subsequent to the end of the Reporting Period and will not be extended further.

Following the end of the extended opt-in deadline, the Trustees are now obligated to wind up the Trust as soon as practicable, and as part of that process they will apportion and pay to Dignity, the apportioned trust assets relating to Planholders who have opted into a new Dignity funeral plan.

The residual trust assets will be distributed in accordance with the Trust Deed and it is envisaged that Planholders who did not opt into a new Dignity funeral plan will receive a partial refund from the Trust, presently estimated at less than 10p/£.

As noted above, Dignity will pay to the Company annually, commencing two years after the sale completed and over a period of 10 years, an amount that reflects 50% of the Surplus generated by acquiring the Company's interest in the plans and the Trust. The Joint Administrators are presently not able to estimate the value of the Surplus which may become payable to the Company, as it will be subject to a number of external factors.

3.1.5 Trading – accounting

3.1.5.1 Shareholder Agreement

As detailed above, on appointment, in accordance with the Shareholder Funding Agreement, an initial sum of £400,000 was transferred to the Administration estate.

During the Reporting Period, the Joint Administrators have received a further £350,826, in line with the Shareholder Funding Agreement, to cover the costs of the Administration.

3.2 Summary of Asset realisations

Realisations during the Reporting Period are set out in the attached Receipts and Payments account at Appendix 3.

A summary of realisations made during the Administration are provided below:

3.2.1 Debtors

As previously reported, according to the Directors' Statement of Affairs, the Company's debtor ledger totaled £1,915,673 at the Appointment Date. The Joint Administrators were advised that these debtors are the proposed management fees allowable under the Trust agreement but are yet to be paid by the Trust.

The Joint Administrators continue to be in communication with the Trustees and their legal advisors to investigate and validate the existence of the debt, and the likelihood of realisation. A further update will be reported in the next progress report to Creditors.

3.2.2 Tangible Assets

As per the Directors' Statement of Affairs, the Company had limited tangible assets given the nature of the business. Those tangible assets consisted of office furniture, fixtures and fittings and IT equipment situated in the leasehold premises from which the business operated. The lease was in the name of a connected company.

The business no longer conducts any activities from the leasehold premises.

Following discussions with the Agents, it is considered that the costs of realising those assets would exceed their likely realisable value. Steps will therefore not be taken to realise these assets.

3.2.3 Business Rates Refund

A rates refund of £5,015 was received during the Report Period.

No further realisations are anticipated from this source.

3.2.4 Bank Interest

A total of £984 has been received during the Reporting Period in respect of bank interest, bringing the total amount received to date to £1,241.

3.2.5 Cash at bank

As at the Appointment Date, the Company's office account held a nominal sum and Barclays retained this to set off against its loan account balance. No funds are anticipated from the Barclays bank accounts.

3.2.6 Other assets

The Joint Administrators are not aware of any other assets held by the Company at this time.

Please note that Creditors will be kept apprised in future progress reports should any further assets become known.

3.2.7 Investigations

The Joint Administrators' investigations into the Company's affairs are currently ongoing. The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Company's Creditors have information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please contact this office.

The Joint Administrators have a statutory obligation to file a report with BEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. The Joint Administrators have filed their confidential report with BEIS regarding the conduct of the Directors of the Company.

3.3 Costs

Payments made in the Reporting Period are set out in the attached Receipts and Payments account at Appendix 3.

Summaries of payments made during the Reporting Period are provided below:

3.3.1 Legal Fees and Disbursements

The Joint Administrators have paid fees in sum of £33,976 to Pinsent Masons LLP for providing ad hoc legal advice to the Joint Administrators during the Reporting Period, as detailed at Appendix 3.

No further legal disbursements have been incurred in the Reporting Period.

3.3.2 Insurance

The Joint Administrators have paid insurance costs of £1,378 in relation to the insurance that was required whilst the Company was still trading.

3.3.3 Irrecoverable VAT

As previously advised, the Company is not VAT registered and as such any VAT on costs incurred is irrecoverable and therefore is a cost to the Administration estate.

The respective amount is detailed in the Receipts and Payments account at Appendix 3.

3.4 Joint Administrators' Fees

The Joint Administrators have detailed the costs incurred during the Reporting Period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

Summaries of the most significant expenses which have been incurred in the Reporting Period but have not been paid are provided below:

Significant expenses incurred but not paid

Joint Administrators' time costs	£207,921	Total time costs incurred in the Reporting Period is £207,921. See section 6 for further details in relation to the Joint Administrators' fees.
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4. Fees, Expenses and Pre-Administration costs

4.1 Fees and expenses

4.1.1 Time costs

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the Reporting Period total £207,921, which represents 366 hours at an average hourly rate of £568.

Time costs incurred during the Administration total £528,821, which represents 1,117 hours at an average hourly rate of £473.

These costs are within the estimate provided in the Joint Administrators' Statement of Proposals.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

4.1.2 Fees

No fees have been drawn in the Reporting Period.

In the Joint Administrators' previous progress report, a statement was made that we were yet to secure the relevant fee approval. Whilst we had secured the approval from the Secured and Preferential Creditors on 24 February 2023, at that point we believed we needed to obtain approval from the Unsecured Creditor body. However, we have since taken legal advice and have been advised that in our Statement of Proposals, the relevant Paragraph 52(1)(b) statement was inferred.

On this basis the Joint Administrators confirm that fee approval in the sum of £588,990 has been obtained (in line with the fee estimated included within the Proposals).

Should any creditor have an objection to the Joint Administrators now drawing remuneration in line with the fee estimate approved by creditors as set out above, please set out the reasons in writing within 21 days of the date of this report.

4.1.3 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) and those that do (Category 2).

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 provided in their Proposals report to creditors an estimate of expenses for the Administration. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 also details the expenses incurred and paid during the Reporting Period and the whole of the Administration to the end of the Reporting Period.

In the Reporting Period, Category 1 Expenses of £34,894 were incurred of which £34,894 has been paid. In the same period, no Category 2 Expenses were incurred or paid.

For the whole period of the Administration, Category 1 Expenses of £85,725 were incurred of which £85,500 have been paid. In the same period, Category 2 Expenses of £49 were incurred but have not been paid.

Any Category 2 Expenses will be paid in accordance with the approval that has been sought from the Secured and Preferential Creditors of the Company.

4.1.4 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out by the Joint Administrators to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and expenses of the Joint Administrators is set out in Appendix 7.

4.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Kroll Advisory Ltd fees	30,000	93,219	123,219
Pinsent Masons LLP	0	30,000	30,000
Hewlett Swanson Limited	0	8,500	8,500
Total	£30,000	£131,719	£161,719

Details of the Pre-Administration costs were reported in the Statement of Proposals. The relevant fee approval has been sought from Secured and Preferential Creditors on 24 February 2023, to be paid out of the assets of the Company.

It should be noted that Kroll received £30,000 from the shareholders as a contribution towards the time costs incurred in advising the Company in the period before it was placed into Administration. The Joint Administrators have sought approval from the creditor body for £93,219 which represent the balance of Kroll's pre-appointment fees.

During the Reporting Period, the Joint Administrators' have not drawn any pre-Administration costs. Shortly after the Reporting Period, the pre-appointment legal fees incurred, have now been paid in full, given the fact the Joint Administrators were advised that they had the relevant fee approval. This will be reflected in the Receipts & Payments Account in the next report to Creditors.

The Joint Administrators will draw their pre-Administration costs capped at £75,000 plus VAT as agreed with the shareholders pre-appointment in the next reporting period. A further update will be provided in future reports to creditors.

5. Outcome for Creditors

5.1 Secured Creditors

Barclays Bank PLC

As detailed in the Statement of Proposals, 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 Joint Administrators have received a claim from Barclays in the sum of £234,144 in respect of the principal amount of the CBILS loan and accrued interest and unauthorised overdraft charges.

It is currently uncertain as to whether the Secured Creditor will be repaid in full. Any distribution available to the Secured Creditor is dependent on the future realisations as previously set out earlier in this report, the quantum of Planholders claims against the Trust and the costs of the Administration.

A further update will be provided in the Joint Administrators' next Progress Report to Creditors.

5.2 Preferential Creditors

Preferential Creditors consist of employee claims for arrears of pay and unpaid 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.

As previously advised, the Company originally employed 126 employees. Following the realisation that the Company would not be successful in securing FCA registration to enable it to continue to operate in the sector, the consequence of which was the potential insolvency of the Company, the directors in the period immediately prior to the Administration appointment transferred 120 employees to the service business of the related group companies pursuant to TUPE.

The six remaining employees of the Company were made redundant by the Joint Administrators on 31 July 2023.

Immediately following their redundancy, all six of the employees were offered employment on 1 August 2023 by a connected company, being TFA. The directors of the Company have employed these former employees and understand the TUPE obligations and have accepted this risk.

As such, the Joint Administrators do not expect any primary Preferential Creditor claims.

Secondary preferential claims are paid after the Preferential Creditor claims (if any) are settled in full.

The Joint Administrators have now received a claim from HMRC in respect of unpaid PAYE and employee NIC contributions and as such, this will rank as a secondary preferential claim. The secondary preferential claim that has been received by HMRC amounts to £337,141.

Based on the information currently available to the Joint Administrators (which is subject to reconciliation of claims received directly from any Preferential Creditors including HMRC), it is currently uncertain whether there will be sufficient realisations to enable a dividend to be paid to the Preferential Creditors.

5.3 Prescribed Part

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

The Joint Administrators are presently still unable to conclude whether there will be sufficient asset realisations to enable a dividend to be paid to Unsecured Creditors by way of the Prescribed Part, as asset realisations of the Company will depend on any amounts paid to the Company by the Trust as the secondary beneficiary, any realisation of the debt owing from the Trust and the future Dignity surplus.

A further update will be provided in the Joint Administrators' next progress report to Creditors.

5.4 Unsecured Creditors

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

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

To date, claims totaling £225,496 have been received by the Joint Administrators. The claims summarised exclude any potential claims that may be received from Planholders who do not opt into the offer by Dignity for a new plan.

Any Planholder who has not opted in or is ineligible for a new Dignity funeral plan, is now considered an Unsecured Creditor of the Company for amounts paid towards their funeral plan less any amount which may become payable by the Trust.

These Planholder creditor claims arise as the Company is unable to continue to fulfil its obligations pursuant to the funeral plan contracts.

The Planholders who have not opted into a Dignity funeral plan, will remain primary beneficiaries of the Trust and may receive a refund or partial refund of amounts paid towards their funeral plan from the Trust upon the winding up of the Trust. At section 3.1.4 we estimated a return of less than 10p/£, however, the final quantum of any Trust assets likely to become distributable to primary beneficiaries will not become apparent until the Joint Administrators understand the amount that may be payable by the Trust.

The Company is a secondary beneficiary of the Trust and whilst unlikely based on current estimates, may receive a distribution from the Trustees if all primary beneficiaries of the Trust have been satisfied. Similarly, the quantum of any Trust assets likely to become distributable to secondary beneficiaries of the Trust, is still unknown to the Joint Administrators, until the primary beneficiary's distribution has been completed.

Consequently, the quantum of any dividend to Unsecured Creditors is dependent on whether the Company receives a distribution from the Trust in its capacity as a secondary beneficiary of the Trust, realisations from the debtor amount and the future Dignity surplus.

Consequently, the quantum of any dividend to Unsecured Creditors is presently unknown.

An update on the expected dividends to Creditors will be provided in the Joint Administrators' next progress report.

6. Other matters

6.1 Creditors' Committee

A Creditors' Committee has not been established in the Administration as no nominations have been received for a committee to be formed.

6.2 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments Account, setting out the trading performance since appointment together with other realisations and expenses for the Reporting Period and for the whole period of the Administration, is shown in Appendix 3.

6.3 Creditors' rights

Further information regarding the remuneration and expenses of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 7.

7. End of Administration

In paragraph 10.1 and 11.4.3 of the Joint Administrators' proposals dated 15 December 2022, the methods by which the Company could exit administration were set out. Based on the progress of the administration, following an application to the Court by the Joint Administrators under paragraph 79(3) of Schedule B1, the Company will exit administration pursuant to an order of the Court. The Joint Administrators currently anticipate, given the current circumstances, that the Court would issue an order for the dissolution of the Company.

8. Future strategy

8.1 Future conduct of the Administration

The Joint Administrators will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- Finalise asset realisations, including book debts and intangible assets;
- Monitor the performance of the Dignity Trust annually over a period of 10 years, in relation to securing the 50% of the Surplus generated by Dignity acquiring the Company's interest in the plans and the Trust.

- Paying outstanding costs of the Administration;
- Paying a dividend to Secured, Preferential and Unsecured Creditors (if applicable); and
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns.

8.2 Extension of the Administration

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

The Joint Administrators requested that the Administration be extended for a period of 12 months in order to deal with the final outstanding matters as detailed at section 8.1 above.

The extension was subsequently approved by the Secured Creditor, by way of correspondence on 18 May 2023.


The Preferential and Unsecured Creditors of the Company approved the extension of the Administration by way of Deemed Consent on 6 June 2023.

The automatic end of the Administration is now 19 October 2024.

8.3 Future reporting

The Joint Administrators will provide a further progress report within one month of every six months of the Appointment Date, or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Max Spolverato.



Geoffrey Bouchier
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 – 22% 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	
Date of Appointment	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 2024	

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 have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

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

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.

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:

- Propose a 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.

Appendix 3 – Receipts and Payments account

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

Statement of Affairs £	From 20 April 2023 to 19 October 2023 £	From 20 October 2022 to 19 October 2023 £
CONTRIBUTION TO TRADING COSTS		
Funds from the Trust	721,503.22	1,040,702.11
Funds received in error from the Trust	0.00	645,534.68
	<u>721,503.22</u>	<u>1,686,236.79</u>
OTHER DIRECT COSTS		
Direct Labour	(58,344.26)	(146,623.58)
Funds returned to the Trust	0.00	(645,534.68)
Pension Contributions	(6,530.02)	(6,530.02)
Employee BUPA Healthcare	(1,676.92)	(1,676.92)
PAYE & NI	<u>(63,747.33)</u>	<u>(63,747.33)</u>
	<u>(130,298.53)</u>	<u>(864,112.53)</u>
TRADING EXPENDITURE		
Insurance	(1,377.60)	(1,377.60)
IT Support	0.00	(19,650.00)
TFA- Operating Costs	<u>(582,935.22)</u>	<u>(797,460.11)</u>
	<u>(584,312.82)</u>	<u>(818,487.71)</u>
Trading Surplus/(Deficit)	6,891.87	3,636.55

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

Statement of Affairs £	From 20 April 2023 to 19 October 2023 £	From 20 October 2022 to 19 October 2023 £
ASSET REALISATIONS		
Shareholder Funding	350,826.00	750,826.00
Bank Interest Gross	984.11	1,241.14
Business Rates Refund	0.00	5,014.77
Trading Surplus/(Deficit)	6,891.87	3,636.55
	<u>358,701.98</u>	<u>760,718.46</u>
COST OF REALISATIONS		
Irrecoverable VAT	(6,795.12)	(12,535.76)
Legal Disbursements	0.00	(38.12)
Legal Fees	(33,975.60)	(62,537.20)
Marketing	0.00	(1,794.00)
Statutory Advertising	0.00	(103.50)
	<u>(40,770.72)</u>	<u>(77,008.58)</u>
SECONDARY PREFERENTIAL CREDITORS		
HMRC	NIL	NIL
FLOATING CHARGE CREDITORS		
Barclays CBIL	NIL	NIL
UNSECURED CREDITORS		
Trade & Expense Creditors	NIL	NIL
	<u>317,931.26</u>	<u>683,709.88</u>
REPRESENTED BY		
Floating/main current account		<u>683,709.88</u>
		<u>683,709.88</u>

(323,757.00)

(233,963.03)

(11,715.00)

(569,435.03)

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Courts Advertising	103.50	0.00	103.50	Costs incurred in the compulsory advertisement in the London Gazette of the Joint Administrators appointment
AON UK Limited	225.00	0.00	225.00	The Joint Administrators are required to have sufficient insurance in place
Total Data Management	500.00	0.00	0.00	Storage costs will be incurred prior to the end of Administration, as it is statutory requirement to store books and records
Pinsent Masons LLP	185,000.00	33,975.60	62,575.32	Legal fees and expenses in relation to ad-hoc post-appointment legal advice provided throughout the duration of the Administration
CLIQSmart	42,000.00	0.00	19,650.00	Professional fees card handling agency for dealing with payments and transferring monies to the Trust
AON UK Limited	1,500.00	918.60	1,377.60	Costs of insurance of unsold assets
Ansarada	TBC	0.00	1,794.00	Marketing costs incurred in the Administration
TBC- Accountants Fees	1,000.00	0.00	0.00	Accountants' fees, which are not yet incurred
TOTAL	£230,328.50	£34,894.20	£85,725.42	

Notes

The above costs exclude VAT.

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses		Fee Basis	Reporting Period		Cumulative Period	
Company	Activity		Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Court Advertising	Statutory Advertising	Fixed fee	0.00	0.00	103.50	103.50
Pinsent Masons LLP	Legal advice on trusts and the Administration	Time Costs	33,975.60	33,975.60	62,537.20	62,537.20
Pinsent Masons LLP	Legal Disbursements	Fixed fee	0.00	0.00	38.12	38.12
Ansarada	Marketing costs	Fixed fee	0.00	0.00	1,794.00	1,794.00
CLIQSmart	Professional IT fees	Fixed fee	0.00	0.00	19,650.00	19,650.00
AON UK Limited	Statutory Bond Premium	Fixed fee	0.00	0.00	225.00	0.00
AON UK Limited	Asset Insurance	Fixed fee	918.60	1,377.60	1,377.60	1,377.60
Total			£34,894.20	£35,353.20	85,725.42	£85,500.42

Category 2 Expenses		Fee Basis	Reporting Period		Cumulative Period	
Company	Activity		Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Kroll Advisory Ltd.	Staff mileage to site whilst trading	45p per mile	0.00	0.00	7.65	0.00
Kroll Advisory Ltd.	Substance	Fixed fee	0.00	0.00	14.90	0.00
Adison Lee	Book Debts	Fixed fee	0.00	0.00	14.15	0.00
Land Registry	Title Search	Fixed Fee	0.00	0.00	12.00	0.00
Total			£0.00	£0.00	£48.70	£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 Advisory Ltd, being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Administrators.

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

Appendix 5 – Analysis of time charged

Joint Administrators' Fees

Prosperous Life Limited (In Administration)

Analysis of the Joint Administrators' Pre-appointment Time Costs
ADM - Administration - Pre Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
Administration and Planning								
Cashiering & accounting	0.00	0.00	0.00	1.45	0.00	1.45	275.50	190.00
Dealing w/ 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	

Prosperous Life Limited (In Administration)

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

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
Trust & Planholder Tasks	0.30	70.35	0.00	17.80	0.00	88.45	49,028.25	554.30
Administration and Planning								
Case review & Case Diary management	0.30	0.00	0.00	4.30	0.00	4.60	1,310.50	284.89
Cashiering & accounting	0.50	11.05	0.00	16.40	0.00	27.95	10,761.50	385.03
Dealings w/ directors & management (inc associated updates/reporting)	0.00	6.75	0.00	0.00	0.00	6.75	4,256.25	630.56
Statutory matters (Meetings & Reports & Notices)	3.40	31.00	0.00	31.30	0.00	65.70	30,671.00	466.83
Strategy planning & control (incl engagement financial control)	2.30	99.55	0.00	1.25	0.00	103.10	69,677.50	675.82
Tax Compliance / Planning	0.00	1.25	0.00	0.50	0.00	1.75	927.25	529.86
Creditors								
Dealings with creditors and employees	0.00	10.65	0.00	0.80	0.00	11.45	7,048.50	615.59
Non Pref Creditors / Employee claims handling	0.00	1.75	0.00	0.00	0.00	1.75	1,093.75	625.00
Secured Creditors	0.00	4.25	0.00	0.70	0.00	4.95	3,037.50	613.64
Realisation of Assets								
Book debts	2.50	0.00	0.00	0.00	0.00	2.50	1,962.50	785.00
Sale of business	0.30	13.85	0.00	0.50	0.00	14.65	8,737.75	596.43
Trading								
Trading - Accounting	0.00	19.00	0.00	1.00	0.00	20.00	12,275.00	613.75
Trading - Employees	0.00	5.15	0.00	1.90	0.00	7.05	3,763.50	533.83
Trading - Insurance	0.00	0.00	0.00	0.50	0.00	0.50	160.00	320.00
Trading - Operations	0.00	4.55	0.00	0.60	0.00	5.15	3,210.00	623.30
Total Hours:	9.60	279.15	0.00	77.55	0.00	366.30		567.62
Total Fees Claimed: £	7,536.00	179,681.25	0.00	20,703.50	0.00		207,920.75	

Prosperous Life Limited (In Administration)

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

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
Trust & Planholder Tasks	6.90	173.25	0.00	86.90	0.00	267.05	123,868.25	463.84
Administration and Planning								
Case review & Case Diary management	0.30	3.10	0.00	11.85	0.00	15.25	4,456.00	292.20
Cashiering & accounting	0.50	25.45	0.00	32.40	0.00	58.35	21,353.50	365.96
Dealings w/ directors & management (inc associated updates/reporting)	0.00	27.25	0.00	0.20	0.00	27.45	15,556.00	566.70
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
Statement of affairs	0.00	0.00	0.00	1.00	0.00	1.00	190.00	190.00
Statutory matters (Meetings & Reports & Notices)	6.40	66.30	2.55	103.20	0.00	178.45	64,648.06	362.28
Strategy planning & control (incl engagement financial control)	5.90	196.75	0.00	21.85	0.00	224.50	132,438.25	589.93
Tax Compliance / Planning	0.00	1.25	0.00	0.80	0.00	2.05	984.25	480.12
Creditors								
Dealings with creditors and employees	2.80	18.75	0.00	18.15	0.00	39.70	16,349.00	411.81
Non Pref Creditors / Employee claims handling	0.00	2.95	0.00	0.00	0.00	2.95	1,705.75	578.22
Secured Creditors	0.00	6.50	0.00	0.70	0.00	7.20	4,252.50	590.63
Investigations								
CDDA & reports & Communication	0.60	6.75	0.00	29.55	0.00	36.90	9,487.50	257.11
Financial review and investigations (S238/239 etc)	0.00	0.00	0.00	1.20	0.00	1.20	228.00	190.00
Forensic Sales Ledger Investigation	0.00	0.50	0.00	0.00	0.00	0.50	250.00	500.00
Realisation of Assets								
Book debts	2.50	0.00	0.00	0.00	0.00	2.50	1,962.50	785.00
Freehold and Leasehold Property	0.00	0.00	0.00	0.20	0.00	0.20	38.00	190.00
Sale of business	13.80	149.70	0.00	10.20	0.00	173.70	92,480.50	532.42
Trading								
Trading - Accounting	0.00	33.80	0.00	1.10	0.00	34.90	20,369.75	583.66
Trading - Employees	0.00	6.40	0.00	2.90	0.00	9.30	4,590.50	493.60
Trading - Insurance	0.00	0.00	0.00	1.90	0.00	1.90	474.00	249.47
Trading - Operations	2.90	14.35	0.00	1.20	0.00	18.45	10,882.00	589.81
Total Hours:	42.60	734.05	12.55	328.15	0.00	1,117.35		473.28
Total Fees Claimed: £	32,296.50	426,209.50	2,056.64	68,258.31	0.00		528,820.95	

Appendix 6 – Narrative of work carried out for Reporting Period

The key areas of work have been:

SIP 9 narrative for the Reporting Period

Administration and planning	<ul style="list-style-type: none">• Monitoring and reviewing the Administration strategy;• Briefing staff on the Administration strategy and matters in relation to workstreams;• 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	<ul style="list-style-type: none">• 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;• Drafting progress statutory progress reports;• Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy; and• Filing notice of the extension of the Administration.
Statutory and compliance	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Preparing statutory receipts and payments accounts; and

	<ul style="list-style-type: none">• Renewing bonding and complying with statutory requirements.
Asset realisations	<ul style="list-style-type: none">• Liaise with solicitors in relation to asset sale agreements;• Discussions with the purchaser and their advisor regarding key contractual terms;• Reviewing outstanding debtors and management of debt collection strategy;• Seeking legal advice in relation to book debt collections;• Reviewing and agreeing invoices;• Reviewing costs incurred to ensure recorded accurately; and• Arranging payments to agents and solicitors in a timely manner.• Completing of the transfer of plans to Dignity
Trading / Dealing with Trustees	<ul style="list-style-type: none">• Attending to supplier and client queries and correspondence;• Raising payments to suppliers in respect of Administration costs;• Contacting all suppliers to obtain final invoices for the trading period;• Review weekly reporting from the Trust and raise queries where appropriate;• Prepare weekly reports to the FCA; and• Review of Trust Deeds and client account records.
Tax	<ul style="list-style-type: none">• 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.

Appendix 7 – 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 Max Spolverato at Max.Spolverato@kroll.com.

Information for Creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of Kroll's expense policy and hourly charge out rates for each grade of staff that may undertake work on this case, can be viewed and downloaded from the Kroll website at:

<https://www.kroll.com/en-gb/services/restructuring-advisory/creditor-guides-and-employee-fact-sheets>

Click on the document - Creditor Guides (amended for changes introduced by the Insolvency (England & Wales) Rules 2016 from 6 April 2017) – Administrations.

Should you require a copy (at no cost), please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from Unsecured Creditors must be made with the concurrence of at least 5% in value of Unsecured Creditors (including, the Unsecured Creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications are by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing Max Spolverato at Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Administration Period	The period from Appointment Date to the end of the Reporting Period
the Appointment Date	20 October 2022, being the date of appointment of the Joint Administrators
the Bank / Barclays	Barclays Bank Plc, with whom the Company banked and the holder of a fixed and floating charge over the Company's assets.
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
the Company	Prosperous Life Limited (In Administration) (Company Number: 10577301)
the Court	High Court of Justice, Business and Property Courts of England and Wales
the Cumulative Period	The period from 20 October 2022 to 19 October 2023
Dignity	Dignity Funerals Limited, Company number 00041598, authorised and regulated by the Financial Conduct Authority under Firm Reference Number 967130
Dignity Surplus	Dignity will pay to the Company annually over a period of 10 years, an amount that reflects 50% of the Surplus generated by acquiring the Company's interest in the plans and the Trust
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

Word or Phrase	Definition
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 Advisory Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG and Andrew Knowles of Kroll Advisory Ltd., 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
PAYE	Pay as You Earn
Pinsents	Pinsent Masons LLP
the Planholders	Clients of the Company who hold an existing pre-paid funeral contract
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 Creditor 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
the Reporting Period	The period from 20 April 2023 to 19 October 2023
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)

Word or Phrase	Definition
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 Shareholders 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
Statement of Proposals / Proposals	Joint Administrators' Statement of Proposals, report to creditors dated 15 December 2022
TFA	TFA Planning Limited, Company number 11749141, the Directors company, assisting the Joint Administrators with operating the Administration
Trust	The Great British Funeral Trust
Trustees	Guardian Professional Trustees
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
VAT	Value Added Tax

Appendix 9 – Notice about this report

This report has been prepared by Geoffrey Bouchier and Andrew Knowles, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency (England and Wales) Rules 2016 on the progress 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.

This report has not been prepared in contemplation of it being used, and is 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 this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for Creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 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 this report to any such person.

Geoffrey Bouchier and Andrew 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 agents 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 this Progress Report or the conduct of the Administration.