



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 6 3 9 3 7 7 5

Company name in full Lakeland Care Group Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Philip Joseph

Surname Dakin

3 Administrator's address

Building name/number Kroll Advisory Ltd

Street The Shard

32 London Bridge Street

Post town London

County/Region

Postcode S E 1 9 S G

Country United Kingdom

4 Administrator's name ①

Full forename(s) Benjamin John

Surname Wiles

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Kroll Advisory Ltd

Street The Shard

32 London Bridge Street

Post town London

County/Region

Postcode S E 1 9 S G

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 0	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2
To date	^d 0	^d 8	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3

7 Progress report

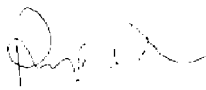
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 2	^m 0	^m 6	^y 2	^y 0	^y 2	^y 3
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**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 Jack Priestley

Company name Kroll Advisory Ltd

Address The Shard

32 London Bridge Street

Post town London

County/Region

Postcode

S

E

1

9

S

G

Country

United Kingdom

DX

Telephone +44 (0) 20 7089 4700

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Progress Report to Creditors

2 June 2023

Lakeland Care Group Limited (In Administration)

*Joint Administrators' Progress Report for the period from 9 November
2022 to 8 May 2023*

Kroll Advisory Ltd
The Shard
32 London Bridge Street
London
SE1 9SG

Contents

1. Introduction	1
2. Creditor summary	1
3. Progress of the Administration	2
4. Outcome for Creditors	5
5. Other matters	6
6. Fees, Expenses and Pre-Administration costs	7
7. Future strategy	9

Appendices

Appendix 1 – Statutory information	11
Appendix 2 – Approved Proposals	13
Appendix 3 – Receipts and Payments account	16
Appendix 4 – Analysis of Expenses Incurred	17
Appendix 5 – Analysis of time charged	19
Appendix 6 – Narrative of work carried out for the period to 8 May 2023	20
Appendix 7 – Statement of Creditors' rights	22
Appendix 8 – Definitions	23
Appendix 9 – Notice about this report	25

1. Introduction

The Joint Administrators were appointed on 9 November 2022 by the Secured Creditor, the holder of a qualifying floating charge.

This Progress Report provides an update on the Administration of the Company.

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 9 November 2022 to 8 May 2023.

2.1 Summary of Proposals

As detailed in the Statement of Proposals, the purpose of an Administration is to achieve one of the following hierarchical 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.

Based on current information available to the Joint Administrators, we expect that the third objective will be achieved through a distribution to the Secured Creditor

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 is set out in the remainder of this progress report.

2.3 Outcome for Creditors

2.3.1 Secured Creditor

According to the SOA, the outstanding balance due to the Secured Creditor as at the Appointment Date totals c.£17 million subject to accruing interest and charges.

It is anticipated that the sale of the Group's assets will allow for the Secured Creditor to be repaid in full across the Group's estates, however, the quantum and timing of such is wholly dependent on the length of time required to deliver a sale of the Group or its business and assets.

2.3.2 Preferential Creditors

The Company did not have any employees at the Appointment Date and as such it is not anticipated that any primary Preferential Creditor claims will be received.

The SOA indicates that there are no secondary Preferential Creditors of the Company, however, the Joint Administrators have written to HMRC and are yet to receive a response to confirm that they do not have a claim.

In any event, based on current estimations, it is anticipated that there will be insufficient realisations to enable a distribution to the Preferential Creditors.

2.3.3 Unsecured Creditors

According to the SOA, there are no Unsecured Creditors as at the Appointment Date. In the event that Unsecured claims are received, it is currently anticipated that there will be insufficient realisations to enable a distribution to the Unsecured Creditors of the Company. However, this is dependent upon the level of realisations ultimately achieved from a sale of the Company's business and assets.

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 at www.ips-docs.com and paper copies can be provided free of charge by writing to Jack Priestley at Jack.Priestley@kroll.com. 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.

The Company is part of the wider group of companies called the Churchlake Group. The Joint Administrators have also been appointed over a further 11 entities across the Group.

The Company's parent entity is Churchlake Holdings, which owns 100% of the Company's shares. Churchlake Holdings is the ultimate controlling parent company of the Group.

The Company was incorporated on 9 October 2007. Its primary activity is that of a holding company as part of the Group's acquisition of Hames Hall which continues to operate as a residential care home under the supervision of the Joint Administrators whilst a purchaser for the Company and/or its business and assets is sought.

3.1 Strategy and progress to date

3.1.1 Initial actions

Upon appointment, members of the Joint Administrators' team attended each of the Group's trading premises to speak with staff, obtain key information including contact details for the next of kin of each resident and key suppliers.

As a priority, each next of kin was contacted to explain the situation to them and to provide reassurance that although the Company had entered Administration, it was still very much business as usual.

These conversations were held in conjunction with Cornerstone who are appointed by the Joint Administrators as their clinical agent to assist staff in the day-to-day operation and management of the care homes, ensure the provision of care and compliance with regulations.

All statutory matters and duties required of the Joint Administrators were progressed.

3.1.2 Trading

According to the information available to the Joint Administrators prior to their appointment, the Company and the Group as a whole was trading profitably. It was decided that continuing to trade the Group would be in the best interests of all stakeholders in order to maximise realisable value via a going-concern sale and also minimise any potential disruption for staff and residents.

The Joint Administrators' focus continues to be the ongoing provision of high-quality care to residents and in supporting the Company's staff to provide that care.

The Group's operations remain profitable at a home level and are anticipated to improve further. Therefore no funding requirement is anticipated from the Secured Creditor at this time.

3.2 Asset realisations

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

Summaries of the most significant realisations during the Administration are provided below:

3.2.1 Sale of business

The Joint Administrators will look to achieve a sale of the Company and/or its business and assets alongside all other companies within the Group on a going-concern basis.

Since the Appointment Date, the Joint Administrators approached a number of sales agents who specialise in the sale of care homes to seek their proposals for the marketing and sale of the Group and/or its business and assets.

Proposals from a number of agents were received and reviewed, following which Colliers were engaged by the Joint Administrators as their selling agents and were instructed to proceed to market the Group for sale.

The sale process is currently at an early stage as the Joint Administrators' initial focus has been on stabilising the Group's operations and prepare relevant sale materials alongside Colliers. The sale process formally commenced in April 2023 and a "teaser" document and detailed information memorandum are available to interested parties, together with a virtual data room containing additional information to facilitate any necessary due diligence.

Please do not hesitate to contact the Joint Administrators at Julie.Wilby@Kroll.com if you are interested in acquiring the Group, in whole or in part, so that your contact details can be passed to Colliers.

In order not to prejudice any future marketing process, no further information can be disclosed at this time in respect of any value that may be generated from the sale.

3.2.2 Investigations

The Joint Administrators reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for Creditors.

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

No payments have been made in the Reporting Period as set out in the attached receipts and payments account at Appendix 3.

3.4 Fees and expenses

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	£24,112	Total time costs incurred in the period is £24,112 (see Appendix 5). See section 6 for further details in relation to the Joint Administrators' fees.
Legal fees – Irwin Mitchell LLP	£70,477	The Company's legal advisors Irwin Mitchell LLP have incurred legal fees of £70,477. Such costs are representative of the total outstanding balance due across the Group and the Joint Administrators will apportion these costs accordingly. We have included the full amount for prudence.
Legal fees – TLT LLP	£1,850	Legal fees in respect of advice on the validity of the Joint Administrators' appointment.

4. Outcome for Creditors

4.1 Secured Creditor

In consideration for monies advanced under a term loan agreement, the Group granted the Secured Creditor a composite debenture which confers fixed and floating charges over all of the Group's assets. The debenture was created on 29 July 2022 and has been duly registered at Companies House. In addition, the Group granted a composite guarantee which secured all sums due by the Group to the Secured Creditor and associated legal charges were granted over the Group's property-owning entities.

According to the SOA, the outstanding balance due to the Secured Creditor as at the Appointment Date totals c.£17 million subject to accruing interest and charges.

It is anticipated that the sale of the Group's assets will allow for the Secured Creditor to be repaid in full across the Group's estates, however, the quantum and timing of such is wholly dependent on the length of time required to deliver a sale of the Company or its business and assets.

4.2 Preferential Creditors

The Preferential Creditor claims consist of employee claims for arrears of pay and holiday pay, and secondary preferential claims from HMRC which include claims for VAT, PAYE income tax and employee NIC. Secondary preferential claims are paid after the other preferential claims are settled in full.

The Joint Administrators understand the Company does not have any employees and so it is not anticipated that any primary Preferential Creditor claims will be received.

The Directors SOA indicates that there are no secondary Preferential Creditors of the Company. However, the Joint Administrators have written to HMRC and are yet to receive a response to confirm that they do not have a claim.

In any event, based on the information current estimates, it is anticipated that there will be insufficient realisations to enable a distribution to the Preferential Creditors. However, this is dependent of the level of asset realisations and value of claims received.

4.3 Unsecured Creditors

According to the Directors' SOA at Appendix 3, there are no Unsecured Creditors as at the appointment date. However, claims received to date total £1,680.

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the Unsecured Creditors of the Company. However, this is dependent upon the level of realisations ultimately achieved from a sale of the Company's business and assets.

4.4 Prescribed Part

The Company granted a floating charge to the Secured Creditor on 29 July 2022 and the Prescribed Part provisions will apply. As stated above, based on current estimates using information available to the Joint Administrators, the Secured Creditor would likely be repaid in full from the realisations across the Group's estates and there will be insufficient funds for a distribution to Unsecured Creditors under the Prescribed Part provisions.

Please note that the estimates detailed on the Directors' SOA do not affect Creditors' rights to submit a claim.

If not already done so, Creditors of the Company should complete the appropriate proof of debt form at Appendix 9 and return this to the Joint Administrators with evidence to support your claim at Churchlakegroup@kroll.com or Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG.

Creditors should ensure that separate proof of debt forms are completed for each specific Group entity the debt is with.

An update will be provided in the Joint Administrators' next progress report.

5. Other matters

5.1 Decision procedure

No decision procedure is being sought as part of this progress report.

5.2 Creditors' Committee

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

5.3 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments Account for the Reporting Period is shown in Appendix 3 together with a cumulative account for the whole of the Administration.

5.4 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.

6. Fees, Expenses and Pre-Administration costs

6.1 Fees and expenses

It is proposed that the Joint Administrators' fee basis is based on time costs, approval of which will be sought from the Secured Creditor.

6.1.1 Time costs

Upon a review of our hourly rates, inflation and industry averages, the hourly charge out rates have been revised to reflect market rates. Rate changes apply to all appointments held by employees of Kroll Advisory Ltd with effect from 1 March 2023.

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 £24,112, which represents 67 hours at an average hourly rate of £360.

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.

6.1.2 Fees

No fees have been drawn in the Reporting Period.

It is anticipated that a further £20,000 of time costs will be incurred in progressing the Administration. The Joint Administrators do not anticipate exceeding the original fees estimate of £55,960, which effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.

If circumstances change and the Joint Administrators propose to draw further fees in the future, they will seek the appropriate approval from Creditors at a later date.

6.1.3 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, totalling £1,182. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 details the current update of the expenses estimate.

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

In the Reporting Period, Category 1 expenses of £72,676 were incurred and have not yet been paid. There have been no Category 2 expenses incurred in the period.

6.1.4 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out 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.

6.2 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.

6.2.1 Fees

The pre-Administration time costs incurred by the Joint Administrators for the period leading up to the Appointment Date total £489, representing 1 hour at an average charge out rate of £489 per hour.

6.2.2 Expenses

The Joint Administrators have also incurred pre-appointment expenses of £41,753. A detailed breakdown of these costs is provided below.

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Kroll Advisory Ltd fees	0	489	489
Legal fees	0	41,753	41,753
Total	0	42,242	42,242

These expenses remain unpaid and the Joint Administrators are seeking approval from the Secured Creditor to discharge these costs as an expense of the Administration.

It should be noted that the Pre-Administration costs of Irwin Mitchell LLP is representative of the total outstanding balance due across the Group and the Joint Administrators will apportion these costs accordingly. We have included the full amount for prudence.

7. Future strategy

7.1 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:

- Realising the assets of the Company/Group;
- Paying outstanding costs of the Administration;
- Paying a dividend to the Secured Creditor;
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns; and
- Moving the Company into Creditors' Voluntary liquidation (if applicable).

7.2 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 will request consent from the Secured Creditor that the period of Administration be extended by 12 months to 8 November 2024 for the following reasons:

- Realise the assets of the Group in order to maximise the return to Creditors;
- Paying the costs of the Administration;
- Issuing distributions to Creditors (where applicable).

If the extension is granted, a notice of the extension will be made available for viewing and downloading from the Portal <https://micro.kroll.com/ukrestructuring>

No further notice of the extension will be delivered to Creditors. A hard copy is available on request.

7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 8 November 2023 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 Jack Priestley.



Philip Dakin
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Joseph Dakin and Benjamin John Wiles, 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	Lakeland Care Group Limited	
Date of incorporation	9 October 2007	
Registered Number	06393775	
Company Director(s)	Alan Jebson, Margarita O'Malley & Frederick Sinclair-Brown	
Company Secretary	Bruce Wallace Associates Limited	
Shareholders	Churchlake Holdings Limited – 100% of shares	
Trading address	Sweeps Ditch 44a Gresham Road, Staines-Upon-Thames England TW18 2AN	
Registered office	Current: Kroll Advisory Ltd The Shard 32 London Bridge Street London SE1 9SG	Former: Sweeps Ditch 44a Gresham Road, Staines- Upon-Thames England TW18 2AN
Any Other trading names	N/a	

Administration information

Administration Appointment	The Administration appointment granted in The High Court of Justice, Business & Property Courts in England & Wales, 004138 of 2022.
Appointor	Secured Creditor
Date of Appointment	9 November 2022
Joint Administrators	Philip Dakin and Benjamin Wiles
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	8 November 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 (Section 4).

Application of EC Regulations

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

Appendix 2 – Approved Proposals

The Joint Administrators' Proposals were approved by Creditors by deemed approval on 16 January 2023.

The Joint Administrators proposed the following:

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; and
- Seek an extension to the Administration period if considered necessary.

Distributions

- To make distributions to the Secured Creditor where funds allow.
- Where funds permit, make distributions to the Preferential Creditors of the Company.
- To make distributions to the Unsecured Creditor from the Prescribed Part, where applicable.
- 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 in order 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 Philip Dakin and Benjamin Wiles 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;

- Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Philip Joseph Dakin and Benjamin John Wiles 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, if the Joint Administrators consider that Liquidation is not appropriate, 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.

Remuneration and pre-Administration costs

- That the Joint Administrators' remuneration 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 £55,960, 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 Joint Administrators be authorised to pay the following expenses in respect of shared or allocated costs in dealing with the Administration ("Category 2 Expenses"):
 - All payments in respect of joint invoices received from Irwin Mitchell Solicitors for legal services provided will be split equally between each company within the Group
- That the unpaid pre-Administration costs totalling £42,242, as detailed in the Joint Administrators' statement of pre-Administration costs, is approved for payment as an expense of the Administration.
- Where a Creditors' Committee is formed, the Joint Administrator's will seek to obtain approval from the Creditors' Committee.

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.

Appendix 3 – Receipts and Payments account

Lakeland Care Group Limited (in Administration) ("the Company")

Joint Administrators' Receipts and Payment Account for the Reporting Period

Statement of Affairs		For the Reporting Period	
Estimated to Realise		from 9 November 2022	
Values		to 8 May 2023	
(£)			(£)
	Fixed Charge Assets		
-	Goodwill		-
			-
	Secured Creditors		
17,014,184	TC Loans Limited		-
17,014,184			-
	Floating Charge Assets		
-	Bank Interest Gross		-
-	Cash at Bank		-
-	Trading Surplus / (Deficit)		-
0.00			-
	Floating Cost of Realisations		
-			-
-			-
0.00			-
	Represented By		
	Floating / Main Current Account		-
	Total		-

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)
Legal costs	TBC	70,477	70,477	The costs of Irwin Mitchell LLP is representative of the total outstanding balance due across the Group and the Joint Administrators will apportion these costs accordingly. We have included the full amount for prudence.
Storage costs	500	Nil	Nil	
Statutory Advertising	207	124	124	
Postage	250	Nil	Nil	
Bonding	225	225	225	
TOTAL	1,182	70,826	70,826	

Notes

The above costs exclude VAT.

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses	Company	Activity	Fee Basis	Reporting Period		Cumulative Period	
				Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
	Irwin Mitchell LLP solicitors	Legal fee and disbursements	Time costs	70,477	0	70,477	0
	TLT LLP	Legal fees in respect of validity of the appointment	Time costs	1,850	0	1,850	0
	AON UK Ltd	Statutory bond premium	Fixed fee	225	0	225	0
	Courts Advertising	Statutory advertising	Fixed fee	124	0	124	0
Total				72,676	0	72,676	0

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.

No Category 2 expenses have been incurred.

Appendix 5 – Analysis of time charged

Joint Administrators' Fees

Refer to the table below for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9

Lakeland Care Group Limited (In Administration)

Analysis of the Joint Administrators' time costs from the Appointment Date to 8 May 2023

	Managing Director	Manager	Senior	Assistant	Hours Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review & Case Diary Management	0.00	0.60	1.40	4.00	0.00	6.00	1,581.50	263.58
Cashiering & Accounting	0.00	0.30	0.00	1.35	0.00	1.65	474.00	287.27
Dealings with Directors and Management	0.00	0.00	0.10	0.80	0.00	0.90	151.97	168.86
IPS Set up & Maintenance	0.00	0.00	0.75	0.55	0.00	1.30	108.09	83.15
Statement of Affairs	0.00	0.00	0.20	0.75	0.00	0.95	117.90	124.11
Statutory Matters (Meetings, Reports & Notices)	1.00	14.60	9.50	5.65	0.00	30.75	12,727.63	413.91
Strategy, Planning & Control	1.80	3.30	0.60	2.75	0.00	8.45	3,719.50	440.18
	2.80	18.80	12.55	15.85	0.00	50.00	18,880.59	
Creditors								
Dealings with creditors and employees	0.00	2.00	0.80	1.75	0.00	4.55	1,658.43	364.49
Non pref Creditors / Employee claims handling	0.00	0.00	0.00	2.80	0.00	2.80	193.36	69.06
Secured Creditors	0.50	0.10	0.10	0.30	0.00	1.00	488.48	488.48
	0.50	2.10	0.90	4.85	0.00	8.35	2,340.27	
Investigations								
CDDA & reports & Communication	0.50	1.25	2.10	3.60	0.00	7.45	2,411.50	330.00
Financial review and investigations (S238/239 etc)	0.00	0.00	0.00	0.65	0.00	0.65	44.73	68.82
	0.50	1.25	2.10	4.25	0.00	8.10	2,456.23	
Realisation of Assets								
Sale of business	0.50	0.10	0.00	0.00	0.00	0.60	434.50	724.17
	0.50	0.10	0.00	0.00	0.00	0.60	434.50	
Total Hours:	4.30	22.25	15.55	24.95	0.00	67.05		359.61
Total Fees Claimed (£):							24,111.59	

Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the period 9 November 2022 to 8 May 2023

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; and• Drafting progress statutory progress reports; and• Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy.
Investigations	<ul style="list-style-type: none">• 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	<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

- Preparing statutory receipts and payments accounts; and
- Renewing bonding and complying with statutory requirements.

Asset realisations

- Liaising with agents regarding the sale of business/assets; and
- Reviewing costs incurred to ensure recorded accurately.

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 Jack Priestley at Jack.Priestley@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 to Jack Priestley at Jack.Priestley@kroll.com.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	9 November 2022 being the date of appointment of the Joint Administrators
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
the Company	Lakeland Care Group Limited (In Administration) (Company Number: 06393775)
Cornerstone	Cornerstone Care Solutions Limited, specialist clinical care operator instructed by the Joint Administrators to assist with the operation of the Company's care home.
the Cumulative Period	The period from the date of appointment to the date of the report, i.e. the whole period of the Administration
the Directors	Alan Jebson, Margarita O'Malley and Frederick Sinclair-Brown, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	Churchlake Holdings Ltd, Churchlake Care Ltd, Lakeland Care Services Ltd, Church Lake Ltd, Lakeland Care Group Ltd, Cumbria Nursing Services Ltd, Churchlake NE Hold Co Ltd, Herrington Mews Ltd, Eastbourne House Ltd, Eastgate Manor Ltd, Primrose House Ltd and Crystal Croftdene Ltd (All in Administration)
HMRC	HM Revenue and Customs
the Joint Administrators	Philip Joseph Dakin and Benjamin John Wiles of Kroll Advisory Ltd The Shard, 32 London Bridge Street, London SE1 9SG
NIC	National Insurance Contributions
PAYE	Pay As You Earn

Word or Phrase	Definition
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 Reporting Period	The period from 9 November 2022 to 8 May 2023
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	TC Loans Limited, the holder of a fixed and floating charge over the Company's assets
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 supplied by the Director outlining the Company's financial position as at the Appointment Date
VAT	Value Added Tax

Appendix 9 – Notice about this report

This report has been prepared by Philip Joseph Dakin and Benjamin John Wiles, 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.

Philip Joseph Dakin and Benjamin John Wiles 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.