

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

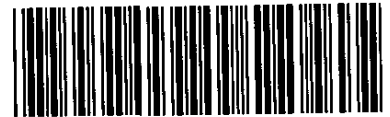
AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



A15 *A7DX9GFL* #295
06/09/2018
COMPANIES HOUSE

1 Company details

Company number O C 3 2 7 5 8 3

Company name in full Talent Training (UK) LLP

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

2 Court details

Court name High Court of Justice, Chancery Division, Companies Court

Court case number C R - 2 0 0 1 7 - 0 0 6

3 Administrator's name

Full forename(s) David

Surname Rubin

4 Administrator's address

Building name/number 26-28 Bedford Row

Street

Post town London

County/Region

Postcode W C 1 R 4 H E

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ¹

Full forename(s) Henry
Surname Lan

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

6 Administrator's address ²

Building name/number 26 - 28 Bedford Row
Street
Post town London
County/Region
Postcode WC1R 4HE
Country

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

7 Appointor/applicant's name

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

Full forename(s) David
Surname Harper

8 Proposed liquidator's name

Full forename(s) David
Surname Rubin
Insolvency practitioner number 2 5 9 1

9 Proposed liquidator's address

Building name/number 26 - 28 Bedford Row
Street
Post town London
County/Region
Postcode WC1R 4HE
Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name ¹

Full forename(s)	Henry
Surname	Lan
Insolvency practitioner number	8 1 8 8

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

11 Proposed liquidator's address ²

Building name/number	26 - 28 Bedford Row
Street	
Post town	London
County/Region	
Postcode	W C 1 R 4 H E
Country	

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

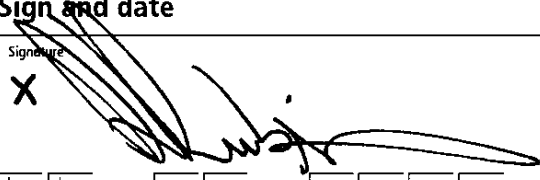
12 Period of progress report

From date	<table border="1"><tr><td>d</td><td>0</td><td>d</td><td>7</td><td>m</td><td>0</td><td>m</td><td>9</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>7</td></tr></table>	d	0	d	7	m	0	m	9	y	2	y	0	y	1	y	7
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13 Final progress report

I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature	<p>Signature</p> <p>X  X</p>																
Signature date	<table border="1"><tr><td>d</td><td>2</td><td>d</td><td>8</td><td>m</td><td>0</td><td>m</td><td>8</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>8</td></tr></table>	d	2	d	8	m	0	m	8	y	2	y	0	y	1	y	8
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AM22

Notice of move from administration to creditors' voluntary liquidation



Presenter information

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

Contact name **Robert Cook**

Company name **David Rubin & Partners**

Address

26 - 28 Bedford Row

Post town **London**

County/Region

Postcode **W C 1 R 4 H E**

Country

DX

Telephone **020 7400 7900**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

IN THE HIGH COURT OF JUSTICE

CR- 2017- 006017

IN THE MATTER OF

TALENT TRAINING (UK) LLP - IN ADMINISTRATION

AND

THE INSOLVENCY ACT 1986

**THE JOINT ADMINISTRATORS' FINAL PROGRESS REPORT
PURSUANT TO RULE 3.53 AND 18.3
OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
FOR THE PERIOD 7 SEPTEMBER 2017 TO 28 AUGUST 2018**

(d) Any changes in the Office Holder

We were appointed Joint Administrators of the Company on 7 September 2017. There has not been a change in the Office Holder since the original appointment date or an extension to the initial period of appointment.

(e) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively:

You may recall that the statutory objective being pursued in the Administration was purpose (b), achieving better result than would be likely if the Company were wound up. In addition to the pursuance of this statutory objective, the Administrator has duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.

This section of the report provides creditors with an update on the progress made in the period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.

Attached at Appendix 2 is a time analysis outlining the time spent by the Administrator and his staff during the period. My fees estimate was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time. More details explaining the work undertaken by the Joint Administrators in the period are set out in Appendix 1.

My first priority was to ensure that the Company received payment from the Educations & Skills Funding Agency ("ESFA") for the work that the Company had delivered prior to ceasing to trade.

I contacted the ESFA and it was agreed that the priority was to safeguard the learners and ensure that their learning programs were not disrupted. This included updating records and issuing certificates where relevant which would allow the smooth transfer of the learners to alternative training providers.

It was agreed that the former managing director, David Harper ("DH"), with the assistance of 3 former staff members, would collate the information required by ESFA and issue the final apprenticeship and adult education data return. After a reconciliation of the accounts by the ESFA, this has resulted in the sum of £258,000 being received in the Administration estate.

I retained the services of the Company's acting solicitors, Messrs Ward Hadaway ("WH"). Prior to the Administration they were instructed to bring 3 potential claims. I have attended numerous meetings and regular conference calls to progress these claims and Letters Before Action were issued.

The services of Counsel and a QC have been engaged to provide their opinions on the merits on the potential claims, and following their review it was considered that one of the claims was unlikely to succeed. Therefore we have focused our efforts in pursuing the remaining two claims which have a high potential recovery value. The claims are being robustly defended and DH is continuing to assist the Joint Administrators and WH, and will continue to do so in the forthcoming Liquidation. Unfortunately I am unable to divulge specific information relating to the claims at this stage, as to do so may prejudice the outcome.

I instructed specialist agents, Lambert Smith Hampton (“LSH”) to review and value the Company’s remaining assets. However based on their review it is unlikely that any material realisations will be made in respect of the fixtures, fitting and equipment.

I therefore engaged the services of DC Reclamation Ltd (“DC”) to collect the Company’s remaining IT equipment to securely remove any data from the obsolete IT equipment and to sell the equipment which is detailed further at 1.4 below.

My staff undertook a review of the Members Drawings accounts and identified drawings by DH in excess of the distributable reserves.

I entered into negotiations with DH and his advisors to which a six figure offer was made in full and final settlement to be paid by 30 June 2019.

In order to consider whether this offer was sufficient, we obtained details of the assets and liabilities of DH together with any known future income. In view of the information provided it was clear that the offer generated the highest possible return to creditors, without the need to enter into legal proceedings, which would increase costs and most likely yield a lower return to the estate. Therefore the offer was accepted and I will remain in regular contact with DH and his advisors to ensure payment is made within the agreed timeframe.

In addition to the above, my staff continued to review the claims of the Company’s employees and the Redundancy Payments Service with a view to making a distribution to preferential creditors once sufficient funds are available in the estate.

A receipts and payments account is attached at Appendix 3, which is further explained below.

1.1 Motor Vehicle Lease refund

The sum of £1,775.45 was received from Lex Autolease following the return of leased vehicles.

No further recoveries are anticipated in this regard.

1.2 Business Rates Refund

The sum of £771.20 was received from Redditch Borough Council. I also instructed the services of specialist Business Rate consultants, Carndearg Consultants Ltd (“Carndearg”) who successfully recovered £1,442.44 from South Tyneside Council in respect of overpaid business rates at the Company’s former premises.

No further recoveries are anticipated in this regard.

1.3 Fixtures and Fittings

The Members Estimated Statement of Affairs (“ESoA”) as at 7 September 2018, disclosed fixtures and fittings with a book value of £6,000, which was estimated to realise £1,000.

Following a visit to the Company’s premises, my agents, LSH, advised that the costs of removal and sale of these assets would outweigh the sale value and therefore these assets were abandoned.

1.4 Equipment

The Members ESoA as at 7 September 2018, disclosed equipment with a book value of £2,000, which was estimated to realise £1,000.

As this equipment related to various IT equipment we instructed the services of specialist agents DC to collect the Company's remaining IT equipment, to securely remove any data from the IT equipment and to then sell the equipment.

DC realised the sum of £9,745 and no further recoveries are anticipated.

1.5 Debtors – ESFA

With the assistance of DH and former members of the Company staff. The final apprenticeship and adult education data return was submitted in the sum of £195,214.53 and the ESFA approved the release of caps on the provider's contract for period 2016/2017 amounting to £78,797. The total amount therefore due to the Company was £274,011.53.

After the ESFA conducted their reconciliations of the account, the sum of £7,500 was deducted in respect of grants that had not been passed to employers and £8,368.38 was also deducted in respect of unpaid invoices as a result of independent audits completed in May 2017.

In view of the above, the Net Payment received from the ESFA was £258,143.15.

1.6 Debtors – Other

The Members ESoA as at 7 September 2018 disclosed a number of unconnected book debts with book value of approximately £1.1 million which was estimated to realise £80,000.

Following a review it was apparent 3 of the potential debtors were subject to insolvency proceedings and had a book value in excess of £620,000. We reviewed the reports of the appointed office holders in each respective case and unfortunately there was no prospect of any payments being received.

There was one significant book debt valued at £120,000 which was disputed and as no contract was issued by the Company prior to Administration, it would prohibit any legal challenge to pursue payment. It was concluded that it would not be in the interest of creditors to incur significant costs to pursue payment without valid legal grounds and therefore no recovery is possible.

A further 4 debtors with a book value in excess of £40,000 could not be pursued due to training / services having not been provided by the Company due to the Administration of the Company and therefore no recoveries are possible.

The remaining book debts were in respect of fees due from various subcontractors. However the Company was in effect paid by the ESFA and the Company was unable to remit monies to the subcontractors so the fees are not collectable.

In view of the above, no realisations are anticipated.

1.7 Claims in litigation.

The Members ESoA as at 7 September 2018, disclosed claims in litigation with an uncertain recovery.

As detailed above WH have been instructed to advise on the merits and commence legal action. These claims are to be continued by the appointed Liquidator and it is hoped that if successful these claims will provide significant realisations for the Liquidation estate and to the benefit of creditors.

1.8 Amounts owed by associated Companies

The Members ESoA as at 7 September 2018, disclosed amounts due from connected companies with book value of £403,000 of which was estimated to recovery was nil due to the insolvency of the connected companies.

During this year, I received a dividend payment from the associated company Driving Careers Limited – In Liquidation (of which I am the Liquidator), in the sum of £1,116.92. No further payments are expected from this source.

1.9 Cash at bank

At the date of our appointment, the amount of £63,931.99 in the Company's bank account with Yorkshire Bank was transferred to the client account.

1.10 Members Account

It was acknowledged in the Members ESoA that sums may be due to be repaid to the Company. As detailed above, following a review of the Company's records negotiations commenced with DH to seek repayment and a six figure settlement has been agreed with payment due by June 2019 and will be recovered for the benefit of the Liquidation estate.

1.11 Cash held on appointment

The sum of £31,200 was held by my firm, prior to our appointment as Administrators, specifically for the purposes of meeting the costs of appointing the Administrators.

1.12 Bank Interest Gross

Interest earned on the funds in hand amounts to £160.80.

1.13 Goodwill

The Members ESoA as at 7 September 2018, disclosed goodwill with a book value of £634,000 which was estimated to realise nil. As the Company could not be sold as a going concern and had to cease trading, there was no realisable value in the Company's goodwill, name and any associated intellectual property.

1.14 PERA Assets

Prior to Administration the Company acquired the business and assets of a training provider Pera Training Limited. This company was placed into Administration in 2016.

The Members ESoA as at 7 September 2018, disclosed a book value of £28,000 of which the estimated recovery was nil, as all learning contract were cancelled prior to Administration. Therefore, no recoveries will be possible.

2. Payments

2.1 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Administrators, as required by the Insolvency Practitioners Regulations 2005.

2.2 Preparation of Statement of Affairs ("SoA").

The sum of £1,500 was paid to GMK Sporting Services Ltd for their fees in assisting DH with the preparation of the SoA.

2.3 Pre-Administration Time Costs: Rule 18.5

In my Proposals to creditors, I set out the costs my firm incurred between our first being consulted and the date of our appointment. I provided details as required by Rule 3.36. Creditors may recall that I reported that my firm's time costs were £43,872 plus VAT for a total of 180.30 hours.

Under the Qualifying Decision Procedure by Correspondence on 6 November 2017, the Decision Date set for creditors to consider my Proposals, I sought and obtained creditors' approval for these costs to be paid in accordance with Rule 3.52(3)(a) of the Insolvency (England and Wales) Rules 2016 as a Creditors' Committee was not formed.

2.4 Joint Administrators Post-Appointment time costs

The sum of £205,236 has been drawn in respect of the Joint Administrators time costs, which are detailed further at Appendix 1.

2.5 Travel and Subsistence

The sum of £367.87 was incurred in relation to my staff's travel and subsistence costs in attending the Company's Hebburn premises in Newcastle on 16 August 2017 to assist DH to make the staff redundant and to deal with staff enquiries.

2.6 Carriage and Archiving

My firm uses its own personnel and vehicle for collection and cataloguing of books and records for which we charge £50 per hour. My firm has incurred fees of £375 for 7.5 hours.

2.7 Agents fees

The amount of £3,000 plus disbursements of £90.10 was paid to LSH in respect of their fees for attending the Company's premises and providing the valuation of the Company's assets comprising of fixtures & fittings, office furniture and computer equipment. There is no amount outstanding in respect of agent's fees.

LSH was selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company. The agreed basis of LSH's fees was time costs and I have received details of the time LSH had spent in dealing with the assignment.

The amount of £3,757.17 plus disbursements of £2,230.66 was paid to DC in respect of their fees for attending the Company's premises to remove all IT equipment and for the secure removal of all data . There is no amount outstanding in respect of DC fees.

DC was selected as agents on the basis of their experience and expertise in dealing with sale of IT assets, taking into account the locality and size of the Company. The agreed basis of DC's fees was 50% of the profit achieved after deducting the costs.

2.8 Legal Fees

The amount of £6,100 (plus VAT) was paid to Moon Beaver ("MB") in respect of their services in preparation of the appointment documentation and their time and advice in relation the appointment process and technicalities relating to Limited Liability Partnerships following the introduction of the Insolvency Rules 2016.

MB have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues. MB charge their fees on a time costs basis and they have provided me with an analysis of the time they have spent to date

As mentioned above, we have retained the Company's solicitors Ward Hadaway ("WH") to bring claims against former clients. To date WH have been paid time costs of £23,750 and expenses of £6,894.94 in respect of counsel's fees and travel costs to attend meetings.

WH currently have outstanding time costs of approximately £5,800 and disbursements of £5,205 in respect of leading counsels fees and court fees. Should the matters proceed to formal legal action a Conditional Fee Agreement will need to be entered into in order to pay the costs only upon successful recoveries being made.

WH were chosen after taking into account the size and complexity of the legal issues and taking into account their previous extensive dealings with the potential claims. WH charge their fees on a time costs basis and they have provided me with details of the time they have spent to date

2.9 Professional Fees

As detailed at 1.2 above, we engaged the services of Carndearg to review the Company's business rates accounts and seek a refund of overpaid business rates.

Carndearg charged their fees at 20% of any recoveries they make and therefore have been paid £288.49 exclusive of VAT.

2.10 Debt Collection Fees

DH was instructed to assist with the collection of the ESFA payment and other debtors monies outstanding to the Company, which has to date resulted in recovery in excess of £258,000.

The agreed basis of DH's fees is 10% of debtor recoveries plus expenses capped at £4,000 has been incurred. DH was instructed to assist with the debt collections on the basis that he had an in depth knowledge of the debts.

Therefore the sum of £29,814.31 has been paid to DH, which included expenses capped to £4,000.

2.11 Temporary Staff Costs

The sum of £6,081.22 was paid to three former employees who assisted DH in collating records and submission of the return to the ESFA, which resulted in a recovery of funds in excess of £258,000.

2.12 Swear Fee

The sum of £30 has been recharged to the estate in respect of costs incurred in swearing official documents in front of a solicitor.

2.13 Stationery & Postage

The sum of £579.19 has been recharged in respect of stationery and postage costs incurred in dealing with this case and issuing circulars to creditors.

2.14 Storage Costs

Our firm uses a commercial archiving company for storage facilities for the company's records and papers. This is recharged at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of archiving and retrieval of documents. To date the sum of £240 has been recharged to the estate.

In addition to the above, the sum of £66.72 has been paid to 1st Storage Centres in respect of their fees for storage of the Company's records during the Administration.

The sum of £300 was paid to DC for their fees incurred in attending the Company's premises in Hebburn and Redditch to collect the Company's IT equipment and storage of the same.

2.15 Confidential Waste Disposal

The sum of £601.50 was paid to Restore Datashred for their fees in securely disposing of historic confidential personal records of former learners.

2.16 Statutory advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the Joint Administrators' appointment.

2.17 Insurance of Assets

The sum of £1,227.54 was paid to Willis Ltd in respect of Insurance of the Company's building and assets situated at Hebburn and Redditch. Motor Insurance coverage was also included within this premium.

2.18 Bank Charges

The sum of £5 has been recharged to the estate in respect of bank charges incurred.

3. Payments incurred but not yet recharged to the estate

3.1 Legal Fees

As detailed at 2.8 above WH have legal fees and disbursements outstanding in the sum of £11,005.00.

3.2 Joint Administrators Fees

As detailed in Appendix 1, the sum of £574.50 remains outstanding in respect of the Joint Administrators time costs.

3.3 Storage Costs

In addition to the storage costs incurred by this firm detailed at 2.14 above, I have incurred further storage costs of £120 which will be recharged to the estate shortly.

(f) Joint Administrators' Remuneration and Expenses

- i) The Joint Administrators' remuneration is fixed by reference to time spent in attending to matters arising in the Administration. A statement of remuneration charged and description of work undertaken are provided at Appendix 1.
- ii) Expenses incurred in the Administration are explained at (e) above in my comments on the Receipts and Payments Accounts

(g) Details of any assets that remain to be realised

As detailed in section (e) above, the Company is still party to on-going legal action which if successful would result in significant funds for the estate. These potential legal actions will be on-going for the foreseeable future and will be continued by the appointed Liquidator.

In addition to the aforementioned legal action I am due to recover the agreed settlement from DH for excessive drawings from the Company.

(h) Any other relevant information:

(i) (a) Secured creditors

Clydesdale Bank PLC holds a fixed and floating charge over the Company's assets, present and future, created on 10 November 2010 and registered at Companies House on 12 November 2010.

There is currently no balance due to Secured creditors.

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder,

where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

Accordingly this regulation does not apply as there is no outstanding balance to the secured creditors.

(ii) Preferential creditors

We have received a preferential claim from the Redundancy Payments Office in the sum of £104,778.94. There are also preferential claims of those employees who are owed the balance of their holiday pay and arrears of wages amounting to approximately £15,000.

The claims of the employees are currently being adjudicated in readiness for a preferential dividend by the appointed Liquidators. However, the time and quantum of any dividend is currently uncertain as this is dependant of the level of future realisations.

(iii) Unsecured creditors

The claims of the unsecured creditors have been noted and recorded when received. As at the date of this report the claims of 66 creditors, with a total value of £1,770,569, have been established and the claims of 44 creditors with an estimated total value of £486,215 have yet to be established.

In addition to the above, we have received an unsecured claim from the Redundancy Payments Office in the sum of £201,729 in respect of arrears of wages, lieu of notice, and statutory redundancies and enhanced redundancy. There are also unsecured claims of those employees who are owed the balance of their pay which claims are currently estimated to be in the region of £30,000.

It is too early at this stage to provide a meaningful estimate of the likely level of distributions to the unsecured non-preferential creditors, if any, as this is dependent on the total realisations achieved for the Company's assets and the outcome of the potential litigation.

The documentation in respect of creditors' claims are being transferred to the Liquidation.

(i) Rule 3.53

We set out in my report dated 18 October 2017 the Joint Administrators Proposals and these are reproduced below:-

- i) The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose until such time as the Administration ceases to have effect.
- ii) As funds will become available for unsecured creditors, the Joint Administrators may at their discretion establish in principle the claims of unsecured creditors for subsequent adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the administration as part of the Joint Administrators' remuneration.

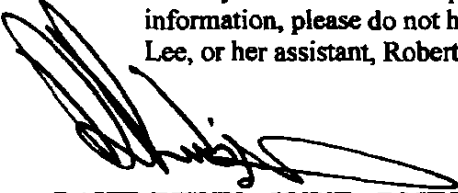
- iii) A creditors' committee may be formed if a creditors' meeting resolves to do so provided that three or more creditors are willing to serve on it. If the administration moves to creditors' voluntary liquidation, any creditors' committee which is in existence immediately before the Company ceases to be in administration shall continue in existence after that time as if appointed as a liquidation committee under Section 101. If a committee is formed, the Administrators and the Joint Liquidators (when appointed), will consult with it from time to time on the conduct of the administration and liquidation proceedings. Where it is considered appropriate, the committee's sanction will be sought to proposed action instead of convening a meeting of all the creditors.
- iv) Should a creditors' committee be formed and the Joint Administrators consider that an extension beyond an administration's statutory duration of one year would be advantageous, the Joint Administrators will consult with the committee prior to taking the necessary steps. If a creditors' committee is not appointed, the Joint Administrators shall either apply to the court or seek a resolution of the appropriate classes of creditors for the consent to an extension.
- v) That the basis of the Joint Administrators' fees will be fixed and their Category 2 disbursements will be agreed by the creditors' committee. If no creditors committee is formed, it is proposed that under Rule 2.106(2)(b) of the Insolvency Rules 1986, the remuneration of the Joint Administrators shall be fixed by reference to the time given by the Joint Administrators and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the administration and that the Joint Administrators be authorised to draw category 2 disbursements in accordance with their firm's published tariff and they be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.
- vi) That without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the Administration.
- vii) The Joint Administrators take whatever other actions they deem appropriate in the interest of creditors. This includes placing the Company into liquidation if it appears that this would be in the best interests of the general body of creditors. In these circumstances it is proposed that the Joint Administrators shall become the Joint Liquidators and any act required or authorised under any enactment to be done by the Joint Liquidators may be done by either or both persons from time to time holding office. Creditors are advised that, pursuant to Paragraph 83(7)(a) and Rule 2.117(A)(2), they may appoint different persons as the proposed Joint Liquidators, provided the nomination is made after the receipt of these proposals and before these proposals are approved.
- viii) That the Joint Administrators' liability, in respect of any action of theirs as Joint Administrators, shall be discharged in accordance with Paragraph 98 of Schedule B1, immediately upon the appointment ceasing to have effect.

(j) Move from Administration to Liquidation

On 6 November 2017, creditors agreed our proposal that the Joint Administrators may exit the Administration by placing the Company into Creditors' Voluntary Liquidation. It was also resolved that the Joint Administrators, Henry Lan and I, would be appointed as Joint Liquidators of the Company.

In accordance with Paragraph 83 of Schedule B1 of the Act, as Joint Administrators we are moving the Administration to Liquidation by filing the Notice of Move from Administration to Creditors' Voluntary Liquidation (AM22) at Companies House. Once the Form is filed by Companies House, the Liquidation will take effect.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instant either my Senior Manager, Yin Lee, or her assistant, Robert Cook at this office.



DAVID RUBIN - JOINT ADMINISTRATOR

DATE: 28/5/18

APPENDIX 1

JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

1. Joint Administrators' Remuneration

My time costs for the period since my last progress report are £68,069. This represents 259.48 hours at an average rate of £262.01 per hour. I attached as Appendix 2 a Time Analysis which provides details of the activity during this period, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 7 September 2017 to 28 August 2018 and would report that my total time costs are £205,810.50 for 810.42 hours, which equates to an average cost of £253.87 per hour. A breakdown of my cumulative time charges is also set out in Appendix 2

1.1 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

1.2 *Basis of Joint Administrators' Remuneration*

An Administrator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

The above work will not necessarily bring any financial benefit to creditors generally, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

Creditors may recall that my proposed Decision by Correspondence was granted on 6 November 2017 which approved the Joint Administrators' proposals and a resolution was passed to fix the Joint Administrators' remuneration by reference to the time given by the Joint Administrators and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the administration, and further the Joint Administrators were authorised to draw category 2 disbursements and be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.

In accordance with these resolutions, we have drawn fees of £205,236 plus VAT and I would confirm that my fees estimate for the Administration remains unchanged.

2. Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), I would advise that my firm's current hourly chargeout rates applicable to this appointment, which are charged in units of 6 minutes, exclusive of VAT, are as follows:-

	£
Senior / Managing Partners	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. There has been no material increase in rates in this assignment.

3. Case overview

The main tasks of the Joint Administrators were to collate information regarding the business and its assets.

As detailed in section (e) of the main report above, the Company's significant asset was the funding due to be received from the Education and Skills Funding Agency ("ESFA"), which was expected to be in the region of £275,000.

My staff and I contacted the ESFA and it was agreed that the Company would update learner records and issue certificates where relevant, which will allow the smooth transfer of the learners to alternative training providers.

It was agreed that the former managing director David Harper ("DH"), with the assistance of 3 former staff members would collate the information required by the ESFA and this has resulted in the sum of £258,143.15 being received in the administration estate.

In order for DH and the 3 former members of staff to operate and to provide the information required by the ESFA, resulting in the above payment from the ESFA, I liaised with the landlord for the Hebburn premises in order to arrange for vital services to be maintained for a short period.

The Company ceased trading prior to the Administration, time has been spent liaising with the former management in order to obtain records of the employee's outstanding liabilities in order to verify and assist with their claims to the Redundancy Payments Service.

As the Company instructed Ward Hadaway ("WH") prior to the Administration regarding litigation, my staff and I have been reviewing the particulars of the potential litigation and held meetings and telephone conferences with WH to discuss the merits.

Litigation is on-going and it is envisaged that this may result in a significant return to the Administration estate should the legal action be successful. Due to the crucial nature of this potential litigation, a high level of partner and senior manager involvement is required with this part of the assignment.

My staff have undertaken a review of the members drawings from the Company, which included a reconciliation of various accounting records. This has identified sums due to be repaid to the estate by DH, to which he has acknowledged and we conducting various meetings with DH and his advisors in order to reach a settlement, which is due to be paid by June 2019.

The remainder of my time has been spent in dealing with creditor enquires and general case administration.

The strategy employed allowed us to staff this assignment with a maximum of 1 manager, 2 senior administrators and 1 junior staff, plus cashiering assistance as required. We consider that for an assignment of this scale and complexity, that strategy has saved considerable time costs that might otherwise have been incurred.

4. Issues affecting costs

The Company's employees of circa 100 staff has naturally resulted in an excessive number of queries regarding their entitlements from the Redundancy Payments Service ("RPS") and disputes regarding difference between the Company records and the own records. My staff has been working closely with DH to respond to these queries and liaising with the RPS to ensure claims are corrected and processed efficiently. I have now received the claim of the RPS and my staff are currently adjudicating the claims of the employees which is complex given the volume of the claims and nature of employee entitlements and overtime.

In addition to the above functions, other work undertaken to date are the following:-

- i.) Preparation and circulation of notice of appointment and subsequent the proposals to creditors pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986;
- ii.) Obtaining and acknowledging the claims of unsecured creditors, answering telephone enquiries and dealing with any correspondence therein;
- iii.) Arranging the insolvency practitioner's bond and submission of the bordereau as required by section 390 of the Insolvency Act 1986;
- iv.) Correspondence with the HM Revenue and Customs both as regards PAYE/NIC and VAT. Preparing the relevant VAT returns for the claiming of VAT inputs;
- v.) Preparation and submission of the Joint Administrators' report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986;
- vi.) Opening a designated bank account and dealing with the movement of funds, both as regards collection of book debts and the trading activities;

- vii.) Publishing the necessary statutory advertisement in respect of the Administration proceedings in the London Gazette;
- viii.) Completing various searches at Companies House to obtain statutory information on the Company;
- ix.) Instructing agents, to value the Company's assets and dealing with any queries;
- x.) Liaising with the landlord of both Hebburn and Redditch in respect of acquiring access to the premises and also dealing with the surrender of the leases.
- xi.) Various queries from former learners and the Education and Skills Funding Agency regarding missing learning portfolios and student loan queries.

To view an explanatory note concerning Administrators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME: T472@drco.co.uk

PASSWORD: 274Tyf!

Alternatively, please contact this office to arrange for a copy to be sent to you.

5. Creditors' rights

Within 21 days of the receipt of this report, in accordance with Rule 18.9, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Under Rule 18.34, any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive.

6. Policy as regards disbursements

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case are charged to the estate at cost, with no uplift. These include but are not limited to such items as legal and agent fees, case advertising, bonding and other insurance premiums, and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Postage and stationery: circulars to creditors

Headed paper 25p per sheet

Envelopes

25p each

TALENT TRAINING (UK) LLP - IN ADMINISTRATION

JOINT ADMINISTRATORS' TIME COSTS							
FOR THE PERIOD 7 MARCH 2018 TO 28 AUGUST 2018							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	08:24	42:24	53:12	05:30	109:30	28,386.00	259.23
Investigations	05:48	72:00	01:06	00:00	78:54	24,026.00	304.51
Realisations of assets	00:00	05:00	17:00	00:00	22:00	4,771.00	216.86
Creditors	00:00	06:00	43:24	00:00	49:24	10,886.00	220.36
Total hours and costs	14:12	125:24	114:42	05:30	259:48	68,069.00	262.01

JOINT ADMINISTRATORS' CUMULATIVE TIME COSTS							
FOR THE PERIOD FROM 7 SEPTEMBER 2017 TO 28 AUGUST 2018							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:00	00:18	00:00	00:18	48.00	160.00
Statutory filings, circulars, notices, etc.	00:18	08:00	28:42	00:00	37:00	7,909.00	213.76
Case planning, strategy & control	37:18	00:36	03:48	00:00	41:42	17,762.00	425.95
Taxation: PAYE, C/Tax & VAT	00:00	00:30	09:06	00:00	09:36	1,981.50	206.41
Accounting & Cashiering	00:00	00:18	08:12	12:18	20:48	3,444.50	165.60
Case reviews & Diary maintenance	00:00	46:24	11:06	00:00	57:30	15,716.00	273.32
Statutory reporting and compliance	00:00	38:00	81:00	00:00	119:00	27,788.00	233.51
Investigations							
CDDA preparation & reporting	00:30	24:36	09:06	00:00	34:12	9,376.00	274.15
SIP2 assessment and financial review	00:00	07:30	03:36	00:00	11:06	2,980.50	268.51
Antecedant transactions	01:24	12:30	03:42	00:00	17:36	5,131.50	291.56
Proceedings & recoveries	05:48	131:00	11:06	00:00	147:54	43,631.00	295.00
Realisation of assets							
Freehold & leasehold properties	00:36	03:30	02:24	00:00	06:30	1,806.50	277.92
Book debts collection	00:00	39:30	14:36	00:00	54:06	14,816.50	273.87
Tangible assets	00:00	13:36	36:00	00:00	49:36	10,972.00	221.21
Creditors							
Secured creditors	00:00	00:00	03:42	00:00	03:42	754.00	203.78
Unsec'd Creditors: correspondence & claims	02:18	06:48	38:54	00:00	48:00	10,003.00	208.40
Preferential creditors & employees	00:00	23:42	128:24	00:00	152:06	31,690.50	208.35
Total hours and costs	48:12	356:30	393:42	12:18	810:42	205,810.50	253.87

Talent Training (UK) LLP
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 07/03/2018 To 28/08/2018 £	From 07/09/2017 To 28/08/2018 £
ASSET REALISATIONS		
	1,775.45	1,775.45
	2,213.64	2,213.64
1,000.00	NIL	NIL
1,000.00	9,745.00	9,745.00
274,000.00	NIL	258,143.15
80,000.00	NIL	NIL
Uncertain	NIL	NIL
NIL	1,116.92	1,116.92
64,000.00	NIL	63,931.99
Uncertain	NIL	NIL
31,000.00	NIL	31,200.00
	76.19	160.80
NIL	NIL	NIL
NIL	NIL	NIL
	<u>14,927.20</u>	<u>368,286.95</u>
COST OF REALISATIONS		
	NIL	930.00
	NIL	1,500.00
	NIL	43,872.00
	158,450.00	205,236.00
	(60.00)	367.87
	37.50	412.50
	5,987.83	9,077.93
	30,614.94	36,714.94
	288.49	288.49
	NIL	29,814.31
	NIL	6,081.22
	NIL	30.00
	339.45	579.19
	120.00	606.72
	NIL	601.50
	NIL	169.20
	NIL	1,227.54
	NIL	5.00
	<u>(195,778.21)</u>	<u>(337,514.41)</u>
PREFERENTIAL CREDITORS		
(172,009.74)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(1,096,980.75)	NIL	NIL
(259,200.01)	NIL	NIL
(152,164.57)	NIL	NIL
(1,085.00)	NIL	NIL
(194,033.88)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(1,424,473.95)</u>	<u>(180,851.01)</u>	<u>30,772.54</u>
REPRESENTED BY		
		24,772.54
		6,000.00
		<u>30,772.54</u>