

**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' REPORT AND  
STATEMENT OF FORMAL PROPOSALS  
AS REQUIRED BY PARAGRAPH 49 OF SCHEDULE B1  
OF THE INSOLVENCY ACT 1986**

## **TALENT TRAINING (UK) LLP – IN ADMINISTRATION**

### **JOINT ADMINISTRATORS' REPORT AND PROPOSALS - PARA 49**

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**TALENT TRAINING (UK) LLP – IN ADMINISTRATION**  
**STATEMENT OF FORMAL PROPOSALS AND REPORT**  
**OF THE JOINT ADMINISTRATORS AS REQUIRED BY**  
**PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

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**1. INTRODUCTION**

Henry Lan and I, David Rubin, both of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE were appointed Joint Administrators of Talent Training (UK) LLP (“the Company”) on 7 September 2017. The appointment was made by the Company pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986.

The Joint Administrators act jointly and severally in the exercising of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986.

**2. STATUTORY INFORMATION**

The Company’s statutory information is set out in Appendix 1 of this report.

**3. BRIEF TRADING HISTORY AND RESULTS**

3.1 The Company’s principal activity was workforce training and development.

3.2 The Company operated from leased premises at Harperco House Units 4-5 , Merchant Court, Monkton Business Park South, Hebburn, South Tyneside, NE31 2EX (“Hebburn”), and The Neptune Works, Beoley Road West, Redditch, B98 8LY (“Redditch”)

3.3 Extracts from the Company’s Financial Statements are as detailed below:

	<b>Year ended 31-03-16 (Statutory) £</b>	<b>Year ended 31-03-15 (Statutory) £</b>	<b>Year ended 31-03-14 (Statutory) £</b>
Turnover	2,997,195	3,468,590	2,637,193
Gross profit	1,774,668	1,648,559	1,334,021
Operating profit/(loss) after taxation	465,643	364,669	(63,591)
Drawings	(644,544)	(624,828)	(419,368)
Introduced by Members	190,000	1	-
Members Interest	(496,104)	(507,203)	(247,045)

**4. BACKGROUND TO THE APPOINTMENT OF ADMINISTRATORS**

4.1 The Company was established in 2007 as a direct provider of work based learning and apprenticeships and was based in the North East, with additional offices in the West Midlands. The Company has grown consistently during its 16 years of operation and before the events described in these Proposals, was regarded as one of the UK’s top independent training providers. Talent employed 100 staff and supported thousands of learners for whom it delivered outstanding results every year.



- 4.2 The primary focus of Company's business was providing apprenticeship training to large, complex and geographically dispersed businesses. It helped these businesses achieve sustainable people development strategies mainly through a range of Government funded training programmes, utilising both public and employer investment.
- 4.3 The Company provided apprenticeships and commercial training in the Service Industries, Retail, Customer Service, Financial Services, Engineering and Technology, Leadership and Management, and Business Improvement Techniques and Advanced Manufacturing sectors.
- 4.4 Talent's mission statement is to: "deliver business excellence through the provision of high quality, bespoke training and personal development programmes" and was regularly inspected by Ofsted. The Company was graded as "good" by Ofsted.
- 4.5 In November 2016, the Company purchased the trade and assets of Pera Training Limited – In Administration ("Pera"), which included the transfer of 3,000 apprentices, with the large majority working for a global car manufacturing business.
- 4.6. In December 2017, the Company identified that a major sub-contractor of Pera was operating an illegal apprentice scheme and the Company was advised by the Education & Skills Funding Agency ("ESFA") to terminate this programme for more than 150 young people, resulting in a contract reduction in the sum of £2million for the Company.
- 4.7. In March 2017, the Company had conducted a substantial review of the learning programmes delivered by Pera and identified a large number of learners were not compliant with funding rules, resulting in the Company returning approximately £600k to Government, despite bearing the costs of resourcing and delivery. This also resulted in Talent's contract with the ESFA to be reduced by circa £2million.
- 4.8 The Company was performing well under all of its contracts with the ESFA and were asked to take on learners from other failed training providers that had entered administration as part of contingency planning for those learners.
- 4.9. On 19 June 2017, the Company received an email from the trade journal FE Week asking the Company CEO and Chairman to comment on allegations that the Company was giving cash inducements to employers. The Company vehemently denied paying inducements to employers and on 21 June 2017, the Company's solicitors provided a detailed five page response refuting the allegations in their entirety. It was difficult to respond when FE Week provided no particulars of evidence in support of its claims and the Company explained how its delivery model had been developed and how it complied with the 2017/18 Funding Rules, which permitted main providers to engage employer providers as sub-contractors to deliver all or some of the training.
- 4.10 However, on 26 June 2017, FE Week published its article. The front page of the trade journal contained the headline "*TERMINATED: major provider caught offering kickbacks to an employer red-handed*" and "*ESFA ends Talent Training's levy contract following FE Week sting*".
- 4.11 FE Week printed extracts of various emails sent by one of the Company's junior salespersons, and had also covertly recorded a telephone call made to a potential client. A very short extract of that call was printed in the article. The Company's management was shocked by the allegations and acted very swiftly to investigate the allegations. The salesman concerned was suspended while the matter was investigated further and the Company suspended all activity related to the levy-funded apprenticeship programme.



- 4.12 The Company provided substantial representations on 6 July 2017, outlining various matters that had been discovered following a thorough internal investigation and also wrote to the ESFA on this date to advise of the outcome of the Company's internal investigation, and stated that it were satisfied that what had happened was not a case of deliberate impropriety or dishonesty. Rather it was a case of sales personnel (and one junior salesman in particular), who, wrongly, did not have a proper understanding of the new levy funded apprenticeship programme, or of how the Company proposals to clients were supposed to work, and whose language thereby resulted in confusion. The submissions included a number of letters of support that the Company had received from clients which praised the services delivered by the Company and confirmed that they had no doubt of the Company's highest levels of probity, integrity and sound governance.
- 4.13 On 17th July the ESFA wrote to the Company and advised it had decided to terminate its Apprenticeship contract with effect from 21 July 2017 and did not given any reasons for its decision. The Company challenged the ESFA's decisions and had made a submission to court for a Judicial Review to overturn the ESFA's decision. A date was set for mid-September and the Company were advised that it had strong prospects to win this case and have the decision overturned.
- 4.14 Despite written assurances, the ESFA failed to pay the Company what is was due in July and August for work delivered in June and July, which caused the Company severe cash flow problems and the Company could not meet its payroll liabilities in August.
- 4.15 The historical financial results of the Company for the last 3 years, set out above, showed that the Company has been profitable in the last few years. However in view of the Company's financial difficulties following the termination of the ESFA contract; I met with the chairman David Harper ("DH") in order to carry out a review of the Company's financial affairs. Following that review, it became apparent that the Company had substantial liabilities, in particular the increasing arrears in respect of the Company's P.A.Y.E and VAT liabilities.
- 4.16 When viewed with its inability to pay its debts as and when they fell due, it was clear that the Company was insolvent both on a cash flow basis and on a balance sheet test.
- 4.17 It was apparent that the company should enter in some form of rescue procedure. The Company had insufficient funds and with payments from the ESFA continuing to be withheld and with the termination of the ESFA contracts, the Company had no alternative but to immediately cease trading as it had insufficient funds to pay the employees their wages at the end of August.
- 4.18 The decision was made on 16 August 2017 to make the Company's circa 100 staff redundant. My staff attended the Company's premises in Hebburn, the Company's head office to assists DH with making the staff redundant and answering the employees queries.
- 4.19 It was determined that in view of the size of the Company's liabilities and without the substantial future income from the ESFA and the absence of injection of fresh capital, rescuing the company by means of a Company Voluntary Arrangement was not a viable proposition. Whereas, a creditors' voluntary liquidation would have prohibited any potential sale of the Company's order book and only forced sale values being achieved for the assets.
- 4.20 Accordingly, it was considered that an Administration, with the filing of the Notice of Intention to Appoint Administrators ("NoI") providing the Company protection against any legal proceedings from creditors, would permit a sale as a going concern for the business and its assets, would produce the highest realisations of the assets.



- 4.21 As the Company had substantial turnover and a reputable trading history DH, started a search for potential interested parties in acquiring the Company's order book, in order to try and maximise the value in that asset and potentially securing a substantial number of employees jobs.
- 4.22 If the order book could not be sold to an accredited service provider pre-administration, then it would be rendered worthless to the detriment of the general body of creditors. The filing of the Second NoI on 25<sup>th</sup> August 2017 (as a precursor to appointing the Proposed Administrators) was considered to be in the best interest of the Company's creditors and to promote the second statutory purpose of administration, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up.
- 4.23 Unfortunately, despite the extensive efforts by DH to find a purchaser of the Company's Order Book, no sale could be achieved and the decision was made to place the Company into Administration.
- 4.24 We were appointed Joint Administrators on 7 September 2017. The Administration is registered in the High Court of Justice, Chancery Division, Companies Court under reference number CR-2017-006017.

## **5. PURPOSE OF THE ADMINISTRATION ORDER**

- 5.1 Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 states that Administrators must perform their functions with the objective of:
- (a) rescuing the company as a going concern, or
  - (b) 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
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 5.2 It was clear from the outset that purpose (a) would not be achievable as the Company was insolvent; and with the termination of the ESFA contracts immediately upon Insolvency limiting future turnover, a rescue would not be possible.
- 5.3 As the Company did not have any balance owed to the bank, being the holder of a Qualifying Floating Charge, purpose (c) does not apply.
- 5.4 Therefore for the reasons set out above in section 4, as Joint Administrators, we have conducted our strategy both prior to and after our appointment with a view to achieving purpose (b), namely 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).

## **6. ACTION TAKEN BY THE ADMINISTRATORS**

### **6.1 Educations & Skills Funding Agency ("ESFA")**

As detailed at section 4 above, a sale of the Company's order book could not be achieved and therefore no value could be realised from the Company's learner contracts.



Therefore my first priority was to ensure that the Company received payment from the 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 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.

## **6.2 Potential Litigation**

I have retained the services of the Company's acting solicitors, Messrs Ward Hadaway. Prior to the Administration they were instructed to bring claims against former clients for unpaid work. I am unable to divulge specific information relating to the claims, as to do so may prejudice the outcome.

## **6.3 Other Assets**

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

I have also engaged the services of DC Reclamation Ltd ("DC") to collect the Company's remaining IT equipment at the Redditch premises to securely remove any data from the obsolete IT equipment and will account to the Administration estate for any sale proceeds achieved for the equipment.

# **7. CONDUCT OF THE ADMINISTRATION**

7.1 As required by Schedule B1 to the Insolvency Act 1986, we have filed notice of our appointment with the Registrar of Companies, served formal notice on the Company and advertised our appointment in the London Gazette.

7.2 We were required as soon as reasonably practicable after our appointment to write to all creditors of the Company, notifying them of our appointment. We obtained details of the Company's creditors from the Company and on 11 September 2017, we sent formal notice to all known creditors notifying them of our appointment as Administrators.

7.3 In addition to the work of developing the strategy for the Administration, including liaising with DH in order to secure payment from the ESFA and evaluating the Company's potential litigation as explained above, the Joint Administrators and their staff have undertaken the following tasks:-

- a) Opening a designated bank account and dealing with the movement of funds, both as regards collection of book debts and the trading activities;
- b) Applying for Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005;



- c) Acknowledging creditors' claims, answering telephone enquiries and correspondence therewith;
- d) Dealing with a substantial amount of employees' queries and concerns regarding the redundancy. Then liaising with the Redundancy Payments Office and the Company in order to verify information and any disputes in relation to the records available;
- e) Publishing the necessary statutory advertisement in respect of the Administration proceedings in the London Gazette;
- f) Completing various searches at Companies House to obtain statutory information on the Company;
- g) Submitting a VAT 769 notifying HMRC that the Company is now in Administration and requested that the Company be deregistered for VAT;
- h) Instructing agents, to value the Company's assets and dealing with any queries;
- i) 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 lease in respect of Redditch.

## **8. RECEIPTS AND PAYMENTS ACCOUNT**

A copy of the Joint Administrators' receipts and payments account for the period from 7 September 2017 to 17 October 2017 is attached at Appendix 2. I would comment on the account as follows:-

### **8.1 RECEIPTS**

#### **8.1.1 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 not passed to employers and £8,368.38 in respect of unpaid invoices as a result of independent audits completed in May 2017.

Therefore the Net Payment received from the ESFA was £258,143.15.

#### **8.1.2 Cash at bank**

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

#### **8.1.3 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.



## **8.2 PAYMENTS**

### **8.2.1 Travel**

The sum of £240.21 was incurred in relation to my staff's travel costs in attending the Company's Hebburn premises on 16 August to assist DH to make the staff redundant and to deal with staff enquiries.

### **8.2.2 Preparation of S. of A.**

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

### **8.2.3 Legal Fees**

The amount of £6,100 (plus VAT) was paid to Moon Beaver ("MB") in respect of their services in the 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.

### **8.2.4 Temporary Staff Costs**

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

## **8.3 EXPENSES INCURRED BUT NOT YET RECHARGED TO THE ESTATE**

### **8.3.1 Specific Bond**

The sum of £930 has been incurred in respect of the specific bond, which is the cost of insurance in respect of realisations by the Joint Administrators as required by the Insolvency Practitioners Regulations 2005.

### **8.3.2 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.

### **8.3.3 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.

### **8.3.4 Statutory Advertising**

The sum of £84.60 has been incurred in respect of the costs for the publishing of statutory advertising in newspapers and the London Gazette in respect of the Joint Administrators' appointment.

#### **8.3.5 Agents fees**

The amount of £3,000 plus VAT and disbursements is due to Lambert Smith Hampton ("LSH") in respect of their fees both prior to and post Administration for attending the Company's premises and for providing the valuation of the Company's assets.

LSH were 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 is time costs.

Also, the amount of £200 plus VAT is due to DC Reclamation Ltd ("DC") in respect of their basic fee for attending the Company's premises to collect the Company's IT equipment.

DC were selected as agents on the basis of their experience and expertise in dealing with the sale of IT equipment, taking into account the locality and size of the Company. The agreed basis of DC's fees was a basic fee of £200 per day and 50% of net proceeds from the sale of the IT equipment.

#### **8.3.6 Debt Collection Fees**

DH has been instructed to assist with the collection of the ESFA payment and other debtors monies, 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.

#### **8.3.7 Joint Administrators Pre-Appointment time costs**

As detailed in Appendix 4, the sum of £43,872 is outstanding in respect of the Joint Administrators Pre Appointment time costs.

#### **8.3.8 Joint Administrators Post-Appointment time costs**

As detailed in Appendix 4, the sum of £46,786 is outstanding in respect of the Joint Administrators Post Appointment time costs.

### **9. STATEMENT OF AFFAIRS**

The Company's members were requested to prepare a Statement of Affairs pursuant to Paragraph 47 of the Schedule. DH requested assistance from his professional advisors GMK Sporting Services Ltd, in the preparation of the statement of affairs which is included at Appendix 5.

The creditors' claims are based on the last known position from the Company's records. Creditors, if they have not already done so, are requested to submit a formal proof of debt in order that the final position may be ascertained, although it is not the responsibility of the Joint Administrators to formally agree claims.



## **10. CREDITORS, PRESCRIBED PART AND DIVIDEND PROSPECTS**

### **10.1 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.

### **10.2 Preferential Creditors**

There will be preferential claims for those employees who are owed unpaid wages and holiday pay. Under the provisions of Schedule 6 of the Insolvency Act 1986, any amounts outstanding to employees in respect of unpaid wages (up to a maximum of £800) and outstanding annual leave entitlements are afforded priority over the claims of floating charge creditors and ordinary unsecured creditors.

It is likely that a significant element of the preferential claim will be claims which are subrogated to the Secretary of State, following payment to the employees by the Redundancy Payments Office.

Although the Joint Administrators are yet to receive notification of the preferential creditors' claims, on current information, it is expected that the preferential claims in respect of arrears of pay and holiday pay, including the claim that will be made by the RPO, will amount to approximately £172,000 in respect of 88 employees.

It is envisaged that there will be sufficient funds available to enable a distribution to be paid to preferential creditors, however it is currently uncertain if this will be payment in full.

### **10.3 Prescribed Part**

Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 14 September 2003 a prescribed part of the Company's net property shall be made available to unsecured non-preferential creditors.

As there are currently no amounts owed to the chargeholder, this provision is not applicable.

### **10.4 Non-Preferential Unsecured Creditors**

In addition to the Company's liabilities to the secured and preferential creditors, there are also trade and expense creditors, and Crown liabilities as set out in the attached Statement of Affairs.

The ex employees unsecured claim in respect of arrears of wages, lieu of notice, and statutory redundancies and enhanced redundancy is estimated to be around £259,000.

### **10.5 Dividend Prospects**

It is currently unknown if Preferential creditors are to be paid in full and 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.



## **11. INVESTIGATION BY THE JOINT ADMINISTRATORS**

The Joint Administrators will investigate and, if appropriate, pursue any claims that the Company may have under the Companies Acts 1985 and 2006 or the Insolvency Act 1986.

During my initial investigations, I have identified a number of claims against third parties which are substantial and upon which I am being advised by Messrs Ward Hadaway. I have also identified potential sums which may be due to be repaid to the Company by DH. My investigations are on-going and I will be able to report in fuller detail in my next report.

The Joint Administrators are required, within three months of their appointment, to submit a return on the conduct of all persons who have acted as either Directors or shadow directors of the Company during the period of three years ending on the date of the Joint Administrators' appointment. To facilitate the preparation of that return and our enquiries into the Company's affairs, the Joint Administrators have already invited creditors to provide them with information on any matters of concern to the creditors.

## **12. CREDITORS' MEETING BY CORRESPONDENCE**

An initial creditors' meeting is being convened by correspondence in accordance with Paragraph 58 of Schedule B1 to the Insolvency Act 1986 to consider the Joint Administrators' proposals and specific resolutions, as required by the Insolvency Rules, as regards the basis of the Administrators' remuneration, expenses, pre-administration costs and the timing of their discharge from personal liability on vacating office.

Formal notice of the business being conducted (Form 2.25B), which includes the Resolution(s) being proposed, has been sent to all creditors for their use. Please note that you will be bound by our proposals if they are approved by the requisite majority of creditors. It is therefore important that you read this document carefully.

Creditors, singly or as a group, whose debts amount to at least 10% of the total debts of the Company, may request a meeting. Under the provisions of Rule 2.48(7), any requests for an initial creditors meeting must be made in writing to my office within 5 business days from the date that my letters to creditors informing them of the proposal being available for reading or downloading from my Firm's website were sent out to creditors. If the request is by a group of creditors, the following must be provided along with the request as set out under Rule 2.37(1):

- (a) A list of creditors concurring with the request, showing the amounts of their respective debts in the Administration;
- (b) From each creditor concurring, written confirmation of his concurrence; and
- (c) A statement of the purpose of the proposed meeting.

## **13. ENDING OF ADMINISTRATION**

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

- Compulsory Winding Up
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Director
- Dissolution of Company (i.e. striking off the Companies House register)



The Joint Administrators recommend that the Company should move from Administration to Creditors' Voluntary Liquidation in accordance with the provisions of paragraph 83 of IA1986 in order that the Liquidators may adjudicate creditors' claims and pay a dividend to the unsecured creditors.

#### **14. JOINT ADMINISTRATORS' REMUNERATION**

- 14.1 As Administrator, under the provisions of R2.106 of the Insolvency Rules 1986, I am required to provide creditors with details of the work I propose to undertake in the Administration and the expenses I consider will be, or are likely to be incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration is to be fixed.
- 14.2 In addition to this, where an Administrator seeks to pass a resolution to agree the basis of his remuneration by reference to the time properly spent by him and his staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 14.3 In this case, I am seeking to agree that my remuneration be based on the time properly spent by me and my staff in dealing with the affairs of the Company. My fees estimate and details of the work I propose to undertake can be found in Appendix 3 to this report. Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if I consider the estimate will be exceeded during the Administration, I am obliged to seek further approval for any increase in my remuneration
- 14.4 I will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course.
- 14.5 We have now reviewed our time costs both for the period prior to our appointment and for the period in Administration from 7 September 2017 to 16 October 2017. A detailed report of our time costs is attached at Appendix 4.

#### **15. PRE-APPOINTMENT COSTS**

As stated in Appendix 4, unpaid pre-appointment costs are not part of the above proposals subject to approval under paragraph 53. However, in accordance with Rule 2.67A the Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and in Appendix 4 from creditors.

#### **16. EC REGULATION ON INSOLVENCY PROCEEDINGS**

It is considered that the EC regulation applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation as the Company was incorporated in England and the centre of main interest of the Company is in England and Wales within the United Kingdom.

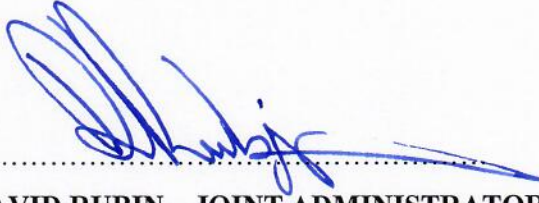
#### **17. JOINT ADMINISTRATORS' FORMAL PROPOSALS**

The Joint Administrators hereby make the following proposals, in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986, for the achievement of the purpose of the administration and creditors are asked to consider and cast their votes thereon or put forward any modifications they wish using the Form 2.25B sent to them by post:-



- 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.





**DAVID RUBIN – JOINT ADMINISTRATOR**

**DATE: 18 OCTOBER 2017**

**APPENDIX 1**

**STATUTORY INFORMATION**

**Date of incorporation:** 18 April 2007

**Registered number:** OC327583

**Registered Office:** c/o David Rubin & Partners  
26-28 Bedford Row  
London  
WC1R 4HE

**Trading Address:**

(1) Harperco House Units 4-5  
Merchant Court  
Monkton Business Park South  
Hebburn  
South Tyneside  
NE31 2EX

(2) The Neptune Works  
Beoley Road West  
Redditch  
B98 8LY

**Trading Name:** Talent Training

**Members:** David Harper  
Talent Partnerships (UK) Limited  
Harperco Limited

**Profit and Capital Sharing Ratio :**

96% David Harper  
2% Talent Partnerships (UK) Limited  
2% Harperco Limited



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

Statement of Affairs		From 07/09/2017 To 16/10/2017
£		£
	<b>ASSET REALISATIONS</b>	
1,000.00	Fixtures & Fittings	NIL
1,000.00	Equipment	NIL
274,000.00	Debtors - ESFA	258,143.15
80,000.00	Debtors - Other	NIL
Uncertain	Claims in Litigation	NIL
NIL	Amounts owed by Associated Company	NIL
64,000.00	Cash at Bank	63,931.99
Uncertain	Members Account	NIL
31,000.00	Cash held on Appointment	31,200.00
NIL	Goodwill	NIL
NIL	PERA Assets	NIL
		<u>353,275.14</u>
	<b>COST OF REALISATIONS</b>	
	Travel	240.21
	Preparation of S. of A.	1,500.00
	Legal Fees	6,100.00
	Professional Fees	6,081.22
		<u>(13,921.43)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(172,009.74)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(1,096,980.75)	Trade & Expense Creditors	NIL
(259,200.01)	Employees	NIL
(152,164.57)	H.M. Revenue & Customs (P.A.Y.E.)	NIL
(1,085.00)	HM Revenue & Customs (VAT)	NIL
(194,033.88)	Connected Companies	NIL
		<u>NIL</u>
<u><b>(1,424,473.95)</b></u>		<u><b>339,353.71</b></u>
	<b>REPRESENTED BY</b>	
	Vat Receivable	1,200.00
	Current Account	338,153.71
		<u><b>339,353.71</b></u>

## **APPENDIX 3**

### **TALENT TRAINING (UK) LLP - IN ADMINISTRATION**

#### **JOINT ADMINISTRATORS' ESTIMATE OF THE COSTS FOR THE ADMINISTRATION**

As Joint Administrators, we are seeking to agree the basis of our remuneration in respect of this case on the time properly spent by us and our staff in dealing with the affairs of the Company. I have set out in Appendix 4 my firm's time cost in respect of pre-appointment work and also the work carried out from appointment to 16 October 2017. I attach at Appendix 3A estimates of the further work which we consider will be necessary in the conduct of the administration. These estimates are provided to creditors in accordance with the requirements set out in the Insolvency (Amendment) Rules 2015. However, the Administrators' fees will be charged by reference to time properly spent by the Administrators and their staff in managing the Administration. If the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn.

In Appendix 3A, I have set out against each task the further time I estimate to be necessary to complete each particular task properly, analysed by different grades of staff. The estimate is intended to be viewed on a total basis and not on the basis of the individual tasks which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated and, therefore, the guide should be taken as a whole. In addition, the estimate of £158,450, together with the time already spent of £46,786 as shown in Appendix 4A, totalling £205,236 is a ceiling that is initially binding on us as Joint Administrators, but we have the right to refer back to creditors in circumstances where we consider that the time cost fees estimate will be exceeded.

If I consider that the total estimate of £205,236 plus VAT is likely to be exceeded and doing so would result in better prospects of recovery for the creditors, I will seek sanction from creditors for a revised estimate and explain why I perceive there to be a benefit to the creditors of approving any increase in fees.

My firm's general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and 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.

My firm's current hourly charge-out 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

Charge-out 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.



### **Explanations of the Estimates**

The majority of the tasks listed in Appendix 3 are self-explanatory and I do not therefore propose to elaborate on these. Creditors who require further details should feel free to contact my office. However, creditors may get a better understanding of the work and cost involved if I list out, in broad term, the various tasks which Administrators are required to complete in order to comply with statutory requirements and Best Practice protocols as set out in Statements of Insolvency Practice ("SIPs") issued by the Joint Insolvency Committee, as follows:-

#### ***Administration (including statutory compliance & reporting)***

Under insolvency legislation the Administrator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. These tasks, as applicable, consist of:

- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House.
- Opening, maintaining and managing the Administration estate cashbook, bank account(s).
- IPS set-up - Creation and update of case files on the firm's insolvency software which include company information, creditors, debtors and employees details.
- Securing the Company's books and records.
- Complying with statutory duties in respect of the Administrator's specific penalty bond.
- Trading as appropriate.
- Instructing valuers and agents and overseeing the sale of the business.
- Redirection of the Company's mail to the Administrator's office
- Pension regulatory reporting, auto-enrolling whilst trading and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the liquidation
- Filing a statutory return to the Department for Business, Innovation and Skills under the CDDA
- Preparing a paragraph 49 Report and formulating the Joint Administrators' Proposal
- Preparing and issuing half yearly progress reports to members and creditors
- Lodging periodic returns with the Registrar of Companies for the Administration
- Establishing and holding periodic meetings of the Creditors' Committee and associated filing formalities (if a committee is appointed)
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter). Although these reviews are not a legal requirement, Regulatory Bodies who monitor the work of the Administrator see this task as a best practice requirement with which the Office Holder is required to comply.

#### **Investigations**

As Administrators, we are required by the Company Directors Disqualification Act 1986 to review the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency. The time estimated for this work is the minimum that is considered necessary in order to carry out any meaningful investigation.

SIP2 also requires that I review the Company's financial affairs in order to make an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further



investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake in order to be satisfied that all assets belonging to the Company have been accounted for. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

### **Realisation of assets**

The Administrators will liaise with the agents in order to oversee the marketing and sale of the assets of the Company.

In addition, the Joint Administrators will be working closing with the Company's instructed solicitors Ward Hadaway in order to review and consider legal action against three parties which if successful could result in significant realisations for the estate.

The Joint Administrators will also be working closing with DH in order to seek maximum recoveries from the Company's debtor's ledger of which the book value is in excess of £1 million

### **Creditors (claims and distributions)**

The Administrators have been dealing with all preferential and unsecured creditors' correspondence and claims as received.

Based on current information, it appears likely that preferential creditors will be paid in full and I anticipate incurring time costs in review and agreeing the preferential claims of the Company circa 100 employees. This will also involve further time costs in dealing with any employee queries that may arise.

Although it is currently uncertain as to whether there will be sufficient funds to pay a dividend to unsecured creditors. I have provided an estimate for dealing with creditor's queries and acknowledging creditors' claims.

### **EXPENSES AND 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, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be incurred in dealing with the Company's affairs. I will provide update to creditors in my future progress reports.

<b>Expense</b>	<b>Provider</b>	<b>Basis of fee arrangement</b>	<b>Cost to date</b>
Book debt collection	David Harper	10% of realisations plus expenses.	£29,814.31
Agent's costs in dealing with property/chattel asset sales	Lambert Smith Hampton	Time costs plus disbursements	£3,000
Solicitor's costs in dealing with potential legal actions	Ward Hadaway	Time costs under a Conditional Fee Arrangement.	Nil
Statutory advertising	Enter name of advertising agency used	At cost	£84.60
Administrator's bond	AXA Insurance UK Plc	At cost	£930.00
Staff related travel expenses	Direct cost of Administrator & his staff	At cost	£240.21
IT recycling costs	DC Reclamation Ltd	Daily rate of £200 and 50% of net realisations.	£200.00

### **Indirect expenses ("Category 2 disbursements")**

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Approval to charge these will be sought from creditors when the basis of our remuneration as Administrators is fixed. The Category 2 disbursements which this firm proposes to charge in this case are unlikely to exceed £2,000 overall and are as follows:-

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

### **Storage and Archiving Charges**

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £60 per hour.

### **Travel**

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.



## TALENT TRAINING (UK) LLP

JOINT ADMINISTRATORS' ESTIMATE OF TIME COSTS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
IPS set up & maintenance	00:00	01:30	09:00	00:30	11:00	2,202.50	200.23
Statutory filings, circulars, notices, etc.	01:00	02:00	18:00	00:00	21:00	4,300.00	204.76
Case planning, strategy & control	10:00	15:00	35:00	00:00	60:00	16,025.00	267.08
Taxation: PAYE, C/Tax & VAT	04:00	02:00	13:00	00:00	19:00	4,560.00	240.00
Accounting & Cashiering	00:18	01:00	04:00	15:00	20:18	3,130.00	154.19
Case reviews & Diary maintenance	02:00	05:00	18:00	00:00	25:00	5,635.00	225.40
Statutory reporting and compliance	09:00	15:00	45:00	00:00	69:00	17,220.00	249.57
<b>Investigations</b>							
CDDA preparation & reporting	01:00	05:00	19:00	00:00	25:00	5,605.00	224.20
SIP2 assessment and financial review	01:00	02:30	08:00	00:00	11:30	2,827.50	245.87
Antecedant transactions & wrongful trading	05:00	09:00	15:00	00:00	29:00	8,005.00	276.03
Proceedings & recoveries	05:00	10:00	07:00	00:00	22:00	6,660.00	302.73
<b>Realisation of assets</b>							
Freehold & leasehold properties	00:00	06:00	06:00	00:00	12:00	3,090.00	0.00
Intangible assets	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Tangible assets	01:00	05:00	09:00	00:00	15:00	3,685.00	245.67
Shares & Investments	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Book debts collection	25:00	35:00	70:00	00:00	130:00	34,975.00	269.04
<b>Creditors &amp; distributions</b>							
Secured creditors	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Unsec'd Creditors: correspondence & claims	02:00	10:00	50:00	00:00	62:00	13,650.00	220.16
Preferential creditors & employees	02:00	40:00	74:00	00:00	116:00	26,880.00	231.72
Retention of Title	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Creditors' Committee	00:00	00:00	00:00	00:00	00:00	0.00	0.00
<b>Total hours and costs</b>	<b>68:18</b>	<b>164:00</b>	<b>400:00</b>	<b>15:30</b>	<b>647:48</b>	<b>158,450.00</b>	<b>244.60</b>

## **APPENDIX 4**

### **JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES**

#### **Pre-Appointment Costs: Statement under Rule 2.33(2B) of the Insolvency Rules 1986**

Unpaid pre-appointment costs as an expense of the administration is:-

- (i) Subject to approval under Rule 2.67A, and
- (ii) Not part of the proposals subject to approval under paragraph 53.

By a letter of engagement between David Rubin & Partners and the Company, dated 2 August 2017, the Company agreed to pay for our time costs for assistance and advice on a prospective Administration of the Company.

#### **Pre-Appointment Time Costs**

The time costs we incurred between our first being consulted and the date of our appointment were £43,872 plus VAT for a total of 180.30 hours. This represents an average hourly charge out rate of £243.06 per hour, which remains outstanding. An analysis of the time spent is provided at Appendix 4A.

#### **Overview**

Our firm, David Rubin & Partners, was first consulted in the first week of August 2017. A number of meetings took place with the Company's management to determine the financial position of the Company and to consider what options might be available to the Company.

Having established that the Company was insolvent (as detailed in section 4 of the main report above) and that the Company's significant asset was its order book, it was appropriate for the Company to file a Notice of Intention to Appoint Administrators to provide protection for the Company against any legal action from creditors.

This would allow DH time to approach numerous potentially interested parties about acquiring the Company's order book, which would have been in the best interest of the Company's creditors and also potentially saving a number of the Company's employee's jobs.

As DH's extensive negotiations were on-going, and with the funding due from the ESFA continuing to be on hold, we discussed with management the potential issues surrounding the workforce. The Company did not have sufficient funds to continue to meet staff wages and the decision was made to make the Company's workforce redundant. My staff attended a staff meeting on 16<sup>th</sup> August to assist with handling redundancies and the provision of assistance to those persons made redundant.

As an Administration was clearly going to be the best way of preserving maximum value for all creditors, we advised on the steps required to appoint Administrators and we engaged the services of solicitors, Moon Beever, who were both competent enough to handle the complexities of the case and also who had no prior professional relationship with the Company or its management.

Unfortunately despite DH extensive efforts to find a purchaser, a sale could not be conducted and the decision was made to place the Company into Administration on 7 September 2017.



### **Issues impacting on the level of costs**

In addition to numerous meetings with the management to advice on a suitable strategy to achieve the best possible outcome for the Company creditors, myself and my staff have been liaising with DH to obtain regular updates on his negotiations to sale the Company's order book. Although DH negotiations was ultimately unsuccessful, it was in the best interest of creditors to fully explore this option as it would of preserved the value of the Company's significant asset.

Following the redundancy of all the Company's employees, my staff received substantial correspondences from the employees with queries regarding their claims and requesting updates on the progress of DH's negotiations and confirmation of the Administration proceedings.

### **Pre-appointment expenses**

Moon Beever have also been providing legal advice in the period leading up to the Administration and in particular the effects of the new Insolvency rules 2016 and the filling of successive Notice of Intentions to Appoint Administrators. Their time costs for this work, which has been paid amounts to £6,000 plus VAT together with Court Fees of £100.

### **Seeking Approval for Payments**

In accordance with rule 2.67A of the Insolvency Rules 1986 (as amended), we shall be seeking the approval of the Creditors Committee, if one is appointed, to our drawing the of our pre-appointment time costs and the disbursement of the pre-appointment expenses as reported at 8.2.1, 8.3.5 and 8.3.7 of this Report and in this Appendix. If no Committee is appointed, we will seek the approval of the creditors at the meeting.

### **Post-appointment**

The time costs we have incurred from the date of our appointment to 16 October 2017 amount to £46,786 plus VAT for a total of 206.24 hours. This represents an average hourly charge out rate of £226.68 per hour. We have not drawn any fees on account and this entire sum is outstanding. An analysis of the time spent is also provided at Appendix 4A.

### **Case overview**

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

As detailed in section 6 of the main report above, the Company's significant asset was the funding due to be received from the 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 certificate where relevant, which will allow the smooth transfer of the learners to alternative training providers.

It was agreed that DH, with this assistance of 3 former staff members would collate the information required by 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 have been liaising with the landlord for the Hebburn premises in order to arrange for vital services to be maintained.



As 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.

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.

### **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 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 Redundancy Payments Service to ensure claims are corrected and processed efficiently.

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 a meeting with WH to discuss the merits. Litigation is at an early stage 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.

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

USERNAME: [T472@drco.co.uk](mailto:T472@drco.co.uk) PASSWORD: 274TyI\*!

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

### **Provision of further information**

Within 21 days of receipt of this progress report, creditors may request the Administrators to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. Further details are set out at paragraph 8.2 and 8.3 of the Creditors' Guide to Administrators' Fees by following the URL link provided above.



## TALENT TRAINING (UK) LLP - IN ADMINISTRATION

## JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COSTS

2 AUGUST 2017 TO 6 SEPTEMBER 2017

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Administration, Strategy and Planning</b>							
IPS set up & maintenance	00:00	00:00	04:06	00:00	04:06	551.00	134.39
Case planning, strategy & control	11:00	36:30	42:48	00:00	90:18	23,949.50	265.22
Taxation: PAYE, C/Tax & VAT	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Accounting & Cashiering	00:00	00:00	01:00	00:30	01:30	210.00	140.00
SIP16 Considerations	00:00	00:00	00:00	00:00	00:00	0.00	0.00
<b>Review &amp; Valuation of Assets</b>							
Chattels Assets	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Book Debts	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Properties	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Goodwill & Intellectual Properties	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Shares & Investments	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Others: Liaising with agents, Review of contracts, etc.	01:18	00:00	00:00	00:00	01:18	585.00	450.00
<b>Creditors</b>							
Secured creditors	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Unsec'd Creditors: correspondence & claims	00:00	00:00	01:36	00:00	01:36	256.00	160.00
Retention of Title Claims	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Preferential creditors & employees	00:00	40:30	41:12	00:00	81:42	18,320.50	224.24
<b>Total hours and costs</b>	<b>12:18</b>	<b>77:00</b>	<b>90:42</b>	<b>00:30</b>	<b>180:30</b>	<b>43,872.00</b>	<b>243.06</b>

## JOINT ADMINISTRATORS' TIME COSTS

FOR THE PERIOD 7 SEPTEMBER 2017 TO 16 OCTOBER 2017

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
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	03:30	23:00	00:00	26:48	5,525.50	206.18
Case planning, strategy & control	06:12	00:00	00:00	00:00	06:12	2,790.00	450.00
Taxation: PAYE, C/Tax & VAT	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Accounting & Cashiering	00:00	00:00	02:36	01:00	03:36	618.00	171.67
Case reviews & Diary maintenance	00:00	00:00	00:12	00:00	00:12	32.00	160.00
Statutory reporting and compliance	00:00	11:00	17:00	00:00	28:00	6,835.00	244.11
<b>Investigations</b>							
CDDA preparation & reporting	00:00	00:00	01:18	00:00	01:18	208.00	160.00
SIP2 assessment and financial review	00:00	00:00	00:24	00:00	00:24	64.00	160.00
Antecedant transactions	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Proceedings & recoveries	00:00	05:00	00:00	00:00	05:00	1,475.00	295.00
<b>Realisation of assets</b>							
Freehold & leasehold properties	00:36	00:00	02:00	00:00	02:36	710.00	273.08
Intangible assets	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Shares & investments	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Book debts collection	00:00	23:30	07:48	00:00	31:18	8,636.50	275.93
Tangible assets	00:00	01:00	05:12	00:00	06:12	1,355.00	218.55
<b>Creditors</b>							
Secured creditors	00:00	00:00	00:00	00:00	00:00	0.00	0.00
Unsec'd Creditors: correspondence & claims	01:30	00:00	15:54	00:00	17:24	3,609.00	207.41
Preferential creditors & employees	00:00	07:00	70:06	00:00	77:06	14,880.00	193.00
Creditors' Committee	00:00	00:00	00:00	00:00	00:00	0.00	0.00
<b>Total hours and costs</b>	<b>08:36</b>	<b>51:00</b>	<b>145:48</b>	<b>01:00</b>	<b>206:24</b>	<b>46,786.00</b>	<b>226.68</b>

Rule 2.29

Form 2.14B

**Statement of affairs**

Name of Company

TALENT TRAINING (UK) LLP

Company Number

OC327583

In the

HIGH COURT OF JUSTICE, CHANCERY DIVISION,  
COMPANIES COURT

[full name of court]

Court case number

CR – 2017-006017

(a) Insert name and address of  
registered office of the company

Statement as to the affairs of <sup>(a)</sup>TALENT TRAINING (UK) LLP - IN ADMINISTRATION  
of David Rubin & Partners, , 26-28 Bedford Row, London WC1R 4HE

(b) Insert date

on the <sup>(b)</sup>7 September 2017, the date that the company entered Administration.

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**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete  
statement of the affairs of the above named company as at <sup>(b)</sup>7 September 2017 the date that  
the company entered administration.

Full name: DAVID HARPER

Signed



Dated

29 September 2017



## Assets

NIL

NIL

PERA ASSETS

Estimated total assets available for preferential creditors

Book Value £,000	Estimated to Realise £,000
6	1
2	1
64	64
31	31
274	274
1,104	80
-	UNKNOWN
403	NIL
UNKNOWN	UNKNOWN
634	NIL
28	NIL
2,546	451

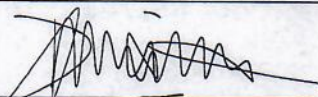
Signature

Date 29 September 2017

## A1 – Summary of Liabilities

	Estimated to realise £,000
<b>Estimated total assets available for preferential creditors (carried from page A)</b>	<b>£ 461</b>
<b>Liabilities</b>	
Preferential creditors:-	
<b>Estimated deficiency/surplus as regards preferential creditors</b>	<b>£ (172)</b>
Estimated prescribed part of net property where applicable (to carry forward)	<b>£ 289</b>
<b>Estimated total assets available for floating charge holders</b>	<b>£</b>
Debts secured by floating charges	<b>£ NIL</b>
<b>Estimated deficiency/surplus of assets after floating charges</b>	<b>£</b>
Estimated prescribed part of net property where applicable (brought down)	<b>£</b>
<b>Total assets available to unsecured creditors</b>	<b>£ 289</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	<b>(1,752)</b>
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	<b>£ (1,463)</b>
Shortfall to floating charge holders (brought down)	<b>£</b>
<b>Estimated deficiency/surplus as regards creditors</b>	<b>£ (1,463)</b>
Issued and called up capital	<b>£</b>
<b>Estimated total deficiency/surplus as regards members</b>	<b>£ NA</b>

Signature



Date

29 September 2017



**NOTES TO BE READ IN CONJUNCTION WITH THE STATEMENT OF AFFAIRS**

Note 1. Certain creditors are also included in other debtors. At this stage, the amounts have not been netted down.

Note 2. Unsecured creditors comprised the following:

	£,000
Suppliers and employees expense claims	1,200
HMRC	153
HarperCo (Associated)	90
Estimated shortfall on leasing contracts	50
Estimated employee claims	259
TOTAL	1,752

Note 3. No provision has been made for the cost of Administration



David Harper  
29 September 2017

**Talent Training (UK) LLP**  
**B - Company Creditors**

Key	Name	Address	£
C100	1st Storage Centers	Stoneygate Close, Gateshead, NE10 0AZ	302.93
CA01	Abbey Design, Display & Exhibitions Ltd	Unit 31a - 31b, Heming Road, Redditch, Worcestershire, B98 0DH	816.00
CA02	AEL Systems Ltd	AEL Systems Ltd, Innovation house, Leaside, DL5 6DE	916.80
CA03	Allstar Business Solutions Ltd	PO Box 1463, Windmill Hill, Swindon, SN5 6PS	701.30
CA04	AMS Nationwide Traininmg Ltd	Suite C, St Hughes House, Stanley Road, Liverpool, L20 3QQ	16,389.84
CA05	Aspen Executive Cars	24 Cottersdale Gardens, Newcastle Upon Tyne, NE5 1JQ	1,419.74
CA06	Athens Law	Gregs Building, 1 Booth St, Manchester, M2 4DU	4,920.00
CB00	Ian Blake (Dairyman)	31 Henderson Road, South Shields, Tyne & Wear, NE34 9QN	72.50
CB04	Baldwins (Wynyard) Ltd	Wynyard Park House, Wynyard Avenue, Wynyard, TS22 5TB	361.20
CB05	British Telecom	BT Correspondence Centre, Durham, DH98 1BT	1,629.60
CB06	Jane Burbeary	6 Dovecot Lea, Sothall, Sheffield, S20 2UA	1,016.75
CB07	Stephen Burn	12 Burdon Court, Hordon, Peterlee, County Durham, SR8 4JA	742.50
CB08	Jonathan Burt	31 Hackwood Glade, Hexham, Northumberland, NE46 1AL	450.00
CB09	Bill Croft Associates Ltd	4 Harvine Walk, Norton, Stourbridge, West Midlands, DY8 3BQ	5,632.96
CC07	City & Guilds	1 Giltspur Street, London, EC1A 9DD	2,318.00
CC08	Cathedral Leasing Limited	300 Relay Point, Relay Drive, Tamworth, Staffs, B77 5PA	233.06
CC09	cfa Skills	6 Graphite Square, Vauxhall Walk, London, SE11 5EE	7.50
CC0A	Clean It UK	45 Cuthbert Court, Bede Industrial Estate, Jarrow, Tyne & Wear, NE32 3EG	115.20
CC0B	Clive Owen LLP	140 Coniscliffe Road, Darlington, Co Durham, DL3 7RT	534.00
CC0C	Cardiff and Vale College	Colcot Road, Barry, CF62 8YJ	55,061.36
CD04	Driving Careers Limited	c/o David Rubin & Partners, 26-28 Bedford Row, London, WC1R 4HE	15,617.00
CE00	NCFE	Q6 Quorum Business Park, Benton Lane, Newcastle Upon Tyne, NE12 8BT	13,499.00
CE02	Eddie Stobart Ltd	Stretton Green Dist Park, Langford Way, Appleton, Cheshire, WA4 4TQ	5,025.00
CE03	Education & Training Foundation	157-159 Buckingham Palace Road, London, SW1W 9SP	1,400.00
CF05	Focus Multimedia	The Studios, Lea Hall Enterprise Park, Wheelhouse Road, Rugeley, WS15 1LH	193.80
CF06	ForSkills	Mansfield I-centre, Oakham Business Park, Hamilton Way, Nottinghamshire, NG18 5BR	200.00
CF07	Funding4Training	Ground Flr, 1C Ocean House Business Centre, Bently Way, New Barnet, Herts, EN5 5FP	37,200.00
CG00	G9 Recruitment	62 Airedale View, Cross Hills, North Yorkshire, BD20 7DJ	14,649.14
CG02	Chelsea Gleave	2 Churchill Way, Sandy, Bedfordshire, SG19 1LP	167.33

  
 Signature



**Talent Training (UK) LLP**  
**B - Company Creditors**

Key	Name	Address	£
CG04	Glass & Fenestration Training Solutions Ltd	4 The Crescent, Adel, Leeds, LS16 6AA	12,377.35
CG05	GPRS Recruitment Ltd	The Bankhouse, Salter Street, Stafford, ST16 2JU	13,770.00
CG06	GT Executive Solutions	12 Chambres Road, Southport, PR8 6JQ	1,085.90
CH01	HM Revenue and Customs	Benton Park View, Longbenton, Newcastle, NE98 1ZZ	153,249.57
CH03	Highfield Awarding Body for Compliance Ltd	Highfield House, Sidings Court, Lakeside,, Doncaster, South Yorkshire, DN4 5NL	77,893.70
CH04	Holsectraining	18 Chilham Street, Bolton, Lancashire, BL3 3QX	1,412.02
CH0A	Lisa Holligan	59 Molyneux Drive, Wallasey, Merseyside, CH45 1JS	208.08
CH0B	hco-consult Limited	HarperCo House, Monkton Business Park South, Hebburn, Tyne & Wear, NE31 2EX	88,399.88
CH0C	The Hannan Partnership	The Stone House, 1 Hall Rise Close, Bramhope, Leeds, LS16 9LA	1,298.28
CH0D	Harper Co td	HarperCo House, Unit 4 & 5, Merchant Court, Hebburn, Tyne & Wear, NE31 2EX	90,017.00
CI00	Icon Training (subcontractor)	61 Newport Road, Caldicot, Monmouthshire, NP26 4BR	258.70
CI01	Jac Ingram	8 The Factory, Castle Eden, Hartlepool, TS27 4SR	9,100.00
CJ01	JT Development Solutions Ltd	Pavillion Business Centre, Leeds, LS28 6NB	151,953.00
CJ03	J Coates (HGV Services) Ltd	c/o Thomas Higgins Limited, Lloyds Chambers, 19-21 Seaview Road, Wallasey, CH45 4TH	7,803.60
CK00	Angus Keen	2 St Nicholas, Horsham Rd, Mid Holmwood, Dorking, Surrey, RH54ER	2,500.00
CK01	KFM Training Ltd	29-30 Silver Street, Hull, East Yorkshire, HU1 1JG	18,504.10
CK02	KF Training	Whitehouse Point 3, Whitehouse Business Park, Traynor Way, Peterlee, Co Durham, SR8 2RU	12,084.32
CK03	KPMG LLP	Dept 791, 58 Clarendon Road, Watford, WD17 1DE	9,671.24
CK04	Krisp N Kleen	Imex Business Centre, Oxleasow Road, Redditch, B98 0RE	2,808.00
CK06	Karl Ambler (Inspire 2 Learn)	66 Repton Rd, Hartshorne, Sth Derbyshire, DE11 7AF	10,287.32
CL00	Learn Skills Today	348 Soho Road, Birmingham, B21 9QL	25,381.74
CL01	Lex Vehicle Partners	Heathside Park, Heathside Park Rd, Stockport, Cheshire, SK3 0RB	1,488.03
CL02	Lsect Ltd	161 - 165 Greenwich High Road, London, SE10 8JA	306.00
CL03	Aaron Lynch	129 Dornie Drive, Kings Norton, Birmingham, B38 9DZ	3,329.60
CM00	Ian Malcolm	59 Simonside Hall, South Shields, NE34 9DD	3,000.00
CM02	Manx TC	45 Caldera Rd, Hadley, Telford, Shropshire, TF1 5LT	0.09
CM03	Maxim Facilities Management	Unit 60-62 Wearfield, Sunderland Enterprise Park, Sunderland, SR5 2TA	1,821.33
CM04	MD Transport Ltd	15 Epsom Close, Redditch, Worcs, B97 5FD	230.00

  
 Signature



**Talent Training (UK) LLP**  
**B - Company Creditors**

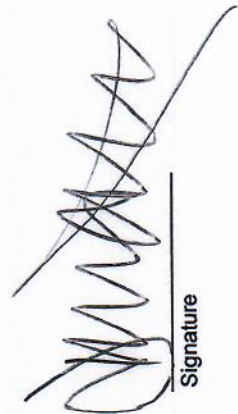
Key	Name	Address	£
CM05	MG Care Executive	Unit 4 Gidleys Meadow, Christow, Devon, EX6 7QB	104.98
CM06	Microsoft Ireland Ltd	Atrium Building Block B, Carmanhall Road, Sandyford Ind Estate, Dublin 18, Ireland	2,021.46
CM08	Manufacturing Training Services	23 Windermere Avenue, Ashby-De-La-Zouch, Leicestershire, LE65 1FA	8,680.00
CM09	Stephen Myers	48 Reedmace Rd, Bure Park, Bicester, Oxfordshire, OX26 3FB	3,261.39
CN00	North East Fire Safety Services	Lynnwood Buisness Centre, Lynnwood Terrace, Newcastle upon Tyne, NE4 6UL	102.00
CN01	Neopost Finance Ltd	Neopost House, South Street, Romford, Essex, RM1 2AR	357.50
CN02	NG Bailey	Denton Hall, Ilkley, West Yorkshire, LS29 0HH	9,690.59
CN03	Nibiru Projects Ltd	5 Foxcote, Longevens, Gloucester, GL2 9RW	506.40
CN04	NSPCC	National Processing Unit, Unit 2 Treglown Court, Dowlais Road, Cardiff, CF24 5LQ	1,985.65
CN05	Northumbrian Water	CUSTOMER CARE, PO BOX 300, DURHAM, DH1 9WQ	399.93
CO01	One Eighty Training Ltd	Asama Court, Newcastle Business Park, Tyne and Wear, NE4 7YD	22,928.34
CO02	Ocean Road Community Association	Ocean Road, South Shields, Tyne & Wear, NE33 2DW	2,250.00
CP00	Pellcomp Software	2 TRINITY STREET, NORWICH, NORFOLK, NR2 2BQ	2,160.00
CP01	Portakabin Ltd	New Lane, Huntington, York, YO32 9PT	514.26
CP02	Portull Training Services	70 Manchester Street, Hull, East Riding of Yorkshire, HU3 4TX	28,377.60
CP04	Positive Home Solutions Limited	6 Ferndale Gate, Blackwell, Worcestershire, B60 1GY	0.03
CP05	Protocol	The Point, Welbeck Road, Nottingham, NG2 7QW	11,173.50
CP06	Wayne Potter	85 Birch Coppice, Brierley Hill, West Midlands, DY5 1AR	177.92
CP07	Pearson Education	Kao Two, Kao Park, Harlow, Essex, CM17 9NA	3,870.40
CQ00	Quality Office Supplies Limited	Anchor Lane, Coseley, Bliston, West Midlands, WV14 9NE	1,893.29
CQ01	Qualtech Resourcing Limited	131 Lichfield Street, Walsall, WS1 1SL	73,923.79
CR00	Redditch Borough Council	Town Hall, Walter Stranz Square, Redditch, B98 8AH	7,000.00
CR01	Regional Training Partners	Belasis Business Centre, Coxwold Way, Billingham, TS23 4EA	4,400.00
CR02	Steve Reid	Stable Cottage, Norgrove Court, Lower Bentley, Redditch, B97 5UH	3,900.00
CS04	SAGE	North Park, Newcastle Upon Tyne, NE13 9AA	1,345.10
CS05	Securitas	Securitas House, Cuckoo Wharf, Lichfield Road, Birmingham, B6 7SS	219,450.00
CS06	Skills for Logistics	12 Warren Yard, Warren Farm Office Village, Milton Keynes, Bucks, MK12 5NW	154.00
CS07	SSE	PO Box 514, Basingstoke, RG21 8	1,189.16
CT01	Training and Consultancy Ltd	7 Whitehall Lane, Iveston, DH8 7TA	2,348.50
CT05	Southcrest Hotel (Redditch) Ltd	Pool Bank, Southcrest, Redditch, B97 4JS	4,924.20

Signature



**Talent Training (UK) LLP**  
**B - Company Creditors**

Key	Name	Address	£
CT06	Technocopy Ltd	106-108 North Road, Darlington, Durham, NE31 2EX	8,440.93
CT07	Training Event Safety Solutions Ltd	28 Queensbridge, Rushmills, Northampton, NN4 7BF	10,358.63
CT08	Total Training Provision Ltd	The Potting Shed West, The Nostell Estate, Wakefield, WF4 1AB	11,771.72
CT09	Tyne & Wear LGV Driver Training Centre Ltd	Smiths Yard, Felling Industrial Estate, Abbotsford Road, Gateshead, Tyne and Wear, NE10 0EX	3,682.00
CV00	Vista Training Solutions	Kalbarri House, 111-113 London Road, Plaistow, E13 0DA	101,337.00
CV01	Vital Service	28 Church Avenue, Scotland Gate, Choppington, Northumberland, NE62 5SE	4,097.27
CV02	Volkswagen Finance	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR	1,234.30
CW06	Webexpenses	Signifo Ltd, Number 3, Des Roches Square, Witton Way, Witney, OX28 4BE	1,491.00
CW07	Welcome Social Media	10 Butterfield Close, Woolstone, Milton Keynes, MK15 0BZ	720.00
CW08	Wrigglemarketing	137 Brinkburn Street, Newcastle Upon Tyne, NE6 2AR	210.00
<b>97 Entries Totalling</b>			<b><u>1,444,264.20</u></b>

  
 Signature

# COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of INTEREST held
DAVID HARPER	SOUTHLANDS, WYLAM WOOD ROAD, NE41 8HZ			96%
TALENT PARTNERSHIPS (UK) LIMITED	SOUTHLANDS, WYLAM WOOD ROAD, NE41 8HZ			2%
HARPERCO LIMITED	SOUTHLANDS, WYLAM WOOD ROAD, NE41 8HZ			2%
TOTALS				



Signature \_\_\_\_\_ Date 29 September 2017