

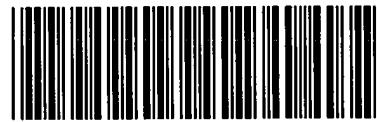
LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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A03

19/12/2024

#144

* COMPANIES HOUSE

1 Company details

Company number

Company name in full

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

2 Liquidator's name

Full forename(s)

Surname

3 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

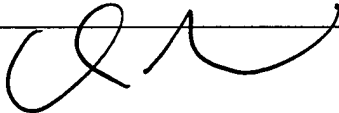
Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	1	d	9	m	1	m	0	y	2	y	0	y	2	y	3
To date	d	1	d	8	m	1	m	0	y	2	y	0	y	2	y	4
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	Signature															
	<input checked="" type="checkbox"/>								<input checked="" type="checkbox"/>							
Signature date	d	1	d	8	m	1	m	2	y	2	y	0	y	2	y	4

LIQ03

Notice of progress report in voluntary winding up



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	Kevin Mawer
Company name	Forensic Recovery Limited
Address	Sandown House
	Sandbeck Way
Post town	Wetherby
County/Region	
Postcode	L S 2 2 7 D N
Country	
DX	
Telephone	07718 520510



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

**GB Training (UK) Limited - In Liquidation
(the “Company”)**

Progress report pursuant to Rule 18.8 of The
Insolvency (England and Wales) Rules 2016

Period: 18 October 2023 to 19 October 2024

Important Notice

This progress report has been produced by the Liquidator to comply with his statutory duty to report to creditors on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- Statutory information
- Progress during the period and review of work undertaken since the date of the Liquidator's appointment
- Estimated outcome for creditors
- Liquidator's remuneration and disbursements
- Liquidator's expenses
- Creditors' rights
- Conclusion
- Appendices
 - 1. Liquidator's abstract of receipts and payments
 - 2. Liquidator's time costs and disbursements
 - 3. Liquidator's statement of expenses

1. STATUTORY INFORMATION

The company:	GB Training (UK) Limited (the "Company")
Company registered number:	4028828
Registered office:	Sandown House, Sandbeck Way, Wetherby, LS22 7DN (formerly c/o KJ Watkin & Co., Emerald House, 20-22 Anchor Road, Walsall, WS9 8PH)
Nature of business:	Training services
The Liquidator and former Liquidators:	Kevin Roy Mawer of Forensic Recovery Limited, Sandown House, Sandbeck Way, Wetherby, LS22 7DN was appointed at a virtual meeting of creditors following the removal of Christopher Moore.
Date of liquidation:	19 October 2020
Date of the Liquidator's appointment:	19 March 2024

2. PROGRESS DURING THE PERIOD AND REVIEW OF WORK UNDERTAKEN SINCE THE DATE OF THE LIQUIDATOR'S APPOINTMENT

2.1 I refer to my appointment as liquidator of the Company at a virtual meeting of the Company's creditors held on 19 March 2024 at the request of Education & Skills Funding Agency ("ESFA") (an executive agency of the Department for Education), North East Surrey College of Technology ("NESCOT") and West Midlands Combined Authority ("WMCA") pursuant to Section 171 of the Insolvency Act 1986.

2.2 At that meeting, Christopher Moore, the liquidator appointed by deemed consent on 19 October 2020, was removed from office and I was appointed as liquidator.

Background

2.3 Background information in relation to the Company's activities, assets and trading were provided in the reports relating to the director's Estimated Statement of Affairs dated 14 October 2020 and 26 October 2020, the former liquidators' Report to creditors dated 15 December 2020, his progress reports for the years ending 18 October 2021, 2022, and 2023 and is not repeated here.

2.4 In his progress report for the year ended 18 October 2021, the former liquidator referred to having spent considerable time investigating the circumstances behind the liquidation, in particular allegations made by training funders. In the progress reports for the following year the former liquidator advised that the Company was owed significant sums for training funding from Government organisations, both of which had submitted significant counter-claims which, if accepted, would be set-off against these amounts and result in significant unsecured claims. The former liquidator reported that he had received legal advice on these claims and was liaising with other interested parties before making a final decision.

2.5 In his 2023 progress report, the former liquidator advised that he had given both government organisations and the Company director – Lawrence Barton; who disputed these claims – the opportunity to respond to the

legal advice he had received – referred to in the previous progress report – and that, following their submissions, had received further legal advice and would be issuing notice of his decisions with respect to those claims shortly after the report.

- 2.6 The former liquidator received advice relating to these claims from counsel on 31 May 2022 and 31 July 2023, in both cases counsel advised that the claims should be admitted – despite the continued challenges from Mr Barton and a solicitor instructed by him.
- 2.7 On 16 January 2024, the following creditors were informed their claims had been admitted, following which these creditors sought the removal of the former liquidator and my appointment:

Creditor	Claim (£)
ESFA	4,760,413.55
WMCA	1,015,779.07
NESCOT	<u>2,633,051.05</u>
	<u>8,409,243.67</u>

Background to the claims

- 2.8 The following has been extracted from papers held by the former liquidator:
- 2.8.1 As part of its business, the Company provided training to various individuals funded through ESFA. This training was provided for the academic funding years from 2014/2015 through to 2019/2020. The Company also provided training funded through WMCA.
- 2.8.2 The Company received a letter dated 10th June 2020 from ESFA, referring to potential irregularities in relation to the apprenticeship funding claimed by the Company. ESFA referred to the eligibility and participation levels of the learners involved.
- 2.8.3 There then followed a series of correspondence between ESFA and the Company. ESFA raised various queries of the Company, investigating various individuals and businesses that had been involved with training provided by the Company. A large part of this correspondence focused on the provision of training to taxi drivers. ESFA queried whether some of these learners had been employed, as required by the eligibility criteria. The Company relied upon its enrollment procedures that required both the learner and the employer to confirm that the learners were in full-time employment (as opposed to being self-employed).
- 2.8.4 As a result of its investigation, ESFA suspended new apprenticeship starts and withheld payments from the Company. The result of this was that on 25th September 2020, the Company notified ESFA that as of 24th September 2020, the Company ceased trading and had made all of its employees redundant. The Company formally entered creditors' voluntary liquidation on 19th October 2020.

- 2.8.5 Meanwhile, the investigation by ESFA culminated in a letter dated 9th October 2020. By this letter, ESFA stated that it had found material evidence of non-compliance with the funding rules. The following examples were given:
1. Numerous apprentices claimed that they were employees of private hire taxi companies and confirmed that they received no training, or they were not in employment or were self-employed. ESFA relied upon 13 individuals funded for a qualification and when contacted said that they were self-employed taxi drivers. The managers of the private hire taxi companies also confirmed that the taxi drivers were self-employed;
 2. Numerous apprentices enrolled as employees of newly formed companies that lacked sufficient trading/business operations to support the productive purpose requirements of an apprenticeship. ESFA relied upon the 2016, 2017 and 2018 academic year, when 123 apprenticeships were provided training at a company which had never filed any company accounts, had no internet or social media presence and operated from a terraced dwelling house in Birmingham, which the Company recorded as the delivery location of the training;
 3. Some of the delivery locations where the Company claimed that training took place were virtual offices or the company owner's home address. ESFA relied upon the 2016, 2017 and 2018 academic year when 74 apprenticeships were provided at a company named Olle! Ltd, which had a registered office at a virtual office in London, which the Company recorded as the delivery location of the training;
 4. ESFA contacted some of the learners who were supposed to have completed training with the Company, who stated that they never worked for the companies in question and have never undertaken an apprenticeship. ESFA relied upon two learners funded for Multiplex Solutions in the academic year 2017/18 who confirmed that they never worked at the company and never took an apprenticeship.
 5. ESFA found that learner file comments attributed to assessors and learners had been duplicated across different learners and across different years. ESFA relied upon hundreds of identical comments in files in 2017, 2018 and 2020.
 6. ESFA therefore relied upon a sample of six employers and 110 learners and concluded that there was a high incidence of non-compliance. ESFA therefore identified that claims worth £2,562,734.01 of funding was to be reclaimed.
 7. By a letter dated 8th July 2021, WMCA wrote to the Liquidator, enclosing an audit report prepared by RSM. WMCA stated that RSM's audit showed ineligible claims or funds at risk in 44% of the audited claims. WMCA applied this error rate from the sample to the full amount of the Company's claims and extrapolated this to a claim of £952,700.54 for the year 19/20 and £63,078.53 for the year 20/21. Thereby totalling £1,105,779.07. 12. The RSM audit report dated 8th December 2020 refers to a number of learners being contacted and stating that they did not undertake the courses referred to, did not complete the courses referred to and problems with learners' employment status. The report indicated that the results were inconclusive but that funding was at risk within the sample.
 8. By a letter dated 13th January 2022, ESFA sent a final audit report to the Liquidator for the year 19/20. This report recorded that actual errors of £1,493,480 had been found. This conclusion appears to have been reached through a sample analysis, evident from Annex A of that report.
 9. By an email of 25th April 2022, ESFA confirmed that its revised proof of debt in relation to the overall audit debt was £1,529,115.90. This was derived from a sample group of learners and the sample extrapolated out. This has led to a final proof of debt from ESFA claiming the sum of £2,898,664.43 in relation to the investigation and £1,529,155.90 in respect of its audit, thereby giving rise to a total claim by EFSA of £4,427,824.33.
- 2.9 Lawrence Barton dealt with the correspondence with ESFA up to the appointment of the former liquidator. To date, Mr Barton has not accepted the findings referred to above.
- 2.10 From emails I have been able to obtain, it appears that the decision to place the Company into liquidation had been made by 14 September 2020. However, it would appear that liquidation was inevitable following the letter from ESFA dated 10 June 2020, which is referred to above.

Claims against connected companies

- 2.11 On 18 September 2020 the Company made the following payments to connected companies – companies controlled by Lawrence Barton or members of his family:

Company	Amount
The Nightingale (UK) Limited (“Nightingale”)	242,800
GB Holdings (UK) Limited (“GBH”)	81,200
Good With Wood (UK) Limited (“GWW”)	7,300

- 2.12 At the date the Company was placed into liquidation, the amounts due to the connected companies were as follows:

Company	Amount (£)
Nightingale	1,126,029.76
GBH	403,100.14
GWW	200,965.20

- 2.13 Given the amounts already owing to the Company by the connected companies, I can see no commercial basis on which the further payments were made on 18 September 2020.

- 2.14 It is apparent from the documentation that I have been able to obtain, that Nightingale and GBH were not in a position to repay debts due to the Company for some time prior to the liquidation. Whilst there appears to have been some intercompany trading – whereby the connected companies invoiced the Company for services provided in connection with the training business of the Company, there appears to be no commercial justification for advancing such large sums to these connected companies. The debts were unsecured and interest free.

- 2.15 The former liquidator entered into agreements with each of the connected companies which provided for some of the money due to be repaid. At the time of my appointment – some 3.5 years after liquidation, the following sums had been repaid:

Company	Amount (£)	% of debt recovered
Nightingale	52,980	4.7
GBH	27,380	6.8
GWW	48,800	24.3

- 2.16 Following my appointment, I entered into correspondence with the solicitor instructed by Mr Barton with respect to the basis on which these debts had arisen and sought repayment of such – recognising that, because of the insolvent positions of Nightingale and GBH, there was a risk that formal insolvency would follow and that the debts would be unrecoverable – at least from the companies themselves. No adequate repayment proposal was provided and therefore I instructed my solicitor to issue statutory demands against each of Nightingale, GBH and GWW in connection with the outstanding debts.

- 2.17 Administrators were appointed to both Nightingale and GBH shortly after demand was made. According to the information provided by the administrators, the Company is almost the only creditor of each of those companies. Further information is being sought to explain how this could be the position and whether any other creditors were preferred over the Company in the run up to Nightingale and GBH's administration.

- 2.18 An agreement was reached with GWW, under the terms of which GWW was disputing £107,000 of the debt – which has yet to be resolved – with the balance of £45,165.20 being paid over a six month period. To date the agreement has been complied with and £37,637.65 has been received, all payments being made by the agreed dates. Two of these payments were received after the date to which this report is made, and so not

reflected in the receipts and payments account.

- 2.19 I am still awaiting details of the evidence for the disputed invoices.
- 2.20 In addition to the losses suffered as a result of advances made to Nightingale and GBH, the Company also had to write off a substantial debt due from another company – Got it Covered (UK) Limited (“GIC”) – which company I understand was wholly owned by the Company. In the accounts for the year ended 30 September 2018, the Company wrote off a debt of £669,721.08, following which GIC was dissolved. I have no information about the manner in which the debt due from GIC built up.
- 2.21 In the accounts for the year ended 30 September 2018, provisions were made against the debts due from GWW and another associated company – The Loft Lounge Limited (“LL”) – of £250,000 each. At that time the balances due to the Company from related companies was as follows:

Company	Debt due (£'000)	Provision
Nightingale	809	0
GBH	55	0
GWW	545	250
GIC	670	670
LL	266	250

- 2.22 LL was put into liquidation on 25 June 2020. According to the director's statement of affairs, at that time LL owed the following monies to associated companies:

Company	Amount (£'000)
Nightingale	92
The Company	327
GWW	122
Birmingham Pride	41

- 2.23 It would appear that all of the loans to connected companies were unsecured and interest free.
- 2.24 The Company would seem to have lost a total of £2,454,000 as a result of making interest free unsecured loans to other companies – for which it would seem to have received little benefit:

Company	Amount (£'000)
Nightingale	1,073
GBH	375
LL	327
GIC	679

Investigations

- 2.25 Given the extent of the investigations conducted by ESFA and that such had been provided to the former liquidator – who had provided such to the solicitors instructed by Mr Barton (who continues to dispute the findings); much of the focus of my investigations has been to obtain details of the investigations conducted by Mr Barton and the former liquidator that might challenge or support the findings of ESFA.
- 2.26 Whilst Mr Barton has, on a number of occasions, offered to meet with me to discuss matters. However, it was my view that any such meeting would be premature, if it was before Mr Barton had addressed the matters I have put to him in correspondence – through his solicitors. This view is based on the fact that Mr Barton would have time to review information available to him and seek the assistance of others when dealing with correspondence. If he cannot deal with the matter in correspondence, then it would be significantly much

more difficult for him to do so and provide a full and supported response in a meeting.

- 2.27 Regrettably, despite a number of rounds of correspondence with Mr Barton's solicitors, the position appears to be that he claims to have addressed fully all of the matters put to him – despite that being clearly not the case. When challenged to identify where he believes the full response to a particular matter is dealt with in his responses, no such detail is provided. It has become clear that no further progress is going to be made in making such enquiries of Mr Barton. However, Mr Barton has provided some cooperation, including providing access to his Company email account. As a result, a meeting to consider whether it is possible to reach a commercial settlement of possible claims against Mr Barton has now been arranged.
- 2.28 Lawrence Barton was not the only member of his family in a senior position within the Company, nor is he the only person who I believe to be in a position to provide information relevant to the findings of ESFA or my own investigations. Unfortunately, it is the case that few former employees have been prepared to respond to questions I have addressed to them.
- 2.29 The Insolvency Act 1986 contains provisions that enable me to apply for any party that I believe to have information relevant to the business, affairs or dealings of the Company; to be ordered to provide documents I require and/or to attend at court and be examined on oath. I anticipate making a number of such applications – as it appears that I will be unable to progress my investigations further without such. A number of such parties have already received formal notice of the intention to make such applications, but none have responded.
- 2.30 Whilst my investigations have been hampered by a lack of cooperation, I have been able to establish that two senior figures within the Company were, whilst apparently in full time employment with the Company, running other companies where the Company appears to have been the sole or main customer. In one case, I was informed that all of the resulting profits were used to invest in Nightingale. However, according to the administrators of Nightingale, that company is not a creditor. It would appear that I, or the administrators of Nightingale, are misinformed. I am awaiting information from the administrators but it would appear that they are experiencing issues in obtaining financial records for Nightingale. Based on my most recent enquiries with the administrators, I understand that no directors' statement of affairs has been provided to the administrators of either Nightingale or GBH.
- 2.31 Whether or not the profits from the dealings with the Company have been lost as a result of the failure of Nightingale, it may be that a claim can be pursued against the party concerned and this will be influenced by the further information requested from the administrators.
- 2.32 In a second example, I located a series of payments to a company that is a connected company by virtue of it being controlled by an officer or shareholder of the Company; but had only been able to locate a small number of the relevant invoices – because only limited records were retained by the former liquidator and then made available to me. I have asked the Company employee concerned to provide copies of all invoices and evidence that the services paid for were actually provided, to ensure that the invoices are bona fide. The payments I have identified are significant - apparently largely for training provided to the senior management team at the Company. To date key information requested has not been provided. In the absence of the documentation I have requested, it is not possible to reach a conclusion as to whether any claims arise. Accordingly, unless the information is provided voluntarily, an application will be made to compel the party concerned to provide the information requested.

3. ESTIMATED OUTCOME FOR CREDITORS

Financial benefit and dividend prospects

- 3.1 It is not yet clear whether the investigations in progress will result in any funds becoming available for a distribution to creditors in this matter. The level of costs incurred during the tenure of the former liquidator – resulting in only a small surplus being available to me; together with the costs incurred in progressing my investigations, would suggest that there is little prospect of a distribution to creditors unless such investigations result in successful claims against a number of parties.
- 3.2 With the exception of the claims admitted by the former liquidator on 16 January 2024 – see point 2.5 above 2024 – there have been no changes to the creditor claims detailed in the reports filed by the former liquidator. However, it is likely that, as a result of my investigations, a number of claims that had been accepted by the former liquidator will be rejected.
- 3.3 A summary of the former liquidator's account of receipts and payments is at Appendix 1.
- 3.4 A summary of the receipts and payments since my appointment to the date of this report is at Appendix 2.

4. LIQUIDATOR'S REMUNERATION & DISBURSEMENTS

Liquidator's remuneration

- 4.1 The former liquidator's remuneration was fixed by reference to the time properly spent by dealing with the matters arising by a vote by creditors by correspondence on 14 January 2021. At that time the former liquidator had prepared a fee estimate, which acts as a cap on a liquidator's remuneration unless creditors approve an increase, which totalled £94,645.
- 4.2 On 23 January 2024, the former liquidator reported to creditors that his time costs had reached £185,404 and sought creditors' approval for an increase in remuneration of £174,505 – or a total of £269,150. This increase included provision for future time costs. As was the case in relation to the initial request for approval of his remuneration, no creditors responded to the initial request and the former liquidator was required to contact a number of creditors to obtain the requisite authority, which was then provided
- 4.3 The actual remuneration drawn by the former liquidator was £186,382.
- 4.4 As the current liquidator, I am able to draw remuneration up to the amount approved by creditors without a further resolution. However, as my time costs will exceed the balance remaining of £94,645, it is appropriate that I provide an estimate of my own time costs and seek approval for such from the creditors.
- 4.5 Rule 18.16(2) of the Insolvency (England and Wales) Rules 2016 provide that the basis for determining the remuneration of a liquidator should be fixed: a) As a percentage of the value of the assets which are realised, distributed or both realised and distributed by the liquidator, or b) by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or c) a set amount. The basis of remuneration may be one or a combination of the bases set out above and different bases or percentages may be fixed in respect of different things done by the liquidator.
- 4.6 I am seeking approval from creditors for my remuneration to be fixed by reference to time costs and the requisite notice is attached.

- 4.7 At Appendix 3(i) details are provided of my Fee Estimate for this liquidation in accordance with the Insolvency (Amendment) Rules 2015. The Fee Estimate, which amounts to £161,315 and represents 302.9 hours at an average rate of £539.52, is my estimate for the life of the case.
- 4.8 The majority of the time I expect to be incurred in future relates to continued investigations and litigation – where litigation includes my time in conducting court examinations of relevant parties, the preparation of witness statements and giving of evidence in proceedings.
- 4.9 The time costs for Forensic Recovery Limited for the period covered by this Progress Report, amount to £82,945 which represents 156.3 hours at an average rate of £544.26 per hour. A summary of these time costs is provided at Appendix 3(ii).
- 4.10 To date I have received £20,000 plus VAT on account of my remuneration, which was the initial funding agreed and provided through TLT Solicitors. These funds are not reflected in my account of receipts and payments and will be repaid when funds are available.
- 4.11 The following information as regards time costs is also set out at Appendix 3:
- i. Forensic Recovery's policy for re-charging disbursements
 - ii. Forensic Recovery's charge-out rates
- 4.12 An analysis of the time costs incurred to date is provided in Appendix 2(b)(i). With the exception of time related to investigations – details of which are provided above – the time is of a statutory or administrative nature and not anticipated to result in any recoveries for the benefit of the estate.
- 4.13 Other costs, such as agreeing creditor claims, the payment of a dividend and future reporting will have no direct benefit to creditors but is necessary as part of the statutory function of the liquidator.

Liquidator's disbursements

- 4.14 The only disbursement to date is the payment of the specific penalty bond of £800.
- 4.15 A copy of 'Liquidations - A Creditor's Guide to Insolvency Practitioners' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at:
<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>
- 4.16 Alternatively, if you require a hard copy of the Guide, please contact my office and I will send you a copy.

5. LIQUIDATOR'S EXPENSES

- 5.1 TLT Solicitors have been engaged to assist me in relation to legal matters. Prior to my appointment TLT had reached an agreement with ESFA in relation to the costs of such assistance. As yet, the costs incurred do not exceed that agreement and these costs are to be refunded if and when funds become available for that purpose. TLT will continue to act once the funding agreement has been reached, as a cost of the liquidation.

6. CREDITORS' RIGHTS

Right to request further information

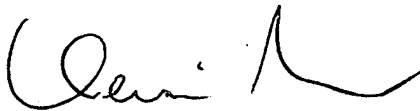
- 6.1 Pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

- 6.2 Pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, any secured creditor, any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us as set out in this progress report are, in all the circumstances, excessive or, the basis fixed for our remuneration is inappropriate.

7. CONCLUSION

- 7.1 I will report in approximately one year's time or at the conclusion of the liquidation, whichever is the sooner.



Kevin R Mawer
Liquidator

Dated: 17 December 2024

Former Liquidator Account of Receipts and Payments

S of A £		£
	SECURED ASSETS	
650,000.00	Freehold Land & Property	638,000.00
		<u>638,000.00</u>
	COSTS OF REALISATION	
	Office Holders Fees	12,574.50
	Legal Fees and Expenses	5,480.00
	Agents Fees and Expenses	3,769.00
		<u>(21,823.50)</u>
	SECURED CREDITORS	
(1,194,189.00)	Lloyds Bank Plc	611,944.80
		<u>(611,944.80)</u>
	HIRE PURCHASE	
257,283.00	Hire Purchase Motor Vehicles	140,000.00
(264,414.00)	Finance	(111,598.72)
		<u>28,401.28</u>
	ASSET REALISATIONS	
11,500.00	Fixtures, Fittings & Equipment	15,500.00
	Book Debtors	15,579.37
73,914.00	Trust Account	72,023.12
	Insurance Refunds	8,902.38
	Bank Interest Gross	2,352.56
	The Nightingale (UK) Ltd	52,980.00
	GB Holdings (UK) Ltd	27,380.00
	Good with Wood (UK) Ltd	48,800.00
	Utility Refund	5,385.37
	Sundry Refunds	3.72
	Deposit for Convening Decision	3,699.00
		<u>252,605.52</u>
	COST OF REALISATIONS	
	Preparation of S. of A.	7,500.00
	Office Holders Fees	186,382.00
	Office Holders Expenses	2,058.97
	Costs of Convening Decision	3,699.00
	Accountants Fees	2,000.00
	Agents Fees	2,000.00
	Debt Collection Fees	1,341.84
	Legal Fees	23,919.10
	Legal Expenses	6,615.00
	Corporation Tax	95.13
	Council Tax	55.35
	Software License	700.00
	Storage & Destruction of Records	2,384.49
	Supply of Utilities	6,347.93
	Insurance of Assets	6,967.10
<u>(1,503,871.00)</u>		<u><u>33,149.59</u></u>
REPRESENTED BY		
	VAT Receivable	27,710.76
	Bank 2 - Current	6,178.63
	VAT Payable	(739.80)
		<u><u>33,149.59</u></u>

GB Training (UK) Limited
Liquidator's account of receipts and payments
to 18 October 2024

ASSET REALISATIONS

Surplus from former liquidator	9,660.51
Bank account fee	8.50
Debtors	7,527.53
	<u>17,196.54</u>

COST OF REALISATIONS

Liquidator's fees	0.00
Liquidator's out of pocket expenses	0.00
Counsel's fees	0.00
Solicitor's fees	0.00
Solicitor's out of pocket expenses	0.00
Corporation Tax	
Tax on interest	
Bank charges	8.50
	<u>8.50</u>

17,188.04

REPRESENTED BY

Barclays account	17,188.04
VAT receivable	0.00
	<u>17,188.04</u>

LIQUIDATOR'S TIME COSTS AND DISBURSEMENTS

- a. Forensic Recovery's policy for re-charging expenses/disbursements and charge-out rates;
- b. Liquidator's fee estimate.
- c. Table of time spent and charge-out value for the period from 19 March 2024 to 18 October 2024.

FORENSIC RECOVERY CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Car mileage is charged at the rate of 45 pence per mile;

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

FORENSIC RECOVERY CHARGE-OUT RATES

Forensic Recovery's charge-out rates effective from 1 September 2023 were as follows:

Grade of staff	Charge-out Rate (£ per hour)
Director	550
Senior Manager	380

Time is recorded in 6 minute units.

The senior manager has now retired. For the purposes of this case, my time in relation to investigations and, if appropriate, litigation, is charged at the rate for a director – which is commensurate with the costs charged by the former liquidator. In relation to tasks of a more routine nature, it is not appropriate to charge such a rate, where the tasks would normally be delegated to more junior staff – under the supervision of the liquidator. Where my time is incurred in relation to such tasks, the rate applied is commensurate with the rate charged for an assistant manager by the former liquidator – or £350 per hour. It is not the policy of Forensic Recovery to apply annual increases to the rates applicable to a case once approval is received.

(i) Liquidator's Fee Estimate

	Director	Senior Manager	Total Hours	Total Cost	Avg Rate
Preappointment					
Preappointment	3.9	2	5.90	2,265.00	383.90
Appointment & case planning	1.00	0.00	1.00	350.00	350.00
Administration & banking	4.00	0.00	4.00	1,400.00	350.00
Statutory reporting and statement of affairs	12.00	0.00	12.00	6,600.00	0.00
Freehold property	0.00	0.00	0.00	0.00	0.00
Debtors	5.00	0.00	5.00	1,750.00	350.00
Furniture	0.00	0.00	0.00	0.00	0.00
Creditors	3.00	0.00	3.00	1,050.00	350.00
Meetings	8.00	0.00	8.00	2,800.00	350.00
Tax	6.00	0.00	6.00	2,100.00	350.00
Litigation	60.00	0.00	60.00	33,000.00	550.00
Investigations	200.00	0.00	200.00	110,000.00	550.00
Total Hours	302.90	2.00	299.00		
Total Cost	159,515.00	1,800.00		161,315.00	539.52

(ii) Liquidator's Time Analyses for the period 19 March 2024 to 18 October 2024

	Director	Senior Manager	Total Hours	Total Cost	Avg Rate
Preappointment					
Preappointment	3.9	2	5.90	2,265.00	383.90
Appointment & case planning	1.00	0.00	1.00	350.00	350.00
Administration & banking	2.50	0.00	2.50	875.00	350.00
Statutory reporting and statement of affairs	0.00	0.00	0.00	0.00	0.00
Freehold property	0.00	0.00	0.00	0.00	0.00
Debtors	5.00	0.00	5.00	1,750.00	350.00
Furniture	0.00	0.00	0.00	0.00	0.00
Creditors	0.30	0.00	0.30	105.00	350.00
Meetings	2.70	0.00	2.70	945.00	350.00
Tax	4.20	0.00	4.20	1,470.00	350.00
Litigation	0.00	0.00	0.00	0.00	0.00
Investigations	136.70	0.00	136.70	75,185.00	550.00
Total Hours	156.30	2.00	152.40		
Total Cost	85,965.00	1,800.00		82,945.00	544.26