

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company

ITrain Consulting Services Limited

Company number

05483438

In the  
High Court of Justice

(full name of court)

Court case number

2576 of 2012

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
Alexander Kinninmonth  
RSM Tenon  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZDuncan Robert Beat  
RSM Tenon  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZ\*Delete as  
applicableattach a copy of ~~my~~/our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 3 May 2012

Signed

  
Joint / Administrator(s)

Dated

3/5/12

**Contact Details:**You do not have to give any contact  
information in the box opposite but if  
you do, it will help Companies House to  
contact you if there is a query on the  
formThe contact information that you give  
will be visible to researchers of the  
public recordAlexander Kinninmonth  
RSM Tenon  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZ

DX Number southampton

+44 (0) 2380 646 464  
DX ExchangeWhen you have completed and signed this form, please send it to the  
Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

WEDNESDAY



\*A18L2LOZ\*

A22

09/05/2012

#331

COMPANIES HOUSE

**Joint Administrators' Proposals relating to  
ITrain Consulting Services Limited ("the Company") –  
In Administration**

**Issued on: 3 May 2012**

Alexander Kinninmonth of RSM Tenon and Duncan Robert Beat of RSM Tenon are the Joint Administrators of the Company and these are the Joint Administrators' statutory proposals relating to the Company

## 1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

## 2. Circumstances Leading to the Appointment of the Joint Administrators

The Company was founded in 2005, providing independent change management and integration services specialising in SAP and Oracle (ERP) systems to a number of 'Blue Chip' Company

The Company traded from its head office in central London. The Company had further leased premises in Swindon, Reading and Edinburgh and employed a total of 11 members of staff

The Administrators were introduced to the Company by Pulse Cashflow Finance limited ("Pulse"), the Company's book debt factors. Following a meeting with Martin Brown, director, it was decided that the only option was to file a Notice of Intention to appoint an Administrator which in the short-term would offer a moratorium against enforcement action from creditors. This would also allow time to market the contracts, which will mean increased realisations for the assets of the business and ensuring the integrity of the debtor book.

On 21 March 2012, Duncan Robert Beat and I were appointed by Pulse as Joint Administrators of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone.

A summary of the Company's recent trading performance is shown below

	Statutory Accounts for the year ending 31 December 2010	Statutory Accounts for the year ending 31 December 2009
	£	£
<b>Turnover</b>	2,470,208	838,655
Cost of Sales	<u>(1,995,307)</u>	<u>(692,014)</u>
<b>Gross Profit/Loss</b>	474,901	143,641
Administrative Expenses	(409,594)	(82,134)
Other operating income	-	-
<b>Operating Profit/(Loss)</b>	<u>65,307</u>	<u>61,507</u>
Interest receivable	-	-
Interest payable	-	-
<b>Profit/(loss) on ordinary activities before taxation</b>	65,307	61,507
Tax on profit on ordinary activities	<u>(8,787)</u>	<u>(10,050)</u>
<b>Profit/(Loss) for the year</b>	<u>56,520</u>	<u>51,457</u>

### **3. Objectives of the Administration of the Company and the Joint Administrators' Strategy**

The purpose of an administration is to achieve one of the three hierarchical objectives set out in the insolvency legislation, which are to

- (a) rescue the company as a going concern, or
- (b) achieve 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) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate

As a result, I am seeking to achieve objective (b) for the Company, and have done this by achieving a quick sale of the assets and contracts, which will mean increased realisations for the assets of the business and ensuring the integrity of the debtor book

The insolvency legislation has set a 12 month maximum duration for administrations, unless the duration is extended by the court or the creditors. If I am unable to complete the administration of the Company within 12 months then I will either apply to the court, or hold a meeting of creditors, in order to seek approval to extending the duration of the administration

### **4. Actions of the Joint Administrators Following Appointment**

The Joint Administrators decided that it was not appropriate to continue the business of the Company and as a result, the Company ceased trading on 21 March 2012 and its employees were dismissed with effect from that date. An immediate sale of the Company's business and assets was sought as this was the best way to achieve the objective of the administration. As a result, on 28 March 2012 I sold the Company's contracts and assets to Adro International Training Limited ("Adro") a connected company by virtue of the common director and shareholder Martin Brown after a short period of marketing. The Joint Administrators were contacted by two interested parties however no offers were received.

By selling the business to Adro the goodwill and contracts were maintained. This will maximise the book debt collections as the contracts will be completed and it is estimated Pulse will be paid in full under their fixed and floating charge. The remaining book debt collections will then be available for the preferential and unsecured creditors.

By selling the contracts and assets to Adro a greater sale price was achieved than if the assets were sold in a break up scenario.

### **5. Financial Position of the Company**

I have asked the directors to prepare a summary of the Company's estimated financial position as at 21 March 2012, which is known as a Statement of Affairs, but they have not yet prepared it.

I have prepared an estimate of the financial position of the Company as at 21 March 2012 from the records of the Company, and that is attached at **Appendix II**, together with a list of names and addresses of all known creditors, and the amounts of their debts.

On the 28 March 2012 the Joint Administrators sold the assets and contracts of the Company to Adro for £36,551 on a deferred consideration basis with the balance being payable on or before 9 June 2012. Adro is a connected company by virtue of the common directorship of Martin Brown.

### **5.1. Book Debts**

The Company factored its book debts, and as a result they are held as security by Pulse. Pulse is collecting the book debts and on the basis of current information, it is likely that there will be a surplus of £30,500 after Pulse's debt has been paid. To the date of this proposal, Pulse have collected out on their ledger and future collections will be realisable.

### **5.2 Office Furniture and Equipment**

The office furniture and equipment was valued by Edward Symmons LLP at £55,675 if sold on a going concern basis and £7,315 if sold in a break up sale scenario. The sum of £35,550 was agreed in the sale detailed above. This offer was accepted after considering the costs of realisation and because this was the best achievable price as no other offers had been received on an in situ basis.

### **5.3. Contracts**

The contracts have been assigned to Adro and the sum of £1,000 has been agreed as consideration. The contracts had little value because they were dependant on the on-going relationship with Martin Brown, the director.

### **5.4 Goodwill**

The sum of £1 was agreed for the goodwill of the Company in the sale agreement dated 28 March 2012.

### **5.5. Preferential Creditors**

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. The amount considered to rank as preferential claims in the Administration is £16,264.

### **Prescribed Part**

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that which is left after paying the preferential creditors and costs and expenses of the administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- > 50% of the first £10,000 of the net property plus
- > 20% of the remaining net property up to a maximum prescribed part of £600,000

The Company granted a fixed and floating charge to Pulse on 29 August 2011. It is anticipated that the money due to Pulse will be fully repaid from the fixed charge it holds over the Company's book debts. As a result, the prescribed part provisions will not apply.

### **5.6. Employees**

Employees are due the estimated sum of £78,996. Of this amount, £45,057 is due in respect of arrears of wages, £7,464 is due in respect of unpaid holiday pay, £16,370 is due in respect of pay in lieu of notice, and £10,105 is due in respect of redundancy pay.

Certain elements of the employees' claims for unpaid wages and holiday pay are considered preferential claims in the administration. Their claims are subject to a maximum limit set by the insolvency legislation.

#### **5.7. HM Revenue & Customs**

HM Revenue & Customs are due the sum of £397,384. Of this amount, £159,889 is due in respect of VAT, £237,495 is due in respect of PAY/NIC.

#### **5.8. Trade & Expense Creditors**

Details of the trade and expense creditors, totalling £380,092, are included in the creditors schedule attached to the Statement of Affairs.

#### **6. Joint Administrators' Receipts and Payments Account**

I attach a summary of my receipts and payments relating to the Company for the period from when it entered administration, 21 March 2012, to the date of these proposals, at **Appendix IV**.

#### **7. Proposed Future Actions of the Joint Administrators to Achieve the Objective of the Administration**

In order to achieve the objective of the Administration of the Company I propose to recover the remaining sale consideration for the assets and collect the book debts, as detailed in 5, above, and move the Company into liquidation as soon as is practicable.

#### **8. Meeting of Creditors**

I am holding a meeting of creditors to enable creditors to consider and vote on my formal proposals to achieve the objective of the administration of the Company. The meeting will be held on 21 May 2012 at RSM Tenon, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ at 3.30pm, and a formal notice about the meeting is enclosed with these proposals.

I also enclose a Proxy form and a claim form (Proof of Debt) for your use at the meeting of creditors. As a creditor you can only vote if you complete and send the proof of debt form (and proxy form if you intend to use one) to us and your claim is admitted. I must receive your completed forms by no later than noon on the business day before the day of the meeting. You are not required to attend the meeting, and non-attendance will not affect your rights against the Company. Creditors whose claims are wholly secured are not entitled to vote at this meeting, but can attend or be represented.

The meeting of creditors will be given the opportunity to appoint a creditors' committee. A committee is made up of between three and five representatives of creditors who will then meet me on a regular basis to discuss the administration of the Company. If a committee is appointed then it will be for them to approve my remuneration and category 2 expenses. If a committee is not appointed then approval of my remuneration and category 2 expenses will be considered as part of these formal proposals.

#### **9. Pre-Administration Costs**

Before a company enters into any form of insolvency proceedings, professional costs are necessarily incurred in order to ensure that

- > The most suitable form of proceedings is chosen, in the interests of creditors
- > The mechanics of initiating the proceedings and appointing an insolvency practitioner is dealt with appropriately

The basis on which these costs are to be paid varies according to the insolvency procedure adopted. In the case of a company entering into administration, the Administrator must make a 'Statement of Pre-Administration Costs', the content of which is prescribed by the Insolvency Rules, and seek approval for their payment from the creditors of the company.

My statement of pre-administration costs is set out at **Appendix III**.

In this case, further work was also done in the interests of creditors prior to our appointment as Joint Administrators to prepare for the sale of the business and assets shortly following our appointment. It will be appreciated that, had this commercial opportunity not been available, it would have still been necessary to obtain valuations and instruct agents and solicitors to assist in disposing of the assets following my appointment, and for me to manage and oversee the asset realisation process. To that extent, these costs are not additional costs that would have been saved, had the assets been disposed of later.

A separate resolution dealing with my pre-administration costs is on the proxy form accompanying this report. I should point out that this resolution does not comprise part of my formal proposals for the conduct of the administration.

#### **10. Joint Administrators' Remuneration and Expenses**

I propose that our fees will be charged by reference to the time properly spent by us and our staff in dealing with the matters relating to the administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates is set out in **Appendix III**.

I also propose that we are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is also set out in **Appendix III**.

The approval of the basis of our remuneration and category 2 expenses forms part of these proposals, for which approval is being sought, but if a creditors' committee is appointed at the forthcoming meeting of creditors then I will seek approval from that committee instead.

To the date this report is prepared, my time costs amount to £16,252, representing 62 hours work, at an average charge out rate of £262. **Appendix III** contains information about remuneration and expenses, including the total time spent on the affairs of the Company for the period from when it entered administration, on 21 March 2012, to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

The proposals include terms setting out the basis on which the Joint Administrators are to be paid and their expenses met. Creditors are also being asked to consider whether to approve payment of the Joint Administrators pre-administration costs out of the assets of the Company as an expense of the administration. Please go to <http://www.rsmtenon.com/creditorsguide> and click on 'Remuneration Guidelines Administration (post 6 April 2010)' if you require further information relating to Administrator's Remuneration. The Guide also gives important information concerning Creditors' Rights. Alternatively a copy is available free of charge upon request from the address below.

#### **11. Discharge from Liability**

We are, in accordance with legislation, seeking a resolution from the creditors for discharge from liability in respect of any action of ours as Administrators to take effect immediately following our cessation to act as Administrators.

#### **12. Joint Administrators' Investigations**

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the administration. I am also required to investigate the

affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf I should be pleased to receive from you any information you have that you consider will assist me in this duty I would stress that this request for information forms part of my normal investigation procedure

### **13. EC Regulation on Insolvency Proceedings**

I consider that the EC Regulation on Insolvency Proceedings applies and that these are "main" proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the Company is in the United Kingdom

### **14. Joint Administrators' Proposals**

In order to achieve the objective set out at Section 3 above, Alexander Kinninmonth and Duncan Robert Beat of RSM Tenon, the Joint Administrators formally propose to creditors that

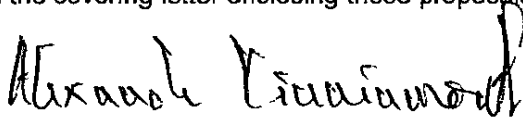
- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the administration In particular that they
  - (i) recover the remaining book debts and sale consideration from Adro
  - (ii) sell the Company's assets at such time(s) on such terms as they consider appropriate,
  - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
  - (iv) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) If there are funds available to be distributed to the unsecured creditors, the Company exits the administration by way of a Creditors Voluntary Liquidation, and that Alexander Kinninmonth and Duncan Robert Beat are appointed the Joint Liquidators of the Company, and that they will act jointly and severally in their duties Creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved Information about the approval of the proposals is set out at Section 10
- (c) If there are no funds available for distribution to the unsecured creditors, the Company exits administration by way of dissolution
- (d) the administration will end by the granting of an order from the court for the Compulsory Liquidation of the Company, and they further propose that Alexander Kinninmonth and Duncan Robert Beat be appointed the liquidators of the Company by the court
- (e) the administration of the Company will end by making an application to court for an order that the administration ceases
- (f) the administration of the Company will end by giving notice to the court, creditors and Registrar of Company that the objective of the administration has been achieved



- (g) if the administration ends by the Company moving into liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution
- (h) they shall be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates for the Joint Administrators and their staff are outlined in **Appendix III** of these proposals
- (i) they be authorised to draw category 2 expenses as outlined in **Appendix III** of these proposals

## **15 Further Information**

Should you require any further information relating to these proposals or the administration of the Company please do not hesitate to contact Ryan Jarvis on the telephone number shown in the covering letter enclosing these proposals



**Alexander Kinninmonth**

Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants*

*The affairs, business and property of the Company are being managed by the Administrators*

## Appendix I

### Company Information

Company Name	ITrain Consulting Services Limited
Previous Name	Stratus Elearning Limited changed on 03/09/2008
Trading Name	Ittrain
Company Number	05483438
Date of Incorporation	16 June 2005
Trading Address	Cloisters Court, 22-26 Farringdon Lane, London, EC1R 3AH
Current Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Former Registered Office	Cloisters Court, 22-26 Farringdon Lane, London, EC1R 3AH
Principal Trading Activity	Software Consultancy and supply

### Appointment details

Date of Appointment:	21 March 2012
Appointment made by	Pulse Cashflow Finance Limited
Court Name and Reference	High Court of Justice No 2576 of 2012
Administrators Appointed	Alexander Kinninmonth IP Number 9019  Duncan Robert Beat IP Number 8161

### Officers of the company

Directors	Name	Shareholding
	Martin Warwick Brown	2

Company Secretary.	Jean Teale
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### Share Capital

Authorised	Allotted, called up and fully paid
2 ordinary shares £1 each	2 ordinary shares of £1 each

### Charges

Debenture dated 29 November 2011 in favour of Pulse Cashflow Finance Limited

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## **Appendix II**

### **Joint Administrators' Estimate of the Financial Position of the Company**

**as at 21 March 2012**

## **Appendix II**

### **NOTES TO THE JOINT ADMINISTRATORS' ESTIMATE OF THE FINANCIAL POSITION OF THE COMPANY**

**As at 21 March 2012**

- 1 The Joint Administrators' estimate of the Financial Position of the Company does not take into account the costs of the Administration
- 2 The figures contained in the Joint Administrators' estimate of the Financial Position of the Company reflects information obtained from the Company's records
- 3 Edward Symmons LLP carried out a valuation of the assets of the company.
4. Preferential creditors represent liabilities to employees

Insolvency Act 1986

ITrain Consulting Services Limited  
Estimated Statement Of Affairs as at 21 March 2012

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Goodwill	Uncertain	1 00	
Book Debts	77,170 00	61,500 00	
Pulse Cashflow Finance Limited	(31,000 00)	(31,000 00)	
Surplus c/d		<u>30,501 00</u>	
Office Furniture & Equipment	Uncertain		35,550 00
Contracts	Uncertain		1,000 00
Surplus b/d			<u>30,501 00</u>
			67,051 00
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS -</b>			
Employee Arrears/Hol Pay		16,264 14	
			<u>16,264 14</u>
			50,786 86
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			50,786 86
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			50,786 86
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
			<u>NIL</u>
			50,786 86
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			50,786 86
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		360,398 55	
Employees		62,731 59	
HM Revenue & Customs		397,384 00	
			<u>820,514 14</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			<u>(769,727 28)</u>
			(769,727 28)
Issued and called up capital			
Ordinary Shareholders		2 00	
			<u>2 00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u>(769,729 28)</u>

**RSM Tenon Recovery**  
**ITrain Consulting Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Aberdeen Property Investors	123 St Vincent Street, Glasgow, G2 5EA	23,553 90
CA01	ACAS	The Cube, 123 Albion Street, Leeds, LS2 8ER	1,639 13
CA02	ADRO		658 34
CA03	Arrows Group	21-23 Wootton Street, London, SE1 8TG	6,750 00
CB00	BT Plc	Department W, Durham TE, Providence Row, Durham, DH1 1RR	0 00
CB01	British Gas Buiness	PO Box 254, Camberley, Surrey, GU15 3WA	1,038 67
CB02	BT Conference	Colindale House, The Hyde, London, NW9 6LB	9,815 73
CB03	Claudia Brown		12,116 60
CB04	Duncan Brown MBNA		9,164 99
CB05	Martin Brown	Waterdell, Chequers Lane, Watford, hertfordshire, WD25 0GR	62,090 37
CB06	Martin W Brown		73 20
CB07	Martin Brown MBNA		8,799 59
CC00	Contributions Agency	Insolvency Section, Room 106E Central Office, Longbenton, Newcastle upon Tyne NE98 1YX	0 00
CC01	CE Lift Maintenance Limited	Tarlton Farmhouse Offices, Tarlton, Cirencester, Glous, OL7 6PA	150 00
CC02	CIT Vendor Finance	CIT House, Carysfort Avenue, Blackrock Business Park, Blackrock, Co Dublin	367 24
CC03	Climate Control	Unit 3 Station Close, Potters Bar, Herts, EN6 1TL	30 05
CC04	CM Cleaners	31 Braycourt Avenue, Walton on Thames, Surrey, KT12 2AZ	585 00
CC05	Colliers Cre	9 Marylebone Lane, London, W1U 1HL	26,967 32
CC06	Nina Cannon		75 31
CE00	EF Energy		1,604 03
CE01	E-on		5,168 14
CE02	Eureka News Self Catering Apartments	Westwinds, Redburn Row, Chilton Manor, Houghton Le Spring, Co Durham, DH4 6LY	540 00
CE03	Employees		78,995 73
CF00	Michele Fletcher		34 78
CF01	Tricia Frost	7 Marlowe Court, Parkleys, Richmond, Surrey, TW10 5LR	558 00
CH00	H Johnson Self Catering Apartments	Plawsworth Hall Farm, Chester Le Street, Co Durham, DH2 3LD	1,702 00
CH01			0 00
CH02	Hoster Waste Disposal	3J Fortis Green, London, N2 9UL	8 43
CH03	Julia Heyes	35 Pulborough Gardens, Littleover, Derby, DE23 3UE	1,500 00

Signature \_\_\_\_\_

**RSM Tenon Recovery**  
**ITrain Consulting Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CW02	Wadham & Isherwood Management Limited	Graham House, 7 Wylycotts Place, Potters Bar, Hertfordshire, EN6 2JD	5,620 97
CW03	Web Windows	Star Lane House, Star Lane, Stamford, Lincolnshire, PE9 1PH	440 63
<b>61 Entries Totalling</b>			<b>836,778.28</b>

Signature \_\_\_\_\_

## Appendix III

### Information relating to the Joint Administrators' Fees and Expenses

#### 1. Overview of Case

##### 1.1. Appointment

We were appointed Joint Administrators on 21 March 2012 following an application by Pulse Cashflow Finance Limited

##### 1.2. Strategy and staffing

I would refer you to the main body of this report for details of the progress made in the administration to date. It has been the Joint Administrators' policy to delegate the more routine aspects of the administration of this case to junior staff in order to maximise the cost effectiveness of the work performed. The junior staff were supervised by senior staff or the Joint Administrators. Any matter of particular complexity or significance that required responsibility of exceptional kind have been dealt with by senior staff or the Joint Administrators.

##### 1.3 Anticipated return to creditors

The outcome for unsecured creditors will depend on the amount realised in respect of the book debts, which is currently uncertain.

#### 2. Explanation of office-holders charging and disbursement recovery policies

##### 2.1 Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	£
Director and Associate Director	340 - 435
Senior Manager, Manager and Supervisor	235 - 310
Other Senior Professionals	150 - 195
Support and Administration Staff	95

##### 2.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011). Also included will



be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage

It is proposed that the following Category 2 disbursements are recovered by RSM Tenon Recovery

<b>Category</b>	<b>Cost</b>	<b>Basis</b>
Stationery	4p, 3p, 35p	Per envelope, letterhead or label
Photocopying	5p	Per page
Faxes	50p	Per page
Storage	£7 20p	Per box per year
Room Hire	£100	Fixed charge
Debt Collection Fees		15% of recoveries
Car Mileage	45p	Per mile

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

### **3. Description of work carried out**

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows

#### **3.1. Pre-appointment**

Full details of our pre-appointment costs are set out separately in Appendix V

#### **3.2. Administration and planning**

The following activities have been undertaken.

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts

Staff of different levels were involved in the above activities depending upon the experience required

#### **3.3. Investigations**

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of documentation relating to the sale of the business,
- > Review of company documentation

Certain elements of the investigation procedures have been charged to creditors, or to general administration. Due to the complex nature and importance of the investigations, the staff utilised to conduct such work are experienced

### **3.4. Realisation of assets**

Please refer to the main body of the report but in summary the time spent includes

- > Liaison with solicitors and agents,
- > Monitoring and chasing of bank account balance,
- > Collection of documentation relating to book debts,

### **3.5. Creditors**

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with retention of title claims,
- > Recording creditor claims,
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims

Staff of different levels were involved in the above activities depending upon the experience required

## **4. Time and chargeout summary**

To date a total of 92 hours have been spent at an average charge out rate of £245 bringing the total cost to date to £22,545

A summary table is shown overleaf

## **5. Disbursements**

### **5.1. Category 1**

Category 1 disbursements incurred and paid are outlined below

	Incurred £	Paid £
Advertising	127 00	0,00
Travel	17 70	0,00
Total	<u>144 70</u>	<u>0 00</u>

The above costs exclude VAT

### **5.2. Category 2 disbursements**

No Category 2 disbursements (amounts payable or paid to RSM Tenon or to any party in which the officeholder or RSM Tenon has an interest) have been incurred to date

## SIP9 Detailed

7740217 iTrain Consulting Services Limited

Corp Administration/post appmt

21/03/2012 to 01/05/2012

## RSM Tenon

Administration and Accounting									
Strategy / Review	1.70	1.50	4.50	0.00	7.70	293.77			
Meetings - Admin & Planning	0.00	0.00	0.50	0.00	0.50	235.00			
Appointment Documentation	0.00	0.00	5.50	0.00	5.50	235.00			
Billing	0.50	0.00	0.00	0.00	0.50	350.00			
Cashiering (Administration)	0.10	0.00	2.00	0.00	2.10	235.00			
Filing & Secretarial	0.00	0.00	0.80	0.70	1.50	174.33			
Statutory Documentation	0.10	0.00	0.00	0.00	0.10	435.00			
	2.40	1.50	13.30	0.70	17.90	259.53	4,645.50		
<b>Creditors</b>									
Other Creditor Related Activities	0.00	0.00	8.50	4.20	12.70	161.81			
Creditor Correspondence/ Queries	0.20	0.00	0.00	0.00	0.20	435.00			
Employee Related Tasks	0.90	0.50	10.20	0.00	11.60	243.66			
Secured Creditors	1.60	0.00	0.00	0.00	1.60	435.00			
	2.70	0.50	18.70	4.20	26.10	217.03	5,664.50		
<b>Investigations</b>									
Investigations	0.00	0.00	3.75	0.00	3.75	235.00			
	0.00	0.00	3.75	0.00	3.75	235.00	881.25		
<b>Realisation of Assets</b>									
Asset General (Uncharged)	0.00	0.00	6.00	0.00	6.00	235.00			
FL Stock & WIP	0.00	0.50	0.00	0.00	0.50	310.00			

	Hours	Charge							
FX Freehold & Leasehold	0.40	0.00	0.00	0.00	0.00	0.40	435.00		
FX Book Debt Realisation	0.90	0.00	0.00	0.00	0.00	0.90	435.00		
Insurance/ Bond	0.10	0.00	0.00	0.00	0.00	0.10	435.00		
FL Asset General	6.40	0.00	0.00	0.00	0.15	6.55	427.44		
FL Book Debt Realisation	0.20	0.00	0.00	0.00	0.00	0.20	435.00		
	8.00	0.50	6.00	0.15	14.65	5,060.75	345.44		
<b>Hours</b>	<b>13.10</b>	<b>2.50</b>	<b>41.75</b>	<b>5.05</b>	<b>62.40</b>				
<b>Charge</b>	<b>5,639.00</b>	<b>775.00</b>	<b>9,307.75</b>	<b>530.25</b>		<b>16,252.00</b>			

## **Appendix IV**

### **Joint Administrators' Receipts and Payments Account**

**ITrain Consulting Services Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 03/05/2012**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>SECURED ASSETS</b>		
1 00	Goodwill	NIL	
61,500 00	Book Debts	NIL	NIL
	<b>SECURED CREDITORS</b>		
(31,000 00)	Pulse Cashflow Finance Limited	NIL	NIL
	<b>ASSET REALISATIONS</b>		
35,550 00	Office Furniture & Equipment	NIL	
1,000 00	Contracts	NIL	NIL
	<b>PREFERENTIAL CREDITORS</b>		
(16,264 14)	Employee Arrears/Hol Pay	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(360,398 55)	Trade & Expense Creditors	NIL	
(62,731 59)	Employees	NIL	
(397,384 00)	HM Revenue & Customs	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	NIL
<b>(769,729.28)</b>			<b>NIL</b>
	<b>REPRESENTED BY</b>		<b>NIL</b>

\_\_\_\_\_  
Alexander Kinninmonth  
Joint Administrator

**I-Train Education Limited ("the Company") – In Administration****Statement of Pre-Administration Costs**

Pre-administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so

**Summary of the Joint Administrators' Pre-Administration Costs**

The Joint Administrators' pre-administration costs comprise -

	£
Pre-administration time costs (abated*)	10,634
Pre-administration expenses	-
Legal costs	2,500
Agents costs	1,440
Pre-administration disbursements	-
Category 1	72 70
Category 2 (see Appendix III)	0
<b>Total</b>	<b>£14,646.70</b>

The Joint Administrators will be seeking approval for payment of their pre-administration costs as an expense of the administration from the creditors

Further information on each category of pre-administration cost is given below

***Pre-Administration Time Costs of the Joint Administrators***

The Joint Administrators' unpaid pre-appointment time costs total £10,634 at RSM Tenon's standard charging rates (see Appendix III) and relates to costs incurred specifically with a view to the Company entering into administration. These costs were all incurred on or after 9 March 2012 and in relation to the following activities

- > confirming that one of the statutory objectives of administration could be achieved,
- > liaising with secured creditors, key stakeholders and major creditors,
- > securing the Company's books and records,
- > dealing with employees,
- > liaising with valuation agents regarding assets on finance and lease agreements,
- > carrying out all necessary steps in order to place the Company into administration

The agreement under which we incurred the pre-administration costs was oral instructions received from Martin Brown on 9 March 2012. RSM Tenon's Letter of Engagement was signed on 15 March 2012

None of these costs has been paid

***Pre-Administration Expenses***

Details of pre-administration expenses which have been incurred with a view to the Company's administration are

<b>Advisor and Nature of Work</b>	<b>Date of Engagement</b>	<b>Fees £</b>
PDT Solicitors Appointment documents Purchase and Sale Agreement	13 March 2012	2,500
Edward Symmons LLP Valuation	21 March 2012	1,440
<b>Total</b>		<b>£3,940</b>

We instructed PDT Solicitors to draft the Purchase and Sale Agreement with Adro International Training Limited, and to deal with the steps necessary to effect our appointment at court. These pre-administration expenses have been incurred by PDT Solicitors on a time cost basis, plus disbursements.

We instructed Edward Symmons LLP to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases and a forced sale basis, and to advise us with respect to the offer received by the Company for its business and assets from the purchaser. These pre-administration expenses have been incurred by Edward Symmons LLP on a time cost basis, plus disbursements.

None of these expenses have been paid.

#### ***Pre-Administration Disbursements***

No pre-administration disbursements have been incurred.

#### **Work Done**

The work done by us, and by our advisors, in the period leading up to administration was reported in the first notification that we sent to creditors on 28 March 2012, following the commencement of the administration. That notification explained how our pre-administration work was in the interests of creditors and was in furtherance of the objective of this administration. If any creditor would like a further copy of that notification, please do not hesitate to contact this office.

#### **Other Persons Entitled to Claim**

We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any such claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

#### **Not Part of the Administrators' Proposals**

Please note that our request for payment of pre-administration costs is separate to and does not form part of our proposals to creditors for the conduct of the administration.



## SIP9 Detailed

7740217 ITrain Consulting Services Limited

Creditors' Voluntary Liquidation/Pre Appt

01/03/2012 to 21/03/2012

RSM Tenon

Administration Charges									
Strategy / Review	3.70	0.00	0.00	0.00	0.00	3.70			435.00
Cashiering (Administration)	0.00	0.00	0.20	0.00	0.00	0.20			195.00
Pre-Appointment Related	11.80	7.00	7.50	0.00	0.00	26.30			341.65
	15.50	7.00	7.70	0.00	0.00	30.20	10,634.00		352.12
Hours	15.50	7.00	7.70	0.00	0.00	30.20			
Charge	6,742.50	2,170.00	1,721.50	0.00	0.00		10,634.00		

## Rule 2.35

## Notice of a meeting of Creditors

Name of Company ITrain Consulting Services Limited	Company number 05483438
In the High Court of Justice (full name of court)	Court case number 2576 of 2012

(a) Insert full name(s)  
and address(es) of  
administrator(s)

Notice is hereby given by (a)  
Alexander Kinninmonth  
RSM Tenon  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZ

Duncan Robert Beat  
RSM Tenon  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZ

(b) Insert full name and  
address of registered  
office of the company

that a meeting of creditors of (b)  
ITrain Consulting Services Limited  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire

(c) Insert details of place  
of meeting

is to be held at (c)

(c) Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ

(d) Insert date and time  
of meeting

on (d) 21 May 2012

at 3 30pm

The meeting is

\*Delete as applicable

\*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')  
~~\*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~  
~~\*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~  
~~\*(4) a further creditors' meeting under paragraph 56 of the Schedule~~  
~~\*(5) a creditors' meeting under paragraph 62 of the Schedule~~

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed



Joint / Administrator(s)

Dated

3/5/12

\*Delete as applicable

A copy of the \*proposals/ revised proposals is attached

**PROOF OF DEBT - GENERAL FORM**

<b>iTrain Consulting Services Limited - In Administration</b>	
Date of Appointment 21 March 2012	
1	Name of Creditor (If a company please also give company registration number)
2	Address of Creditor for correspondence
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation
4	Details of any documents by reference to which the debt can be substantiated [Note there is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting]
5	If amount in 3 above includes outstanding uncapitalised interest please state amount £
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	Position with or in relation to creditor
	Address of person signing (if different from 1 above)
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator

**Itrain Consulting Services Limited**  
In Administration

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 21 May, 2012 at 3 30pm, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

\*Please tick as appropriate

## Voting Instructions for resolutions

For Against

1 For the approval of the Joint Administrators' proposals as circulated (excluding paragraph (g) (discharge) as covered by resolution 5 below and paragraphs (h)(remuneration) and (i)(disbursements) as covered by resolutions 3 and 4 below)

☐☐

2 That the Joint Administrators be authorised to draw pre-administration costs of £14,646 70 plus VAT, including fees charged and expenses and disbursements incurred by them, out of the assets of the Company as an expense of the Administration, and to be drawn as and when funds permit

☐☐

3 The Joint Administrators shall be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company

☐☐

4 The Joint Administrators be authorised to draw category 2 expenses as outlined in Appendix III of the proposals

☐☐

5 That upon the Company either proceeding into Liquidation or dissolution, the Joint Administrators be discharged from liability 14 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution

☐☐

6 For the appointment of \_\_\_\_\_ (name)  
of \_\_\_\_\_ (firm)  
as liquidator of the company

CONTINUED ON NEXT PAGE

**Itrain Consulting Services Limited**  
In Administration

- 7 If you wish to appoint a member of the creditors committee, please complete the following -

For the Appointment of \_\_\_\_\_ (name of individual)  
of \_\_\_\_\_ (company/organisation name)  
representing \_\_\_\_\_ (name of creditor)  
as a member of the creditors committee

This form must be  
signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

Only to be completed if  
the creditor has not  
signed in person

Position with creditor or relationship to creditor or other authority for signature

\_\_\_\_\_  
\_\_\_\_\_