

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



\*A8HLM0C2\*

A13

05/11/2019

#127

COMPANIES HOUSE

### 1 Company details

Company number

Company name in full

#### → Filling 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

Full forename(s)

Surname

#### Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

#### Other liquidator

Use this section to tell us about  
another liquidator.

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**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date	<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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**Presenter information**

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

Contact name **Robert Cook**

Company name **David Rubin & Partners**

Address

**26 - 28 Bedford Row**

Post town **London**

County/Region

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

Country

DX **London/Chancery Lane**

Telephone **020 7400 7900**



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**IN THE MATTER OF**  
**TALENT TRAINING (UK) LLP - IN LIQUIDATION**  
**AND**  
**THE INSOLVENCY ACT 1986**

**THE JOINT LIQUIDATORS' FIRST ANNUAL PROGRESS REPORT**  
**PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986**  
**AND**  
**PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**  
**FROM 14 SEPTEMBER 2018 TO 13 SEPTEMBER 2019**

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- g. Creditors and distributions
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## **APPENDICES**

- A. Receipts and Payments Account from 14 September 2018 to 13 September 2019
- B. Time Analysis for the period 14 September 2018 to 13 September 2019

**TALENT TRAINING (UK) LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

**(a) Introduction**

The Company entered into Administration on 7 September 2017 pursuant to an application filed at The High Court of Justice, Chancery Division. The appointment was made by the Company pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986. The Company was subsequently moved into Liquidation on 14 September 2018, pursuant to paragraph 83(7)(a) of the Insolvency Act 1986.

This report provides an update on the progress in the liquidation pursuant to Section 104A of the Insolvency Act 1986 for the year ended 13 September 2019.

**Rule 18.3: Progress Report**

**(b) Statutory information**

Company name: Talent Training (UK) LLP  
Registered office: c/o David Rubin & Partners, 26-18 Bedford Row, London, WC1R 4HE  
Company number: OC327583  
Trading name: Talent Training  
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

**(c) Joint Liquidators' name and address:**

David Rubin, Office Holder Number: 2591 and Henry Lan, Office Holder Number: 8188, both of David Rubin & Partners, and they may be contacted in writing at 26 - 28 Bedford Row, London, WC1R 4HE.

**(d) Any changes in the Office Holder**

Henry Lan and I were appointed Liquidators of the Company on 14 September 2018. There has not been any changes in the Office Holders appointed since the start of the Liquidation.

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

As previously reported during the Administration proceedings, my staff undertook a review of the Members Drawings accounts and identified drawings by the former managing director, David Harper ("DH"), in excess of distributable reserves.

I entered into negotiations with DH and his advisors to which a six figure offer was made in full and final settlement to be paid by 30 June 2019. I am pleased to report that DH has made a payment in the sum of £225,000 in full and final settlement of my potential claim against him.

As part of my considerations for the settlement with DH, I obtained details of the assets and liabilities of DH together with any known future income. In view of the information provided it was clear that the offer generated the highest possible return to creditors, without the need

**TALENT TRAINING (UK) LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

to enter into legal proceedings, which would increase costs and most likely yield a lower return to the estate.

I retained the services of the Company's acting solicitors, Messrs Ward Hadaway ("WH"). Prior to the Administration they were instructed to bring 3 potential claims against the Educations & Skills Funding Agency ("ESFA"), Babington Business College Limited ("Babington") and Manpower UK Limited ("Manpower").

My staff and I have attended numerous meetings and regular conference calls to progress these claims and Letters Before Action were issued. However the claims were robustly defended by all parties.

In view of the above, the services of Counsel and a QC were engaged to provide their opinions on the merits on the potential claims, and following their review it was considered that the claim against ESFA was unlikely to succeed.

Therefore during this reporting period, we have continued to focus our efforts in pursuing the remaining two claims which had a high potential recovery value.

In the case of the Manpower claim, Counsel advised the evidence was insufficient to support the claim and there was a significant risk that pursuing legal action would fail; incurring additional costs to the estate, with no benefit to creditors. There was an added complication to the claim that the paymaster was a 3<sup>rd</sup> party, the ESFA and the claim was also weakened by Manpower's right to terminate the agreement with the Company on 1 months' notice.

In respect of the Babington claim, Counsel identified further evidence that was required to pursue the claim, which was unfortunately not available. In addition, Counsel was concerned of the risk of Babington contesting that in the event that the original termination notice was invalid, the Company's losses would be limited. WH had previously written a claim letter to Babington, which resulted in a robust defence from Babington.

Unfortunately, subsequent enquiries found insufficient evidence supporting the potential claims against Manpower and Babington and WH were unable to recommend pursuing these matters without considering the considerable risk of incurring substantial costs and that the likelihood of success was less than favourable.

WH have now closed their file and I approached litigation funders to enquire whether they would be interested in pursuing these claims. Unfortunately, they considered the chances of success to be minimal and not commercially viable for them to pursue. Therefore no recoveries are expected in this regard.

In addition to the above, my staff have conducted a review the claims of the Company's former employees and the Redundancy Payments Service with a view to making a distribution to preferential creditors shortly.

A Receipts and Payments Account is attached at Appendix A, which is further explained below.

**1. Receipts**

**1.1 VAT Refund – In Administration**

This relates to a VAT refund received from the Administration estate.

**TALENT TRAINING (UK) LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

**1.2 Cash at Bank – In Administration**

This represents the balance of the funds held in the Administration estate which has been transferred to the Liquidation.

**1.3 Recovery from Designated Partner**

As detailed above, we have received the sum of £225,000 as full and final settlement of all claims against DH.

**1.4 Bank interest gross**

The funds in hand are held in an interest bearing account with a High Street bank in the Office Holder's name as Liquidator of the Company.

Interest earned on the funds in hand amounts to £7.32.

**2. Payments**

**2.1 Office Holders Fees**

Remuneration drawn by the Joint Liquidators during the year amounted to £14,000.

**2.2 Legal fees**

As mentioned above, we retained the Company's solicitors WH to bring claims against former clients.

During this reporting period, the sum of £5,457.50 has been repaid to WH in respect of Counsel and Expert fees incurred in advising on the potential claims and the prospects of their success. A further £255 was repaid to WH in respect of Court Fees.

WH have outstanding time costs of circa £7,000 which have been written off and it was originally anticipated that should the matters proceed to formal legal action a Conditional Fee Agreement was to be entered into in order to pay the costs only upon successful recoveries being made. However, in view of the legal opinions obtained, the potential claims have now been abandoned.

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

**2.3 Storage Costs**

My 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. I am also required to keep my working papers for 6 years from the conclusion of the liquidation. To date I have recharged the sum of £360 for storage costs up to February 2019.



**TALENT TRAINING (UK) LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

**2.4 Statutory advertising**

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the notice of the appointment of the Joint Liquidators and to creditors to submit their claims in the liquidation.

**3. Payments incurred but not yet recharged to the estate**

**3.1 Storage Costs**

Further to 2.3 above, my firm has incurred storage costs of £360 which will be recharged to the estate shortly.

**3.2 Postage and Stationery**

The sum of £309.15 is due to be repaid in respect of the postage and stationery costs incurred in sending notification of the Liquidation to members and creditors. This will be recharged to the estate shortly.

**(f) Liquidator's Remuneration and Expenses**

**1. *Basis of remuneration***

A Decision of Creditors by Correspondence passed a resolution that the basis of our remuneration as Joint Liquidators' be fixed by reference to the time properly spent by my staff and ourselves in attending to matters arising in the winding-up.

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Joint Liquidators' remuneration was approved. These rates were set in November 2011 and have fallen substantially behind prevailing market rates for a business of our size and expertise. Accordingly, the rates were revised on 1 November 2018. Our current hourly chargeout rates exclusive of VAT, which are charged in units of 6 minutes, are as follows:-

	<b>Previous</b>	<b>Current</b>
	<b>£</b>	<b>£</b>
Senior / Managing Partners	450	550
Partners/Office holders	300 - 395	495
Managers / Senior Managers	250 - 295	350 - 395
Senior Administrators	180 - 220	220 - 295
Administrators	130 - 160	160 - 200
Cashiers and Assistants	120 - 160	150 - 295
Supports	110 - 120	120 - 150

Chargeout rates are normally reviewed annually and are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

**2. *Staff allocation and the use of subcontractors***

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

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

**3. *Joint Liquidators' remuneration***

Our time costs for the year under review are £35,370. This represents 103.48 hours at an average rate of £340.75 per hour. I attach at Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade.

We initially provided creditors a fee estimate £65,500.50 for the liquidation. The time costs incurred to-date is within the budget provided and we do not expect the estimate to be exceeded.

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

USERNAME: T502@drco.co.uk                      PASSWORD: 205Ty|\*!

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

Included in the work undertaken by me and my staff are the following:-

- i.) Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims.
- ii.) Applying for the Joint Liquidators' bonds, as required by the Insolvency Practitioners Regulations 2005.
- iii.) Arranging for the transfer of funds from the Administration estate to the Liquidation.
- iv.) Set up of the Liquidation case, including all statutory notifications to the relevant authorities and creditors.
- v.) Detailed review of the 92 former employees' preferential claims and liaising with the Redundancy Payments Office to resolve any queries and amend any claims, as necessary, in preparation for a preferential dividend.
- vi.) On-going communication with DH regarding the settlement payment due and arranging for funds to be received.
- vii.) Continuing to pursue potential legal claims and considering legal advice from WH and Counsel regarding the viability of the proposed claims.

**TALENT TRAINING (UK) LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

**4. Joint Liquidators' expenses**

Expenses incurred in the liquidation are explained at (e) above in my comments on the Receipts and Payments Accounts.

**5. Creditors' rights – Rule 18.9 and Rule 18.34**

- i) 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) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report.
- ii) Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

**(g) Creditors and Distributions**

**(i) (a) Secured creditors**

Clydesdale Bank PLC held 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 no balance due to Secured creditors.

**(b) Prescribed Part**

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

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

**(ii) Preferential creditors**

We have received a preferential claim from the Redundancy Payments Office ("RPO") for £104,778.94. There are also preferential claims of 54 employees who are owed the balance of their holiday pay amounting to approximately £26,000.

We are in the final stages of reviewing the preferential claim and awaiting a final claim from the RPO following a number of amendments. Once this is received, we will notify all Preferential Creditors of our calculations of their claim, prior to a distribution.

**(iii) Unsecured creditors**

The claims of 70 unsecured creditors totalling £1,989,831.76 have been received and the claims of 40 creditors with an estimated total value of £456,107.55 have yet to be

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established. It is currently uncertain as to whether there will be sufficient funds in the estate to pay a dividend to unsecured creditors as this is dependent on the distribution to preferential creditors.

**(h) Details of what remains to be done**

As detailed above, we will be shortly finalising the claims of the preferential creditors and pay the first and final dividend.

Once this has been completed the claims of the unsecured creditors will be assessed and if sufficient funds are in the estate, the adjudication of the unsecured creditors will be undertaken. It is not possible to provide unsecured creditors with an estimate of the potential return at this juncture as this is dependant of the level of claims received and agreed, together with the funds available in the estate.

**(i) Other information of relevance to creditors:**

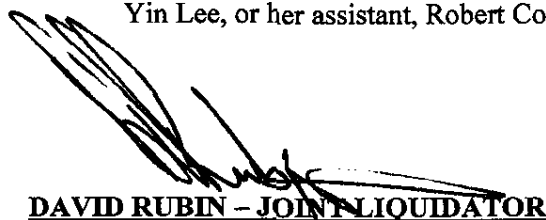
***Investigations***

1. In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy (BEIS). As this is a confidential report, I am not able to disclose the contents.
2. Shortly after my appointment, I made 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. My examinations have not revealed any issues requiring further investigation.
3. As detailed in section (e) above, we reviewed the Members Drawings accounts and identified drawings by the former managing director, DH, in excess of the distributable reserves. This resulted in a settlement with DH.

**(J) Next report**

I am required to provide a further report on the progress of the Liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my Final Account which will conclude my administration of the Liquidation.

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



**DAVID RUBIN – JOINT LIQUIDATOR**

**DATE: 30 OCTOBER 2019**

**Talent Training (UK) LLP**  
**(In Liquidation)**  
**JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT**

**From 14/09/2018**  
**To 13/09/2019**  
**£**

**RECEIPTS**

VAT Refund - In Administration	6,000.00
Cash at Bank - In Administration	24,772.54
Recovery from Designated Partner	225,000.00
Bank Interest Gross	7.32
	<u>255,779.86</u>

**PAYMENTS**

Office Holders Fees	14,000.00
Legal Fees	5,712.50
Storage Costs	360.00
Statutory Advertising	169.20
	<u>20,241.70</u>
Net Receipts/(Payments)	<u><u>235,538.16</u></u>

**MADE UP AS FOLLOWS**

Deposit Account	233,364.66
VAT Receivable / (Payable)	2,173.50
	<u><u>235,538.16</u></u>

## TALENT TRAINING (UK) LLP - IN CREDITORS VOLUNTARY LIQUIDATION

<b>JOINT LIQUIDATORS' TIME COSTS</b> <b>FROM 14 SEPTEMBER 2018 TO 13 SEPTEMBER 2019</b> <b>SIP 9 TIME SUMMARY</b>							
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	01:18	00:00	01:18	208.00	160.00
Statutory filings, circulars, notices, etc.	00:00	05:00	05:30	00:00	10:30	2,373.00	226.00
Case planning, strategy & control	03:06	06:36	00:00	00:00	09:42	4,226.50	435.72
Taxation: PAYE, C/Tax & VAT	00:00	00:00	01:42	00:00	01:42	344.00	202.35
Accounting & Cashiering	00:00	00:06	01:12	04:24	05:42	1,125.00	197.37
Case reviews & Diary maintenance	00:00	08:42	02:06	00:00	10:48	3,898.50	360.97
<b>Investigations</b>							
OR: CDDA matters & correspondence	00:00	00:00	00:06	00:00	00:06	16.00	160.00
Antecedant transactions & wrongful trading	00:42	00:00	00:00	00:00	00:42	415.00	592.86
Proceedings & recoveries	01:30	12:24	00:30	00:00	14:24	5,650.00	392.36
<b>Realisation of assets</b>							
Freehold & leasehold properties	00:00	00:00	00:18	00:00	00:18	54.00	180.00
Book debts collection	00:00	11:00	01:48	00:00	12:48	4,741.00	370.39
Tangible assets	00:00	00:00	00:48	00:00	00:48	152.00	190.00
<b>Creditors</b>							
Unsec'd Creditors: correspondence & claims	00:00	06:30	04:42	00:00	11:12	3,247.50	289.96
Preferential creditors & employees	00:00	23:48	00:00	00:00	23:48	8,919.50	374.77
<b>Total hours and costs</b>	<b>05:18</b>	<b>74:06</b>	<b>20:00</b>	<b>04:24</b>	<b>103:48</b>	<b>35,370.00</b>	<b>340.75</b>