

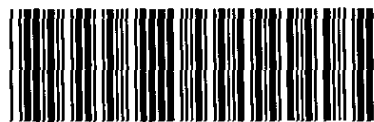
LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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07/06/2019

#194

COMPANIES HOUSE

1 Company details

Company number 0 7 8 9 1 1 9 1

Company name in full John Frank Training Ltd

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

2 Liquidator's name

Full forename(s) Clive

Surname Morris

3 Liquidator's address

Building name/number Heskin Hall Farm

Street Wood Lane

Post town Heskin

County/Region Preston

Postcode P R 7 5 P A

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		3		d		0		m		1		m		1		y		2		y		0		y		1		y		6	
To date	d		2		d		9		m		1		m		1		y		2		y		0		y		1		y		7	
7		Progress report																														
		<input checked="" type="checkbox"/> The progress report is attached																														
8		Sign and date																														
Liquidator's signature	Signature		<div style="display: flex; justify-content: space-between; align-items: center;"> X  X </div>																													
Signature date	d		2		d		2		m		0		m		1		y		2		y		0		y		1		y		8	

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 **Lee Morris**Company name **Marshall Peters**Address **Heskin Hall Farm**
Wood LanePost town **Heskin**County/Region **Preston**Postcode **P R 7 5 P A**

Country

DX

Telephone **01257 452021****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**

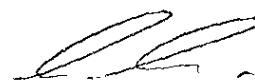
For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

John Frank Training Ltd
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 30/11/2016 To 29/11/2017 £	From 30/11/2016 To 29/11/2017 £
RECEIPTS			
Goodwill	NIL	0.00	0.00
Office Furniture/Computers	4,500.00	750.00	750.00
Book Debts	Uncertain	109,774.45	109,774.45
Cash at Bank	3,238.00	2,335.79	2,335.79
Settlement of Claims - J. Frank		640,000.00	640,000.00
Bank Interest Net of Tax		18.48	18.48
Vat Payable		150.00	150.00
Vat Control Account		28,587.00	28,587.00
		<u>781,615.72</u>	<u>781,615.72</u>
PAYMENTS			
Goodwill		0.00	0.00
Office Holders Fees		160,000.00	160,000.00
Office Holders Expenses		2,448.01	2,448.01
Debt Collection Fees		10,000.00	10,000.00
Agents Fees		750.00	750.00
Forensic Accountancy		75,000.00	75,000.00
Legal Costs (1)		85,223.00	85,223.00
Legal Disbursements (1)		2,885.00	2,885.00
Employee Arrears/Hol Pay	(7,111.00)	0.00	0.00
Trade & Expense Creditors	(338,434.00)	242,479.77	242,479.77
Employee Arrears/Redundancy/Notice Pa	(15,020.00)	0.00	0.00
HM Revenue & Customs - Corp Tax	Uncertain	0.00	0.00
HM Revenue & Customs - PAYE/NI	(10,000.00)	0.00	0.00
HM Revenue & Customs - VAT	(2,500.00)	0.00	0.00
Ordinary Shareholders	(3.00)	0.00	0.00
Vat Receivable		50,061.60	50,061.60
		<u>628,847.38</u>	<u>628,847.38</u>
BALANCE - 29 November 2017			<u><u>152,768.34</u></u>



Clive Morris
Liquidator

ANNUAL PROGRESS REPORT

JOHN FRANK TRAINING LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

Content

- Executive Summary
- Administration and Planning
- Enquires and Investigations
- Realisation of Assets
- Trading
- Creditors
- Fees and Expenses
- Creditors' Rights
- EC Regulations
- Conclusion

Appendices

- Appendix I - Statutory Information
- Appendix II – Receipts and Payments account for the period 30/11/2016 to 29/11/2017
- Appendix III - Detailed list of work undertaken in the period
- Appendix IV - Time cost information for period 30/11/2016 to 29/11/2017
- Appendix V - Time costs summary for cumulative
- Appendix VI – Charge-out rates and disbursements

ANNUAL PROGRESS REPORT OF JOHN FRANK TRAINING LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Goodwill	NIL	NIL	NIL	NIL
Office Furniture/Computers	4,500.00	750.00	NIL	750.00
Book Debts	Uncertain	109,774.45	NIL	109,774.45
Cash at Bank	3,238.00	2,335.79	NIL	2,335.79
Settlement of Claims – J. Frank		640,000.00	NIL	640,000.00
Bank Interest Net of Tax		18.48	NIL	18.48
Business Rates Refund		NIL	3,012.86	3,012.86

Expenses

Expense	Amount fees expenses estimates per and	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Liquidator's fees	200,000.00	160,000.00	40,000.00	200,000.00
Solicitors' fees and disbursements	92,833.00	88,108.00	25,000.00	113,108.00
Debt Collection fees	10,000.00	10,000.00	NIL	10,000.00
Agent's fees	750.00	750.00	NIL	750.00
Forensic	75,000.00	75,000.00	NIL	75,000.00
All other expenses	2,520.00	2,448.01	72.00	2,520.01

Dividend prospects

Creditor class	Dividend paid to date	Anticipated further dividend, based upon the above
Secured creditor	N/A	N/A
Preferential creditors	£4,035.44 / 100p in the £	NIL
Unsecured creditors	£235,213.48 / 50p in the £	Uncertain
Unsecured creditors – provision set aside	£116,167.32 / 50p in the £	Uncertain

Summary of key issues outstanding

Creditors' claims rejected/awaiting further proof

On 12 May 2017, I gave notice of a first intended dividend with a final date for proving of 6 June 2017.

By 6 June 2017, I had received claims from three unsecured creditors in the amounts of £57,069.93, £225,872.94 and £6,461.70, which required further proof before admitting or rejecting these claims for the purposes of the intended dividend.

ANNUAL PROGRESS REPORT OF JOHN FRANK TRAINING LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

Accordingly, a provision was set aside for these claims in the amount of £144,702.29, pending further proof and adjudication.

Upon adjudication, I rejected the claims of £225,872.94 and £6,461.70 in full, and admitted the £57,069.93 in full.

The creditor whose claim was rejected in the amount of £225,872.94 subsequently made an application to Court to have this rejection reviewed. These proceedings are ongoing and are expected to proceed to trial on 4 May 2018.

Should the Court uphold my decision to reject the claim, in full or in part, any provision set aside for dividend purposes in respect of any rejected element of this claim will be reintroduced into the liquidation estate for the benefit of the general body of unsecured creditors. Any element of the claim determined to be admitted for dividend purposes will entitle the creditor to receive a dividend at the same rate as the other admitted creditors, being 50p in the £, from the provision set aside, subject to costs.

Business Rates Refund

I have applied for a refund on business rates paid in respect of the Company's trading premises. I am anticipating a refund in the amount of £3,012.86.

Possible VAT reclaim

I have been investigating the possibility of a reclaim of VAT paid by the Company prior to Liquidation in respect of income from Advanced Learner Loans. If such a reclaim was successful, an estimated refund of £205,000 would be due to the Company. Advice is being sought from an expert in this matter.

Closure

Due to the issues outstanding as listed above, it is difficult to estimate the timing and amount of any further dividend to unsecured creditors or the closure of the liquidation.

ADMINISTRATION AND PLANNING

Statutory information

Statutory information may be found at Appendix I.

The Liquidator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix III.

Reporting

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Review Period, the following key documents have been issued:

- A report to creditors in relation to key developments/notice of intended dividend/requests for fee approval
- This progress report;

Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Filing of documents to meet statutory requirements including annual receipts and payments accounts
- Advertising in accordance with statutory requirements
- Bonding the case for the value of the assets
- *Filing of documents*
- Periodic file reviews documenting strategy
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards
- Maintenance of statutory and case progression task lists/diaries
- Updating checklists

ENQUIRES AND INVESTIGATIONS

During the Review Period, the Liquidator carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the director, shareholders and employed professionals by means of questionnaires, correspondence and interviews; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

ANNUAL PROGRESS REPORT OF JOHN FRANK TRAINING LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

The director provided the books and records and a Statement of Affairs. He did not provide a completed questionnaire.

The information gleaned from this process enabled the Liquidator to meet his statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This initial assessment revealed matters that the Liquidator considered merited further investigation. It was concluded that the Liquidator may have claims against connected parties of the Company for misfeasance/breach of fiduciary duty, transaction at undervalue and/or preference, amounting to over £700,000, and a claim was submitted to Court accordingly.

As part of this claim, an ex-parte injunction was obtained against the Defendant, freezing assets to the value of the claim. As part of this injunction, the Liquidator had to give a cross-undertaking in damages (an undertaking to compensate the other party for any harm that the injunction may cause, if the Court should decide at a later date for whatever reason that the injunction should not have been granted or should be discharged).

The Liquidator's claims were settled before trial, and the settlement sum received from the Defendant amounted to £640,000. This sum was received in the Review Period.

In addition to the above, it was identified that a number of payments to unconnected parties may constitute either a preference or transaction at undervalue. No such claim has been brought in this regard during the Review Period. Although this work did not generate any financial benefit to creditors, it was necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

REALISATION OF ASSETS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix III. The Liquidator formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Office Furniture/Computers

The Director's Statement of Affairs estimated the book value of Office Furniture and Computers to be £9,747, with an estimated realisable value of no more than £4,500, based upon a formal valuation produced by agent Robson Kay Associates prior to the date of liquidation.

Following the Liquidator's appointment, independent agents Landwood Group were instructed to value and sell the Office Furniture and equipment.

Landwood Group valued the assets to have an in-situ value of £6,000 and an ex-situ value of £750. The assets were sold ex-situ for £750 + VAT. Landwood Group's costs in the valuation and sale were £750 + VAT, having regarding to their time spent in valuation and selling the assets.

Book Debts

The Director's Statement of Affairs estimated the book value of Book Debts to be £432,000, but as contractors (debtors) put payments on hold on the instructions of the Skills Funding Agency (pending the outcome of their investigations), the estimated realisable value was "uncertain".

The Liquidator instructed Mr. Eric Sinclair to assist in the collection of book debts.

Mr. Sinclair is an expert in accountancy, audit and forensics, and the funding mechanism in Apprenticeships, Traineeships and Advanced Learner Loans. Mr. Sinclair's primary role in the collection of debts was to review the accounts with debtors, the investigation findings of the Skills Funding Agency and the counter-claims/claw backs put forward by the debtors in contest of the book debts.

A review of the Company's sales invoices in support of the book value of £432,000 per the Director's Statement of Affairs (albeit that, upon review, outstanding sales invoices amounted to £440,911) indicated that some invoices had been raised at the end of the Company's trading life, with apparently little basis for the amounts raised. The book debts were owed from four Prime Contractors.

These Prime Contractors were subjected to an audit by Skills Funding Agency, reviewing funds paid in relation to learners trained by the Company only. Following the audit, the debtors contested c. £203,000 of debts as having no basis for being due, and also counter claimed c. £239,000 in Skills Funding Agency claw-backs and damages.

After a period of negotiation, settlements were agreed whereby a total of £109,774.45 was recovered in book debts. Nothing further is anticipated.

Mr. Sinclair was paid £10,000 for his assistance with the collection of book debts, calculated as a fixed fee, giving regard to his time spent in reviewing the debtors' accounts, supporting information and Skills Funding Agency investigation findings.

With the assistance of Mr. Sinclair, realisations of £109,774.45 were achieved. Without his assistance in reviewing accounts and challenging counter-claims, no realisations would have been achieved, as debtors would have argued against payment of any of the full debtor balance.

Cash at Bank

The Director's Statement of Affairs stated that Cash at Bank amounted to £3,238.00, comprised of £2,336 in the Company's current account less £1,300 owed on the bank's credit card, and £2,202 held in an expense account.

The Company's bank confirmed to the Liquidator that the Company held two accounts – a current account with a credit balance of £2,335.79, and a reserve account with a nil balance. The credit balance on the current account was received in full – no credit card liabilities were offset against the balance. No further cash at bank is anticipated.

Settlement of Claims – J. Frank

As described in the *Enquiries and Investigations* section above, claims in excess of £700,000 were identified against the Director and Shareholders, for which a Court Claim was brought by the Liquidator.

The Liquidator instructed Mr. Sinclair to assist in forensic accountancy, to review the Company's records and identify any transaction which could be challenged by the Liquidator, reconstitute the Company's accounts and provide an expert witness statement therein.

The Liquidator instructed solicitors Turner Parkinson LLP to assist in legal matters identifying and bringing claims, providing legal advice to the Liquidator upon the merits of claims and risks therein, drafting and submitting the relevant Court applications and witness statements, liaising with Counsel and the Defendant's solicitors, obtaining an injunction against the Defendant, and negotiating and executing a settlement.

The sum of £640,000 was paid by the Defendant in full and final settlement of claims.

Mr. Sinclair was paid £75,000 for his accountancy, audit and forensics and expert report, calculated as a fixed fee, giving regard to his time spent and realisations achieved.

Turner Parkinson LLP was paid £75,048 for its assistance with legal work associated with claims against the Director, calculated on a time cost basis with an uplift in fees in consideration for working on a Conditional Fee Arrangement.

Bank Interest Net of Tax

The sum of £18.48 has been received in the review period for interest on funds held in the estate bank account.

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at Appendix III. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured creditors

The Company has not granted any charges over its assets.

Preferential creditors

Employee claims

21 employees were made redundant on 31 October 2016. The relevant information for employees to submit claims has been made to the Redundancy Payments Office and information and help has been given to employees to enable them to submit their claims online.

Employees were shown to be owed £22,130.44 in the Statement of Affairs. Claims of £12,608.15 have been received from the Redundancy Payments Office in respect of subrogated claims, of which £4,035.44 was claimed preferentially.

A distribution of 100p in the £ was paid to preferential creditors on 5 July 2017, whose claims totalled £4,035.44.

Floating charge creditors

Where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to unsecured creditors.

In this case, the Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation

Unsecured creditors

HMRC was shown to be owed £10,000 and £2,500 in respect of PAYE and VAT respectively. Claims of £13,573.96 and £42,148.00 have been received respectively by the liquidator.

The trade and expense creditors as per the statement of affairs totalled £338,434. To date, claims totalling £778,966.87 have been received.

Please be advised that proofs of debt are still being received and therefore the total value of unsecured claims is not known at present.

By 6 June 2017, I had received claims from three unsecured creditors in the amounts of £57,069.93, £225,872.94 and £6,461.70, which required further proof before admitting or rejecting these claims *for the purposes of the intended dividend*.

Accordingly, a provision was set aside for these claims in the amount of £144,702.29, pending further proof and adjudication.

Upon adjudication, I rejected the claims of £225,872.94 and £6,461.70 in full, and admitted the £57,069.93 in full.

The creditor whose claim was rejected in the amount of £225,872.94 subsequently made an application to Court to have this rejection reviewed. These proceedings are ongoing and are expected to proceed to a hearing on 4 May 2018. I have instructed solicitors Turner Parkinson LLP to assist with this Court adjudication process.

Should the Court uphold my decision to reject the claim, in full or in part, any provision set aside for dividend purposes in respect of any rejected element of this claim will be reintroduced into the liquidation estate for the benefit of the general body of unsecured creditors. Any element of the claim determined to be admitted for dividend purposes will entitle the creditor to receive a dividend at the same rate as the other admitted creditors, being 50p in the £, from the provision set aside, subject to costs.

Dividend prospects

To date, preferential creditors have received a dividend of 100p in the £, and unsecured creditors whose claims have been accepted for dividend purposes have received a dividend of 50p in the £. A provision has also been set aside for unsecured claims subject to Court adjudication, which will enable a dividend at 50p in the £ if the Court accepts their claims in full or in part.

There may be further funds available to enable a second dividend to unsecured creditors, but this will be dependant upon the outcome of the above proceedings and associated costs.

FEES AND EXPENSES

Pre-Appointment Costs

No resolution was passed at the creditors meeting on 30 November 2016 for a Statement of Affairs fee to be approved for the proposed liquidator, Leonard Curtis. As such, no funds have been drawn for pre-appointment costs.

The Liquidator's fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and director then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a manager or director.

The basis of the Liquidator's fees was approved by creditors on 27 February 2017 in accordance with the following resolution:

- Under Rule 4.127 of the Insolvency Rules 1986 and in accordance with Statement of Practice no.9 (SIP9) issued by the Association of Business Recovery Professionals, the remuneration of the Liquidator be fixed in accordance with the Liquidator's fees estimate, on a time cost basis. The fees are to be paid at the Liquidator's discretion, as and when funds permit.
- That the Liquidator's be authorised to draw Category 2 disbursements in accordance with the firm's published tariff.

The fee estimate detailed above totalled £100,000, however, a fee increase was approved by the unsecured creditors on 29 May 2017. The creditors of the company approved that the fees can be increased up to a maximum of £150,000 for post appointment costs. It was identified that this fee limit would be exceeded due to extensive creditors' claims adjudication and the creditors of the company approved that fees can be increased up to a maximum of £200,000 on 26 July 2017.

The time costs for the review period 30 November 2016 to 29 November 2017 total £173,860, representing 708.40 hours at an average hourly rate of £245.43. The time costs for the period are detailed at Appendix IV.

Having regard for the costs that are likely to be incurred in bringing this liquidation to a close, the Liquidator considers that:

- the adjusted fees estimate of £200,000 has not been exceeded and is unlikely to be exceeded.

The main reasons why the fees estimate has been exceeded is because of the time spent in pursuing and recovering sums from the Director via an application to Court and the time spent on adjudicating creditors' claims.

The Liquidator intends to seek creditors' approval to fees in addition to that previously estimated and the relevant creditors will be invited to consider the Liquidator's proposal in this regard under separate cover.

Disbursements

The category 1 disbursements paid for in the period 30 November 2016 to 29 November 2017 total £2,447.01. These are detailed at Appendix II and represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

The category 2 disbursements for the period 30 November 2016 to 29 November 2017 total £1.00 and these may include an element of overhead charges in accordance with the resolution passed by creditors on 27 February 2017. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed and is also detailed at appendix VI.

Information about this insolvency process may be found on the R3 website <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and disbursement policy may be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

Other professional costs

Solicitors

Turner Parkinson LLP were instructed as legal advisors in relation to claims against the Director and assistance with the adjudication of creditors' claims. Their costs have been agreed on the basis of their standard hourly charge out rates with an uplift in fees relating to claims against the Director in consideration for working on a conditional fee arrangement at that time. The solicitors' fees in the period 30 November 2016 to 29 November 2018 amount to £85,223 as well as disbursements of £2,885.00.

Agents and valuers

The Director's Statement of Affairs estimated the book value of Office Furniture and Computers to be £9,747, with an estimated realisable value of no more than £4,500, based upon a formal valuation produced by agent Robson Kay Associates prior to the date of liquidation.

Following the Liquidator's appointment, independent agents Landwood Group were instructed to value and sell the Office Furniture and equipment.

Landwood Group valued the assets to have an in-situ value of £6,000 and an ex-situ value of £750. The assets were sold ex-situ for £750 + VAT. Landwood Group's costs in the valuation and sale were £750 + VAT, having regarding to their time spent in valuation and selling the assets.

Landwood Group were instructed as agents and valuers in relation to the valuation and sale of the Office Furniture and Equipment. The assets were sold ex-situ for £750 + VAT. Landwood Group's costs in the valuation and sale were £750 + VAT, having regarding to their time spent in valuation and selling the assets.

Debt collector

The Liquidator instructed Mr. Eric Sinclair to assist in the collection of book debts.

ANNUAL PROGRESS REPORT OF JOHN FRANK TRAINING LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

A review of the Company's sales invoices in support of the book value of £432,000 per the Director's Statement of Affairs (albeit that, upon review, outstanding sales invoices amounted to £440,911) indicated that some invoices had been raised at the end of the Company's trading life, with apparently little basis for the amounts raised. The book debts were owed from four Prime Contractors.

These Prime Contractors were subjected to an audit by Skills Funding Agency, reviewing funds paid in relation to learners trained by the Company only. Following the audit, the debtors contested c. £203,000 of debts as having no basis for being due, and also counter claimed c. £239,000 in Skills Funding Agency claw-backs and damages.

After a period of negotiation, settlements were agreed whereby a total of £109,774.45 was recovered in book debts. Nothing further is anticipated.

Mr. Sinclair was paid £10,000 for his assistance with the collection of book debts, calculated as a fixed fee, giving regard to his time spent in reviewing the debtors' accounts, supporting information and Skills Funding Agency investigation findings.

With the assistance of Mr. Sinclair, realisations of £109,774.45 were achieved. Without his assistance in reviewing accounts and challenging counter-claims, no realisations would have been achieved, as debtors would have argued against payment of any of the full debtor balance.

Forensic Accountant

The Liquidator instructed Mr. Sinclair to assist in forensic accountancy, to review the Company's records and identify any transaction which could be challenged by the Liquidator, reconstitute the Company's accounts and provide an expert witness statement therein. The sum of £640,000 was recovered with the assistance of Mr. Sinclair.

Mr. Sinclair was also retained to assist with the review of creditors' claims and supporting funding and training documentation.

Mr. Sinclair was paid £75,000 for his accountancy, audit and forensics and expert report, calculated as a fixed fee, giving regard to his time spent and realisations achieved.

CREDITORS' RIGHTS

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

The Company's centre of main interest was in Martland Mill, Mart Lane, Burscough, Lancashire L40 0SD and therefore it is considered that the EC Regulations will apply. These proceedings are *main proceedings* as defined in Article 3 of the EC Regulation.

CONCLUSION

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Creditor's claim adjudication via court
- Distribution of funds

If you require any further information, please contact this office.

Signed _____

Clive Morris

Liquidator

22 January 2018

Appendix I

Statutory Information

Company Name	John Frank Training Ltd
Company Number	07891191
Registered Office	Heskin Hall Farm, Wood Lane, Heskin, Preston, PR7 5PA
Former Registered Office	Seymour Chambers 92 London Road Liverpool L3 5NW
Former Trading Address	Martland Mill, Mart Lane, Burscough, Lancashire L40 0SD
Officeholders	Clive Morris
Officeholders address	Marshall Peters, Heskin Hall Farm, Wood Lane, Heskin, Preston, PR7 5PA
Date of appointment	30 November 2016

Appendix II

Receipts and Payments account for the period 30/11/2016 to 29/11/2017

John Frank Training Ltd
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 30/11/2016 To 29/11/2017 £	From 30/11/2016 To 29/11/2017 £
RECEIPTS			
Goodwill	NIL	0.00	0.00
Office Furniture/Computers	4,500.00	750.00	750.00
Book Debts	Uncertain	109,774.45	109,774.45
Cash at Bank	3,238.00	2,335.79	2,335.79
Settlement of Claims - J. Frank		640,000.00	640,000.00
Bank Interest Net of Tax		18.48	18.48
Vat Payable		150.00	150.00
Vat Control Account		28,587.00	28,587.00
		<u>781,615.72</u>	<u>781,615.72</u>
PAYMENTS			
Goodwill		0.00	0.00
Office Holders Fees		160,000.00	160,000.00
Office Holders Expenses		2,448.01	2,448.01
Debt Collection Fees		10,000.00	10,000.00
Agents Fees		750.00	750.00
Forensic Accountancy		75,000.00	75,000.00
Legal Costs (1)		85,223.00	85,223.00
Legal Disbursements (1)		2,885.00	2,885.00
Employee Arrears/Hol Pay	(7,111.00)	0.00	0.00
Trade & Expense Creditors	(338,434.00)	242,479.77	242,479.77
Employee Arrears/Redundancy/Notice Pa	(15,020.00)	0.00	0.00
HM Revenue & Customs - Corp Tax	Uncertain	0.00	0.00
HM Revenue & Customs - PAYE/NI	(10,000.00)	0.00	0.00
HM Revenue & Customs - VAT	(2,500.00)	0.00	0.00
Ordinary Shareholders	(3.00)	0.00	0.00
Vat Receivable		50,061.60	50,061.60
		<u>628,847.38</u>	<u>628,847.38</u>
BALANCE - 29 November 2017			<u><u>152,768.34</u></u>



Clive Morris
Liquidator

ANNUAL PROGRESS REPORT OF JOHN FRANK TRAINING LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

Appendix III

Detailed list of work undertaken for John Frank Training Ltd in Creditors' Voluntary Liquidation for the review period 30/11/2016 to 29/11/2017

Below is detailed information about the tasks undertaken or to be undertaken by the Liquidator.

General Description	Includes
Statutory and General Administration	Maintaining physical file and updating IPS records
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Bank account reconciliations <i>Maintenance of the estate cash book</i> Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Reports	Preparing annual progress report, investigation, meeting and general reports to creditors
Realisation of Assets	Instructing an agent to conduct a business rates review and an application to make a realisation in this regard
Creditors and Distributions	<i>Adjudicating creditor claims, making a distribution to creditors</i>
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend <i>Corresponding with RPO regarding POD when not related to a dividend</i>
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of unsecured creditors' claims
Dividend procedures	Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution

Appendix IV

Time cost information for period 30/11/2016 to 29/11/2017

Time Entry - SLP9 Time & Cost Summary

J037 - John Frank Training Ltd
All Post Appointment Project Codes
From: 30/11/2016 To: 29/11/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	32.50	53.20	0.00	33.40	119.10	29,213.00	245.28
Case Specific Matters	0.00	0.00	0.00	25.60	25.60	3,456.00	135.00
Creditors	53.00	131.80	0.10	12.70	197.60	52,393.00	265.15
Investigations	39.00	118.20	0.00	32.50	189.70	47,689.00	251.39
Realisation of Assets	38.00	77.00	0.00	55.90	170.90	40,449.00	236.68
Trading	0.00	0.00	0.00	5.50	5.50	660.00	120.00
Total Hours	162.50	380.20	0.10	165.60	708.40	173,860.00	245.43
Total Fees Claimed						160,000.00	
Total Disbursements Claimed						0.00	

Appendix V

Cumulative Time cost Information

Time Entry - SIP9 Time & Cost Summary

J037 - John Frank Training Ltd
All Post Appointment Project Codes
From: 30/11/2016 To: 29/11/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	32.50	59.20	0.00	33.40	119.10	29,213.00	245.28
Case Specific Matters	0.00	0.00	0.00	25.00	25.00	3,456.00	135.00
Creditors	53.00	131.80	0.10	12.70	197.60	52,393.00	265.15
Investigations	39.00	116.20	0.00	32.50	189.70	47,699.00	251.39
Realisation of Assets	36.00	77.00	0.00	55.90	170.90	40,449.00	236.60
Trading	0.00	0.00	0.00	5.50	5.50	660.00	120.00
Total Hours	162.50	380.20	0.10	165.60	708.40	173,960.00	245.43
Total Fees Claimed							160,000.00
Total Disbursements Claimed							0.00

Appendix VI

HOURLY CHARGE-OUT RATES OF THE STAFF OF MARSHALL PETERS LIMITED AS AT 10 JUNE 2013:-

£

Partner	350.00
Manager	245.00
Assistant Manager	200.00
Senior Administrator	160.00
Administrator	135.00
Senior Cashier	135.00
Cashier	90.00
Support Staff	90.00

Minimum charge-out will be in six minute units.

DISBURSEMENTS

Category 1 Disbursements

These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party.

Examples of equivalent costs that may be reimbursed to the office holders without up lift and do not require prior approval are given below:

Category	Basis of Charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of Assets	At cost in relation to asset coverage requirements
Company Searches	At cost incurred
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage Charge	At actual cost incurred for storage (and retrieval, when appropriate) of records
Other	At actual cost charged

Category 2 Disbursements

These are costs that are directly referable to the appointment in question but not to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. In the event of charging for Category 2 disbursements the following items of expenditure are recharged on the basis specified:

Category	Basis of Charge
Business Mileage	Motor vehicle at 45 p per mile
Internal Room Hire	Held at Marshall Peters Limited, Heskin Hall, Wood Farm Lane, Preston, Heskin, PR7 5PA: £50
Photocopying	Specific calculation of 25 pence per sheet x number of creditors
Facsimiles	£1 for first page and 10 pence for each additional page

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.