

The Insolvency Act 1986

Administrator's progress report

Name of Company Northern Training Limited	Company number 04504812
In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]	Court case number 1722 of 2011

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

We (a) Jason Mark Elliott and Janette Elliott of Cowgill Holloway Business Recovery LLP, 49 Peter Street, Manchester, M2 3NG

administrators of the above company attach a progress report for the period

from

to

(b) 4 April 2012

(b) 3 October 2012

Signed  Joint Administrator

(b) Insert dates

Dated 17/10/12

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 form. The contact information that you give will be visible to searchers of the public record.

Cowgill Holloway Business Recovery LLP, 49 Peter Street, Manchester, M2 3NG	
Tel 0161 827 1218	
DX Number	DX Exchange

When 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

THURSDAY



A37 *A1JS51LK* #140
18/10/2012
COMPANIES HOUSE

Joint Administrator's Progress Report

For the period

4 April 2012 to 3 October 2012

Northern Training Limited

- In Administration

COWGILL HOLLOWAY 
BUSINESS RECOVERY

Northern Training Limited - In Administration

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THE ADMINISTRATOR'S PROGRESS REPORT

1 Statutory information

- 1 1 Janette Elliott and I were appointed as Joint Administrators of Northern Training Limited ("the Company") on 4 October 2011. The appointment of the Joint Administrators was made by the directors of the Company.
- 1 2 This Administration is being handled by Cowgill Holloway Business Recovery LLP at 49 Peter Street, Manchester, M2 3NG. The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry Court, reference number 1722 of 2011.
- 1 3 The trading address of the Company was Unit 9 Arkwright Court, Commercial Road, Darwen, Lancashire, BB3 0FG.
- 1 4 The registered office of the Company is 49 Peter Street, Manchester, M2 3NG and its registered number is 04504812.

2 Progress of the Administration

- 2 1 Attached at Appendix A is our Receipts and Payments Account for the period from 4 April 2012 to 3 October 2012 and a cumulative Receipts and Payments Account for the period from 4 October 2011 to 3 October 2012.
- 2 2 Included in the Joint Administrators' Report and Statement of Proposals ("the Proposals") circulated on 15 November 2011 we stated that the third purpose of Administration was to be achieved, namely, to realise property in order to make a distribution to one or more secured or preferential creditors. It is anticipated that this purpose of Administration will be satisfied by way of a distribution to preferential creditors.

3 Assets still to be realised

Deferred Consideration

- 3 1 As detailed in our previous report, a sale of the Company's business and assets was effected on 4 October 2012. The total consideration for this transaction was £18,000 payable by way of deferred consideration.

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The total amount received under the sale agreement to date is £15,840 which leaves the sum of £2,160 outstanding. Numerous demands have been made to recover the remaining consideration and legal action will shortly be commenced should payment not be forthcoming.

Book Debts

3.2 As detailed in our previous report, the residual book debtor ledger of £5,418 had been reassigned to the Company from the factoring company following satisfaction of their outstanding liability. We have written to the debtors on a number of occasions and have received little response. Those debtors who have responded have disputed that the amount is outstanding and have requested copy invoices. These were duly requested from the factoring company who were unable to provide these as they did not obtain copies from the Company. As such, and in consideration of the age of the debtors, it is considered that the remaining book debtors will be irrecoverable.

4 Investigations

4.1 In accordance with the Company Directors Disqualification Act 1986 we have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills ("BIS"). As this is a confidential report, we are not able to disclose the contents. We can confirm that we have now been discharged of our statutory duties in this regard.

5 Pre-administration Costs

5.1 The following amounts in respect of pre-administration costs were detailed in our proposals as being incurred:

Name of recipient	Brief description of services provided	Total amount approved
Cowgill Holloway Business Recovery LLP	Pre-appointment advice / administration	5,885
Irwin Mitchell LLP	Appointment documentation and Sale and Purchase Agreement	1,200

5 2 We are seeking consent of the secured and preferential creditors to approve the pre-administration costs incurred by Cowgill Holloway Business Recovery LLP and Irwin Mitchell LLP

6 Joint Administrators' Remuneration

6 1 We previously reported that the Creditors had approved the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration. Although creditors were deemed to have approved the Joint Administrators' proposals, specific agreement needs to be sought from both the secured and preferential creditors in order to approve the basis of the Joint Administrators' remuneration. Notice to this effect has recently been sent to the secured and preferential creditors to this regard.

6 2 Our time costs for the period from 4 April 2012 to 3 October 2012 are £10,369. This represents 63 hours at an average rate of £165 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by our staff in managing the Administration.

6 3 Also attached as Appendix C is a Cumulative Time Analysis for the period from 4 October 2011 to 3 October 2012 which provides details of our time costs since appointment. Our time costs for this period are £21,515 which represents 131 hours at an average rate of £164 per hour. To date no fees have been drawn on account during the period of the Administration.

5 4 A description of the main activities of which time has been spent are as follows:

General Administration

Time spent on this activity relates to, but is not limited to, dealing with general creditor queries and correspondence, production of monthly bank reconciliations and producing and posting income and expenditure vouchers. Time spent on this matter is in the sum of £4,269 which relates to 32 hours at an average rate of £135 per hour.

Employee Matters

Time spent on this activity relates to, but is not limited to liaising with employees processing employee claim forms, providing claim forms and any other documentation to the redundancy payments service and chasing up payment of claims. Time spent on this matter is in the sum of £4,095 which relates to 25 hours at an average rate of £163 per hour.

Reporting and Returns – Time spent on this category amounted to £4,006 which represents 25 hours at a rate of £158 per hour. Time incurred in this category relates to the preparation, drafting and distribution of the Joint Administrators' Report and Statement of Proposals and our previous progress report to creditors.

6.4 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from www.insolvency-practitioners.org.uk under the category 'Regulations and Guidance' and subcategory 'Creditors Guides to Fees', alternatively a copy can be received from Cowgill Holloway Business Recovery LLP upon request, free of charge.

5.5 Attached as Appendix E is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

7. Joint Administrators' Expenses

7.1 No expenses have been incurred during the period of this report.

8. Estimated outcome for creditors

8.1 An Estimated Outcome Statement as at 3 October 2012 is attached at Appendix E.

The Royal Bank of Scotland Plc ("The Bank")

8.2 The Bank hold a Debenture, incorporating a fixed and floating charge over the Company's assets which was created on 14 April 2005 and registered 20 April 2005. At the date of the Administration the indebtedness to the Bank was estimated at £17,000 and has now been agreed at £18,416.24. Based on current information, it is unlikely that there will be sufficient funds available to facilitate a distribution to secured creditors.

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Bibby Factors Northwest Limited ("Bibby")

- 8 3 The Company operated an invoice discounting agreement with Bibby in respect of their outstanding book debt ledger. Such an agreement granted Bibby the benefit of a debenture, incorporating a fixed and floating charge of the Company's Business and Assets, created on 8 April 2010 and registered on 9 April 2010.
- 8 4 As detailed in my previous report, Bibby have made sufficient book debt recoveries to discharge their liability in full under the terms of their fixed charge. As such, the residual book debt ledger has been re-assigned to the Company for collection and Bibby's security has been satisfied, inclusive of final interest and charges.

Preferential Creditors

- 8 5 A Preferential claim has been received from the Redundancy Payments Office ("RPO") in respect to arrears of wages and unpaid holiday pay in the sum of £11,625. This claim reflects payments made to the former employees of the Company to satisfy their claims by the RPO. It is anticipated that there will be sufficient funds available to facilitate a distribution to preferential creditors and a notice of intended distribution has now been issued.

Unsecured Creditors

- 8 6 We have received claims totalling £32,883 from seven unsecured creditors. We have yet to receive claims from 44 unsecured creditors whose debts total £110,655 as per the Company's statement of affairs.
- 8 7 As the Company granted a floating charge to the Bank on 14 April 2005, we are required to create a fund out of the Company's net floating charge property for unsecured creditors, however, based on current information the Company's net property is expected to be less than the prescribed minimum of £10,000 and we believe that the costs of making a distribution to unsecured creditors would be disproportionate to the benefits and therefore the unsecured creditors fund does not apply. As such, it is not anticipated that there will be sufficient funds to permit a distribution to unsecured creditors of the Company.

9. Ending the Administration

9 1 As detailed in Section 3, the Joint Administrators are as yet unable to bring the Administration to a conclusion due to the outstanding matter regarding the unrealised assets and distribution to preferential creditors. Therefore in accordance with paragraph 78 of Schedule B1 to the Insolvency Act 1986, the Joint Administrators sought the consent of the secured and preferential creditors to approve a six month extension of the Administration. The approval was granted on 1 October 2012 and the Administration has been extended until 3 April 2013.

9 2 It is not considered that the Company has sufficient property to enable a distribution to unsecured creditors. Accordingly, we will file a notice together with our Final Progress Report to the Registrar of Companies ("the Registrar") for dissolution of the Company once the assets have been realised. We shall send copies of these documents to the Company, Court and its creditors. The Appointment will end upon the registration of the notice by the Registrar.

9 3 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

10 Creditors' rights

10 1 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 Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

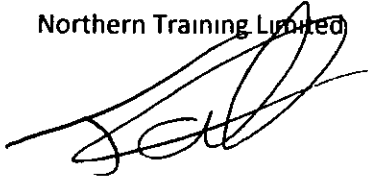
10 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

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11 Next report

- 11.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or a further application to extend the Administration has been made

For and on behalf of
Northern Training Limited

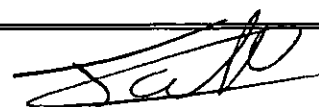
A handwritten signature in black ink, appearing to read 'J. Elliott', is written over the text 'Northern Training Limited'.

**Jason Mark Elliott
Joint Administrator**

Appendix A

**Receipts and Payments Account for the Period from 4 April 2012 to 3 October 2012 and a
Cumulative Receipts and Payments Account 4 October 2011 to 3 October 2012**

RECEIPTS	Statement of Affairs (£)	From 04/10/2011 To 03/04/2012 (£)	From 04/04/2012 To 03/10/2012 (£)	Total (£)
Goodwill		1	0	1
Intellectual Property		1	0	1
Contracts		0	1	1
Furniture, Fittings & Equipment		1,998	4,499	6,497
Book Debts		0	840	840
Office and Computer Equipment		10,000	0	10,000
Bank Interest Gross		8	16	24
		12,008	5,356	17,364
PAYMENTS				
Specific Bond		50	100	150
Legal Fees (1)		500	0	500
		550	100	650
Net Receipts/(Payments)		11,458	5,256	16,714
MADE UP AS FOLLOWS				
Vat Receivable		100	(1,560)	(1,460)
Bank 1 Current		11,408	5,206	16,614
Vat Control Account		0	1,560	1,560
		11,508	5,206	16,714



**Jason Mark Elliott
Joint Administrator**

Appendix B

Time Analysis for the Period from 4 April 2012 to 3 October 2012

	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Steps upon appointment	-	-	-	-	-	-	-	-	-	-
Planning and Strategy	-	-	-	8 80	-	-	-	8 80	1,584 00	180 00
General Administration	-	-	-	1 20	-	6 50	3 10	10 80	1,238 00	114 63
Asset Realisation / Management	-	-	-	6 40	-	-	-	6 40	1,152 00	180 00
Trading Related matters	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	6 00	-	0 25	-	6 25	1,105 00	176 80
Employee Matters	-	-	1 00	9 00	-	2 00	-	12 00	2,070 00	172 50
Creditor Claims	-	-	-	-	-	-	-	-	-	-
Other Issues	-	-	-	-	-	-	-	-	-	-
Reporting / Returns	-	-	-	9 50	-	1 00	0 80	11 30	1,906 00	168 67
Distribution and Closure	-	-	-	7 30	-	-	-	7 30	1,314 00	180 00
TOTAL	-	-	1 00	48 20	-	9 75	3 90	62 85	10,369 00	164 98

Cumulative Time Analysis for the Period from 4 October 2011 to 3 October 2012

	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Steps upon appointment	6 00	-	-	7 00	-	-	-	13 00	2,700 00	207 69
Planning and Strategy	-	-	-	8 80	-	-	-	8 80	1,584 00	180 00
General Administration	-	-	2 00	15 20	-	6 50	7 90	31 60	4,269 00	135 09
Asset Realisation / Management	-	-	-	6 90	-	-	-	6 90	1,227 00	177 83
Trading Related matters	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	11 00	-	0 25	-	11 25	2,005 00	178 22
Employee Matters	-	-	1 00	22 20	-	2 00	-	25 20	4,095 00	162 50
Creditor Claims	-	-	-	2 00	-	-	-	2 00	315 00	157 50
Other issues	-	-	-	-	-	-	-	-	-	-
Reporting / Returns	-	-	-	23 50	-	1 00	0 80	25 30	4,006 00	158 34
Distribution and Closure	-	-	-	7 30	-	-	-	7 30	1,314 00	180 00
TOTAL	6 00	-	3 00	103 90	-	9 75	8 70	131 35	21,515 00	163 80

Estimated Outcome Statement as at 3 October 2012

	Notes	Current Position As at 3/10/2012	Estimated Future Movements	Estimated Outcome
Assets Subject to Fixed Charge				
Goodwill		1		1
Intellectual Property		<u>1</u>		<u>1</u>
		2	0	2
Less Fixed Charge Creditor (Royal Bank of Scotland PLC)		<u>(18,416)</u>		<u>(18,416)</u>
Deficit to Fixed Charge Creditor C/D		(18,414)		(18,414)
Assets Subject to Floating Charge				
Contracts		1		1
Furniture, Fittings & Equipment		4,997		4,997
Book Debts		840		840
Office and Computer Equipment		10,000		10,000
Bank Interest Gross		<u>15</u>		<u>15</u>
		15,853	-	15,853
Less Costs of Administration				
Specific Bond		150		150
Legal Fees (Pre-appointment)		500	700	1,200
Office Holder's Fee			3,118	3,118
Pre-appointment Costs			5,885	5,885
Agent's Fees			500	500
Corporation Tax *1			Nil	
		<u>650</u>	<u>10,203</u>	<u>10,853</u>
Total assets available for Preferential Creditors				5,000
Less due to Preferential Creditors				(11,685)
Estimated Deficit as regards Preferential Creditors				(6,685)
Less Fixed Chargeholder B/D				(18,414)
Less Floating Chargeholder as above				0
Deficiency to Fixed & Floating Chargeholders				<u>(18,414)</u>
Unsecured Creditors				(143,538)
Total Deficiency to Creditors				<u>(161,952)</u>

Notes

1 It is anticipated that the amount of corporation tax due will be nominal as such write off will be requested

**Additional Information in Relation to Administrator's Fees Pursuant to Statement of
Insolvency Practice 9**

1 Policy

Detailed below is Cowgill Holloway Business Recovery LLP's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

1.1 *Staff Allocation and the use of Sub-contractors*

The 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, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We are not proposing to utilise the services of any sub-contractors in this case.

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1.2 *Professional Advisors*

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Irwin Mitchell LLP (legal advice)	Hourly rate and disbursements
Robson Kay & Company Limited (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1.3 *Disbursements*

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

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1.4 Charge-out Rates

As detailed in our Proposals Cowgill Holloway Business Recovery LLP's charge-out rates for this assignment effective from 1 August 2009 were as follows

Staff Grade	Rate per Hour
Partner	£275
Manager/Director	£200
Senior Administrator	£150
Administrator	£110
Cashier	£110
Junior Administrator	£80

We should advise that will effect from 1 March 2012 there has been a material change in our charge out rates Details of the new charge out rates are provided below

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100