

The Insolvency Act 1986

Administrators' progress report

Name of Company

HTI Realisations Limited (formerly Heads,
Teachers & Industry Limited)

Company number

02308265

In the

High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number

8150 of 2012

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

I/We (a)

Christopher James Farrington
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FGMatthew James Cowlshaw
Deloitte LLP
4 Brindleyplace
Birmingham
B1 2HZ

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 4 April 2013

(b) 3 October 2013

Signed

Joint Administrator(s)

Dated

1 NOVEMBER 2013

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

Chris Morton
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

DX Number

0121 696 8810
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

SATURDAY



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02/11/2013

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COMPANIES HOUSE

**HTI Realisations Limited (formerly Heads, Teachers & Industry Limited), HTI Leadership Centre Realisations Limited (formerly HTI Leadership Centre Limited) and HTI Enterprises Realisations Limited (formerly HTI Enterprises Limited)
(ALL IN ADMINISTRATION)
("the Companies")**

Court No. 8150, 8151, 8152 of 2013

SIX MONTHLY PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 AND THE INSOLVENCY (AMENDMENT) RULES 2010

1 November 2013

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Christopher Farrington and Matthew Cowlshaw were appointed Joint Administrators of HTI Realisations Limited, HTI Leadership Centre Realisations Limited and HTI Enterprises Realisations Limited on 4 April 2013. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

**Christopher Farrington and Matthew Cowlshaw
Joint Administrators of the Companies
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ
Tel 0121 696 8810
Fax 0121 695 5555**

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	Matthew James Cowlshaw and Christopher James Farrington of Deloitte LLP
"the Companies"	HTI Realisations Limited, HTI Leadership Centre Realisations Limited and HTI Enterprises Realisations Limited (All in Administration)
"the Bank" / "Secured Creditor"	Bank of Scotland Bank plc
"the Court"	High Court of Justice, Chancery House, Companies Court
"Deloitte"	Deloitte LLP
"HTIL"	HTI Realisations Limited (formerly Heads, Teacher & Industry Limited)
"Leadership"	HTI Leadership Centre Realisations Limited (formerly HTI Leadership Centre Limited)
"Enterprises"	HTI Enterprises Realisations Limited (formerly HTI Enterprises Limited)
"DRB"	DRB Ignite Limited
"the Sale"	The sale of the Companies' business and assets to DRB Ignite Limited of 18 April 2013 as set out in the SPA
"SPA"	Sale & Purchase Agreement
"RPO"	The Redundancy Payments Office
"R&P"	Receipts and Payments
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administrations of the Companies since our first report to creditors dated 20 May 2013.

Given the information previously provided to creditors in our first report, we have not included detailed background information in respect of the Companies and have focused on progress of the Administrations subsequent to that report.

The Administrators' Proposals were issued on 20 May 2013. In the proposals the Administrators stated that as they anticipated there will be insufficient asset realisations to warrant a distribution to unsecured creditors, other than, perhaps, under the prescribed part, they would not be convening a meeting of creditors unless they were required to do so.

Accordingly, in the absence of any valid requests from creditors in the prescribed format for a formal meeting having been received in the 8 business days subsequent to the Administrator Proposals issue they were deemed approved pursuant to Rule 2.33(5) of the Rules.

Schedules of statutory information in respect of the Companies are attached at Appendix 1.

1.2 Details of the appointments of the Administrators

Christopher James Farrington and Matthew James Cowlshaw of Deloitte were appointed Administrators of the Companies on 4 April 2013 by Mike Giddings of 2 The Meadows, New Hall Green, Fillongley, CV7 8BF on behalf of the board of Directors of each of the Companies in accordance with a resolution of the boards passed on 27 March 2013.

The Court having conduct of the proceedings is High Court of Justice, Chancery Division, Companies Court (case numbers 8150, 8151, 8152 all of 2013).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally.

1.3 Electronic communication with creditors

In an effort to reduce the costs of the Administrations, all future communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/hti.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site.

2 ADMINISTRATORS' PROPOSALS

2.1 Introduction

The Administrators concluded that as the Companies had significant secured and unsecured creditor liabilities, a restructuring of the creditors would have been required to rescue the Companies as a going concern. It was apparent that there was insufficient value placed on the Companies' assets by third parties in order to affect a restructuring of the Companies' debt and achieve a going concern sale.

Accordingly, the purpose of the Administrations was to achieve a better result for creditors as a whole than would be obtained through immediate liquidations of the Companies. The purpose of the Administrations has been achieved through a sale of the business and assets of the Companies.

Consequently, the Administrators have performed their functions in relation to the Companies with the objective set out in Paragraph 3(1)(b) of Schedule B1 of the Act, which is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

The Administrators' formal proposals in order to achieve this objective were deemed approved following the expiry of 8 business days after their issue on 20 May 2013 and are attached at Appendix 2.

2.2 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals.

Proposal	Current status
1	The Administrators continue to manage the affairs of the Companies.
2	Confidential reports, as required by law, in relation to the Directors' conduct have been submitted to the Insolvency Service in line with statutory requirements.
3	On present information available, the Administrators anticipate that funds will only be available to the Secured Creditor. Accordingly, only their claim has been admitted thus far.
4	To date £10,000 has been distributed to the Secured Creditor.
5	No creditors' committee was formed in respect of the Companies.
6 & 7	In the absence of a creditor committee, the Administrators have obtained approval from the Companies' Secured Creditor with regards to the basis and drawing of the Administrators' remuneration, on-going expenses and Pre Administration Costs.
8 & 9	As it is anticipated that there will be insufficient realisations to warrant a dividend to the unsecured creditors, the Joint Administrators are likely to exit the Administrations by filing a notice of dissolution in accordance with Paragraph 84 of Schedule B1 of the Act.
10	In the absence of a creditor committee, the Administrators have obtained approval from the Companies' Secured Creditor with regards to the Administrators' discharge of liability per paragraphs 98 & 99 of Schedule B1 of the Act.

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

2.3 Other Post Appointment Matters

Company Names

The right to use the Companies' names were included in the Sale to DRB and as such the names of Companies in Administration have been changed to the following

- HTI Realisations Limited (formerly Heads, Teachers & Industry Limited)
- HTI Leadership Centre Realisations Limited (formerly HTI Leadership Centre Limited)
- HTI Enterprises Realisations Limited (formerly HTI Enterprises Limited)

3 ADMINISTRATORS' RECEIPTS AND PAYMENTS

3.1 Introduction

Attached at Appendix 3 are the abstract Receipts and Payments accounts covering the period from 4 April 2013 to 3 October 2013 for the Companies, in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the 6 month period, together with details of costs incurred but as yet remain unpaid

3.2 Asset realisations

The Sale

As detailed in the Administrators' Proposals, a sale of the business and assets was achieved shortly after appointment. Whilst the detailed terms of the sale and purchase agreement are confidential, the sum of £110k was agreed as consideration for the fixtures and fittings, goodwill, contracts and book debts of the Companies. The consideration was payable on a deferred basis with £102k received by 3 October 2013.

	Total	Received	Outstanding
	Consideration £	to 3/10/13 £	at 3/10/13 £
Goodwill	10,000	(10,000)	-
Tangible Assets	5,000	(4,167)	833
Contracts	33,000	(27,500)	5,500
Book Debts	62,000	(60,333)	1,667
	<u>110,000</u>	<u>(102,000)</u>	<u>8,000</u>

On 8 October 2013, £8,000 was received from DRB being the final payment of consideration arising from the Sale. This has not been reflected in the R&P at Appendix 3 which runs to 3 October 2013. No further receipts are due or expected in relation to the Sale.

Other Realisations

Monies were received on 13 May 2013 relating to contractual debt which was not included in the Sale to DRB of £19,500.

All funds are banked in an interest bearing account. To date £210 has been received in respect of bank interest. Corporation tax payable on interest earned will be accounted for to HM Revenue & Customs in due course.

3.3 Estimated future realisations

As noted in Section 5.3, enquiries into potential claims that may be brought against parties either connected to or who have had past dealings with the Companies are on-going and at this time it is uncertain if any future realisations that may arise from these investigations.

When the Companies were trading prior to Administration, it is the Administrators' understanding that the Companies were unable to reclaim VAT in full due to the Companies providing VAT exempt supplies. We are therefore currently seeking advice from our specialist VAT team as to the extent, if any, the possibilities to reclaim a proportion of the VAT incurred on purchases made during the Administration.

4. DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

The Companies' Bank debt at the date of the appointment of the Administrators, can be summarised as follows

	£
Term loan	260,000
Overdraft	<u>286,111</u>
Total	<u>546,111</u>

There has been a distribution to the Bank under its fixed charge, in respect of the £10k realised for the Companies' Goodwill and Intellectual Property, but the majority of the Bank's debt will not be recovered

4.2 Preferential creditors

Preferential claims in respect of employee wage arrears and holiday pay are estimated in the Directors' Statements of Affairs at £84k. However, we estimate the actual value of the preferential claims to be approximately £11k, all of which is owed by HTIL being the contractual employer. The Administrators do not currently anticipate there will be sufficient realisations in HTIL after deducting the associated costs of realisations to enable a distribution to preferential creditors.

4.3 The Prescribed Part and Unsecured Claim

Prescribed Part

By virtue of Section 176A (2)(a) of the Act, the Administrators must make a PP of the Companies' net property available for the satisfaction of unsecured debts. Net property is the amount of the Companies' property which would, but for this section, be available for the holders of floating charges created by the Companies.

The PP applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

However, given the paucity of the floating charge realisation, the level of associated cost of realisations and, in HTIL, the level of preferential claims, it is not currently anticipated that any funds will be available under the PP.

Excluding the provisions under the PP, the Bank's remaining secured debt of £536k would need to be repaid prior to any monies becoming available to unsecured creditors. Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of the Companies.

Unsecured Claim

The total unsecured claims received to 3 October 2013 in the Administrations compared to the creditors estimated in the Directors' Statement of Affairs are summarised below

Unsecured Creditor Claims	Unsecured Claims	Per Statement of Affairs
HTIL	119,451	379,231
Leadership	701,951	955,588
Enterprises	17,241	267,934
TOTAL	838,643	1,602,753

4.4 Claims process

If you would like to submit a claim in the Administrations, a proof of debt form is available for you to complete (Appendix 5) and return to the address on the front of the report, marked for the attention of Chris Morton

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to the initial appointment period

The Administrators do not anticipate that it will be necessary to seek an extension of the Administrations beyond the end of the initial period of their appointment

5.2 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the Companies' Directors was completed. In this regard, a confidential report was submitted to The Insolvency Service on 2 October 2013.

5.3 SIP2 – Initial Assessment of Potential Recoveries

As part of our duties as Administrators, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

We are still in the process of undertaking this review alongside our legal advisors.

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency.

5.4 Exit

As detailed in the Administrators' Proposals, because no funds are expected to be available to the unsecured creditors the most likely exit route will be to file a notice in Court and with the Registrar of Companies confirming the purpose of Administrations have been sufficiently achieved and the Companies can move to dissolution.

5.5 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), the Joint Administrators are not aware of any transactions with connected parties during the period of this report or in the two years prior to our appointments. Should creditors have information regarding any such transactions they should forward details in writing to the Administrators at the address on the front of this report.

5.6 EC Regulations

As stated in the Administration Order in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

6. PRE-ADMINISTRATION COSTS

Included within the Administrators' Report and Proposals dated 20 May 2013 was a Statement of Pre-Administration Costs, in accordance with rule 2 33(2)(ka) of the Rules

These costs were approved as detailed below

Insolvency Practitioner	Amount approved and Paid (£)	Date approved	Date paid
Chris Farrington and Matthew Cowlshaw	£21,961	4 June 2013	25 June 2013

The Pre-Administration time costs were drawn in full on 25 June 2013

7. ADMINISTRATORS' REMUNERATION AND EXPENSES

7.1 Administrators' Remuneration

7.1.1 Basis of Remuneration

Where the Administrators have made a statement under paragraph 52(1)(b) of Schedule B1 of the Act, and in the absence of a creditors' committee, the Administrators remuneration may be fixed by approval of each secured creditor of the Companies (as there are no funds available for distribution to the preferential creditors in HTIL) Approval was obtained from the Secured Creditor of the Companies on 4 June 2013

The basis of the Administrators' remuneration has been fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administrations calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

7.1.2 Remuneration

During the past 6 month period the Administrators have incurred total time costs as follows

Entity	Hours	Costs (£)	Average Rate (£/hr)	Remuneration Drawn (£)
HTIL	32 25	9,677 75	300 09	-
Leadership	454 95	167,044 75	367 17	8,039
Enterprises	28 55	8,902 75	311 83	-
	<u>515.75</u>	<u>185,625 25</u>	<u>359.91</u>	<u>8,039 00</u>

This time is charged in six minute increments Against the time costs, remuneration of £8,039 has been drawn and paid as indicated in the Receipts and Payments account at Appendix 3 A breakdown of the time charged for each Company is included in Appendix 4

The work has been categorised into the following task headings and sub categories

- **Administration and Planning** includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Realisation of Assets** includes such tasks as identifying and securing assets, dealing with the sale of business, property issues, activities in relation to other fixed assets, debtors, investments and any related legal issues
- **Investigation** includes such tasks as reporting on the Directors' conduct, investigating antecedent transactions, dealing with creditors' enquiries into the reasons for the Companies' failure and the Directors and any other investigations that may be deemed appropriate
- **Trading** includes tasks such as planning, strategy, managing day one site visits and corresponding with suppliers and customers

- **Creditors** include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential claims, dealing with hire purchase creditors, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted to the Bank
- **Other matters** include VAT and corporation tax issues

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

Expenses

The Administrators' direct expenses for the period of this report are as follows

Nature of expenses	HTIL £	Leadership £	Enterprises £	Total Incurred £
Millage	10 12	65 59	0 00	75 71
Case Bond	230 00	230 00	230 00	690 00
Postage	0 00	67 00	0 00	67 00
Sustenance	0 00	13 20	0 00	13 20
Total	240 12	375 79	230 00	845 91

No expenses have been paid during the period of the report. Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

7.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2013 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	£ 2013
Partners/Directors	605 to 950
Managers	305 to 720
Assistants and Support Staff	155 to 305

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the cases. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

7.3 Other professional costs

To advise on appropriate legal matters and to prepare required legal documentation (including the Sale agreement) the Administrators instructed Squire Sanders LLP, a firm of lawyers with the appropriate expertise and experience in dealing with the types of Administrations.

In addition, GVA Grimley Limited, a firm of chattel agents, was instructed by the Administrators to undertake inventories and valuations of fixtures and fittings and other chattel assets where appropriate. All professional costs are reviewed and analysed before payment is approved.

Name of lawyer/agent – Fees Paid	NET (£)	VAT (£)	TOTAL (£)
Squire Sanders LLP	12,000.00	2,400.00	14,400.00
GVA Grimley Limited	350.00	70.00	420.00
Total	12,350.00	2,470.00	14,820.00

In addition to the above fees paid, Squire Sanders LLP have unbilled work in progress of £24,720.

7.4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

7.5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

**HTI REALISATIONS LIMITED, HTI LEADERSHIP CENTRE REALISATIONS LIMITED, HTI ENTERPRISES REALISATIONS LIMITED (ALL IN ADMINISTRATION)
STATUTORY INFORMATION**

Company Name	HTI Realisations Limited	HTI Leadership Centre Realisations Limited	HTI Enterprises Realisations Limited
Previous Names	Heads, Teachers & Industry Limited (until 29 June 2013) Headteachers into Industry Limited (until 3 July 1997) Trainforce Limited (until 2 August 1989)	HTI Leadership Centre Limited (until 29 June 2013) Notsallow Eighty-Two Limited (until 17 October 1997)	HTI Enterprises Limited (until 29 June 2013)
Proceedings	In Administration	In Administration	In Administration
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	8150 of 2013	8151 of 2013	8152 of 2013
Date of Appointment	4 April 2013	4 April 2013	4 April 2013
Joint Administrators	Matthew James Cowlshaw and Christopher James Farrington Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	Matthew James Cowlshaw and Christopher James Farrington Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	Matthew James Cowlshaw and Christopher James Farrington Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Registered office Address	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Company Number	02308265	03325746	07942869
Incorporation Date	24 October 1988	28 February 1997	9 February 2012
Company Secretary	Mike Giddings	Mike Giddings	None registered
Bankers	Bank of Scotland	Bank of Scotland	Bank of Scotland
Auditors	Clement Keys	Clement Keys	Clement Keys
Appointment by	The Directors	The Directors	The Directors

Directors at date of Appointment per Companies House	Valerie Dias Helen Glennie Terrence Hewitt Elizabeth Jacobs Anthony Richardson Noorzaman Rashid Martin Ward	Mike Giddings Anne Evans	Mike Giddings Anne Evans
Directors' Shareholdings	Nil	Nil	Nil

Administrators' Proposals

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Companies and assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each the Companies so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies
- 6 that, if a Creditors' Committee is not appointed, the secured creditors of each of the Companies shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2 106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,
- 7 that, if a Creditors' Committee is not appointed, the secured creditors of each of the Companies shall be asked to approve the Administrators' Pre Administration Costs as detailed in Appendix 6 of the Administrators' Proposals And that the Administrators be authorised to draw their Costs, plus VAT, from the Administration estates,
- 8 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 9 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 10 in the absence of Creditors' Committees, the Secured Creditors of each Company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

HTI Companies
Joint Administrators' Receipts and Payments
From 4 April 2013 to 3 October 2013

Statement of Affairs

HTIL	Lead	Ent	Total £		Notes	HTIL	Leadership	Enterprises	Total
£k	£k	£k	£k						
Receipts									
5 0	38 0	-	43 0	Goodwill	A	5 000	3,000	2,000	10,000
1 5	3 5	-	5 0	Tangible Assets	B	2 318	1,848	-	4 167
-	-	-	-	Contracts	C	-	27,500	-	27,500
-	62 0	-	62 0	Book Debts included in the Sale	D	4 592	55,239	503	60,333
-	-	-	-	Book Debts excluded in the Sale	E	-	19,500	-	19,500
-	-	-	-	Bank Interest		70	140	-	210
6 5	103 5	-	110 0			11,980	107,227	2,503	121,710
Payments									
				Administrators' Fees - Pre Appointment	H	-	21,961	-	21 961
				Administrators' Fees - Post Appointment	H	-	8,039	-	8 039
				Fixed Charge Distribution	G	5,000	3,000	2 000	10,000
				Insurance of Assets		950	392	-	1,342
				Agent Fees		-	350	-	350
				Legal Fees		-	12,000	-	12 000
				Statutory Advertising		-	169	-	169
						5,950	45,910	2,000	53,860
				Balance in Hand		6,030	61,317	503	67,850
						11,980	107,227	2,503	121,710
Made up as follows									
				Cash	F	5 840	52,813	503	59,156
				VAT Receivable	I	190	8,504	-	8,694
						6,030	61,317	503	67,850

Notes to the Receipts and Payments and Trading Account

The total consideration from the Sale that has been received at 3 October 2013 was £102,000. The final payment of £8,000 was received on 8 October 2013 and, as it was received after end of reported period, is not included in this account above. The consideration has been split proportionally between the Companies assets per the SPA.

- A** £10 000 of the Consideration received to date has been allocated to Goodwill. The £10,000 has been split between the three Companies based on the value placed on the Company Name, Goodwill and Intellectual Property held by each of the Companies.
- B** Consideration received for Tangible Assets has been allocated between the Companies based on the Net Book Value of the assets per each of the Companies management accounts.
- C** All of the consideration for the contracts has been allocated to Leadership as Leadership ran all of the contracts sold to DRB.
- D** £52,000 has been received for the £52,000 Royal Academy of Engineering debt which was held within Leadership. The remaining consideration received to date for the Book Debts have been allocated between the three Companies based on the value of each Company's external debtor ledger.
- E** £19,500 has been received in relation to a contract debt which was not included in the SPA with DRB.
- F** All cash is banked on an interest bearing account. Corporation tax payable on interest earned will be accounted for to HM Revenue & Customs in due course.
- G** £10k has been paid to the Secured Creditor under the terms of their security as detailed in Section 4.1.
- H** The Secured Creditor approved the Administrators' fees and expenses on a time costs basis on 4 June 2013.
- I** The Administrators are currently seeking advice from our specialist VAT team as to the extent, if any, the possibilities in reclaiming a proportion of the VAT incurred on purchases made during the Administration.
- J** Creditors should refer to section 7.4 and 7.5 of the report in respect of their rights to request information and challenge Administrators' remuneration and/or expenses.

**HTI Realisations Limited
In Administration**

Time costs for the period 4 April 2013 to 3 October 2013

Appendix 4

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	2 70	1,156 50	1 10	324 50	3 80	1,481 00	389 74
Case Supervision, Management and Closure	-	-	4 30	1,872 50	3 40	763 00	7 70	2,635 50	342 27
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	3 00	945 00	12 00	2,282 50	15 00	3,237 50	215 83
	-	-	10 00	3,974 00	16 50	3,380 00	26 50	7,354 00	277 51
Investigations									
Reports on Directors' Conduct	0 50	322 50	3 50	1,400 00	-	-	4 00	1,722 50	430 63
	0 50	322 50	3 50	1,400 00	-	-	4 00	1,722 50	430 63
Trading									
Day 1 Control of Trading	-	-	-	-	0 50	95 00	0 50	95 00	190 00
	-	-	-	-	0 50	95 00	0 50	95 00	190 00
Creditors									
Unsecured	-	-	1 25	506 25	-	-	1 25	506 25	405 00
	-	-	1 25	506 25	-	-	1 25	506 25	405 00
TOTAL HOURS & COST	0 50	322 50	14 75	5,880 25	17 00	3,475 00	32 25	9,677 75	300 09

TOTAL FEES DRAWN TO DATE

0 00

HTI Leadership Centre Realisations Limited
In Administration

Time costs for the period 4 April 2013 to 3 October 2013

Appendix 4

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	2 40	1,036 00	1 60	472 00	4 00	1,508 00	377 00
Case Supervision, Management and Closure	7 00	4 970 00	50 15	16,315 25	3 20	704 00	60 35	21,989 25	364 36
Initial Actions (e.g. Notification of Appointment, Securing Assets)	0 80	516 00	1 50	697 50	12 00	2,292 50	14 30	3,506 00	245 17
General Reporting	9 90	6 385 50	51 25	16 143 75	-	-	61 15	22,529 25	368 43
	17 70	11,871 50	105 30	34,192 50	16 80	3,468 50	139 80	49,532 50	354 31
Investigations									
Investigations	7 50	4,837 50	54 00	18 880 00	-	-	61 50	23,717 50	385 65
Reports on Directors' Conduct	8 00	5,160 00	39 00	15,302 50	-	-	47 00	20,462 50	435 37
	15 50	9,997 50	93 00	34,182 50	-	-	108 50	44,180 00	407 19
Trading									
Day 1 Control of Trading	-	-	1 50	472 50	-	-	1 50	472 50	315 00
	-	-	1 50	472 50	-	-	1 50	472 50	315 00
Realisation of Assets									
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	0 55	173 25	-	-	0 55	173 25	315 00
Sale of Business / Assets	16 00	10 320 00	45 15	14,447 25	-	-	61 15	24,767 25	405 02
Third Party Assets	-	-	0 60	189 00	-	-	0 60	189 00	315 00
	16 00	10,320 00	46 30	14,809 50	-	-	62 30	25,129 50	403 36
Creditors									
Employees	-	-	63 20	19,908 00	-	-	63 20	19,908 00	315 00
Secured	-	-	2 00	630 00	-	-	2 00	630 00	315 00
Unsecured	6 90	4,645 50	66 15	20,949 75	-	-	73 05	25,595 25	350 38
	6 90	4,645 50	131 35	41,487 75	-	-	138 25	46,133 25	333 69
Other Matters Include									
Litigation	0 20	129 00	-	-	-	-	0 20	129 00	645 00
Tax and VAT	-	-	4 40	1,468 00	-	-	4 40	1,468 00	333 64
	0 20	129 00	4 40	1,468 00	-	-	4 60	1,597 00	347 17
TOTAL HOURS & COST	56 30	36,963 50	381 85	126,612 75	16 80	3,468 50	454 95	167,044 75	367 17

TOTAL FEES DRAWN TO DATE

8,039 00

APPENDIX 4

HTI Enterprises Realisations Limited In Administration

Time costs for the period 4 April 2013 to 3 October 2013

Appendix 4

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	0 40	178 00	0 90	265 50	1 30	443 50	341 15
Case Supervision, Management and Closure	-	-	4 50	1,956 50	3 50	792 50	8 00	2,749 00	343 63
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	1 00	315 00	12 00	2,292 50	13 00	2,607 50	200 58
General Reporting	-	-	-	-	-	-	-	-	-
	-	-	5 90	2,449 50	16 40	3,350 50	22 30	5,800 00	260 09
Investigations									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	1 00	645 00	3 50	1,400 00	-	-	4 50	2,045 00	454 44
	1 00	645 00	3 50	1,400 00	-	-	4 50	2,045 00	454 44
Realisation of Assets									
Other Assets (e.g. Stock)	1 00	710 00	-	-	-	-	1 00	710 00	710 00
	1 00	710 00	-	-	-	-	1 00	710 00	710 00
Creditors									
Unsecured	-	-	0 75	348 75	-	-	0 75	348 75	465 00
	-	-	0 75	348 75	-	-	0 75	348 75	465 00
TOTAL HOURS & COST	2 00	1,355 00	10 15	4,198 25	16 40	3,350 50	28 55	8,903 75	311 87

TOTAL FEES DRAWN TO DATE

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Form 4.25

Rule 2.72 PROOF OF DEBT - GENERAL FORM

In the matter of HTI Realisations Limited (formerly Heads, Teachers & Industry Limited) - In Administration and in the matter of The Insolvency Act 1986

Date of Administration 4 April 2013

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 2.72

Form 4.25

PROOF OF DEBT - GENERAL FORM (CONTD)

Admitted to Vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator

Rule 2.72 PROOF OF DEBT - GENERAL FORM**Form 4.25**

In the matter of HTI Leadership Centre Realisations Limited
 (formerly HTI Leadership Centre Limited) - In Administration and in
 the matter of The Insolvency Act 1986
 Date of Administration 4 April 2013

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 2.72

Form 4.25

PROOF OF DEBT - GENERAL FORM (CONTD)

Admitted to Vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator

Rule 2 72 PROOF OF DEBT - GENERAL FORM**Form 4.25**

In the matter of HTI Enterprises Realisations Limited (formerly HTI Enterprises Limited) - In Administration and in the matter of The Insolvency Act 1986
Date of Administration 4 April 2013

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 2.72

PROOF OF DEBT - GENERAL FORM (CONTD)

Form 4.25

Admitted to Vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator
