

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company

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

Company number

02308265

In the High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number

8150 of 2013

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a) Christopher James Farrington
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZMatthew James Cowlshaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ(b) Insert name and
address of the
registered office of
companyhaving been appointed administrator(s) of (b) HTI Realisations Limited (formerly Heads, Teachers
and Industry Limited) c/o Four Brindley Place, Birmingham, B1 2HZ(c) Insert date of
appointment

on (c) 4 April 2013

(d) insert name of
applicant/
appointer

by (d) The Directors of the Company

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

I/We attach a copy of the final progress report

Signed


Joint / Administrator(s)

Dated

31/3/14.

Contact Details:You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
formThe contact information that you give
will be visible to searchers of the
public recordHolly Savage
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

DX Number

0121 632 6000
DX ExchangeWhen you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

THURSDAY



QIQ

Q350DLXE

03/04/2014

#121

COMPANIES HOUSE

Printed, Glasgow, Scotland

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

FINAL PROGRESS REPORT TO CREDITORS

FOR THE PERIOD TO 3 April 2014

PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986 AND THE INSOLVENCY (AMENDMENT) RULES 2010

31 March 2014

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

CONTENTS	Page
1. INTRODUCTION	1
2. ADMINISTRATORS' PROPOSALS	2
3. STEPS TAKEN DURING THE ADMINISTRATION	3
4. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT	5
5. DISTRIBUTIONS TO CREDITORS	6
6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS	8
7. PRE-ADMINISTRATION COSTS	9
8. ADMINISTRATORS' REMUNERATION AND EXPENSES	10

APPENDICES

- 1 Statutory information**
- 2 Administrators' Proposals dated 20 May 2013**
- 3 Joint Administrators' Receipts and Payments account from 4 October 2013 to 3 April 2014 and Joint Administrators' Final Receipts and Payments cumulative account for the period 4 April 2013 to 3 April 2014**
- 4 Joint Administrators' time costs for the period 4 October 2013 to 3 April 2014 and Joint Administrators' total time costs for the period 4 April 2013 to 3 April 2014**

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"	Christopher James Farrington and Matthew James Cowlshaw of Deloitte LLP
"the Companies"	HTI Realisations Limited, HTI Leadership Centre Realisations Limited and HTI Enterprises Realisations Limited
"the Bank" / "Secured Creditor"	Bank of Scotland plc
"the Court"	High Court of Justice, Chancery Division, Companies Court
"Deloitte"	Deloitte LLP
"HTIL"	HTI Realisations Limited (formerly Heads, Teachers & 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 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
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"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 2.110 of the Rules to provide creditors with an update on the progress of the Administrations of the Companies since our last report to creditors dated 1 November 2013.

Given the information already provided to creditors in our previous reports, we have not included detailed background information in respect of the Companies and have focused on progress made during the Administrations subsequent to that report.

The Administrators' proposals were issued on 20 May 2013. In their proposals the Administrators stated they anticipated there would be insufficient asset realisations to make a distribution to unsecured creditors other than, possibly, under the prescribed part. Accordingly, in the circumstances they would not be convening a meeting of creditors, pursuant to paragraph 52(1)(b) of Schedule B1 of the Act, unless they were required to do so.

In the absence of any valid requests from creditors in the prescribed format for a meeting of creditors having been received in the eight business days subsequent to the Administrators' proposals being issued, 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 appointment of the Administrators

Christopher James Farrington and Matthew James Cowlshaw of Deloitte were appointed Joint 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 have been authorised to carry out all functions, duties and powers by either of them jointly and severally.

1.3 Electronic communication with creditors

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

A letter has been 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 three 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.

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 purpose of the Administrations has been achieved through a sale of the business and assets of the Companies.

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

2.2 Achievement of the approved proposals

We have summarised below the outcome in respect of each of the approved proposals.

Proposal	Current status
1	The Administrators have realised the assets of the Companies and have settled the Administration expenses.
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 & 4	The Administrators concluded that there will be no funds available to the unsecured creditors. Distributions to the Companies' Secured Creditor of £10,000 have been made under the terms of their fixed and floating charges.
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 there is no prospect of a distribution to unsecured creditors, the Administrators will file 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 final outcome of the Administrations is contained in the following sections of this report.

3. STEPS TAKEN DURING THE ADMINISTRATION

3.1 Immediate actions

Following our appointment we took the following steps in order to achieve the best value for the Companies' assets. Upon the Administrators' appointment, the Companies had no funds available to pay the employees' salaries and office overheads whilst a going concern sale was sought. A going concern sale was preferable as this would maximise the value that could be recovered for the contracts. A potential buyer, DRB, was identified and they agreed to underwrite the costs of the on-going trading during the Administration whilst the sale process was on-going.

3.2 Sale of business and realisation of assets

The Sale

As detailed in the Administrators' proposals and the progress report, a sale of the business and assets of the Companies was achieved shortly after appointment with DRB Ignite Limited. The sum of £110k was agreed as consideration for the fixtures and fittings, goodwill, contracts and book debts of the Companies. This consideration was payable on a deferred basis and the final tranche, in the sum of £8,000, was received on 8 October 2013. This is reflected in the R&P's at Appendix 3.

	Total Consideration £	HTIL	Leadership	Enterprises
Goodwill	10,000	5,000	3,000	2,000
Tangible Assets	5,000	2,782	2,218	-
Contracts	33,000	-	33,000	-
Book Debts	62,000	5,510	55,887	603
	<u>110,000</u>	<u>13,292</u>	<u>94,105</u>	<u>2,603</u>

Other Realisations

Book debts excluded from Sale

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

Insurance and Rates Refund

A refund of £1,108 was received by HTIL in respect of a refund of insurance premiums. In addition HTIL received a refund of £1,006 in respect of a council tax.

Bank Interest

All funds are banked in an interest bearing account. To date £373 has been received in respect of bank interest across the three Companies.

VAT

The Companies were partially exempt for VAT purposes and, accordingly, full recovery of all VAT receivable has not been available. In accordance with the agreement reached between

the Companies and HMRC prior to the Administrators' appointment only 65% of VAT inputs incurred during the Administrations have been reclaimable

3.3 Meeting of creditors

Pursuant to Schedule B1, Paragraph 52(1)(b) of the Insolvency Act 1986, the Administrators were not required to call a creditors meeting as the Companies had insufficient funds to make a distribution to the unsecured creditors, other than, potentially, under the Prescribed Part

In the absence of any valid requests being received from creditors in the prescribed format a meeting was not convened

3.4 Distributions to creditors

As detailed in Section 5 below, the Secured Creditor has received distributions of £10,000 under the terms of its security

Preferential claims relating to unpaid holiday pay and arrears of wages were estimated at £11,000 however due to the paucity of the realisations in HTIL, after deducting the associated costs of realisations, there has been no distribution to preferential creditors

3.5 Exit

As all asset realisations are now complete, the Joint Administrators are undertaking the steps to move the Companies from Administration to Dissolution. The Joint Administrators will vacate office once the necessary statutory form is registered with Companies House. The Registrar of Companies will dissolve the Companies after three months

3.6 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, as required by law, was submitted to The Insolvency Service on 2 October 2013

3.7 EC regulations

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

4. ADMINSTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

4.1 Introduction

Attached at Appendix 3 are Receipts and Payments accounts for each Company covering the period from 4 October 2013 to 3 April 2014, together with a cumulative summary of the Administration from 4 April 2013 to 3 April 2014, in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the period since our last progress report to creditors

4.2 Asset realisations since last report

Final Consideration Payment from DRB

The final tranche of consideration of £8,000 was received from DRB on 8 October 2013 as follows

	Total Consideration £	HTIL	Leadership	Enterprises
Goodwill	-	-	-	-
Tangible Assets	833	464	370	-
Contracts	5,500	-	5,500	-
Book Debts	1,666	918	648	100
	8,000	1,382	6,518	100

Refunds

Between 4 October 2013 and 3 April 2014, a refund of £1,108 was received in respect of a refund in insurance premiums in addition to a refund of £1,006 received in respect of a council tax

Management Recharge

A management recharge between Leadership and HTI of £9,478 reflects cost reallocations where expenses had been paid by HTI and subsequently recharged to Leadership to which the services related

Bank Interest

All funds are banked in an interest bearing account Interest received amounting to £15 for HTI and £148 for Leadership

4.3 Outcome for creditors

The Administrators have performed their functions in relations to the Companies with objective set out in Paragraph 3(1)(b) of Schedule B1 of the Act, which is to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (i.e. without first being in Administration)

Distributions to the Secured Creditor have been made as detail in Section 5, accordingly the objective has been achieved and the case has now been closed

5. DISTRIBUTION TO CREDITORS

5.1 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	286,111
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 large majority of the Bank's debt has not been repaid

5.2 Preferential creditors

Preferential claims in respect of employee wage arrears and holiday pay were estimated in the Directors' Statements of Affairs at £84k. However, following our appointment we estimated the actual value of the preferential claims to be c. £11k, all of which is owed by HTIL being the contractual employer. Due to the paucity of the realisations in HTIL after deducting the associated costs of realisations, there has been no distribution to preferential creditors.

5.3 Prescribed Part and Unsecured Creditors

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, there will not be any funds 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, no funds were available to pay a dividend to the unsecured creditors of the Companies.

The total unsecured claims received to 3 April 2014 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	702,512	955,588
Enterprises	17,241	267,934
TOTAL	838,643	1,602,753

The claims have not been agreed as there are no funds available for distribution to unsecured creditors

6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

6.1 Extensions to original period of appointment

In accordance with the provisions in the Act incorporated by the Enterprises Act 2002, all Administrations automatically come to an end after one year unless an extension is granted by the Court or with the consent of creditors

As all matters have been dealt with in the twelve months since appointment, there has been no requirement to extend the Administrations in respect of the Companies

6.2 Administrators' discharge

As there were no funds available to unsecured creditors of the Companies, the Secured Creditor of the Companies were asked, and agreed, that the Administrators be discharged from liability per paragraph 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing this final report to creditors and vacating office

6.3 SIP2 (E&W) – Investigations

As part of our duties as Administrators we are obliged shortly after our appointment to review all 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

Having completed this review, no avenues of recovery were identified

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

In accordance with the guidance given in SIP13 (E&W), we are required to review the Companies' transactions with connected parties during the period of this report and the two years prior to our appointment

In the period 4 October 2013 to 3 April 2014, a payment of £1,000 to Mike Giddings (Director) was made for services provided to the Administrators in securing the sale of the business and assets of the Companies. As far as we are aware, there have been no transactions with connected parties in the two years prior to our appointment

7. 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
Christopher Farrington and Matthew Cowlshaw	£21,961	4 June 2013	25 June 2013

8. ADMINISTRATORS REMUNERATION AND EXPENSES

8.1 Administrators' Remuneration and Expenses

8.1.1 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 and there being insufficient funds to enable a distribution to the preferential creditors, the Administrators' remuneration may be fixed by approval of each secured creditor of the Companies. Approval was obtained from the Secured Creditor of the Companies on 4 June 2013.

The basis of the Administrators' remuneration was 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 the work was performed, plus VAT.

8.1.2 Remuneration

During the final period of the Administrations, being 4 October 2013 to 3 April 2014, the Administrators have incurred total time costs as follows:

Company	Hours	Costs (£)	Average Rate (£/hr)	Remuneration Drawn (£)
HTIL	53 80	19,106 75	355 14	12,536 80
Leadership	133 05	52,701 50	396 10	47,699 28
Enterprises	10 60	3,727 50	351 65	-
	<u>197 45</u>	<u>75,535 75</u>	<u>382 56</u>	<u>60,236 08</u>

Against the time costs incurred, total remuneration of £60,236 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 total time costs incurred during the entire period of the Administrators' appointment being 4 April 2013 to 3 April 2014 is as follows:

Company	Hours	Costs (£)	Average Rate (£/hr)	Remuneration Drawn (£)
HTIL	86 05	28,784 50	334 51	12,536 80
Leadership	588 00	219,746 25	373 72	55,708 38
Enterprises	39 15	12,631 25	322 64	-
	<u>713 20</u>	<u>261,162 00</u>	<u>366 18</u>	<u>68,245 18</u>

A total of £68,245 18 has been drawn and paid during the entire period of the Administrations as indicated in the Receipts and Payments account at Appendix 3. A breakdown of the time incurred is detailed at 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

8.1.3 Expenses

The Administrators have incurred expenses of £845 91 during the previous period, all of which have been paid in the period 4 October 2013 to 3 April 2014, as summarised in the table below. No expenses have been incurred during the period since 4 October 2013.

Nature of expenses	HTIL £	Leadership £	Enterprises £	Total Incurred £
Mileage	10 12	65 59	0 00	75 71
Postage	0 00	67 00	0 00	67 00
Subsistence	0 00	13 20	0 00	13 20
Total	10.12	145.79	0.00	155.91

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

A summary of expenses paid is detailed in the Receipts and Payments accounts at Appendix 3

8.2 Charge out rates

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

Grade	£ (Sept 2012 – Aug 2014)
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 case. 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 (this time is charged at six minute increments). 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.

Charge out rates have not changed since those advised as at 1 September 2012.

8.3 Other professional costs

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

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	4 April 2013 to 3 October 2013 £	4 October 2013 to 3 April 2014 £
Squire Sanders LLP(Fees and Disbursements)	12,000 00	7,925 00
GVA Grimley (Fees and Disbursements)	350 00	Nil
Total	12,350 00	7,925 00

8.4 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.

8.5 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 eight 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 Realisations Limited
Joint Administrators' Receipts and Payments
From 4 April 2013 to 3 April 2014

Appendix 3a

Statement of Affairs

HTIL	£	Notes	4 April 2013 to 3 October 2013	4 October 2013 to 3 April 2014	Total
£k	Receipts				
5 0	Goodwill		5,000	-	5,000
1 5	Tangible Assets	A	2,318	464	2,782
-	Contracts		-	-	-
-	Book Debts included in the Sale	A	4,592	918	5,510
-	Book Debts excluded in the Sale		-	-	-
-	Management Recharge	E	-	9,478	9,478
-	Rates Refunds		-	2,114	2,114
-	Bank Interest	B	70	15	85
6 5			11,980	12,988	24,968
	Payments				
	Specific Bond		-	230	230
	Administrators' Fees - Pre Appointment		-	-	-
	Administrators' Fees - Post Appointment	C	-	12,537	12,536 80
	Administrators' Expenses - Post Appointment		-	10	10
	Fixed Charge Distribution		5,000	-	5,000
	Insurance of Assets		950	(617)	333
	Agent Fees		-	-	-
	Legal Fees	D	-	5,000	5,000
	Statutory Advertising		-	56	56
	Distribution to Director	G	-	250	250
	Irrecoverable VAT	F	-	1,504	1,504
	Storage		-	47	47
			5,950	19,018	24,968
	Balance in Hand		6,030	(6,030)	-
			11,980	12,988	24,968
	Made up as follows				
	Cash	B	5,840	(5,840)	-
	VAT Receivable	F	190	(190)	-
			6,030	(6,030)	-

HTI Leadership Centre Realisations Limited
Joint Administrators' Receipts and Payments
From 4 April 2013 to 3 April 2014

Appendix 3b

Statement of Affairs

Lead	£	Notes	4 April 2013 to 3 October 2013	4 October 2013 to 3 April 2014	Total
£k	Receipts				
38 0	Goodwill		3,000	-	3,000
3 5	Tangible Assets	A	1,848	370	2,218
-	Contracts	A	27,500	5,500	33,000
62 0	Book Debts included in the Sale	A	55,239	648	55,887
-	Book Debts excluded in the Sale		19,500	8	19,508
-	Bank Interest	B	140	148	288
103 5			107,227	6,674	113,901
	Payments				
	Specific Bond		-	230	230
	Administrators' Fees - Pre Appointment		21,961	-	21,961
	Administrators' Fees - Post Appointment	C	8,039	47,669	55,708
	Administrators' Expenses - Post Appointment		-	146	146
	Fixed Charge Distribution		3,000	-	3,000
	Insurance of Assets		392	713	1,104
	Agent Fees		350	-	350
	Legal Fees	D	12,000	2,630	14,630
	Statutory Advertising		169	(113)	56
	Management Recharge	E	-	9,478	9,478
	Irrecoverable VAT	F	-	6,361	6,361
	Storage		-	127	127
	Distribution to Director	G	-	750	750
			45,910	67,991	113,901
	Balance in Hand		61,317	(61,317)	-
			107,227	6,674	113,901
	Made up as follows				
	Cash	B	52,813	(52,813)	-
	VAT Receivable	F	8,504	(8,504)	-
			61,317	(61,317)	-

HTI Enterprises Realisations Limited
Joint Administrators' Receipts and Payments
From 4 April 2013 to 3 April 2014

Appendix 3c

Statement of Affairs

Ent	£	Notes	4 April 2013 to 3 October 2013	4 October 2013 to 3 April 2014	Total
£k	Receipts				
-	Goodwill		2,000	-	2,000
-	Tangible Assets		-	-	-
-	Contracts		-	-	-
-	Book Debts included in the Sale	A	503	100	603
-	Book Debts excluded in the Sale		-	-	-
-	Bank Interest	B	-	-	-
-			<u>2,503</u>	<u>100</u>	<u>2,603</u>
	Payments				
	Specific Bond		-	230	230
	Fixed Charge Distribution		2,000	-	2,000
	Legal Fees	D	-	295	295
	Statutory Advertising		-	56	56
	Storage		-	22	22
			<u>2,000</u>	<u>603</u>	<u>2,603</u>
	Balance in Hand		<u>503</u>	<u>(503)</u>	<u>(0)</u>
			<u>2,503</u>	<u>100</u>	<u>2,603</u>
	Made up as follows				
	Cash	B	503	(503)	-
	VAT Receivable		-	-	-
			<u>503</u>	<u>(503)</u>	<u>-</u>

Notes to the Receipts and Payments

- A** The final tranche of consideration of £8,000 was received from DRB on 8 October 2013 and allocated between the three Companies
- B** All cash is banked on an interest bearing account. The associated Corporation tax payable on interest earned has been accounted for to H M Revenue & Customs in due course
- C** The Joint Administrators' fees have been calculated on a timecosts basis and have been drawn pursuant to the authority granted by a resolution of secured creditors
- D** Squire Sanders LLP advised on appropriate legal matters and prepared the required legal documentation including the Sale agreement and investigation work
- E** Management Recharges reflect cost reallocations where expenses have been paid by HTIL and subsequently recharged from Leadership for which the services relate to
- F** The Company was formerly registered for VAT and the above receipts and payments are shown net of VAT. The Company was partially exempt for VAT purposes and, accordingly, full recovery of all VAT receivable will not be achieved
- G** A payment of £1,000 to Mike Giddings (Director) was made for services provided to the Administrators in securing the sale of the business and assets of the Companies
- NB** Creditors should refer to section 8.4 and 8.5 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 April 2014

Appendix 4a

	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	-	-	6 00	2,564 00	3 30	973 50	9 30	3,537 50	380 38
Case Supervision, Management and Closure	-	-	20 20	8 163 00	7 70	1,545 00	27 90	9,708 00	347 96
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	3 00	945 00	12 00	2,292 50	15 00	3,237 50	215 83
General Reporting	-	-	-	-	0 50	95 00	0 50	95 00	190 00
	-	-	29 20	11,672 00	23 50	4,906 00	52 70	16,578 00	314 57
Investigations									
Reports on Directors' Conduct	0 50	322 50	1 00	400 00	-	-	1 50	722 50	481 67
	0 50	322 50	1 00	400 00	-	-	1 50	722 50	481 67
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
Realisation of Assets									
Sale of Business / Assets	-	-	2 50	1,000 00	-	-	2 50	1,000 00	400 00
	-	-	2 50	1,000 00	-	-	2 50	1,000 00	400 00
Creditors									
Unsecured	-	-	1 25	506 25	-	-	1 25	506 25	405 00
	-	-	1 25	506 25	-	-	1 25	506 25	405 00
Other Matters Include									
Tax and VAT	-	-	14 75	7,743 75	12 85	2,139 00	27 60	9,882 75	358 07
	-	-	14 75	7,743 75	12 85	2,139 00	27 60	9,882 75	358 07
TOTAL HOURS & COST	0 50	322 50	48 70	21,322 00	36 85	7,140 00	86 05	28,784 50	334 51

TOTAL FEES DRAWN TO DATE

12,536 80

HTI Leadership Centre Realisations Limited
In Administration

Time costs for the period 4 April 2013 to 3 April 2014

Appendix 4c

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 10	85 00	8 55	3,556 50	6 25	1,583 00	14 90	5,224 50	350 64
Case Supervision, Management and Closure	12 30	8 505 50	96 95	35,094 25	6 65	1,363 00	115 90	44,962 75	387 94
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	10 90	7,030 50	60 75	19,943 75	1 00	190 00	72 65	27,164 25	373 91
	24 10	16,137 00	167 75	59,292 00	25 90	5,428 50	217 75	80,857 50	371 33
Investigations									
Investigations	8 00	5 160 00	56 50	19,880 00	-	-	64 50	25,040 00	388 22
Reports on Directors' Conduct	7 60	4 902 00	39 00	15,302 50	-	-	46 60	20,204 50	433 57
	15 60	10,062 00	95 50	35,182 50	-	-	111 10	45,244 50	407 24
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	-	-	85 15	27,744 50	-	-	85 15	27,744 50	325 83
Secured	-	-	2 00	630 00	-	-	2 00	630 00	315 00
Unsecured	6 90	4,645 50	74 65	24,349 75	0 50	95 00	82 05	29,090 25	354 54
	6 90	4,645 50	161 80	52,724 25	0 50	95 00	169 20	57,464 75	339 63
Other Matters Include									
Litigation	2 10	1,354 50	9 15	3,660 00	-	-	11 25	5,014 50	445 73
Tax and VAT	-	-	14 40	5,468 00	0 50	95 00	14 90	5,563 00	373 36
	2 10	1,354 50	23 55	9,128 00	0 50	95 00	26 15	10,577 50	404 49
TOTAL HOURS & COST	64 70	42,519 00	496 40	171,608 75	26 90	5,618 50	588 00	219,746 25	373 72

TOTAL FEES DRAWN TO DATE

55,708 28

**HTI Leadership Centre Realisations Limited
In Administration**

Time costs for the period 4 October 2013 to 3 April 2014

Appendix 4d

	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 10	85 00	6 15	2,520 50	4 65	1,111 00	10 90	3,716 50	340 96
Case Supervision, Management and Closure	5 30	3,535 50	46 80	18,779 00	3 45	659 00	55 55	22,973 50	413 56
General Reporting	1 00	645 00	9 50	3,800 00	1 00	190 00	11 50	4,635 00	403 04
	6 40	4,265 50	62 45	25,099 50	9 10	1,960 00	77 95	31,325 00	401 86
Investigations									
Investigations	0 50	322 50	2 50	1,000 00	-	-	3 00	1,322 50	440 83
	0 50	322 50	2 50	1,000 00	-	-	3 00	1,322 50	440 83
Creditors									
Employees	-	-	21 95	7,836 50	-	-	21 95	7,836 50	357 02
Unsecured	-	-	8 50	3,400 00	0 50	95 00	9 00	3,495 00	388 33
	-	-	30 45	11,236 50	0 50	95 00	30 95	11,331 50	366 12
Other Matters Include									
Litigation	1 50	967 50	9 15	3,660 00	-	-	10 65	4,627 50	434 51
Tax and VAT	-	-	10 00	4,000 00	0 50	95 00	10 50	4,095 00	390 00
	1 50	967 50	19 15	7,660 00	0 50	95 00	21 15	8,722 50	412 41
TOTAL HOURS & COST	8 40	5,555 50	114 55	44,996 00	10 10	2,150 00	133 05	52,701 50	396 10

TOTAL FEES DRAWN TO DATE

47,699 28

