

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Carter & Carter Colleges Limited

Company number
06026202

In the High Court of Justice, Chancery Division (full name of court)
--

Court case number 2022 of 2008

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

I/We (a)
Nicholas James Dargan
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

Dominic Lee Zoong Wong
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

Christopher James Farrington
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG


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

(b) Insert date

From
(b) 11 September 2008

To
(b) 10 March 2009

Signed


Joint / Administrator(s)

Dated

7/4/09

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

W T Innes
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

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

Com

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11/04/2009
COMPANIES HOUSE

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**Capital Skills Limited
Capital Workforce Development Limited
Interactive Training Management Limited
Quantica Selection Training Limited
ASSA Training and Learning Limited
IMS (UK) Limited
Carter & Carter Colleges Limited
G.M.C Consultants Limited
Emtec (Specialised Services) Limited
ALD Realisations Limited
(formerly Retail Motor Industry Training Limited)**

**Court No. 2025 of 2008
Court No. 2013 of 2008
Court No. 2028 of 2008
Court No. 2023 of 2008
Court No. 2026 of 2008
Court No. 2016 of 2008
Court No. 2022 of 2008
Court No. 2020 of 2008
Court No. 2241 of 2008
Court No. 2021 of 2008**

(IN ADMINISTRATION)

**SIX MONTHLY PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986**

8 April 2009

This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Companies and without personal liability

**Nicholas James Dargan, Dominic Lee Zoong Wong
And Christopher James Farrington
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG**

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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 (as amended)
"the Administrators"	Nicholas James Dargan, Dominic Lee Zoong Wong and Christopher James Farrington
"the Companies"	The ten companies as listed on the cover page of this report (in Administration)
"the Group"	Carter & Carter Group plc and certain of its subsidiaries as listed in Appendix 2 of this report (in Administration)
"Deloitte"	Deloitte LLP

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 Administration of the Companies.

A summary of our appointments is detailed at Appendix 2.

In view of the information already provided to creditors in our previous two reports dated 1 May 2008 and 8 October 2008, we have not rehearsed the background information in respect of the Companies again within this report.

There are insufficient funds for a distribution to unsecured creditors in respect of any of the Companies.

A schedule of statutory information in respect of the Companies is attached at Appendix 1.

1.2 Details of the appointment of the administrators

We, Nicholas James Dargan of Deloitte LLP, Athene Place, 66 Shoe Lane, London, EC4A 3BQ, Dominic Lee Zoong Wong of Deloitte LLP, Four Brindleyplace, Birmingham B1 2HZ and Christopher James Farrington of Deloitte LLP, 1 Woodborough Road, Nottingham, NG1 3FG were appointed as Joint Administrators of Carter & Carter Group plc and fifteen subsidiaries detailed at Appendix 2 on 11 March 2008 by the High Court of Justice, Chancery Division, Companies Court, London on application of the directors.

We were also appointed as Joint Administrators of Emtec (Specialised Services) Limited on 14 March 2008 by the High Court of Justice, Chancery Division, Companies Court, London on application by the Company.

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that we have been authorised to carry out all functions, duties and powers by either of us jointly and severally.

2. EXIT ROUTE

2.1 Generally

Under the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the secured creditors and preferential creditors (where they exist).

The Act and the Rules provide a variety of options regarding the possible exit routes for a company from the Administration, including a Company Voluntary Arrangement, a Liquidation or the dissolution of the Company. It was the Joint Administrators' recommendation and formal proposal that once the purpose of the Administrations had been achieved and realisations were sufficiently completed, if it was considered that there may be sufficient monies to make a distribution to unsecured creditors, that the relevant Company should move from Administration to Creditors Voluntary Liquidation and that Nicholas James Dargan, Christopher James Farrington and Dominic Lee Zoong Wong be appointed as Joint Liquidators.

2.2 Companies remaining in Administration

We have recently conducted a review of the position and likely outcome for creditors of each of the entities within the Group. Seven of the entities have been placed into Creditors' Voluntary Liquidation, because we expect there to be funds available to pay a small distribution to the unsecured creditors of some or all of those entities. However, for nine of the remaining ten Companies over which we were appointed as Administrators, there are insufficient realisations to afford a distribution to unsecured creditors.

These nine entities are listed below:

- ALD Realisations Limited (formerly Retail Motor Industry Training Limited)
- Capital Skills Limited
- Capital Workforce Development Limited
- Interactive Training Management Limited
- Quantica Selection Training Limited
- ASSA Training and Learning Limited
- IMS (UK) Limited
- Carter & Carter Colleges Limited
- G.M.C Consultants Limited

The tenth entity, Emtec (Specialised Services) Limited, will remain in Administration for a period of time whilst we complete the sale of its leasehold property.

There are a number of matters still to be concluded in relation to these ten Companies. Accordingly we have sought and obtained consent from the secured creditors to extend the ten Administrations for a period of six months. Thereafter, they too will either be placed into Liquidation or dissolved, as appropriate.

2.3 Companies placed into Liquidation

The seven companies that have been placed into Creditors' Voluntary Liquidation, because there is a prospect of a distribution to unsecured creditors under the prescribed part, are:

- Carter & Carter Group plc
- Carter & Carter Apprentice Learning Limited
- Quantica Training Limited
- Carter & Carter Limited
- NTP Limited
- Carter & Carter Employability and Skills Limited
- Constant Browning Edmonds Limited

Nicholas James Dargan, Dominc Lee Zoong Wong and Christopher James Farrington were appointed as the Joint Liquidators of the entities on 11 March 2009.

It is envisaged that during the Liquidations, the final asset realisations will be concluded and, should there be sufficient funds to do so, a distribution be made to preferential creditors (where applicable) and to the unsecured creditors of these seven companies.

3. THE ADMINISTRATORS' PROPOSALS

3.1 Introduction

As set out in our first report, dated 1 May 2008, the Joint Administrators achieved going concern sales on a business and asset basis of the Employability, CBE, Quantica, NTP divisions and the construction elements of the ALD division, all to Newcastle College. The intellectual property and goodwill of the ReMIT Business was also sold to Ingleby (1776) Limited. Further asset disposals were also achieved and were detailed in our second report to creditors, dated 8 October 2008.

In respect of the businesses not sold or transferred to new ownership, being the remainder of the ALD division, the Skills division and parts of the OSD division, the Administration period resulted in enhanced book debt recoveries (as compared to an immediate liquidation) and the orderly transition of learners to third parties.

Consequently, we have performed our functions in relation to the Companies with the objective set out in Paragraph 3(b), which is to achieve a better result for creditors than would have been obtained through an immediate liquidation of the Group.

3.2 Administrators' Proposals

The Administrators' proposals to achieve the above objective, which were approved by the creditors, are as follows:

1. they continue to manage the affairs and assets of the Companies, including (but not exclusive to) the continued trading operations of the Companies, collection of debts due to the Companies, completion of the sales of the remaining businesses and assets of the Companies where necessary, utilising realisations of assets where appropriate, settle any Administration expenses where such expenses are incurred for the purpose of the Administration and realise the remaining assets of the Companies; and
2. they continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigations into the affairs of the Companies (to the extent required by law or other regulatory rules); and
3. they be authorised to agree the claims of the secured and preferential creditors against each of the Companies unless the Joint Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution to that class of creditor; and

4. they be authorised to distribute funds to the secured and preferential creditors of each of the Companies as and when claims are agreed and funds permit; and
5. in the absence of a creditors' committee, the secured and preferential creditors (to the extent they exist) of each Company shall be asked to agree that the Joint Administrators' fees, in accordance with Rule 2.106(5A) of the Rules, by reference to the time given in attending to matters arising in the Administration for that Company; and
6. in the absence of a creditors' committee, that the creditors approve disbursements of the Joint Administrators to be drawn from the Company's assets at the Joint Administrators' discretion and that the Joint Administrators' disbursements for mileage be calculated by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile); and
7. in the absence of a creditors' committee, the secured and preferential creditors (to the extent they exist) of each Company shall be asked to agree that the Joint Administrators be discharged from liability per Paragraph 98 of Schedule B1 of the Act, immediately upon the Joint Administrators' filing their final report to creditors; and
8. that the Joint Administrators be discharged from liability under the Administration per Paragraph 99 of Schedule B1 of the Act, immediately upon the Joint Administrators' filing their final report to creditors; and
9. if the Joint Administrators believe it to be appropriate for each Company they exit the Administration by way of a Creditors' Voluntary Liquidation and that Nicholas James Dargan, Dominic Lee Zoong Wong and Christopher James Farrington of Deloitte LLP will be the Joint Liquidators; or
10. if the Joint Administrators believe it to be appropriate for each Company they exit the Administration by way of dissolving the Company under Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

3.3 Further Resolutions

No creditors committee was formed in respect of any of the Companies. Accordingly, approval was sought and obtained from the secured and preferential creditors (to the extent they exist) for each of the Companies of the following resolutions:

1. That the Joint Administrators remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte LLP at the time when the work is performed.
2. The Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, immediately upon the Joint Administrators filing their final report to creditors.

3.4 Progress on and achievement of the approved proposals

The progress made since our previous report to creditors is detailed in the following sections of this report.

4. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

4.1 Introduction

Attached at Appendix 3 is a Receipts and Payments account covering the period from the date of appointment to 10 March 2009, being the one year anniversary.

We summarise below the main asset realisations made during the period since our last report and also identify those assets yet to be realised.

4.2 Property

Furnival Road, Sheffield (Freehold)

Following extensive marketing by our property agents and protracted negotiations with a number of interested parties, this property belonging to NTP Limited was sold to an unconnected third party for £1.53m.

Southerby Road, Middlesbrough (Leasehold)

This leasehold property, which was held by Carter & Carter Apprentice Learning Limited, was sold to an unconnected third party for £196k.

Six Hills, Melton Mowbray (Leasehold)

We have agreed an assignment of this leasehold property, owned by Emtec (Specialised Services) Limited, and we are now in protracted negotiations with the purchaser, the landlord and the guarantor of the lease, to achieve completion of this transaction.

4.3 Book Debts, Work in Progress, Accrued Income & Trading Income

Recoveries to date from the Companies' book debts total approximately £7.5m. The remaining amounts shown on the ledgers have been placed into the hands of solicitors to recover on a commission only basis, but due to the age and nature of these debts we do not anticipate any further substantial sums will be realised.

4.4 Taxation Matters

Deloitte's taxation specialists have formulated and agreed with HM Revenue & Customs a terminal loss relief claim of approximately £400k. Set against this receipt will be a Corporation Tax charge of approximately £250k in respect of income earned during the Administration. These tax liabilities will be agreed and settled in the Liquidations or the extended Administrations, as appropriate.

4.5 Trading and other matters

A number of trading and other liabilities remain to be agreed and paid. These liabilities will be settled in the Liquidations or the extended Administrations, as appropriate.

5. DISTRIBUTIONS TO CREDITORS

5.1 Secured creditors

Carter & Carter Group plc's secured debt comprised a £50m term loan, a £70m revolving credit facility and a £15m working capital facility. Carter & Carter Employability and Skills Ltd, Carter & Carter Apprentice Learning Ltd and Carter & Carter Ltd also participated in the working capital facility.

All entities over which we have been appointed acceded to a composite guarantee and debenture dated 9 December 2006 which provides first fixed charge security over shares, intangible assets and property and first floating charges over all other property and assets, including plant, machinery, equipment and debtors.

At the date of our appointment the secured creditors, Bank of Scotland, Lloyds TSB, and Barclays Bank, were owed a total of £134.9m.

Distributions from all the Companies to date to the secured creditors total approximately £27.3m. We estimate that recoveries by the secured creditors will eventually total approximately £28.7m.

5.2 Preferential Claims

With the exception of those staff who were employed by Constant Browning Edmonds Limited, all other Group employees were employed by Carter & Carter Group plc, irrespective of which division they worked in.

For any employees whose contract of employment transferred either to a new service provider or to a purchaser of any part of the Group's business, these employees will not have a claim against the Group as their debts transferred to their new employers by operation of law under TUPE.

We estimate that the preferential claims of employees who did not transfer to new employers amount to approximately £500k, and that these claims will receive a dividend (although the level of dividend is not yet known, pending the finalisation of the Group's tax position and settlement of various operational costs and costs of Administration). Of these employees' claims approximately £350k have already been met by the Redundancy Payments Directorate, and where this has occurred, the dividend from the Group will be paid to the Redundancy Payments Directorate rather than to individual employees. There are also approximately £8k preferential claims expected from occupational pension funds in respect of unpaid contributions, and we are liaising with the relevant pension fund trustees to establish and agree the exact values of these claims.

5.3 Prescribed Part

By virtue of Section 176A(2)(a) of the Act, the Joint Administrators must make a prescribed part of the Companies' "net property" available for the satisfaction of unsecured debts. Net property is the amount of property which would, but for this section, be available for the holders of floating charges created by the Companies. At present, we estimate that there may be a small amount of money available to set aside for payment to unsecured creditors under the Prescribed Part in the following seven Companies:

- Carter & Carter Group Plc
- Carter & Carter Apprentice Learning Limited
- Quantica Training Limited
- Carter & Carter Limited
- NTP Limited
- Carter & Carter Employability & Skills Limited
- Constant Browning Edmonds Limited

At present it is not possible to determine the level of dividend that may be payable by each of these Companies, but it is thought likely to be relatively small. If you believe you are owed money by one of the seven companies listed above please submit a proof of debt form, if you have not already done so, which should be returned to Deloitte LLP, 1 Woodborough Road, Nottingham, NG1 3FG.

5.4 Unsecured Creditors

As explained in Section 5.1 above, there are insufficient realisations from the Group's assets to fully repay the secured creditors.

Accordingly, there will not be any funds available to pay a dividend to the unsecured creditors of the Companies other than the (possible) small distributions under the prescribed part as noted above. However, the actual level of any such dividends to the unsecured creditors will not be known until the duly appointed Liquidators have received and agreed the claims of all creditors who are entitled to prove in the Liquidations.

6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

6.1 Investigations

As part of our statutory duties as Administrators we have to consider the conduct of the directors of each of the Companies and the causes of the Companies' failure and submit our confidential report to the Department of Business, Enterprise and Regulatory Reform.

Our report has now been submitted.

6.2 Connected Party Transactions

The Administrators are not aware of any connected party transactions which have not been carried out on an arm's length basis. Should creditors have information regarding any such transactions, please forward details in writing to us.

6.3 EC Regulations

The Joint Administrators are required under the Insolvency Rules 1986 to state whether, and if so the extent to which, the above regulations apply to the Administrations. In this particular case the Companies Council Regulation (EU) No 1346/2000 will apply in respect of the Administrations and these proceedings will be main proceedings as provided by Article 3(1) of the aforesaid Regulation.

7. JOINT ADMINISTRATORS' FEES AND EXPENSES

7.1 Joint Administrators' Fees

In accordance with Rule 2.106(5A) of The Rules, in the absence of a creditors' committee, the Administrators sought and obtained approval of our fees and expenses from the Companies' secured and (to the extent they exist) preferential creditors.

The Joint Administrators' remuneration is fixed by reference to the time properly given by us and our 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.

The Joint Administrators' time costs from the date of our appointment to 28 February 2009, being the latest practicable date prior to this report, are summarised at Appendix 4 for the Group as a whole and also for the relevant corporate entities where time has been charged. 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, stock, debtors, investments and any related legal issues.
- Investigation includes such tasks as reporting on the directors' conduct, investigating any antecedent transactions and any other investigations that may be deemed appropriate.
- Trading includes tasks such as planning, strategy, managing operations on sites and corresponding with suppliers and customers.
- Creditors include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted to the Banks.
- Other matters include employee related issues, VAT and corporation tax issues.

All partners and technical staff (including cashiers) working on the Administrations record their time spent on the cases on a computerised time recording system.

The appropriate staff have been assigned to work on each aspect of the cases 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 being agreed.

The average hourly charge out rates for the separate categories of staff are based on Deloitte charge out rates as summarised below. Manager rates include all grades of manager up to but excluding Director:

Grade	£ per hour
Partners and Directors	636
Managers	338
Administrators	217

For your information and guidance please find attached a Creditors' Guide to Administrators' Fees.

7.2 Disbursements

Disbursements incurred in the Administrations total £104,514 which relate to direct expenses such as travel. A summary is included in Appendix 5.

The Joint Administrators' disbursements for mileage are calculated by reference to mileage properly incurred by the Joint Administrators and our staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile).

7.3 Other professional costs

As previously reported, we instructed solicitors, Lovells LLP, to advise on various legal matters. In addition, GVA Grimley, a firm of property advisors and chattel agents, were instructed to market for sale the Group's freehold and long leasehold properties, provide valuation advice with regard to the Group's property portfolio and to undertake inventories and valuations and assist with disposal of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate.

The professional costs paid to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved.

Name of lawyer/agent	Fees and Expenses (£)
Lovells LLP	759k
GVA Grimley	160k
Total	919k

**Carter & Carter Colleges Limited
In Administration**

Statutory Information

Company Number: 6026202
Date of Incorporation: 12/12/2006
Previous Name/s: PIMCO 2589 Limited
Date Changed: 23/01/2007
Trading Names: None

Share Capital:

Authorised 1,000 Ordinary shares of £1 each

Allotted, called up and fully paid 1 Ordinary share of £1

Directors: Rodney Westhead

Company Secretary: Mr Martin Purvis

Shareholders Carter & Carter Group plc

Bankers Barclays Bank plc
6th Floor
1 Churchill Place
Canary Wharf
London
E14 5HP

Bank of Scotland
155 Bishopsgate
London

Lloyds TSB
1st Floor, 48 Chiswell Street
London
EC1Y 4XX

Auditors Not Known

Registered Office: 1 Woodborough Road, Nottingham, NG1 3FG

Former Registered Office: Ruddington Fields Business Park
Mere Way
Ruddington
Nottinghamshire
NG11 6JZ

Trading Address: c/o Carter & Carter Group PLC, Ruddington
Fields Business Park, Mere Way, Ruddington,
Nottinghamshire, NG11 6JZ

Appendix 2

Summary of Appointments

Subsidiary companies placed into Administration on 11 March 2008

- 1** Carter & Carter Apprentice Learning Limited
- 2** Retail Motor Industry Training Limited
- 3** Capital Skills Limited
- 4** Capital Workforce Development Limited
- 5** Interactive Training Management Limited
- 6** Quantica Selection Training Limited
- 7** Quantica Training Limited
- 8** Carter & Carter Limited
- 9** NTP Limited
- 10** Carter & Carter Employability and Skills Limited
- 11** ASSA Training and Learning Limited
- 12** IMS (UK) Limited
- 13** Constant Browning Edmonds limited
- 14** Carter & Carter Colleges Limited
- 15** G.M.C Consultants Limited
- 16** Carter & Carter Group plc

Subsidiary companies placed into Administration on 14 March 2008

- 17** Emtec (Specialised Services) Limited

The following companies were placed in Liquidation on 11 March 2009

- Carter & Carter Apprentice Learning Limited
- Quantica Training Limited
- Carter & Carter Limited
- NTP Limited
- Carter & Carter Employability and Skills Limited
- Constant Browning Edmonds limited
- Carter & Carter Group plc

Appendix 3

Carter & Carter Colleges Limited
In Administration
Joint Administrators' Abstract of Receipts and Payments
to 10 March 2009

	From 11 March 2008 to 10 September 2008	From 11 September 2008 to 10 March 2009	From 11 March 2008 to 10 March 2009
RECEIPTS	Total (£)	Total (£)	Total (£)
Intercompany - Group	18,402	0	18,402
	<u>18,402</u>	<u>0</u>	<u>18,402</u>
PAYMENTS			
Direct Labour	16,123	0	16,123
Legal Fees	1,912	0	1,912
Legal Expenses	27	0	27
	<u>18,062</u>	<u>0</u>	<u>18,062</u>
Balances in Hand	<u>339</u>	<u>0</u>	<u>339</u>
MADE UP AS FOLLOWS			
VAT Receivable	339	0	339
	<u>339</u>	<u>0</u>	<u>339</u>

Notes:

- A. All funds are banked on an interest bearing account.
- B. The Joint Administrators' fees have been calculated on a timecost basis and have been drawn pursuant to the authority granted by a resolution of secured creditors. They have been drawn from the asset realisations of the company.
- C. The company is registered for VAT and the above receipts and payments are shown net of VAT.

SUMMARY OF TIME COSTS
C&C Group plc and associated companies - All In Administration
Time Costs: 11 March 2008 to 28 February 2009

Activity	Partners & Directors			Managers			Assistant Managers			Associates			TOTAL			Average Hourly Rate
	Hours	Cost (£)	Cost (£)	Hours	Cost (£)	Cost (£)	Hours	Cost (£)	Cost (£)	Hours	Cost (£)	Cost (£)	Hours	Cost (£)	Cost (£)	
Administration and Planning																
Cashiering and Statutory Filing	-	-	-	304.2	120,213	-	2.1	517	-	505.4	110,586	-	811.7	231,318	-	285
Case Supervision, Management and Closure	187.4	120,051	-	127.2	48,928	69.6	69.6	18,575	-	297.3	41,186	-	661.4	229,341	-	347
Initial Actions (e.g. Notification of Appointment, Securing Assets)	146.0	84,260	-	40.0	15,846	-	90.4	27,373	-	-	-	-	276.4	127,480	-	461
Liaison with Other Insolvency Practitioners	313.4	204,811	-	471.4	184,989	-	162.1	46,484	-	802.6	181,773	-	1,748.5	568,137	-	338
Investigations																
Investigations	44.5	29,465	-	19.9	7,928	-	-	-	-	2.5	463	-	66.6	37,555	-	564
Reports on Directors' Conduct	5.0	3,350	-	81.5	30,563	-	-	-	-	31.0	5,735	-	117.5	39,648	-	337
	49.5	32,815	-	101.1	38,190	-	-	-	-	33.5	6,198	-	184.1	77,203	-	419
Trading																
Trading and Ceasing to Trade	323.0	161,826	-	2,138.2	683,939	-	1,093.1	258,431	-	1,139.4	164,089	-	4,593.7	1,208,285	-	270
	323.0	161,826	-	2,138.2	683,939	-	1,093.1	258,431	-	1,139.4	164,089	-	4,593.7	1,208,285	-	270
Realisation of Assets																
Book Debts	264.1	128,250	-	377.5	108,490	-	5.6	1,280	-	157.1	24,285	-	804.3	260,284	-	324
Other Assets (e.g. Stock)	32.6	16,678	-	241.8	77,987	-	1.5	398	-	6.0	1,065	-	282.1	96,127	-	341
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	7.0	2,695	-	-	-	-	49.0	8,035	-	56.0	209	-	209
Property - Freehold and Leasehold	549.8	365,484	-	157.8	43,936	-	477.0	115,518	-	38.0	2,168	-	1,223.5	527,108	-	431
Retention of Title	0.3	149	-	-	-	-	-	-	-	-	-	-	0.3	149	-	495
Sale of Business / Assets	329.1	254,767	-	199.5	70,263	-	237.5	100,938	-	38.5	7,123	-	804.6	433,090	-	538
Third Party Assets	-	-	-	1.3	431	-	-	-	-	-	-	-	1.3	431	-	345
	1,776.9	763,327	-	994.8	303,802	-	721.6	216,113	-	285.6	43,675	-	3,172.0	1,326,916	-	419
Creditors																
Employees	7.5	3,825	-	518.2	159,141	-	413.7	124,579	-	490.3	79,978	-	1,429.7	387,524	-	257
Preferential	8.5	5,056	-	-	-	-	-	-	-	29.5	4,640	-	38.0	9,698	-	265
Secured	99.3	56,444	-	94.0	30,480	-	-	-	-	-	-	-	193.3	66,924	-	450
Shareholders	48.0	28,084	-	3.8	1,503	-	155.5	37,320	-	0.5	78	-	4.3	1,580	-	367
Unsecured	163.3	93,408	-	1,160.7	366,006	-	689.2	161,999	-	783.0	119,848	-	2,656.1	761,159	-	287
	17.5	11,463	-	0.5	200	-	-	-	-	-	-	-	18.0	11,663	-	648
Other Matters Include:	-	-	-	1.0	265	-	-	-	-	2.5	325	-	3.5	590	-	169
Litigation	-	-	-	223.6	120,318	-	277.2	102,222	-	196.5	41,943	-	849.6	402,224	-	473
Pensions	162.4	131,742	-	-	-	-	-	-	-	17.0	2,435	-	127.8	41,859	-	328
Tax and VAT	17.5	8,973	-	9.0	2,385	-	84.3	29,866	-	-	-	-	998.9	466,135	-	457
Other	167.4	153,177	-	234.1	125,168	-	361.5	129,088	-	216.0	44,703	-	-	-	-	-
	2,212.5	1,409,464	-	6,110.4	1,729,094	-	2,907.4	813,994	-	3,263.9	530,282	-	13,494.1	4,479,934	-	332
TOTAL HOURS & COST																
														</		

SUMMARY OF ADMINISTRATORS' EXPENSES
Carter & Carter Colleges Limited - In Administration
11 March 2008 to 28 February 2009

Carter & Carter Group Plc and associated companies	
Category	£
Accommodation	27,818.70
Advertising	4,352.76
Bordereau	10,483.59
Telephones	999.56
Company Searches	16.00
Travel	27,640.84
Stationery	22,170.79
Subsistence	8,192.30
Storage	2,839.63
	<u>104,514.17</u>

Carter & Carter Colleges Limited	
Category	£
Accommodation	-
Advertising	-
Bordereau	20.00
Telephones	-
Company Searches	-
Travel	-
Stationery	-
Subsistence	-
Storage	-
	<u>20.00</u>

A Creditors' Guide To Administrators' Fees

Deloitte.

England and Wales

Creditors or their representatives are required to approve the remuneration of Administrators. This guide is designed to assist creditors of businesses where members or directors of Deloitte LLP have been appointed Administrators. Apart from the final three paragraphs the main text has been prepared by the Association of Business Recovery Professionals. If you need any assistance on the matters set out below, please feel free to contact us.

1. Introduction

1.1 When a company goes into Administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the Administrators' fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2. The Nature of Administration

Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in Administration,
- or, if the Administrators think neither of these objectives is reasonably practicable
- realising property in order to make a distribution to secured or preferential creditors.

3. The Creditors' Committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the Administrators' remuneration. The committee is established at the meeting

of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the Administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the Administrator decides s/he needs to hold one. The committee has power to summon the Administrators to attend before it and provide such information about the exercise of his functions.

4. Fixing the Administrators' Fees

4.1 The basis for fixing the Administrators' remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that the remuneration shall be fixed either:

- as a percentage of the value of the property which the Administrator has to deal with, or
- by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:-

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same

matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the Administrators.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of -

- each secured creditor of the company; or
- if the Administrators have made or intend to make a distribution to preferential creditors -
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5. What Information should be provided by the Administrators?

5.1 When seeking fee approval

5.1.1. When seeking agreement to his fees the Administrators should provide sufficient supporting information to enable the committee or the creditors to form a judgment as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought:

- the stage during the Administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2. Where, at any creditors' or committee meeting, the Administrators seek agreement to the terms on which s/he is to be remunerated, s/he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3. Where the Administrators seek agreement to his fees during the course of the Administration, s/he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs, the Administrators should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation for what the Administrators have achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the Administrators must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out, it may be necessary for the administrator to prove an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to the insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent.

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case specific matters.

The following categories are suggested as a basis for analysis by grade of staff:

- Partner

- Manager
- Other senior professionals
- Assistants and support staff.

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the Administrators wish to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4. Where the fee is charged on a percentage basis the Administrators should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an Administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before s/he has substantially completed his functions, the Administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration s/he has drawn in accordance with the resolution. Where the fee is based on time costs, s/he should also provide details of the time spent and

the charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. S/he should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the Administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3. Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the Administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Administrators' own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6. What if a Creditor is Dissatisfied?

6.1 If a creditor believes that the Administrators' remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the Court for an order that it be reduced. If the Court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the Court orders otherwise, the costs must be paid by the applicant and not as an expense of the Administration.

7. What if the Administrators are Dissatisfied?

If the Administrators consider that the remuneration fixed by the creditors' committee is insufficient s/he may request that it be increased by resolution of the creditors. If s/he considers that the remuneration fixed by the committee or the creditors is insufficient, s/he may apply to the Court for it to be increased. If s/he decides to apply to the Court s/he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the Administrators' notice of his application must be sent to such of the creditors as the Court may

direct, and they may nominate one or more of their number to appear or be represented. The Court may order the costs to be paid out as an expense of the Administration.

8. Other Matters Relating to Fees

8.1 Where there are joint Administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the Court, the creditors' committee or a meeting of creditors.

8.2 If the Administrator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the Court.

9. Provision of information – additional requirements.

In any case where the Administrators are appointed on or after 1 April 2005 s/he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- The total number of hours spent on the case by the Administrators or staff assigned to the case;
- For each grade of staff, the average hourly rate at which they are charged out;
- The number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Administrators' appointment, or where s/he has vacated office, the date that s/he vacated office.

The information must be provided within 28 days of receipt of the request by the Administrators, and requests must be made within two years from vacation of office.

10. Commissions and Discounts

As a major purchaser of services, Deloitte LLP as a whole is occasionally able to negotiate enhanced services with preferred suppliers in relation to travel, advertising and other costs. The use of

these suppliers may sometimes result in annual commissions being paid to Deloitte LLP. The reallocation of such commissions to each case is impracticable and this is not done.

10. What if you are Dissatisfied with the Conduct of the Administration Generally?

We hope that you will not have cause to complain about the way our partners and staff conduct their work on what are generally sensitive and emotive issues for creditors affected by the insolvency. Occasionally misunderstandings arise and mistakes are made. Should you have cause to complain or if you would like to discuss how our service could be improved, please let us know by telephoning the person appointed as Administrator. We undertake to look into any complaint carefully and promptly and to do all we reasonably can to explain the position to you. If you are still not satisfied with the explanations given, you can refer the matter to the RS National Compliance & Risk Partner responsible for investigating any complaints made against our partners and staff. The RS National Compliance & Risk Partner is located in our office at Athene Place, 66 Shoe Lane, London, EC4A 3BQ. If the RS National Compliance & Risk Partner is unable to resolve matters to your satisfaction then you can refer the matters to:

The Professional Standards Office,
Institute of Chartered Accountants in
England & Wales, Level 1, Metropolitan
House, 321 Avebury Boulevard,
Milton Keynes, MK9 2FZ in the case of
appointment takers licensed by the
Institute of Chartered Accountants in
England & Wales. A list of the partners
and appointment taking directors and
their licensing bodies is available from
the RS National Compliance & Risk
Partner.

December 2008 Edition

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Heading required by Article 42(1) of Council Regulation (EC) No 1346/2000 of 29.5.2000, OJ L 160, p12

(EC Regulation on Insolvency Proceedings 2000)

« Convocatoria para la presentación de créditos. Plazos aplicables ».

» Opfordring til anmeldelse af fordringer. Vær opmærksom på fristerne «

„ Aufforderung zur Anmeldung einer Forderung. Etwaige Fristen beachten! "

« Προ' σκληση για αναγγελι' α απαιτη' σεως. Προσοχη' στις προθεσμίες »

‘ Invitation to lodge a claim. Time limits to be observed ‘

« Invitation à produire une créance. Délais à respecter »

« Invito all'insinuazione di un credito. Termine da osservare »

„ Oproep tot indiening van schuldvorderingen. In acht te nemen termijnen "

« Aviso de reclamação de créditos. Prazos legais a observar »

" Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat "

" Anmodan att anmäla fordran. Tidsfrister att iaktta "

Pozvání až k bydlit jeden činit si nárok na něco. Čas hranice až k být konat

Zaproszenie do wniesienia wniosku o odszkodowanie. Termin wniesienia wniosku jest obarczony obstrzeniami.

Invitáció követelés benyújtására. Idő határok betartandók.

vabilo v spraviti v zapor a trditi, čas višek v obstati držati se postav

Приглашение к подаче иска. Соблюдайте установленные сроки.

Pasiūlymas paduoti skunda. Reikia atsižvelgti į terminus.

Stedina biex taghmel talba. It-termini taz-zmien ghandhom jigu mharsa.

Uzaicinājums prasības pieteikšanai. Prasības pieteikšanas laiks stingri ierobežots.

Palve esitada nõue. Palun jälgige aja piiranguid.

Покана за предявяване на иск. Да бъде направена в обявления срок

Invitația de a prezenta pretenția în limite de timp agreate.

Heading required by Article 42(2) of Council Regulation (EC) No 1346/2000 of 29.5.2000, OJ L 160, p12

(EC Regulation on Insolvency Proceedings 2000)

« Presentación de crédito »

» Anmeldelse af fordring «

„ Anmeldung einer Forderung ”

« Αναγγελία απαιτη´σεως »

` Lodgement of claim `

« Production de créance »

« Insinuazione di credito »

„ Indiening van een schuldvordering ”

« Reclamação de crédito »

" Saatavaa koskeva ilmoitus "

" Anmälan av fordran "

States who joined EU on Expansion on 01.05.04:

Czech - činit si nárok na něco

Polish - Wniesienie wniosku o odszkodowanie.

Hungarian - Követelés benyújtása.

Slovenian - bivanje od trditi

Russian – Подача иска

Lithuanian - Paduoti skunda

Maltese – Sottomissjoni tat-talba.

Latvian - Prasības pieteikums

Estonian - Nõude esitamine