

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company HATL Realisations Limited (formerly Howorth Air Technology Limited)	Company Number 02270947
In the High Court of Justice, Chancery Division, Manchester District Registry <small>(full name of court)</small>	Court case number 3351 of 2009


We (a) David James Kelly and Ian David Green of PricewaterhouseCoopers I LP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

having been appointed administrator(s) of (b) HATL Realisations Limited, C/o Benson House, 33 Wellington Street, Leeds LS1 4JP

on (c) 9 December 2009 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

We attach a copy of the final progress report

Signed 
 Joint Administrator
 Dated 31/5/2012

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.

Faye Sargent	
PricewaterhouseCoopers LLP, Benson House 33 Wellington Street, Leeds LS1 4JP	
	Tel 0113 289 4162
DX Number	DX Exchange

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



A06

01/06/2012

#143

COMPANIES HOUSE

FRIDAY



FRIDAY

To all known Creditors

A06

01/06/2012
COMPANIES HOUSE

#129

1 June 2012

Our ref: MRC FS/31052012/HATL/420 PF10

Dear Sirs

HATL Realisations Limited (formerly Howorth Air Technology Limited) – in Administration (“the Company”)

The Joint Administrators (“the Administrators”) previously reported on 30 December 2011 and are pleased to provide their final progress report on the Administration of the Company pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (“IR86”).

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1) IR86, which is shown in Appendix A to this report. The Administrators are also required to provide a summary of their proposals, which is shown at Appendix C.

Details of the steps taken during the Administration and the outcome are set out below.

Statutory and financial information

The Administrators enclose the following for your information:

- Appendix A Statutory information in respect of the Company,
- Appendix B Administrators' receipts and payments account to 31 May 2012;
- Appendix C Administrators' time costs from to 31 May 2012;
- Appendix D Administrators' Proposals,
- Appendix E Statement of Creditors' Rights;
- Form 2.24B Notice of the Administrators' progress report,
- Form 2.35B Notice of move from administration to dissolution.

Overview of the administration

The Administrators circulated their proposals to all creditors on 1 February 2010 detailing how the purpose of the Administration would be achieved and further reports have explained the progress of the Administration to 8 December 2011. At that time, all assets had been realised and the main issues outstanding were the distribution of funds to the secured creditor and also to make a distribution to unsecured creditors by virtue of the Prescribed Part.

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I refer you to my previous reports for further details and background to the Administration, which are not repeated here for the purposes of this report.

Asset Realisations

Total realisations in the Administration to date are as summarised in the following table

	HATL Realisations £
Freehold Property	425,000
Rent	65,000
Goodwill/Intellectual Property	1
Contracts	1
WIP	100,271
Stock	354,913
Chattel assets	10,000
Sale of Pharmaceutical Business	48,000
Cash in Hand	1,442
Sundry Debts	110,318
Book Debts	721,238
Pre appointment VAT refunds	75,099
Corporate Tax Refund	51
Office Equipment	481
Refunds	4,440
Interest Received	2,108
Total	1,918,363

Estimated outcome for creditors

Secured Creditors

The Company's banking facilities were with the Royal Bank of Scotland Plc ("the Bank"). At the date of appointment, the outstanding indebtedness due to the Bank in respect of the Company was £1.6 million. Interest and charges on this amount continued to accrue post administration.

The lending is secured by fixed and floating charges over the assets of the Company, as well as a cross guarantee provided by WesFM Realisations Limited ("Wes FM") another group company that was also in administration.

Bank debt across the whole group, which consisted of HATL, Wes FM and Howarth Air Technology Group Limited totalled c£5.4mn and was guaranteed from HATL and WesFM.

Distributions totalling £1,201,958 have been made to the Bank from the HATL administration, under the terms of its security.



The Administrators are currently awaiting a refund of £22,000 in respect of CIS, subcontractor deductions from HM Revenue and Customs. This will also be paid to the Bank should this be received. As this has not yet been received it is not shown on the attached receipts and payments account.

The Bank has suffered a significant shortfall in respect of its lending across all three companies.

Preferential Creditors

Preferential claims arise in respect of unpaid wages, subject to statutory limits and holiday pay for employees.

Preferential claims totalling £149,979 were agreed and admitted and a dividend of 100p in the £ was paid on 31 March 2011.

Unsecured Creditors

The Administrators formed the view that the Company had insufficient property to enable a distribution to be paid to the unsecured creditors, other than by virtue of the Prescribed Part.

Prescribed Part

The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) 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
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

The Prescribed Part applies to the Company as there are charges created and registered at Companies House following the Prescribed Part order coming into force on 15 September 2003.

The Prescribed Part available to unsecured non-preferential creditors was calculated as follows:

Prescribed Part	197,066
Less costs of distributing the Prescribed Part	(37,000)
Prescribed Part available to unsecured non-preferential creditors	<u>160,066</u>

A first and final dividend of 5.46 pence in the pound, by virtue of the Prescribed Part, was declared on 13 January 2012.

Investigations into the conduct of directors

The Administrators have a duty to review the conduct of everyone who acted as a director of the Company in the three years prior to the Administration and report to the Insolvency Service on their findings. The Administrators can confirm that a return has been submitted, however, for confidentiality reasons, I am unable to give any further information.



Receipts & payments account

Attached at Appendix B is a summary of the receipts and payments in relation to the Company from the date of appointment to 31 May 2012.

Administrators' remuneration

In accordance with Rule 2.106(5A) IR86, as there are no funds available to distribute to unsecured creditors other than by virtue of the Prescribed Part, the Administrators' remuneration is fixed by the approval of the secured and preferential creditors. Remuneration of £149,995 has been drawn.

A breakdown of the time costs incurred by grade and work type from the date of the Administrators' appointment to 31 May 2012 is enclosed at Appendix C.

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Appendix E.

Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The Administrators have also indicated alongside, the basis of their fee arrangement with them.

Service Provided	Name of Professional Firm	Basis of Fee	Amount paid
Legal advice	Walker Morris LLP	Time costs	£82,797.42
Tax in Ireland	Howarth Bastow Charlston	Time Costs	£2,776.81
Property services	Wignall Brownlow	Time Costs	£9,051
Contract debt advice	Naismiths	Fixed fee and time cost	£14,400

The choices were based on the Administrators' perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of this case.

Discharge from liability

Pursuant to Paragraph 98(3)(a) Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86"), approval was obtained from the secured creditor as to the timing of the discharge of the Administrators' liability in respect of the administration.

The Administrators' discharge from liability, pursuant to Paragraph 98(2)(b) Sch B1 IA86, will be effective two weeks after submitting the final progress report of the Administration to the Registrar of Companies.



Exit from the Administration

The objective of the administration has been achieved, all assets have been realised and funds have been distributed to the secured, preferential and unsecured creditors. The Administrators are now in a position to cease to act in this case.

In accordance with the proposals approved by creditors, a Notice of move to dissolution was sent by the Administrators to the Registrar of Companies on 31 May 2012, in accordance with Paragraph 84 Sch.B1 IA86.

Upon registration of the Notice with the Registrar, the appointment of the Administrators will cease to have effect. Three months after registration, the Company will be deemed dissolved.

Should you have any further questions, please do not hesitate to contact my colleague, Faye Sargent on 0113 289 4169 or faye.sargent@uk.pwc.com

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'David Kelly', written over a horizontal line.

David Kelly
Joint Administrator

David James Kelly and Ian David Green were appointed Joint Administrators of the Company, to manage its affairs, business and property as its agents and without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Manchester District Registry 3351 of 2009
Full name:	HATL Realisations Limited (formerly Howorth Air Technology Limited)
Former trading name:	Howorth Air Technology Limited
Registered number:	02270947
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors:	Steven Howes, Adrian Parkin, Peter Lewis, Philip Charles White and Andrew Charles Steel
Company secretary:	Pinsent Masons Secretarial Limited
Shareholdings held by the directors and secretary:	Nil
Date of the Administration appointment:	9 December 2009
Administrators' names and addresses:	David James Kelly of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW, and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP
Appointor's / applicant's name and address:	The Directors of the Company, Victoria Works, Lorne Street, Farnworth, Bolton, Lancashire, BL4 7LZ
Objective being pursued by the Administrators:	Objective (b), achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration) or, failing that, objective (c), realising property in order to make a distribution to one or more secured or preferential creditors
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone
Proposed end of the Administration:	Dissolution
Dividend to unsecured creditors:	5 46 p after costs, paid 13 January 2012
Final prescribed part	Prescribed part after costs - £160,066
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

Appendix B

HAIL Realisations Limited (formerly Howorth Air Technology Limited)
(In Administration)
Administrators' abstract of receipts and payments

Directors' Statement of Affairs	9 December 2009 to 8 December 2011	9 December 2011 to 31 May 2012	Total from 9 December 2009 to 31 May 2012
£	£	£	£
FIXED CHARGE REALISATIONS			
300,000 Freehold Property	425,000	-	425,000
- Rent	65,000	-	65,000
1 Goodwill and intellectual property	1	-	1
1 Contracts	1	-	1
- Interest	122	52	174
	490,124	52	490,176
COST OF REALISATION / PAYMENTS			
Insurance	(3,732)	-	(3,732)
Legal Fees and Disbursements	(11,605)	-	(11,605)
Agents' Fees	(8,901)	-	(8,901)
Office Holder's fees	(25,000)	-	(25,000)
Bank charges	(92)	(60)	(152)
	(49,330)	(60)	(49,390)
DISTRIBUTIONS TO FIXED CHARGE CREDITORS			
Distribution to secured creditors	(449,112)	8,026	(441,086)
BALANCE OF FIXED CHARGE FUNDS	(8,018)	8,018	(0)
FLOATING CHARGE REALISATIONS			
Work in Progress (Project 4407)	100,271	-	100,271
354,913 Stock	354,913	-	354,913
10,000 Chattel assets	10,000	-	10,000
Sale of Pharmaceutical business	48,000	-	48,000
Interest	1,459	175	1,634
Cash in hand	1,442	-	1,442
Book debts	721,238	-	721,238
Sundry debts	111,898	(1,580)	110,318
Pre appointment VAT refund	57,648	17,451	75,099
Office equipment	481	-	481
Third Party Funds	-	-	-
Refunds	4,440	-	4,440
Corporation Tax refund	51	-	51
VAT refund	40,645	6,223	46,868
VAT payable	92,609	-	92,609
	1,545,095	22,170	1,567,265
COST OF REALISATION / PAYMENTS			
Wages and salaries	(6,734)	-	(6,734)
PAYE/NIC	(2,299)	-	(2,299)
Legal fees	(70,769)	(645)	(71,414)
Legal Disbursements	(636)	-	(636)
Agents Fees	(5,500)	-	(5,500)
Professional Fees	(11,177)	-	(11,177)
Office Holder's Fees	(68,965)	(56,030)	(124,995)
Office Holder's Expenses	(5,758)	(1,529)	(7,287)
Statutory Advertising	(221)	-	(221)
Retention of Title Payments	(19,000)	-	(19,000)
Bank Charges	(169)	(130)	(299)
Debt Collection Fees	(99,936)	(1,979)	(101,915)
Insurance	(1,616)	-	(1,616)
Intercompany loan to HATGL	(2,500)	-	(2,500)
Storage costs	-	(198)	(198)
Search Fees	(18)	-	(18)
VAT irrecoverable	-	(555)	(555)
VAT recoverable	(59,750)	(9,146)	(68,896)
VAT payment	(70,582)	-	(70,582)
	(425,630)	(70,211)	(495,841)
PREFERENTIAL CREDITORS			
Employees arrears of wages and holidays	(149,025)	(954)	(149,979)
	(149,025)	(954)	(149,979)
DISTRIBUTIONS TO FLOATING CHARGE CREDITORS			
Distribution to secured creditors	(565,147)	(195,725)	(760,872)
BALANCE OF FLOATING CHARGE FUNDS	405,293	(214,620)	190,673
UNSECURED CREDITORS			
Trade creditors	-	(160,673)	(160,673)
	-	(160,673)	(160,673)
TOTAL BALANCE AT BANK	197,275	(197,275)	0

Appendix C

HATL Realisations Limited – in administration Analysis of time costs from 9 December 2009 to 31 May 2012

Aspect of Administration	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Associate (Hrs)	Associate (Hrs)	Support Staff (Hrs)	Total hours	Time costs £	Average hourly rate £
Accounting & treasury			2 85	4 42	59 35	57 40	14 30	138 32	22,282 56	161 09
Strategy & planning	7 75	1 50	4 90	52 65	23 70	0 25	1 60	92 35	26,095 90	282 58
Appointment				7 50	1 05			8 55	2,304 00	269 47
Statutory & compliance	4 20		3 80	46 75	116 40	151 03	2 70	324 88	60,625 00	186 61
Investigations			1 40		8 50	2 70		12 60	2,396 00	190 16
Reporting	4 30	1 25		59 10	10 85			75 50	21,314 75	282 31
Closure	0 80		0 90	24 85		1 60		28 15	8,128 15	288 74
Freehold/leasehold property	0 30		0 10	57 00	0 40			57 80	16,339 50	282 69
Other assets	1 30		0 10	105 25	9 50	0 35		116 50	31,426 40	269 75
Book debts	2 80		0 15	192 90	12 50	1 40		209 75	59,912 99	285 65
Sale of Business	8 60			75 00				83 60	24,753 00	296 09
Trading			0 10			1 30		1 40	213 30	152 36
Retention of title					100 00	0 50		100 50	20,663 50	205 61
Unsecured creditors	0 30		1 10	37 27	223 30	134 00	23 20	419 17	76,502 08	182 51
Employees & Pensions	0 20		3 90	10 85	188 10	11 10		214 15	48,273 10	225 42
Distributions			3 15	5 45	10 15	31 05		49 80	9,227 30	185 29
Tax & VAT	1 00	0 50	0 70	33 30	66 10	54 95		156 55	32,285 40	206 23
Preferential creditors			0 20	0 10	17 25	0 50		18 05	3,897 30	215 92
Total for period to 31 May 2012	31 55	3 25	23 35	712 39	847 15	448 13	41 80	2,107 62	466,640 23	221 41

Charge out rates per hour from 1 May 2011

- Insolvency

Charge out rates per hour from 1 July 2011

- Specialist

76

100

142

245

226

350

299

495

383

620

436

725

Appendix D. Proposals for achieving the purpose of the Administrations

The Administrators make the following proposals for achieving the purpose of administration in relation to each of the Companies

- i) The Administrators will continue to manage and finance the Companies business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), or failing that realising property in order to make a distribution to one or more secured or preferential creditors
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Companies may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administrations or to protect and preserve the assets of the Companies or to maximise their realisations or for any other purpose incidental to these proposals
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administrations as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to Court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86
- v) Should it become apparent that an extension is required in relation to the Administrators' statutory term in office, beyond the statutory duration of one year, the Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension
- vi) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administrations to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances -
 - (a) Once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Companies will be dissolved three months later, or
 - (b) Once asset disposals are complete, the Administrators will place the Companies into creditors' voluntary liquidation. In these circumstances, it is proposed that David James Kelly and Ian David Green be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117(3) IR86, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved, or
 - (c) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administrations will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the Companies will be dissolved three months later
- vii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators at a time resolved by the secured creditor, or if a distribution has been or may be made to the preferential creditors, at a time resolved by the secured and preferential creditors or in any case at a time determined by the court
- viii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according



Appendix E: Creditors Rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows. -

Rule 2.48A Creditors' request for further information

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2 47—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

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