

Administrator's progress report

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

(full name of court)

Court case number

3351 of 2009

(a) Insert full name(s) and
address(es) of
administrator(s)We (a) David James Kelly and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33
Wellington Street, Leeds, LS1 4JP

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

from

(b) 9 December 2009

to

(b) 8 June 2010

(b) Insert dates

Signed

Joint Administrator

Dated

6 July 2010

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.

Sara Stoker

PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

Tel 0113 289 4568

DX Number

DX Exchange



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14/07/2010

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COMPANIES HOUSE

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

PricewaterhouseCoopers LLP

Benson House
33 Wellington Street
Leeds

LS1 4JP

Telephone +44 (0) 113 289 4000

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www.pwc.com/uk

To all known creditors

6 July 2010

Our ref: SDS/060710/HOWORTH/PROGRESS

Dear Sirs

Howorth Air Technology Group Limited
HATL Realisations Limited (formerly Howorth Air Technology Limited)
WesFM Realisations Limited (formerly Westbury Filtermation Limited)
- All in Administration ("the Companies")

The following abbreviations are used throughout this report in relation to the Companies:

"HATGL" refers to Howorth Air Technology Group Limited;

"HATL" refers to HATL Realisations Limited;

"WESFM" refers to WesFM Realisations Limited.

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administrations in the six months since the Administrators' appointment on 9 December 2009.

Statutory and financial information

We enclose the following for your information:

- Appendix A Statutory information,
- Appendix B Administrators' receipts and payments accounts for the period 9 December 2009 to 8 June 2010
- Forms 2.24B Administrators' progress reports

Overview of the administrations

David James Kelly and Ian David Green were appointed as Joint Administrators of the Companies on 9 December 2009. The Administrators' proposals for achieving the purpose of the administration ("the Proposals") were issued to creditors on 1 February 2010.

The purpose of an administration is to achieve one of the following objectives.

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

As detailed in the Administrators' Proposals dated 1 February 2010, objective (b) is being pursued in respect of the Companies, and failing that objective (c). The Administrators' proposals for achieving the purposes of the administrations ("the Proposals") were deemed to be approved by the Companies' creditors in accordance with Rule 2.33(5) of IR86.

Steps taken by the Administrators

HATGL

As detailed in the Proposals, HATGL's only asset was its investment in subsidiary companies. The Administrators are of the opinion that there is no value to be realised in respect of these investments due to financial position of the subsidiary companies.

HATL

As reported in the Administrators' proposals, HATL operated under three divisions: medical, pharmaceutical and after-care.

Sale of Medical and After-care divisions

As you are aware, the Administrators concluded a sale of the business and certain assets of the medical and after-care divisions of HATL, excluding book debts, with Distant Lights Limited, a company formed for the purpose of the transaction, of which Andrew Parker is a director. Total consideration was £429,915 which can be broken down as follows.

	£
Chattels	10,000
Contracts	1
Intellectual Property and Goodwill	1
Stock	354,913
Rent	65,000
	<u>429,915</u>

The full balance was paid on 9 December 2009.

A total of 19 employees were transferred to the purchaser as part of the sale. In addition, the name of HATL was changed by shareholder resolution, in order that the purchaser was able to trade as Howorth Air Technology Limited.

The pre-appointment book debts and HATL's freehold property were excluded from the terms of the sale.

An agreement was reached with the purchaser of the business for a 12-month lease of the freehold property from the date of appointment, with rental of £65,000 being paid in advance. We instructed our agents, Wignall Brownlow, to market the Lorne Street property. As a result of their marketing, we have recently agreed a sale of this property to Westbury Filtration Limited for £425,000.

Contracts for the sale have now been issued and we hope to conclude this sale by 15 September 2010.

In accordance with Statement of Insolvency Practice Number 16, details of this transaction and the events leading up to the sale were disclosed to creditors at the time of the initial notification of the Administrators' appointment

Sale of the Pharmaceutical division

As previously reported, immediately on appointment, the pharmaceutical division, which designed and manufactured biosafety, containment, aseptic and filtration equipment, ceased to trade and 74 employees were made redundant

Following their appointment, the Administrators received interest in this division from a limited number of parties and following a period of short, but rigorous exposure to the market, a sale of the business and certain assets of this division was concluded with Howorth Air Technology Limited (formerly Distant Lights Limited) for a consideration of £48,000. This sale concluded on 13 January 2010. The amount has been received in full by the Administrators.

The sale included all items of work in progress with the exception of one project – Project 4407. On 31 December 2009, the Administrators concluded a sale of Project 4407 for a gross consideration of £100,271, prior to settling associated liabilities

Book Debts

Book debts of all three divisions were specifically excluded from the sale agreements. At the date of our appointment, HATL's debtors' ledger totalled £1.834m, excluding intra-Group balances. As part of the sale agreements, it was agreed that the purchaser would act as the Administrators' agent to assist in book debt collections, on a commission basis, under the supervision of the Administrators' in-house receivables management team

To date, book debts totalling £380,492 have been collected, with commissions of £28,204 having been paid to the purchaser.

Terminal Loss Relief Claim

The Administrators are currently investigating whether there is scope to make a Terminal Loss Relief claim which, if successful, would reduce HM Revenue & Customs claim in the Administration, thereby increasing the prescribed part distribution to the unsecured creditors

WesFM

Sale of business

As you are aware, shortly after their appointment, the Administrators concluded a sale of the business and certain assets of WesFM, excluding book debts, with Stone Clarity Limited, a company formed for the purpose of the transaction and in which Andrew Parker is involved. Total consideration for the sale was £300,000, the breakdown for which is detailed below:

	£
Chattels and motor vehicles	1
Contracts	1
Intellectual Property and Goodwill	79,998
Stock	220,000
	<u>300,000</u>

The full balance was paid on 9 December 2009.

In addition, all of WesFM's 40 employees were transferred to the purchaser, thus eliminating any preferential claims in the Administration.

As part of the sale agreement, the name of WesFM was changed by shareholder resolution, in order that the purchaser was able to trade as Westbury Filtration Limited.

In accordance with Statements of Insolvency Practice Numbers 16 and 13, details of this transaction and the events leading up to the sale were disclosed to creditors at the time of the initial notification of the Administrators' appointment

Book Debts

The only asset of WesFM which was excluded from the above sale was the outstanding debtors' ledger, which at the date of our appointment totalled £978,000, excluding intra-Group balances. As part of the sale agreement, it was agreed that the purchaser would act as the Administrators' agent to assist in book debt collections, on a commission basis, under the supervision of the Administrators' in-house receivables management team.

To date, book debts totalling £733,386 have been collected, with commissions of £62,089 having been paid to the purchaser.

Estimated outcome for creditors

Secured creditors

The Companies' 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 Companies was as follows:

	HATGL	HATL	WesFM	Total
Level of Debt (£'m)	3.8	1.6	-	5.4

These amounts, which exclude post-appointment interest and charges, are secured by fixed and floating charges over each company's assets, as well as cross guarantees provided by the Companies in the Group.

To date, a total of £717,404 has been distributed to the Bank under the terms of their fixed and floating charges. Further distributions to the Bank in respect of their outstanding indebtedness will be dependent upon final asset realisations and the costs of the Administrations, however it is currently anticipated that the Bank will suffer a significant shortfall in respect of its lending.

Preferential creditors

As advised in the Proposals, there are no preferential creditors in WesFM or HATGL.

In respect of HATL, preferential claims of c£147,000 are expected to arise. These relate to employees of the Company who were made redundant following the Administrators' appointment. The Administrators are in the process of agreeing these claims after which a dividend of 100p in the £ will be paid to preferential creditors.

Unsecured creditors

The Administrators have formed the view that the Companies have insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of the Prescribed Part

The 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. For each company, 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 in respect of the Companies as there are charges created and registered at Companies House following the Prescribed Part order coming into force on 15 September 2003. The amount of the Prescribed Part will be subject to future asset realisations

The Administrators conclude that there are sufficient sums available in HATL and WesFM for a distribution to the unsecured creditors under the Prescribed Part. It is thought that there will be insufficient net property available in HATGL.

The table below shows the current estimates of the Net Property after costs of realisation and administration, and the funds available for distribution. Please note however that the costs of distributing the Prescribed Part are deductible from the Prescribed Part funds therefore estimates of the distribution available both before and after costs are given below. In addition, please note that the estimates of net property and the subsequent Prescribed Part are subject to change as the exact amount available cannot be calculated until asset realisations are finalised and the final costs of the Administration are known

	HATL	WesFM
Net Property (£'000)	628	686
Prescribed Part (£'000)	129	140
Estimated Unsecured Creditors (£'000)	8,615	1,771
Estimated Distribution (p/£) before costs	1.49p/£	7.91p/£
Estimated Distribution (p/£) after costs	1.20p/£	6.50p/£

The fulfilment of the Administrators' statutory duties

The Administrators have a duty to review the conduct of everyone who has acted as a director of the Companies in the three years prior to the Administrations and report to the Department for Business, Innovation and Skills on their findings. I can confirm that the Administrators have complied with this requirement, however for confidentiality reasons we are unable to give any further information.

Receipts & payments account

Attached at Appendix B is an abstract of the receipts and payments for the period 9 December 2009 to 8 June 2010 for each of the Companies

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. No remuneration has been drawn to date

Ending the administration

In the case of HATL and WesFM, the Administrators currently envisage that once the objectives of the Administrations have been achieved, an application to Court will be made for permission for the Administrators to distribute to the unsecured creditors. If permission is granted, following the distribution to unsecured creditors, the Administrators will file 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. If permission is not granted the Administrators will place these companies into creditors' voluntary liquidation or otherwise act in accordance with any order of the Court

Alternatively the Administrators may use any exit route as stated in the proposals.

In the case of HATGL, the Administrators currently envisage that once the objective of the Administration has been achieved, the Administrators will file 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.

Future reporting

Pursuant to Rule 2 47 of the Rules, I will provide you with a further report in six months time, or at the end of the Administrations, whichever is sooner

Should you have any further questions, please do not hesitate to contact my colleague, Sara Stoker, on 0113 289 4568.

Yours faithfully
For and on behalf of the Companies



David Kelly
Joint Administrator

Enclosures.

Appendix A	Statutory information
Appendix B	Administrators' abstracts of receipts and payments
Forms 2 24B	Administrators progress reports

David James Kelly and Ian David Green were appointed Joint Administrators of the Companies to manage their affairs, business and property as their 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 – Howorth Air Technology Group Limited

Court details for the Administration:	High Court of Justice, Chancery Division, Manchester District Registry Number 3355 of 2009
Full name:	Howorth Air Technology Group Limited
Trading name:	Not applicable
Registered number:	06322300
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors:	Philip Charles White, Robert Charles Spender, and Andrew Charles Steel
Company secretary:	Pinsent Masons Secretarial Limited
Shareholdings held by the directors and secretary:	Philip Charles White 3,575 Ordinary A Shares Robert Charles Spender 2,275 Ordinary B shares Andrew Charles Steel 16,900 Ordinary B shares
Date of the Administration appointment:	9 December 2009
Administrators' names and addresses:	David James Kelly of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Moseley 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 the Administrators acting jointly or alone
Proposed end of the Administration:	Dissolution
Estimated dividend for unsecured creditors:	Nil
Estimated values of the prescribed part and the company's net property:	Nil
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

Statutory and other information – HATL Realisations Limited (formerly Howorth Air Technology Limited)

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)
Trading name:	Not applicable
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
Estimated dividend for unsecured creditors:	Nil to 1.49p/£ (Prescribed Part only)
Estimated values of the prescribed part and the company's net property:	Net property: £627,948 Prescribed Part £128,590
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.

Statutory and other information – WesFM Realisations Limited (formerly Westbury Filtermation Limited)

Court details for the Administration	High Court of Justice, Chancery Division, Manchester District Registry 3354 of 2009
Full name:	WesFM Realisations Limited (formerly Westbury Filtermation Limited)
Trading name:	Not applicable
Registered number:	01463661
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors:	Andrew Charles Parker 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
Estimated dividend for unsecured creditors:	Nil to 7.91p/£ (Prescribed Part only)
Estimated values of the prescribed part and the company's net property:	Net property £685,908 Prescribed Part £140,181
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.

Howorth Air Technology Group Limited - in Administration
Receipts & Payments Account for the period 9 December 2009 to 8 June 2010

Receipts	Total (£)
Intercompany loan from HATL	2,875
Total	<u>2,875</u>
Payments	
Legal fees	2,500
VAT Receivable	375
Total	<u>2,875</u>
Balance in hand	<u><u>0</u></u>

HATL Realisations Limited (formerly Howorth Air Technology Limited) - in Administration
Receipts & Payments Account for the period 9 December 2009 to 8 June 2010

Receipts	Fixed Charge Funds (£)	Floating Charge Funds (£)	Total (£)	Directors' Statement of Affairs (£)
Freehold Property				300,000
Rent	65,000		65,000	
Goodwill and intellectual property	1		1	1
Contracts	1		1	1
Work in Progress (Project 4407)		100,271	100,271	
Stock		354,913	354,913	354,913
Chattel assets		10,000	10,000	10,000
Sale of Pharmaceutical business		48,000	48,000	
Interest		218	218	
Cash in hand		1,442	1,442	
Book debts		380,492	380,492	
Office equipment		481	481	
Refunds		4,440	4,440	
VAT refund		17,451	17,451	
VAT Payable		2,125	2,125	
Total	65,002	919,833	984,835	664,915
Payments				
Distribution to secured creditor		322,724	322,724	
Intercompany loan to HATGL		2,875	2,875	
Wages and salaries		6,734	6,734	
PAYE/NIC		2,299	2,299	
Legal fees		53,670	53,670	
Legal Disbursements		5	5	
Agents Fees		5,500	5,500	
Professional Fees		8,400	8,400	
Statutory Advertising		147	147	
Retention of Title Payments		19,000	19,000	
Bank Charges	80	97	177	
Debt Collection Fees		28,204	28,204	
Total	80	449,655	449,735	
Balance in hand			535,100	

WesFM Realisations Limited (formerly Westbury Filtermation Limited) - in Administration
Receipts & Payments Account for the period 9 December 2009 to 8 June 2010

	Fixed Charge Funds (£)	Floating Charge Funds (£)	Total (£)	Directors' Statement of Affairs (£)
Receipts				
Goodwill and intellectual property	79,998		79,998	80,000
Contracts	1		1	
Stock		220,000	220,000	220,000
Chattel assets		1	1	
Refunds		1,803	1,803	
Interest		104	104	
Book debts		733,386	733,386	
Total	<u>79,999</u>	<u>955,293</u>	<u>1,035,292</u>	<u>300,000</u>
Payments				
Distribution to secured creditor		394,680	394,680	
Legal fees		18,000	18,000	
Legal Disbursements		5	5	
Agents Fees		1,650	1,650	
Debt Collection Fees		62,089	62,089	
Bank charges		65	65	
Storage Costs		64	64	
VAT Receivable		13,825	13,825	
Total	<u>0</u>	<u>490,378</u>	<u>490,378</u>	
Balance in hand			<u><u>544,914</u></u>	

Administrator's progress report**2.24B**

Name of Company Howorth Air Technology Group Limited	Company Number 06322300
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 3355 of 2009

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

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

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


from

to

(b) 9 December 2009

(b) 8 June 2010

(b) Insert dates

Signed 
Joint Administrator
Dated 6 July 2010

Administrator's progress report**2.24B**

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 (full name of court)	Court case number 3351 of 2009

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

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

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

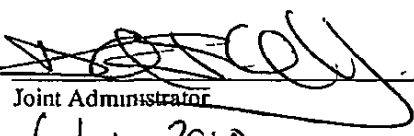
from

to

(b) 9 December 2009

(b) 8 June 2010

(b) Insert dates

Signed 
Joint Administrator
Dated 6 July 2010

Administrator's progress report**2.24B**

Name of Company

WesFM Realisations Limited – (formerly Westbury
Filtermation Limited)

Company Number

01463661

In the

High Court of Justice, Chancery Division, Manchester
District Registry

(full name of court)

Court case number

3354 of 2009

(a) Insert full name(s) and
address(es) of
administrator(s)We (a) David James Kelly and Ian David Green of PricewaterhouseCoopers LLP, Benson House,
Wellington Street, Leeds, LS1 4JP

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Dated

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