

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Emtec (Specialised Services) Limited

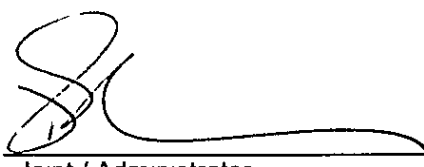
Company number

02585595

In the
High Court of Justice, Chancery Division, London
(full name of court)Court case number
7635 of 2013(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Christopher James Farrington
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FGDominic Lee Zoong Wong
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ(b) *Delete as
applicableattach a copy of ~~*my~~/our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on 26 April 2013

Signed



Joint / Administrator

Dated

26 APRIL 2013

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

DX Number

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

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COMPANIES HOUSE

Emtec (Specialised Services) Limited

Court Case No. 7635 of 2013

- In Administration ("the Company")

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

26 April 2013

**Christopher James Farrington and Dominic Lee Zoong Wong
Joint Administrators of the Company - In Administration
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ**

Christopher James Farrington and Dominic Lee Zoong Wong were appointed Joint Administrators of Emtec (Specialised Services) Limited on 1 March 2013. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Disclaimer Notice

- This Statement of Proposals ("Proposal" or "Proposals") has been prepared by Christopher James Farrington and Dominic Lee Zoong Wong, the Administrators of Emtec (Specialised Services) Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Proposal has not been prepared in contemplation of it being used and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company listed above.
- Any estimated outcomes for creditors included in this Proposal are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Proposal for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Proposal.
- The Administrators act as agents for Emtec (Specialised Services) Limited and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administration.
- All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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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 Administrators"	Christopher James Farrington and Dominic Lee Zoong Wong of Deloitte LLP
"Apprentice Learning"	Carter & Carter Apprentice Learning Limited
"C&C"	Carter & Carter Limited in Liquidation
"the Company", "Emtec"	Emtec (Specialised Services) Limited (in Administration)
"the Court"	High Court of Justice, Chancery Division, London
"Deloitte"	Deloitte LLP
"the Group"	Carter & Carter Group plc in Liquidation and certain subsidiaries
"Liquidation Companies"	Carter & Carter Group plc, Carter & Carter Apprentice Learning Limited, Carter & Carter Limited, Carter & Carter Employability and Skills Limited, NTP Limited, Constant Browning Edmonds Limited and Quantica Training Limited – all in Liquidation
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Secured Creditors"	Bank of Scotland plc, Lloyds TSB and Barclays Bank
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. BACKGROUND

1.1. Introduction

This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Administrators to provide creditors with details of their proposals to achieve the purposes of the Administration

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Company, and
- the circumstances giving rise to the appointment of the Administrators

As there are insufficient funds for a distribution to the unsecured creditors other than the PP, a fund set aside for the benefit of unsecured creditors by virtue of Section 176A(2)(a) of the Act, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Administrators will not be convening a creditors' meeting, unless required to do so

Should creditors of the Company, whose total debts amount to at least 10% of the total debts of the Company wish to request a meeting be held they should complete the attached Form 2.21B (Appendix 6) and return it within the deadline stated. A deposit of £500 towards the costs of convening the meeting should be enclosed with the request per rule 2.37(3) of the Rules

In the event no request (in the prescribed manner) is received within 8 business days of issue of this statement, the proposals will be deemed approved and a notice will be filed at Companies House

For the purposes of this report, we will refer to the Company by the abbreviations set out on the previous page

1.2. Background to the Company

The Company historically delivered apprenticeships to a number of major automotive manufacturers

In 2003 it was acquired by the Group whose business was the provision of vocational learning and outsourced training services

1.3 Events Leading Up to First Administration

From 2003 to 2007 the Group expanded rapidly, largely through a series of acquisitions. The integration of these acquisitions proved problematic, with a number of business divisions continuing to function as standalone businesses

This lack of integration led to a series of accounting and reporting problems. New management was brought in and, following an announcement to the stock exchange on 2 October 2007, trading of shares in the Group was suspended. A period of intensive

negotiations followed during which the board attempted to restructure the Group's obligations or to find a buyer for the Group

By March 2008 it was apparent that the Group's bankers would not be able to agree terms of a restructuring, nor could a new investor or purchaser be found. The board filed a notice of intention to appoint Administrators to the Group on 10 March 2008.

1.4 First Administration

The Administrators (along with a former partner in Deloitte, Nicholas James Dargan, now retired) were appointed as joint administrators of sixteen of the companies in the Group on 11 March 2008 and in respect of the Company on 14 March 2008.

Upon taking office, the principal operating divisions of the Group continued to trade for a short period of time whilst the businesses were marketed for sale as a going concern.

By 1 May 2008 the former Administrators had achieved going concern sales of a number of the Group's operating divisions. Further asset sales were subsequently completed, achieving gross realisations across the Group of approximately £50,900,000 (net of VAT).

Following a review of the likely outcome for creditors across the Group in March 2009 it was concluded that Apprentice Learning, being the Company's immediate parent company, and six of the other companies in the Group should be placed into Creditors Voluntary Liquidation (together, the "Liquidation Companies") as they were anticipated to have sufficient assets to make a small distribution to their unsecured creditors in respect of the Prescribed Part. On 11 March 2009 these seven companies entered Liquidation.

1.5 Exit from First Administration & Dissolution

The ten remaining Group companies over which the former Administrators were appointed (including Emtec) remained in Administration for a time. The Administrations were extended with the consent of the secured creditors (and preferential creditors where appropriate) by six months until 10 September 2009 in respect of nine of the companies, and until 13 September 2009 in respect of Emtec.

By September 2009, based on the information available to the former Administrators at the time, it was believed that it would not be possible to make further realisations in respect of any of those ten companies, including Emtec.

Accordingly, the former Administrators permitted their terms of office to cease pursuant to paragraph 76 of Schedule B1 to the Act following the expiry of the administration orders.

On 13 September 2009, Emtec was dissolved.

2. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE ADMINISTRATORS

2.1. C&C and Events prior to the Second Administration

As Liquidators we have completed the realisation of the assets of the seven Liquidation Companies and we anticipate that we will soon be in a position to advertise for unsecured creditors' claims and to make a first and final distribution to creditors of the Liquidation Companies

In the course of the liquidation of one of the Liquidation Companies, C&C, it has become clear that we have been able to realise sufficient assets such that C&C is now estimated to have the maximum Prescribed Part of £600,000 available for distribution to unsecured creditors. As part of our duties as Liquidators of C&C we have been in the process of reviewing the potential unsecured claims against the company in preparation making a first and final distribution to that class of creditors

The Company's Statement of Affairs prepared by the Directors during the first administration showed a loan due to C&C in the principal sum of £12m listed as an asset of Emtec, but this loan was estimated by the directors to be unrecoverable. It is now clear following a review of C&C's and Emtec's records, and having taken appropriate legal advice, that Emtec will rank as an unsecured creditor for the value of that loan in the Liquidation of C&C

Accordingly, Emtec will be the majority beneficiary of the first and final distribution to be declared by the Liquidators of C&C

2.2 Court Application to restore the Company to the Register of Companies

As noted above, Emtec was dissolved on 13 September 2009 and therefore, in the absence of any intervening actions, any distribution that would otherwise be received by the Company would have to be paid to the Crown's Treasury Solicitor

On 27 September 2012, the secured creditors of the Company made application to the High Court of Justice, London for, amongst other things, the Court make an order that

- The Company be restored to the register,
- Christopher James Farrington and Dominic Lee Zoong Wong be appointed the Joint Administrators of the Company, and
- The Administrators have the necessary Court authority to make a distribution to unsecured creditors

On 1 March 2013 the Court heard the application and made the necessary order

2.2. Details of the Appointment of the Administrators

Christopher James Farrington and Dominic Lee Zoong Wong, of Deloitte, were appointed Administrators of the Company by order of the Court on 1 March 2013

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, London (case number 7635 of 2012)

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

2.3. Purpose of the Administration

The purpose of an Administration under The Enterprise Act 2002 is split into three parts

- 1 To rescue a company as a going concern (in other words a restructuring which keeps the actual entity intact)
- 2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the company This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation)
- 3 If neither of the first two parts of the purpose are reasonably practicable, the Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable

Given that the Company had ceased to trade prior to the Administration and was dissolved before being subsequently restored to the Registrar of Companies the first statutory purpose, being the rescue of the Company as a going concern, cannot be achieved

Accordingly, the purpose of the Administration was to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company The purpose of the Administration will be achieved as any realisations made by the Company in Administration will not be subject to an ad valorem charge that would otherwise be applied on any realisations made if it had instead been placed into Compulsory Liquidation

3. THE MANNER IN WHICH THE AFFAIRS OF THE COMPANY WILL CONTINUE TO BE MANAGED AND FINANCED IF THE ADMINISTRATORS' PROPOSALS ARE APPROVED

3.1. Outcome of the First Administration

The Directors' Statement of Affairs submitted during the first Administration indicated that the Company lacked any material realisable assets. The only listed assets were the £12million loan to C&C, the interest due thereon, and a £1 intercompany account with Apprentice Learning. As explained above, the Directors' Statement of Affairs estimated that no recovery would be made in respect of these assets because C&C and Apprentice Learning were themselves in administration and the Company's debts were unsecured.

It was subsequently determined that, contrary to the information contained in the statement of affairs, titles to a freehold property and a leasehold property belonging to the Group were held by the Company.

During the course of the Company's administration the sum of £5.2m was realised from the sale of the Company's freehold and leasehold property as part of a wider going concern sale of part of the Company's business. These realisations were distributed to the secured creditors under their fixed charge security.

Assets subject to a floating charge were minimal and after payment of the expenses of the administration there were no funds remaining and as previously mentioned the Company was dissolved following expiry of the administration order.

3.2. Anticipated realisations in the Second Administration

As explained above, it is now apparent that we, in our capacity as Liquidators of C&C, have achieved sufficiently high asset realisations in the Liquidation that a prescribed part distribution can now be made by C&C to its unsecured creditors.

The loan from Emtec represents approximately 43% of C&C's total estimated unsecured liabilities of around £28,038,000. Whilst we are only able to provide an estimate at this time (because further claims may be submitted following notice of final distribution by C&C) the potential distribution by C&C to the Company is approximately £240,000 after costs.

The distribution received by the Company will be covered by the secured creditors' floating charge, rather than by their fixed charge. Therefore, it follows that there will potentially be a small PP under Section 176A of the Act in respect of Emtec of around £43,000, before costs.

4. DIRECTORS' STATEMENTS OF AFFAIRS

4.1. Introduction

The Statement of Affairs submitted by the Director of the Company during the first Administration and as at 14 March 2008, is attached at Appendix 2

In light of the intervening circumstance the Administrators have exercised their discretion granted to them under Paragraph 48(1) of Schedule B1 of the Act and will not be requiring the director to submit a further Statement of Affairs in the second Administration

There are a number of different classes of creditors within the Company These include

- **Secured creditors** They have fixed and floating charge debenture security against the Company and as such are paid in priority to other creditors This priority is subject to payments to preferential creditors and unsecured creditors under the PP (see section 4.5) Further details of the Company's security are set out in section 4.3
- **Preferential creditors** These relate to specific employee wage arrears, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations before the PP and before payment to the secured floating chargeholder
- **Unsecured creditors** They rank behind secured and preferential creditors and receive any surplus available from net realisations as well as any monies set aside for the Prescribed Part

The Administrators have not included the addresses of all the creditors However, copies of this information will be sent to creditors on request, either by post or by e-mail

4.2. Notes to the Director's Statement of Affairs

We were advised by the director that the Statement of Affairs had been prepared on the following basis

- The net book values were taken from the Group's management accounts prepared at the end of February 2008,
- Where assets are not already realised, asset realisation were based on divisional management's best estimates,
- Unsecured creditors take account of creditor invoices received after the management accounts process was completed,
- The figures take into account unsatisfied HP liabilities, which have been set against the assets to which they relate,
- There was a cross guarantee in place between PLC and all subsidiaries The Group's total bank indebtedness at the date of the appointment was £134.9m,
- No provision were made in the Statement of Affairs for the costs of the Administration (including agents, legal and professional fees),
- There were a number of intercompany debts between the various Group companies The director assumed that any intercompany balances were irrecoverable

4.3. Secured Creditors

The Group's principal debt obligations were to its secured creditors, Bank of Scotland plc, Lloyds TSB and Barclays Bank, comprising a £50 million term loan, a £70 million revolving credit facility and a £15 million working capital facility

The lending was made principally to the Group's parent company, Carter & Carter Group plc (with the exception of the working capital facility, which was shared by several companies), but the debt was cross-guaranteed by the Group companies. At the date of the former Administrators' appointment, the total debt owed to the secured creditors was approximately £134.9m, which was secured by fixed and floating charges over the Group's assets

4.4. Preferential Claims

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

Accordingly there are no preferential claims against the Company

4.5 The Prescribed Part

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

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

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

It is not envisaged that the PP for Emtec will exceed the maximum amount of £600,000 as illustrated above

It is estimated that there will be Net Property of approximately £190,000 (being the anticipated C&C distribution to be received less an estimation of costs) which would lead to a PP of £43,000 being available for unsecured creditors

Please also note that the Net Property figures can only be estimated at this stage and therefore the value of the PP is also only an estimate and is subject to change (once creditor claims and the Administrators' costs and expenses have been finalised)

Due to the possible distribution to unsecured creditors under the PP you are requested to submit claims to the address on the front of this report, marked for the attention of Joe Barry

A Proof of Debt form is attached at Appendix 5

4.6. Unsecured Claims

The unsecured creditors claims shown in the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) submitted during the first Administration totalled c £2.2m

We do not expect any funds to be available to pay a dividend to the unsecured creditors of Emtec other than a small distribution under the PP as noted above

4.7. Creditors' Meeting

As the Administrators do not expect any funds will be available to the unsecured creditors, other than by virtue of a PP distribution a meeting of creditors will not be held. A request in the prescribed manner that the Administrators call a meeting can be made by creditors representing 10% or more of the total debts of the Companies (individually or jointly). Creditors wishing to submit this request should complete the attached Form 2.21B and return it to the Administrators no later than 9 May 2013.

A deposit of £500 towards the costs of convening the meeting should be enclosed with the request per rule 2.37(3) of the Rules.

5. PRE-ADMINISTRATION COSTS

5.1. Introduction

A Statement of Pre-Administration costs is provided at Appendix 3

Pre-Administration costs are defined as the remuneration charged and expenses incurred by the Administrator (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so

5.2. Approval of costs

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, that is payment out of the PP, therefore, approval of the unpaid Pre-Administration costs will be sought in accordance with Rule 2.67A(3)(b) of the Rules

Accordingly, determination of whether and to what extent the unpaid Pre-Administration costs are approved for payment shall be by the approval of each secured creditor of the Company

6. ADMINISTRATORS' REMUNERATION AND EXPENSES

6.1. Introduction

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, therefore, fixing the basis of the Administrators' remuneration will be approved in accordance with Rule 2 106(5A) of the Rules, which is outlined as follows

- Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act the basis of the Administrators' remuneration may be fixed by approval of
 - each secured creditor, or
 - if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

In the absence of a creditors' committee being formed and there being any preferential creditors in this case the secured creditors will be invited to approve the basis of the Administrators' remuneration to be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administrations calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

In line with Paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration

The Administrators' time costs incurred to 15 April 2013, being the latest practicable date total £17,377 50, which represents 46 1 hours at an average rate of £376 95, this time is charged in six minute increments. The Administrators' time costs incurred for each Company are analysed at Appendix 4

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

- **Administration and Planning** includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Creditors** include such tasks as creditor set up, communication and meetings, reviewing and agreeing unsecured claims, corresponding with secured creditors, reviewing
- **Other matters** include VAT and corporation tax issues

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

Grade	£ 2012 / 2013 (Sept-Aug 2013)
Partners/Directors	605 to 950
Managers	305 to 720
Assistants and Support Staff	155 to 305

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

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

With effect from 1 September 2012, charge out rates were increased by an average 3% and the charge out rate bandings have been amended, where applicable, to reflect this change.

"A Creditors' Guide to Administrators' Remuneration" is available for download at

www.deloitte.com/uk/sip-9-england-and-wales

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

6.2. Administrators' Expenses

As no expenses have been approved for payment at this stage, no information has been disclosed. This will be covered in our first progress report to creditors.

Please note that the Administrators' expenses for mileage are calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (presently up to 45p per mile).

6.3. Other Professional Costs

To advise on appropriate legal matters and to prepare required legal documentation the Administrators instructed Hogan Lovells, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations

6.4. Creditors' right to request information

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

6.5. Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), challenging the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

7.1. Director's conduct

As part of their statutory duties, the Administrators are obliged to consider the conduct of the Director and any person they consider a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure and will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills

Such a report was prepared and submitted during the First Administration. In the absence of any further matters being brought to our attention and in an effort to minimise costs to creditors we shall be seeking permission from the Insolvency Service to waive the requirement to submit a further return.

Creditors who wish to draw any matters to the attention of the Administrators should write to the Administrators at the address given on the front of this report.

7.2. SIP13 (E&W) – Transactions with connected parties

The Administrators are not aware of any connected party transactions which have not been carried out on an arms length basis. This includes the intercompany debt owed by C&C as detailed in section 3.2 above.

Should creditors have information regarding any such transaction they should forward details in writing to the Joint Administrators.

7.3. Exit Routes from Administration

In accordance with the provisions of the Act incorporated by 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 creditors.

There are several exit routes which are available to the Administrators such as,

- an application to Court,
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- in the event that the Company has no property remaining to be realised the Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Administrators ceases and three months following that date the company is deemed to be dissolved.

In addition the Administrators could propose to place the Companies into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement. In this case, it is likely that the Administration will end by the Administrators taking the necessary steps to dissolve Emtec once the funds are recovered from C&C and paid out to the secured creditor and the PP distributed to Emtec's unsecured creditors.

7.4. EC Regulations

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

8. STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

Emtec (Specialised Services) Limited Court

Case No. 7635 of 2013

The Administrators' proposals are as follows

- 1 the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Administrators be authorised to agree the claims of the secured and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,
- 6 that the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrators' remuneration to be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Administrators' expenses,
- 7 that, if a Creditors' Committee is not appointed, the secured creditors of the Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2.106(5A)(a), to be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administration, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,
- 8 that, if a Creditors' Committee is not appointed, the secured creditors of the Company shall be asked to fix and approve the Administrators' Pre Administration Costs as detailed in Appendix 3 of the Administrators' Proposals and that the Administrators be authorised to draw their Costs plus VAT, from the Administration estate,

- 9 that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 10 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4.174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and

Yours faithfully

For and on behalf of Emtec (Specialised Services) Limited

Christopher James Farrington and Dominic Lee Zoong Wong
Administrators of the Company
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Christopher James Farrington and Dominic Lee Zoong Wong were appointed Joint Administrators of Emtec (Specialised Services) Limited on 1 March 2013. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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

Appendix 1

Emtec (Specialised Services) Limited In Administration

Statutory Information

Company Number:	2585595
Date of Incorporation:	25/02/1991
Previous Name/s:	East Midlands Training and Education Centre (Specialised Services) Limited Date Changed 05/02/1999 Highderive Limited Date Changed 26/03/1991
Trading Names: (where different)	None
Share Capital:	
Authorised	1,000 Ordinary shares of £1 each
Allotted, called up and fully paid	2 Ordinary shares of £1 each
Former Director:	Rodney Westhead
Company Secretary:	Mr Martin Purvis
Shareholders:	Carter & Carter Apprentice Learning Limited
Bankers:	Barclays Bank plc 6 th Floor 1 Churchill Place Canary Wharf London E14 5HP Bank of Scotland 155 Bishopsgate London Lloyds TSB 1 st Floor, 48 Chiswell Street London EC1Y 4XX
Auditors:	Pricewaterhouse Coopers LLP Donington Court Pegasus Business Park Castle Donington DE74 2UZ

Registered Office: Four Brindleyplace, Birmingham, B1 2HZ

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

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

Court Reference: 7635 of 2013, High Court of Justice, Chancery
Division

2.16B

The Insolvency Act 1986

Notice of statement of affairs

Name of Company

Emtec (Specialised Services) Limited

Company number

2585595

In the
The High Court of Justice, Chancery Division
(full name of court)Court case number
2241 of 2008(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Nicholas James Dargan
Deloitte & Touche LLP
1 Woodborough Road
Nottingham
NG1 3FGDominic Lee Zoong Wong
Deloitte & Touche LLP
1 Woodborough Road
NG1 3FG
NG1 3FGChristopher James Farrington
Deloitte & Touche LLP
1 Woodborough Road
Nottingham
NG1 3FG

attach a copy of -

*Delete as
applicable*the statement(s) of affairs,
~~*the statement(s) of concurrence,~~
~~*a copy of the court order limiting disclosure in respect of the statement of affairs~~

in respect of the administration of the above company

Signed


Joint / Administrator(s)

Dated

18/4/08

Contact DetailsYou 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

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

DX Number

0115 936 3714
DX ExchangeWhen you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

A54

ASKUH3Z
22/04/2008
COMPANIES HOUSE

93

Rule 2.29
Form 2.14B

Statement of affairs

Name of Company Emtec (Specialised Services) Limited	Company number 2585595
In the The High Court of Justice, Chancery Division [full name of court]	Court case number 2241 of 2008

(a) Insert name and address
Statement as to the affairs of (a) Emtec (Specialised Services) Limited
of registered office of the on the (b) 14 March 2008, the date that the company entered administration
company

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 11 March 2008 the date that the company entered administration

Full name RODNEY JAMES WESTHEAD
Signed [Signature]
Dated 14/4/08

Company name **EMTEC (Specialised Services) Limited**

A – Summary of Assets

Assets

		Book Value £	Estimated to Realise £
Assets			
Assets subject to fixed charge			
Less	Amounts due to fixed charge holders		(134,917,797)
	Deficit due to fixed charge holders carried forward		(134,917,797)
Assets subject to floating charge			
	Intercompany loan to Carter and Carter Limited	12,000,000	-
	Accrued interest on intercompany loan to Carter and Carter Limited	100,081	-
	Intercompany account with Carter and Carter Apprentice Learning Limited	1	-
Uncharged assets			
Estimated total assets available for preferential creditors			-

Signature

A/0.21

Date _____

144/08

Company name: **EMTEC (Specialised Services) Limited**

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	-
Liabilities		
Preferential creditors -	£	-
Estimated deficiency/surplus as regards preferential creditors	£	-
Estimated prescribed part of net property where applicable (to carry forward)	£	-
Estimated total assets available for floating charge holders	£	-
Deficit due to fixed charge holders brought forward		£ (134,917,797)
Debts secured by floating charges	£	-
Estimated deficiency/surplus of assets after floating charges £		<u>£ (134,917,797)</u>
Estimated prescribed part of net property where applicable (brought down)	£	-
Total assets available to unsecured creditors £		<u>£ -</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ (2,198,784)	(2,198,784)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		<u>£ (2,198,784)</u>
Shortfall to floating charge holders (brought down)	£	(134,917,797)
Estimated deficiency/surplus as regards creditors		<u>£ (137,116,581)</u>
Issued and called up capital	£	(2) (2)
Estimated total deficiency/surplus as regards members		<u>£ (137,116,583)</u>

Signature



Date

14/4/08

Company name: **EMTEC (Specialised Services) Limited**

Debt with floating charge

3

Corporation tax liability calculated on intercompany interest accrual

(30,024)

VAT joint and several liability under group registration

(2,168,760)

(2,198,784)

Company Shareholders

Emtec (Specialised Services) Limited			
Name of Shareholder	Address (with postcode)	No. of shares held	Details of shares held
Carter and Carter Apprentice Learning Limited	Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6JZ	2	£2.00 Ordinary shares of £1.00 each
Totals		2	£2.00

Signature NAJ Date 14/4/20

STATEMENT OF PRE-ADMINISTRATION COSTS

Pursuant to Rule 2.33(2)(ka) of the Insolvency (Amendment) Rules 2010

1 GENERAL

Pre-Administration Costs are defined as the fees charged and expenses incurred by the Administrators (or other person qualified to act as such) before the company entered into Administration but with a view to its doing so

2 APPROVAL

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, that is payment out of the PP, therefore, approval of the unpaid Pre-Administration costs has been sought in accordance with Rule 2 67A(3)(b) of the Rules

Accordingly, determination of whether and to what extent the unpaid Pre-Administration Costs are approved for payment shall be by the approval of each secured creditor of the company

The secured creditor have approved payment of the unpaid Pre-Administration Costs, as detailed below

3 ANALYSIS OF TIME INCURRED

The time incurred by the Administrators and their staff for the pre-appointment period from 1 January 2013 to 28 February 2013, are summarised in the table below A detailed analysis of the time spent by work function is attached

Classification of work function	Partners and Directors	Managers	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Preparation for Administration		25 0	3 0	28 0	12,210	436 07

Approval has yet to be sought at the date of this report in respect of the above costs and, accordingly, no fees have been drawn to date

**Emtec (Specialised Services) Limited
In Administration**

Time costs for the period 01/03/2013 to 15/04/2013

Appendix 4

	Partners & Directors			Managers			Assistants & Support			TOTAL		Average Hourly Rate (Cost (£))
	Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)	
Administration and Planning												
Cashiering and Statutory Filing	-	-	-	-	-	-	1 00	195 00		1 00	195 00	195 00
Case Supervision, Management and Closure	-	-	-	6 10	2,827 50		3 80	741 00		9 90	3,568 50	360 45
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	-	23 00	10,695 00		8 60	1,677 00		31 60	12,372 00	391 52
	-	-	-	29 10	13,522 50		13 40	2,613 00		42 50	16,135 50	378 66
Creditors												
Unsecured	-	-	-	2 00	930 00		-	-		2 00	930 00	465 00
	-	-	-	2 00	930 00		-	-		2 00	930 00	465 00
Other Matters Include												
Tax and VAT	-	-	-	-	-	-	1 60	312 00		1 60	312 00	195 00
	-	-	-	-	-	-	1 60	312 00		1 60	312 00	195 00
TOTAL HOURS & COST	-	-	-	31 10	14,452 50		15 00	2,925 00		46 10	17,377 50	376 95

TOTAL FEES DRAWN TO DATE

0 00

PROOF OF DEBT - GENERAL FORM

In the matter of
COMPANY NAME

Emtec (Specialised Services) Limited

In Administration
and in the matter of The Insolvency Act 1986

Date of Administration Order 1 March 2013

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

Admitted to Vote for

£

Date

Liquidator

Admitted preferentially for

£

Date

Liquidator

Admitted non-preferentially for

£

Date

Liquidator

NOTE: A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution

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 obostrzeniami.

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 agreeate.

**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 απαιτήσεως »

` Lodgement of claim `

« Production de créance »

« Insinuazione di credito »

„ Indiening van een schuldvordering ”

« Reclamação de crédito »

" Saatavaa koskeva ilmoitus "

" Anmälan av fordran "

činit si nárok na něco

Wniesienie wniosku o odszkodowanie.

Követelés benyújtása.

bivanje od trditi

Подача иска

Paduoti skunda

Sottomissjoni tat-talba.

Prasības pieteikums

Nõude esitamine

depunerea cererii de chemare in judecata

предявяване на иск

Rule 2.37

Creditor's request for a meeting

Name of Company
Emtec (Specialised Services) Limited

Company number
02585595

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

Court case number
7635 of 2013

(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the company

request a meeting of the creditors of (b)
Emtec (Specialised Services) Limited

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence

(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated
