

LIQ03

Notice of progress report in voluntary winding up



Companies House

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refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 4 0 4 2 8 0 8

Company name in full Axell Wireless Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Paul Andrew

Surname Flint

3 Liquidator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

4 Liquidator's name ①

Full forename(s) Jonathan

Surname Marston

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

From date	^d 1	^d 4	^m 0	^m 6	^y 2	^y 0	^y 2	^y 1	
To date	^d 1	^d 3	^m 0	^m 6	^y 2	^y 0	^y 2	^y 2	

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8 Sign and date

Liquidator's signature	Signature X  X								
Signature date	^d 0	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2	

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Ryan Scallon**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

AXELL WIRELESS LIMITED – IN LIQUIDATION

Joint Liquidators' first progress report

For the period from 14 June 2021 to 13 June 2022

5 August 2022

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1 Executive summary

- We Paul Flint and Jonny Marston of Alvarez & Marsal Europe LLP (“A&M”) were appointed Joint Liquidators (“we”/“our”/“us”) of Axell Wireless Limited (the “Company”) on 14 June 2021 following a previous administration appointment (the “Administration”).
- This progress report covers the period from the date of our appointment as Joint Liquidators to 13 June 2022 (“the Reporting Period”).
- A summary of the key matters contained in our report is as follows:
- During the Reporting Period, our work has focussed on realising the Company’s remaining assets, including its book debts and continuing with our investigations into the affairs of the Company and the conduct of the Directors. In addition, we have complied with our statutory duties as Joint Liquidators (Section 2 – Strategy and progress of the liquidation to date).
- We anticipate that realisations will be sufficient to repay the Company’s secured creditor Avenue 64 Limited (“Avenue 64” / “Secured creditor”), in full. We are currently reviewing the quantum of Avenue 64’s claim against the Company (Section 3 – Dividend prospects).

Based on current estimates, we anticipate that the preferential creditors should receive a dividend of 100p in the £. We are taking steps to agree the claims of creditors whose claims are preferential. We will be issuing a Notice of intended dividend to these creditors shortly (Section 3 – Dividend prospects).

- Based on current estimates, we anticipate that the unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have concluded the realisation of assets, and paid the associated costs (Section 3 – Dividend prospects).
- A creditors’ committee was elected in the Administration. Any creditors’ committee that existed in the Administration continues in existence in the proceeding liquidation, as if appointed as a liquidation committee. During the Reporting Period we have held a number of creditor committee meetings, provided updates to, and briefed the committee’s members on our progress during the liquidation (Section 4 – Other matters).
- Please note that you should read this report in conjunction with any previous correspondence sent to the Company’s creditors. All such correspondence is available on the Portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Paul Flint
Joint Liquidator

2 Strategy and progress of the liquidation to date

This section updates you on our strategy for the liquidation and on our progress to date. It follows the information provided in our initial report to creditors.

2.1 Strategy and progress to date

We were appointed as Joint Liquidators of the Company on 14 June 2021. This follows our previous appointment as Joint Administrators of the Company, on 30 November 2020.

During the Reporting Period, our work has focussed on the following matters:

- realising the Company's remaining assets, including the ongoing realisation of outstanding book debts;
- our continued investigations into the affairs of the Company and the conduct of its Directors;
- settling outstanding costs incurred in the liquidation and the preceding administration;
- providing updates and reports to the creditors' committee; and
- complying with our ongoing statutory duties.

Further details on our proposed strategy for the liquidation are provided in the Joint Administrators' final progress report and Joint Liquidators' initial report, copies of which are available to view on the Company's administration portal.

2.2 Asset realisations

Realisations during the Reporting Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Reporting Period are provided below:

Balances transferred from the Administration
Fixed and floating charge balances totalling £3,568,097 were held by the Joint Administrators, at the conclusion of the Administration.

This amount has been transferred to bank accounts under our control, and comprises the following:

Asset	Amount received (£)
Fixed charge funds	5,001.00
Floating charge funds	3,333,940.54
Floating charge VAT receivable	227,966.03
Repayment due from HMRC re PAYE / NIC	1,188.94
Total	3,568,096.51

Debtors

PBE Europe Limited ("PBE" / the "Purchaser") is continuing to pursue the Company's remaining debtor ledger, having acquired the Company's business and assets on 5 January 2021, during the Administration period.

As detailed in our previous reports, should PBE be successful in collecting certain tranches of the Company's debtor ledger, a proportion of these collections are due to the Company, under the terms of the Sale and Purchase Agreement ("SPA").

Accordingly, during the Reporting Period, PBE has remitted to us book debt recoveries totalling £58,933.

Separate to the above, it has been agreed with PBE that CCI Credit Management Ltd ("CCiCM") should be engaged to assist in the collection of certain residual debtor accounts. Should CCiCM recover funds in respect of these residual debtor accounts, the net collections made by CCiCM will be split equally between PBE and the Company, in accordance with the terms of the SPA.

To date, no debtor collections have been achieved by CCiCM in respect of these debtors; however, collections remain ongoing.

Debtors monies due to the Purchaser

Following the sale of the Company's business and assets to PBE, a total of £15,645 has been received from debtors, which have continued to make payment to the Company's pre-administration bank account in error.

In accordance with the terms of the SPA, where such receipts are due to PBE, we have arranged for these receipts to be paid over to them. A corresponding payment to PBE is therefore shown on the attached receipts and payments account.

Refund of pre-appointment deposit

A total of £48,925 has been received in the Reporting Period from Barclays Bank Plc, which represents a refund of a credit card deposit which was lodged by the Company prior to it entering administration.

Sundry refunds

Sundry refunds of £23,681 have been received in the Reporting Period, comprised as follows:

Insurance policies

The Company had overpaid insurance premiums prior to the Joint Administrators appointment. The two policies to which the overpayments were made have since been discontinued. We have realised the sum of £1,744, which has been received in the Reporting Period.

Court fees

At the date of our previous appointment as administrators, the Company had been a defendant in a number of ongoing legal actions, that had been brought against the Company by a third-party. The Company subsequently filed a number of counteractions against this third-party. These legal actions remained ongoing at the commencement of the liquidation.

Given the Company's insolvency, it was no longer in a position to defend or proceed with these legal actions. We therefore took steps to mitigate any potential loss to the Company, which may have arisen had the actions against the Company proceeded uncontested.

During the Reporting Period, we therefore reached an agreement with the third-party, whereby it agreed to withdraw its legal actions, in exchange for the withdrawal of the Company's counterclaims.

In agreeing to the withdrawal of the counterclaims, the Company's unsecured liabilities may have been minimised, as it was possible that had the legal actions proceeded to trial, the Court may have ruled against the Company. The withdrawal of these proceedings has also removed any creditor claim from the third party in question, which is beneficial to the Company's unsecured creditors.

As a result of the withdrawal of the counterclaims, the Court refunded fees of £21,937 which had been lodged by the Company prior to the Administration. This amount has been received in the Reporting period.

2.2.2 Investigations

Our investigations into the affairs of the Company and the conduct of the Directors, are continuing, with assistance from our solicitors, JMW Solicitors LLP ("JMW"), and legal counsel, Exchange Chambers, which may result in additional recoveries for the estate.

Given that these investigations remain ongoing, we are unable to disclose in detail the nature of our investigations nor the work we have undertaken to date. We will however provide creditors with an update on these investigations, once appropriate.

The online director conduct assessment was submitted to the Department for Business, Energy and Industrial Strategy during the Administration and no further submissions are required during the liquidation. The contents of the submission are confidential.

2.3 Expenses

2.3.1 Payments

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Liquidators' fees and disbursements

During the Reporting Period, we have drawn the following fees and disbursements, in accordance with the approvals obtained from the creditors' committee:

- liquidators' fees of £284,085; and
- liquidators' disbursements of £633.

Further details of our remuneration are provided in section 5 of this report.

Legal fees, disbursements and counsels' costs – JMW

Legal fees and disbursements totalling £61,907 have been paid to JMW in the Reporting Period.

These costs relate to JMW's ongoing legal advice, assistance and legal counsel's costs, as detailed in section 2.2.2.

Given that our investigations remain ongoing, we anticipate making further payments to JMW as the liquidation progresses.

Legal Fees and Disbursements – Shoosmiths LLP (“Shoosmiths”)

As detailed in our final administration progress report, Shoosmiths were engaged to act as post-appointment legal advisors during the Administration.

A total of £35,863 in fees and disbursements has been paid to Shoosmiths for services it has provided.

Shoosmiths continues to be engaged in the liquidation and we therefore anticipate further payments being made to Shoosmiths.

Legal Fees and Disbursements – Eversheds Sutherland (International) LLP and Eversheds Sutherland (Germany) Rechtsanwälte Steuerberater Solicitors Partnerschaft mbB (“Eversheds”)

A total of £12,241 in fees and disbursements has been paid to Eversheds in the Reporting Period for its assistance provided to date. Further details of our engagement with Eversheds are provided in section 2.3.2. below.

2.3.2 Professional advisers and sub-contractors

Legal Fees and Disbursements – Eversheds

We engaged Eversheds to act as legal advisers, as it is a reputable international firm, experienced in insolvency related matters. Eversheds has been engaged on a time costs basis, its time based on set hourly rates. Eversheds fees and disbursements have been reviewed throughout the liquidation.

During the liquidation and the preceding Administration, Eversheds has provided legal advice and assistance in respect of the third-party legal actions detailed in section 2.2 of this report. The legal actions commenced prior to the Administration.

A total of £12,137 in fees and disbursements has been paid to Eversheds in the Reporting Period for its assistance provided to date.

As the legal claims and counterclaims have now been withdrawn, we do not anticipate making any further payments to Eversheds.

2.4 Schedule of expenses

We have detailed the costs incurred during the Reporting Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the Reporting Period but have not yet been paid are provided below.

Post-appointment Legal Fees and Disbursements – JMW

As detailed in section 2.2.2, JMW and legal counsel are continuing to provide legal advice and assistance in relation to our ongoing investigations.

Fees totalling £59,451 and disbursements of £20,692 have been incurred by JMW during the Reporting Period. We anticipate further costs being incurred by JMW in relation to ongoing legal advice.

Post-appointment Legal Fees and Disbursements – Shoosmiths

As detailed in section 2.3, Shoosmiths have continued to provide us with legal advice on general insolvency matters and in connection with employees' creditor claims.

Fees totalling £13,095 and disbursements of £7,557 have been incurred by Shoosmiths during the Reporting Period, but have not yet been paid. We anticipate further costs being incurred by Shoosmiths in relation to ongoing legal advice.

3 Dividend prospects

3.1 Secured creditors

Please refer to the Joint Administrators' proposals for details of the security held by Avenue 64, the secured creditor. The Joint Administrators' proposals can be found on the Company's administration portal.

We are currently reviewing the quantum of Avenue 64's claim against the Company.

To date, no distributions have been made to Avenue 64, in either the Administration or the liquidation. However, funds were set aside in the Administration to pay any valid and secured element of Avenue 64's indebtedness in full.

3.2 Preferential creditors

We estimate that preferential creditor claims will total £222,689.

Based on current estimates, we anticipate that the preferential creditors should receive a dividend of 100p in the £. We are taking steps to agree the claims of creditors whose claims are preferential. We will be issuing a Notice of intended dividend to these creditors shortly.

3.3 Unsecured creditors

Based on current estimates, we anticipate that the unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisations and the payment of associated costs.

4 Other matters

4.1 Creditors' committee

A creditors' committee was elected in the previous Administration. Any creditors' committee that existed in the Administration continues in existence in the proceeding liquidation as if appointed as a liquidation committee.

The current members are as follows:

- Texcel Technology Plc;
- Plexus Services RO SRL;
- PCB Technologies Ltd; and
- Avenue 64.

4.1.1 Creditors' committee meetings

Mr M Tassinari was previously a member of the creditors' committee however resigned on 28 February 2022.

During the Reporting Period, there have been meetings held with the creditors' committee on the below dates:

- 7 July 2021;
- 6 October 2021;
- 14 December 2021; and
- 28 February 2022.

Outside of the Reporting Period, meetings of the creditors' committee were also held on 21 June 2022 and 22 July 2022, further details of which will be provided in our next progress report to creditors.

During the above meetings, matters discussed included, but are not limited to:

- the roles and responsibilities of the creditors' committee;
- the potential outcome for creditors;
- our fees estimate and expenses estimate for the liquidation;
- our ongoing investigations;
- the issuing of legal proceedings in respect of claims; and
- the next steps in the liquidation.

Given the outstanding matters outlined in section 6 of the report, we anticipate further meetings of the creditors' committee being held, prior to the conclusion of the liquidation.

4.1.2 Functions of the creditors' committee

The creditors' committee represents the interests of the creditors as a whole rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Liquidators.

Members and observers of the creditors' committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

Further information on the role, membership eligibility and formation of a committee is available on the Portal.

5 Joint Liquidators' remuneration and category 2 expenses

5.1 Joint Liquidators' remuneration and category 2 expenses

The creditors' committee have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided to creditors; and
- category 2 expenses (as defined in Statement of Insolvency Practice 9 and disclosed to creditors) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 4.

However, as explained at section 5.1.3, it has become apparent during the Reporting Period that we have exceeded our previous fees estimate and we wish to draw remuneration in excess of our previous estimate. Therefore, we will shortly be seeking approval from the creditors' committee that we be authorised to draw additional remuneration.

5.1.1 Time costs

From the date of our appointment to 13 June 2022, we have incurred time costs of £492,839. These represent 1,024 hours at an average rate of £481 per hour.

5.1.2 Remuneration

During the Reporting Period, we have drawn floating charge remuneration of £284,085.

5.1.3 Additional information

Fees estimate

Our fees estimate of £452,446 has been exceeded, primarily due to a greater level of correspondence and reporting with the creditors' committee during the liquidation, than we originally forecast. The majority of this correspondence and reporting was required to update the committee on the progress of the ongoing investigation and readiness to issue legal proceedings.

At this stage in the liquidation, we are not seeking to draw remuneration in excess of the previously approved amount of £452,446.

Should we wish to seek approval to draw remuneration in excess of £452,446 we will ensure that the requisite disclosures are made to the relevant creditors and that the requisite approvals are obtained.

Expenses estimate

The expenses to be incurred during the liquidation have exceeded our original expenses estimate, because:

- *Legal fees and disbursements:* we expect to exceed our original expenses estimate of £197,253 for legal fees and disbursements by approximately £18,261. This increase is due to us having to seek a greater level of legal advice than we had originally anticipated, in particular in relation to our ongoing investigations. Legal fees and disbursements may increase further as the liquidation progresses;
- *Contractor costs:* we forecast contractor costs of £4,316 being incurred during the course of the liquidation. This is higher than the amount included in our original expenses estimate due to a greater level of assistance being required from our appointed employment advisers, Clumber Consultancy Limited ("Clumber");
- *Information Commissioner's Office ("ICO") registration fees:* we anticipate incurring £80 in ICO registration fees during the course of the liquidation. These costs will be incurred in order to ensure ongoing compliance with the relevant data protection laws;
- *Payment of debtor monies due to the Purchaser:* As set out in section 2.2 of this report, payments were made into the Company's pre-administration bank account in error, by the Company's debtors. It has therefore been necessary for us to return these funds to the Purchaser. Our initial expenses estimate did not foresee payments of this nature. It should be noted that payment of this category of debtor monies, into and out of the liquidation estate, will have a nil effect on the liquidation estate;
- *Storage costs:* we expect to exceed our original expenses estimate of £5,000 for storage costs by approximately £1,638. This increase is due to us having to retain a greater number of pre-appointment Company books and records for a longer period of time than we had originally expected;
- *Repayment of third-party monies received in error:* a total of £64 of third party monies received into the liquidation, have subsequently been repaid to the relevant party. The repayment of these third-party monies was not included in our original expenses estimate. We have therefore exceeded our original estimate by £64 in this category. Third party monies received in error, and repayment of third party monies received in error have a nil effect on the liquidation estate.
- *Pre-appointment account bank charges:* as noted in section 2.2, the Company's pre-appointment bank accounts were kept open by us, in order to facilitate the receipt of debtor monies. Due to the volume of receipts from debtors, there have been a larger number of bank charges levied on these accounts than we had previously expected. We have therefore exceeded our expenses estimate in this category of expense by £100; and
- *Post-appointment Joint Liquidators' disbursements:* we have incurred category 1 disbursements, such as postage & scanning and advertising costs (Appendix 4 below), which we had not included in our original estimate.

Time spent and charging policy

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Alvarez & Marsal Europe LLP for the period from our appointment to 13 June 2022. We have also attached our charging policy.

6 Future strategy

6.1 Future conduct of the liquidation

Our future conduct in relation to the liquidation will include, but not be limited to:

- realising the Company's remaining assets, including the residual debtor ledger;
- continuing our ongoing investigations, as detailed in section 2.2, together with the issuing and progression of legal proceedings to recover claims, which may result in additional recoveries for the estate;
- providing written updates to the creditors' committee and holding regular meetings, in order to update the creditors' committee on our progress;
- dealing with outstanding tax related matters and obtaining tax clearance from HM Revenue & Customs ("HMRC"), in due course;
- complying with the other ongoing statutory requirements of the liquidation;
- settling the residual costs of the previous administration and outstanding costs of the liquidation; and
- once the above matters have been dealt with, dealing with closure related formalities, including the issuing of our final report to creditors.

6.2 Future reporting

We will provide a further progress report within two months of 13 June 2023 or earlier, if all matters in the liquidation have been concluded prior to that time.

Appendix 1 – Statutory information

Company information

Company name	Axell Wireless Limited
Date of incorporation	25 July 2000
Company registration number	04042808
Present registered office	Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW
Previous registered office	The Chelton Centre, Fourth Avenue, Marlow, Buckinghamshire, SL7 1TF
Trading address	As above
Nature of business	Wireless telecommunication activities

Liquidation information

Appointment	Pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986
Date of appointment	14 June 2021
Joint Liquidators	Paul Flint & Jonny Marston
Joint Liquidators' contact details	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Tel: 0113 360 6700 Email: INS_AXELLWL@alvarezandmarsal.com
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
Prescribed part	The prescribed part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)

Appendix 2 – Receipts and payments account

Axell Wireless Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 14/06/2021 To 13/06/2022 £	From 14/06/2021 To 13/06/2022 £
	FIXED CHARGE ASSETS	
	Bank Interest	2.52
5,001.00	Balances from ADM	
	Funds from ADM	5,001.00
		<u>5,003.52</u>
	ASSET REALISATIONS	
	Book Debts	58,933.39
3,563,095.51	Balances from ADM	
	Funds from ADM	3,333,940.54
	VAT from ADM	227,966.03
	PAYE from ADM	1,188.94
		<u>3,622,028.90</u>
	OTHER REALISATIONS	
	Bank Interest	3,399.85
	Refund of Pre-appt Bank A/c Charges	2,522.44
	Sundry Refunds	23,680.87
	Debtor Monies Due To The Purchaser	15,644.95
	Legal Fees Recharged to Purchaser	3,500.00
	Refund of Pre-appointment Deposit	48,925.22
		<u>97,673.33</u>
	COST OF REALISATIONS	
	Repayment of Third Party Monies Rec'	64.37
	Debtor Monies Due to Purchaser	15,638.95
	ICO Registration Fees	40.00
	Liquidator's Fees	284,084.50
	Liquidator's Disbursements	632.54
	Contractor Costs	
	Post-appointment Contractor Costs	4,315.59
	Debt Collection Fees	1,000.00
	Legal Fees/Disbursements	
	Pre-administration Legal Fees	5,520.00
	Post-appt Legal Fees	59,869.60
	Post-appt Legal Disbursements	44,621.34
	Statutory Advertising	99.90
	Bank Charges	75.40
	Pre-appt Account Bank Charges	11.37
		<u>(415,973.56)</u>
3,568,096.51		<u>3,308,732.19</u>
	REPRESENTED BY	
	Floating VAT Receivable	315,521.55
	Fixed Charge Current	5,003.86
	Floating Charge Current	3,000,858.18
	Floating VAT Payable	(13,840.34)
	PAYE & NIC	1,188.94
		<u>3,308,732.19</u>

Note: Funds are held in interest bearing accounts.

Appendix 3 – Schedule of expenses

A3.1 Schedule of expenses

Schedule of expenses for the period from 14 June 2021 to 13 June 2022

Type of expense	Incurred in the Reporting Period (£)
Post-appointment Liquidators' Disbursements	644.46
Bank Charges	75.40
ICO Registration Fees	40.00
Pre-appointment Account Bank Charges	11.37
Contractor Costs	4,315.59
Debt Collection Fees	1,000.00
Payment of Debtor Monies Due to the Purchaser	15,638.95
Post-appointment Legal Fees - Shoosmiths	13,095.00
Post-appointment Legal Disbursements - Shoosmiths	7,557.37
Post-appointment Legal Fees - JMW	57,950.50
Post-appointment Legal Disbursements - JMW	20,691.67
Post-appointment Legal Fees - Eversheds	1,500.00
Post-appointment Legal Disbursements - Eversheds	3,535.28
Repayment of Third-Party Monies Received in Error	64.37
Statutory Advertising	99.90
Storage costs	3,497.32
Total	129,717.18

A3.2 Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Greg Clifford at INS_AXELLWL@alvarezandmarsal.com.

Appendix 4 – Charging policy

Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the Liquidation. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "Liquidation: A Guide for Creditors on Insolvency Practitioner Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact Greg Clifford at INS_AXELLWL@alvarezandmarsal.com.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation, using a minimum time unit of six minutes.

All staff who have worked on the liquidation, including cashiers and secretarial staff, have charged time directly to the liquidation and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the liquidation but is reflected in the general level of charge-out rates.

Charge-out rates (£/hour) for: Restructuring

Grade	From 14 June 2021
Managing Director	675
Senior Director	635
Director	595
Associate Director	535
Senior Associate	455
Associate	335
Analyst	225
Support	165

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.
- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration.

Disbursements falling within category 1 expenses:

Nature of disbursement	Amounts incurred in the period (£)	Amounts paid in the period (£)
Postage / courier charges	644.46	632.54
Total	644.46	632.54

Disbursements falling within category 2 expenses:

No disbursements falling within category 2 expenses have been incurred or paid during the Reporting Period

Our time cost summary in accordance with SIP 9

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 13 June 2022 in accordance with SIP 9.

Time costs incurred up to the period ending 13 June 2022

Category	Hours	Time Cost (£)	Average hourly rate (£)
Engagement control	66.70	30,948.50	464.00
Appointment & risk	22.00	9,005.00	409.32
Reports, decision making & remuneration	43.50	16,434.50	377.80
Correspondence & statutory filing	284.60	142,675.00	501.32
Investigations	343.45	173,744.75	505.88
Sale of business	0.40	195.00	487.50
Asset realisations	32.80	12,588.00	383.78
Costs of realisation	35.00	14,742.00	421.20
Tax	57.30	24,354.00	425.03
Cashiering	20.60	9,632.00	467.57
Employees & pensions	20.60	9,232.00	448.16
Claims & distributions	96.70	49,288.50	509.71
Total	1,023.65	492,839.25	481.45

SIP 9 narrative for the period from 14 June 2021 to 13 June 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any financial benefit has/will the work provide to creditors?
Engagement control	<ul style="list-style-type: none"> Formulating, monitoring and reviewing the liquidation strategy Briefing our staff on the liquidation strategy and matters in relation to various work-streams Regular case management and reviewing of process, including regular team update meetings and calls Reviewing and authorising junior staff correspondence and other work Dealing with queries arising during the appointment Reviewing matters affecting the outcome of the liquidation Allocating and managing staff/case resourcing and budgeting exercises and reviews Liaising with legal advisers regarding the various instructions Complying with Internal filing and information recording practices, including documenting strategy decisions 	To ensure appropriate oversight, decision making and overall control of the liquidation, which will help to progress the case efficiently, maximising asset realisations and minimising costs	Asset realisations and costs efficiency
Appointment & risk	<ul style="list-style-type: none"> Collating information to enable us to carry out our statutory duties, including creditor information and details of assets Arranging bonding and complying with statutory requirements Preparing and sending notifications of our appointment to the relevant authorities 	To comply with statutory requirements and to protect Company assets	No direct financial benefit
Reports, decision making & remuneration	<ul style="list-style-type: none"> Preparing statutory Receipts and Payments accounts Drafting and publishing our initial report Drafting this progress report Ensuring compliance with all statutory obligations within the relevant timescales Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9 Preparing and reviewing the fees estimate Preparing and reviewing the expenses estimate Seeking approval of the basis of remuneration from the relevant parties 	To comply with statutory requirements and to ensure creditors and committee members are informed of the progress of the liquidation	No direct financial benefit

SIP 9 narrative for the period from 14 June 2021 to 13 June 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any financial benefit has/will the work provide to creditors?
Correspondence & statutory filing	<ul style="list-style-type: none"> ▪ Uploading information to the Portal ▪ Providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders and advertising our appointment ▪ Dealing with creditor queries ▪ Corresponding with creditors' committee ▪ Arranging meetings with and serving notice to the creditors' committee ▪ Preparing presentations and other documentation, to be delivered at creditors' committee meetings ▪ Holding creditors' committee meetings and preparing minutes of the meetings, as necessary 	To comply with statutory requirements and to ensure that creditors, including the creditors committee, are advised of the progress of the liquidation	No direct financial benefit
Investigations	<ul style="list-style-type: none"> ▪ Arranging the ongoing storage of the Company's books and records; ▪ Reviewing Company and Directorship searches ▪ Reviewing pre-appointment transactions ▪ Discussing pre-appointment transactions with JMW and legal counsel ▪ Assessing the impact of pre-appointment transactions on the Company's creditors ▪ Corresponding with relevant parties regarding pre-appointment transactions ▪ Liaising with JMW and legal counsel regarding our ongoing investigations ▪ Presenting our findings to the creditors' committee 	To comply with statutory requirements and to pursue any potential asset recoveries for the estate	Maximising asset realisations may increase the dividend prospects for the Company's creditors
Sale of business	<ul style="list-style-type: none"> ▪ Dealing with post sale requirements under the terms of the SPA 	To realise the value of the Company's assets	Maximising asset realisations which may increase the dividend prospects for creditors
Asset realisations	<ul style="list-style-type: none"> ▪ Dealing with the Company's pre-appointment bank accounts ▪ Reviewing outstanding debtors and management of debt collection strategy ▪ Liaising with CCiCM and PBE regarding debtor recoveries ▪ Reviewing the inter-company debtor position between the Company and other group companies ("the Group") 	To realise the value of the Company's assets	Maximising asset realisations may increase the dividend prospects for creditors

SIP 9 narrative for the period from 14 June 2021 to 13 June 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any financial benefit has/will the work provide to creditors?
Costs of realisation	<ul style="list-style-type: none"> ▪ Liaising with third parties regarding costs incurred ▪ Reviewing costs incurred to ensure recorded accurately ▪ Arranging payment of the costs in a timely manner as and when funds allow 	To settle costs of third parties who have facilitated the realisation of the Company's assets and mitigation of the liquidation costs/liabilities	Realisation of assets and minimising the costs/liabilities may increase the dividend prospects for creditors
Tax	<ul style="list-style-type: none"> ▪ Gathering information from the Company's records in relation to the taxation position of the Company ▪ Submitting relevant initial notifications to HMRC ▪ Reviewing the Company's pre-appointment corporation tax and VAT position ▪ Working on tax returns relating to the periods affected by the liquidation and preceding administration ▪ Analysing VAT related transactions ▪ Dealing with post appointment tax compliance 	To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the liquidation	Minimising the costs/liabilities may increase the dividend prospects for creditors
Cashiering	<ul style="list-style-type: none"> ▪ Setting up liquidation bank accounts ▪ Preparing and processing vouchers for the payment of post-appointment invoices ▪ Creating remittances and sending payments to settle post-appointment invoices ▪ Reconciling post-appointment bank accounts to internal systems ▪ Ensuring compliance with appropriate risk management procedures in respect of receipts and payments 	<p>To effectively manage funds</p> <p>To receive asset realisations</p>	Receipt of bank interest maximises asset realisations which may increase the dividend prospects for creditors
Employees & pensions	<ul style="list-style-type: none"> ▪ Dealing with queries from employees regarding various matters relating to the liquidation and their previous employment ▪ Managing claims from employees ▪ Liaising with Clumber concerning the changes caused to the pension scheme as a result of our appointment as liquidators 	<p>To provide effective and informative communication to employees</p> <p>To comply with statutory requirements in each of the relevant jurisdictions</p>	Assistance to employees will enable them to recover the maximum claims in the circumstances
Claims & distributions	<ul style="list-style-type: none"> ▪ Reviewing and updating the list of unsecured creditors ▪ Agreeing preferential creditor claims ▪ Responding to creditors regarding queries about the liquidation and their claims ▪ Liaising with our legal advisors in regard to the withdrawal of the actions detailed in section 2.2 	<p>To comply with statutory requirements</p> <p>To ensure that creditors are informed of the progress of the liquidation</p> <p>To advise creditors of the progress of their claims</p>	Ensuring creditor records are kept up to date, claims are agreed at the correct value for voting purposes and, if appropriate, funds are distributed accurately to the relevant creditors

Appendix 5 – Glossary

Any references in this progress report to sections and rules are to Sections and Rules in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
Administration	Our previous administration appointment over the Company, from 30 November 2020 to 13 June 2021
Avenue 64/Secured creditor	Avenue 64 Limited
Company	Axell Wireless Limited – In liquidation
CCiCM	CCI Credit Management Ltd
Clumber	Clumber Consultancy Limited
CVL/Liquidation	Creditors' Voluntary Liquidation
Deferred Book Debts	The second tranche of book debts acquired by PBE on 5 January 2021, against which the Company is due 50% of any future collections (once total book debt collections reach £953,016)
Directors	The Directors of the Company as at the date of our previous appointment as Joint Administrators: Simon Cosgrove, Gary Baker and Gold Round Limited
Eversheds	Eversheds Sutherland (International) LLP and Eversheds Sutherland (Germany) Rechtsanwälte Steuerberater
Group	Solicitors Partnerschaft mbB The Company together with: Avenue 64 A-xell Wireless AB Axell Wireless Israel Limited Axell Wireless Asia Pte Limited
HMRC	Her Majesty's Revenue & Customs
ICO	Information Commissioner's Office
JMW	JMW Solicitors LLP
Joint Liquidators/we/our/us	Paul Flint and Jonny Marston
Joint Administrators	Paul Flint and Jonny Marston
PBE/the Purchaser	PBE Europe Limited
Reporting Period/Period	14 June 2021 to 13 June 2022
Shoosmiths	Shoosmiths LLP
SIPs	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
SPA	Sale and Purchase Agreement

Appendix 6 – Notice: About this progress report

This progress report has been prepared by Paul Flint and Jonny Marston, the Joint Liquidators of Axell Wireless Limited ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report 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.

Any estimated outcomes for creditors included in this progress report 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 progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Paul Flint and Jonny Marston are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Liquidators act as agent for the Company without personal liability. The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the liquidation.