

# AM03

## Notice of administrator's proposals



Companies House

THURSDAY



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27/02/2020

#232

COMPANIES HOUSE

### 1 Company details

Company number 07284437

Company name in full Intercept Services Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) David Frederick

Surname Wilson

### 3 Administrator's address

Building name/number 29 Park Square West

Street Leeds

Post town LS1 2PQ

County/Region

Postcode

Country

### 4 Administrator's name

Full forename(s)

Surname

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

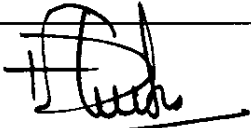
Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	

7	Sign and date	
Administrator's Signature	<div>Signature ✕ </div>	✕
Signature date	<div><div><sup>d</sup>2<sup>d</sup>5</div><div><sup>m</sup>0<sup>m</sup>2</div><div><sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>0</div></div>	

# AM03

## Notice of Administrator's Proposals



### 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	Sam Booth
Company name	DFW Associates
Address	29 Park Square West
	Leeds
Post town	LS1 2PQ
County/Region	
Postcode	
Country	
DX	
Telephone	01133907940



### 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 and dated 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**THE ADMINISTRATOR'S STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF  
SCHEDULE B1 OF THE INSOLVENCY ACT 1986 AND RULES 3.35 OF THE INSOLVENCY  
(ENGLAND & WALES) RULES 2016 ("THE PROPOSALS")**

**INTERCEPT SERVICES LIMITED FORMERLY CONTROL F1 LIMITED  
– IN ADMINISTRATION ("ISL")**

**INTERCEPT IP LIMITED FORMERLY MACHINE TO MACHINE SOLUTIONS LIMITED  
– IN ADMINISTRATION ("IPL")**

**INNOVATION OF THINGS LIMITED – IN ADMINISTRATION ("IOTL")**

**TOGETHER AS ("THE COMPANIES")**

**REPORT DATE: 25 FEBRUARY 2020**

**DATE REPORT DEEMED TO BE DELIVERED TO CREDITORS BY 1<sup>ST</sup> CLASS POST:  
27 FEBRUARY 2020**

Important: The Administrator's statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986 and the Insolvency (England & Wales) Rules 2016. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for the creditors included in these proposals are illustrative only and cannot be relied upon as guidance to the actual outcomes for creditors

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David Frederick Wilson is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

David Frederick Wilson has been appointed Administrator of the Companies to manage the affairs, business and property as an agent without personal liability.

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(\* One form for each of the three companies where applicable)

## 1. ABB REVIATIONS

“the Act”	Insolvency Act 1986 (as amended)
“the Rules”	The Insolvency (England & Wales) Rules 2016
“the Court”	High Court of Justice, the Business & Property Courts in Leeds
“Court Number”	ISL – CR-2020-LDS-000001 IIPL – CR 2019-LDS-001403 IOTL – CR-2020-LDS-000002
“CVL”	Creditors Voluntary Liquidation
“the Administrator”	David Frederick Wilson

## 2. STATUTORY INFORMATION

### ISL

Company Name	Intercept Services Limited		
Trading Name	As above		
Previous Names	Control F1 Limited		
Trading activities	Information technology consultancy activities		
Company Number	07284437		
Date of incorporation	15 June 2010		
Trading Address	Bates Mill, Colne Road, Huddersfield, HD1 3AG		
Registered office	c/o DFW Associates, 29 Park Square West, Leeds, LS1 2PQ		
Directors		Appointed	Resigned
	Carl Howarth	15/06/10	27/01/20
Shareholding	12,885 Ordinary £1 shares		
Shareholders	Intercept IP Limited 12,885 Ordinary shares		
Charge Holders	None		

### IIPL

Company Name	Intercept IP Limited		
Trading Name	As above		
Previous Names	Machine to Machine Solutions Limited		
Trading activities	Specialised design activities		
Company Number	07449188		
Date of incorporation	24 November 2010		
Trading Address	Bates Mill, Colne Road, Huddersfield, HD1 3AG		
Registered office	c/o DFW Associates, 29 Park Square West, Leeds, LS1 2PQ		
Directors		Appointed	Resigned
	Carl Howarth	30/07/18	27/01/20
	Wayne Gilbert	24/11/10	-
	Mark Johnson	17/05/12	-
	Kerry Michael	24/05/17	-
	Ian Pirie	05/04/19	-
	Christian Galle	19/09/18	06/08/19
Shareholding	8,695 Ordinary 10p shares		
Shareholders			
Wayne Gilbert	1084 shares	Ian Pirie	542 shares
Mark Johnson	1084 shares	Kerry Michael	2608 shares
Carl Howarth	1084 shares	Paul Wood	379 shares
Nick Payne	35 shares	Tony Antonius	107 shares

John Katsouris	106 shares	Mark Blundell	97 shares	
Theo Paphitis	214 shares	Alex Demetriou	214 shares	
David Plaister	97 shares	Danny Hassall	213 shares	
Tomthy Vos	22 shares	Jensen Three Pension Plan	25 shares	
Chloe Hassell	9 shares	Michael Radford	87 shares	
Clive Roberts	130 shares	Neil Mickelthwaite	87 shares	
Robert Hampel	87 shares	Andy Polycarpou	87 shares	
Neal Manuel	174 shares	Robert Stewart	87 shares	
Ian Lomas	13 shares	Tracy Lomas	13 shares	
Charge Holders		Charge	Created	Registered
Lanesborough Developments Limited (“LDL”)		Debenture	07/11/19	14/11/19

### **IOTL**

Company Name	Innovation of Things Limited		
Trading Name	As above		
Previous Names	N/A		
Trading activities	Information technology consultancy activities		
Company Number	09810242		
Date of incorporation	5 October 2015		
Trading Address	Bates Mill, Colne Road, Huddersfield, HD1 3AG		
Registered office	c/o DFW Associates, 29 Park Square West, Leeds, LS1 2PQ		
		Appointed	Resigned
Directors	Carl Howarth	12/05/17	27/01/20
	Duncan Davies	05/10/15	12/05/17
Shareholding	1 Ordinary £1 share		
Shareholders	Intercept Services Limited 1 Ordinary share		
Charge Holders	None		

### **3. INTRODUCTION**

I refer to the appointment of David Frederick Wilson as Administrator ("the Administrator") of the Companies on 2 January 2020 and write to present the Administrator's statement of Proposals ("the Proposals") for the Companies pursuant to the Insolvency Act and Rules.

I have combined the report and proposals for each of the three Group Companies, in respect of the forms which require completing please only complete the relevant forms for the company/companies you are a creditor.

#### **3.1 NOTICE OF INVITATION TO CREDITORS' TO FORM A CREDITORS' COMMITTEE**

##### **ISL & IIPL**

Creditors are also invited to consider whether they wish to nominate a representative to be appointed to a Creditors' committee. A Creditors' Committee consists of between three and five creditors who will monitor and comment on progress in the Administration, the exercise of certain powers by the Administrator and determine the basis of the Administrator's remuneration and certain of his disbursements. (Where no Creditors' committee is formed all of these functions are performed by the general body of creditors).

Creditors who may be considering nomination to the Creditors' Committee may access further information on the rights, duties and the functions of the Committee from the R3 website detailed below:

<https://www.r3.org.uk/media/documents/publications/professional/R3%20Guide%20to%20Creditors%20Committees.pdf>

On behalf of the Administrator we are also delivering to you:-

- Formal Notice seeking the appointment of a Creditor's Committee (Appendix 10); and
- A form to use if you wish to nominate a person to represent you on any Committee that is formed (Appendix 11).

No Committee can be formed if less than three nominations are received.

### **IOTL**

There are insufficient creditors to enable a Creditors Committee to be formed in respect of IOTL.

### **ISL**

#### **3.2 Notice of Decision Procedure to Approve Proposals, Remuneration & Category 2 Disbursements**

If creditors do not wish to form a Creditors' Committee, the decision procedure required to seek creditors' agreement to the Proposals and to agree, amongst other things, the basis upon which the Administrator will draw his remuneration and the Category 2 disbursements, will be requested from the Company's unsecured creditors.

It is my intention to deal with the decision procedure by correspondence in accordance with Rule 15.8 and 18.8 of the Rules. Formal Notice of this decision procedure is attached at Appendix 7. It would be of assistance to me in the performance of my duties as Administrator if you could complete and return the Decision Form attached at Appendix 8 and the creditor claim form attached at Appendix 9 to my office by the Decision Date specified in the Notice, which is **12 March 2020 at 23.59** signifying your decision for each of the resolutions. If you fail to return a completed claim form with your decision form your vote will be disregarded as will and forms returned after the decision date.

If creditors are not satisfied with the decision procedure being used they may request that a physical meeting be convened. Any such request should be made in writing to this office or by email to [info@dfwassociates.co.uk](mailto:info@dfwassociates.co.uk) and must be submitted no later than 5 business days after the date on which Notice of the decision procedure was delivered to creditors. For a physical meeting to be convened by the Administrators, it must have been requested by:

- a) 10% in value of the creditors;
- b) 10% in number of the creditors; or
- c) 10 creditors.

If no such request for a physical meeting is received, the Administrator will report the outcome of the voting to creditors as soon as possible following the decision deadline.

### **IIPL**

#### **3.3 Approving the Proposals**

Para 51(1) of Schedule B1 to the Act ordinarily requires the Administrator to seek a decision from the company's creditors as to whether they approve the Proposals. However, this does not apply where the Administrator states they think:

- a) That the company has insufficient property to enable a creditor of the company to be paid in full; or
- b) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
- c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.

I confirm that the Administrator is of the opinion that neither of the objectives 1.2(a) and 1.2(b) above can be achieved. It is anticipated that a dividend will be payable to the secured creditor, LDL. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.



Creditors whose debts amount to at least 10% of the debts of the Company may however request the Administrator to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Administrator within 8 business days of the date on which this report was delivered and comprise the following:

- A statement of the purpose of the proposed decision; and either
- A statement of the requesting creditor's claim, together with;
- A list of the creditors concurring with the request and the amount of their respective claims or values; and
- Confirmation on concurrence from each creditor; or
- A statement of the requesting creditor's debt and that alone is sufficient without the concurrence of other creditors.

The deemed delivery date is 27 February 2020 (as stated on the front of this report). It should be noted that security must be given for the costs of convening the requisitioned decision.

In the event that no such request has been received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Rules. Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for creditors to requisition a decision as referred to above.

### **3.4 Approval of Remuneration & Category 2 Disbursements**

If creditors do not wish to form a Creditors' Committee, then the basis of remuneration must be fixed by a decision of the creditors by a decision procedure except in the case where the Administrator has made statement under paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 that there are insufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part (see section 6 below).

In respect of IIPL the basis upon which the Administrator will draw his remuneration and the Category 2 disbursements, will be fixed by the consent of the secured creditor, LDL.

## **IOTL**

### **3.5 Approving the Proposals**

Para 51(1) of Schedule B1 to the Act ordinarily requires the Administrator to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the Administrator states they think:

- d) That the company has insufficient property to enable a creditor of the company to be paid in full; or
- e) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
- f) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.

I confirm that the Administrator is of the opinion that neither of the objectives 1.2(a) and 1.2(b) above can be achieved. It is anticipated all of the realisations will be utilised in costs. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.

Creditors whose debts amount to at least 10% of the debts of the Company may however request the Administrator to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Administrator within 8 business days of the date on which this report was delivered and comprise the following:

- A statement of the purpose of the proposed decision; and either
- A statement of the requesting creditor's claim, together with;
- A list of the creditors concurring with the request and the amount of their respective claims or values; and
- Confirmation on concurrence from each creditor; or

- A statement of the requesting creditor's debt and that alone is sufficient without the concurrence of other creditors.

The deemed delivery date is 27 February 2020 (stated on the front of this report). It should be noted that security must be given for the costs of convening the requisitioned decision.

In the event that no such request has been received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Rules. Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for creditors to requisition a decision as referred to above.

#### 4. DETAILS OF APPOINTMENT OF ADMINISTRATOR

Name of Administrator	David Frederick Wilson, a Licenced Insolvency Practitioner of DFW Associates, 29 Park Square West, Leeds, LS1 2PQ
Date of Administrator's appointment	2 January 2020
Court	High Court of Justice, the Business & Property Courts in Leeds
Court Case Number	ISL – CR-2020-LDS-000001 IIPL – CR 2019-LDS-001403 IOTL – CR-2020-LDS-000002
Person making appointment	the Director(s)
Acts of the Administrator	The Administrator acts as officer of the court and as agent of the Companies without personal liability. Any act required or authorised under an enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
EC Regulations	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation

#### STATUTORY PURPOSE OF ADMINISTRATIONS

Paragraph 3 of Schedule B1 to the Act provides as follows:

- 3 (1) The Administrator of a Companies must perform his functions with the objective of:
  - (a) Rescuing the Companies as a going concern, or
  - (b) Achieving a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), or
  - (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

### ISL

It is not considered that objective 3(1)(a) can be achieved given the extent of the historic liabilities, the company had already ceased to trade and the employees had been made redundant.

It is considered that there is a reasonable prospect of achieving objective 3(1)(b) realising property in order to make a distribution to the preferential creditors (no secured creditor) and 3(1)(c) achieving a better result for the Company's creditors' as a whole than would be likely if the Company be wound up. The Administrator is of the opinion that the Company has sufficient property to enable a distribution to the preferential and unsecured creditors.

### IPL

It is not considered that objectives 3(1)(a) and (b) can be achieved given the extent of the historic liabilities and the company had ceased to trade.

It is considered that there is a reasonable prospect of achieving objective 3(1)(c) realising property in order make a distribution to one or more secured or preferential creditors. The Administrator is of the opinion that the Company has sufficient property to enable a distribution to the secured creditor, LDL. There are no employees in this company.

### IOTL

*It is considered that there is a reasonable prospect of achieving objective 3(1)(b) achieving a better result for the Company's creditors' as a whole than would be likely if the Company be wound up. However, it is unlikely that after the costs of the Administration have been discharged there will be any funds available for a distribution to the unsecured creditor.*

## **5. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT**

### ISL

ISL ("the company") was incorporated in June 2010 by Carl Howarth (Technical Director) ("CH") and Robert Dumbell (Managing Director) ("RD") as a software consultancy business, building enterprise applications and content management systems for a variety of clients.

The business grew steadily over its first three years, trading stably and taking advantage of its niche specialism in telematics and big data, gaining clients in this area as well as beginning to invest in some of its own flagship products.

In 2013, the company appointed Paul Wood as Non-executive Chairman ("NEC") to assist with business strategy. In 2014, Wayne Gilbert ("WG") was appointed as Non-executive Director ("NED") and Consultant Chief Technology Officer ("CTO"), to provide strategic technical direction with a view to create meaningful Intellectual Property in order to position the business for growth. A seed investment (debt and equity) was taken in 2014 with a view to provide a catalyst for further growth and allow the products to be taken to market.

Between 2014 and 2016, significant growth occurred within the business with notable clients including the RAC, as well as being awarded a significant R&D grant from Innovate UK to build the next generation of connected vehicle platforms within the business, the base platform of which underpinned the future systems within IPL. In 2015, the company appointed Duncan Davies ("DD") as Finance Director who invested equity in the business, around the same time a key member of staff, WG resigned as NED but remained a technical advisor to the business on an ad hoc basis. Between 2016 and 2017 revenues fell sharply owing to a combination of client loss, significant investment in product development and lack of agreement on the future focus of the business within the Board.

In 2017, RD exited the business with DD to take forward the Notify product and a transaction occurred resulting in IPL taking c40% stake within the business as it embarked on the development of its IC6 product and associated platforms. At this time and until July 2018 CH stepped up to be CEO of the

business and drove revenues to c£2.2m. In July 2018, the remaining shares in Control F1 Limited were sold in a share for share transaction, the entities name was changed to ISL shortly afterwards, and became the trading entity for the group. CH became Director of Software & Solutions, and the Board appointed Christian Galle (“CG”) as CEO to drive the telematics business forward.

The company’s cash flow was severely impacted in 2019, loans totalling £1.84million were paid in to the Group from LDL via one of their associated company, Eurosalamis Enterprises Limited over a period from April 2019 to September 2019. These loans were secured by a debenture on the assets of IPL which was created on 7 November 2019 and registered on 14 November 2019.

In early December 2019, management identified and raised to shareholders that a further £1m was required to cash flow the companies until they would be self-funding. £500k was introduced from a new investor who promised another £500k in January 2020.

However, just three weeks later, management revised their position and advised that a further £1.4m would be required. At this point, the new investor withdrew their offer of an additional £500k in January and there was no way of funding the extra £1.4m newly identified. Once this position was made clear, our lender called in their loans, this meant that the business could not continue and as a consequence sought independent advice from DFW Associates to discuss its options at a meeting held on 31 December 2019. The Company’s instructions were formalised in the engagement letter dated and signed by the director on 31 December 2019.

Given the circumstances the Director was advised that he should take steps to protect the assets of the company for the benefit of the Company’s creditors. A Notice of Appointment of an Administrator was filed on 2 January 2020 appointing David Frederick Wilson as Administrator of the Company. David Frederick Wilson is licensed by the Institute of Chartered Accountants in England & Wales.

## IPL

IPL (“the Company”) was incorporated in November 2010 to exploit IP developed by M2M Solutions, a company set up by WG, Mark Johnson (“MJ”) and Ian Pirie (“IP”). WG and MJ had been shareholders and directors of an earlier company, Risk Technology Ltd (“RTL”) which was a pioneer in the pay as you drive (“PAYD”) insurance service industry. RTL successfully developed vehicle installed devices with unique driver behaviour and crash detection features. RTL was also a pioneer in the use of cloud-based services, both of which delivered lower cost services with better feature sets than competitors.

The cloud service development was undertaken by ISL, who carried out much of the early platform development for the service.

RTL was sold to the RAC, forming the basis of the RAC’s successful PAYD business.

Subsequently, WG and MJ realised that the cost of the previous generation PAYD services could be substantially reduced by making the hardware components self-installed. Under the M2M umbrella, WG and MJ developed prototypes of a new, battery powered device that could be self-installed by the insured. This effectively reduced the annual cost of a PAYD service by £100. Patents were filed protecting the core concept behind the devices.

IPL approached Kerry Michael (“KM”) for advice on the potential for the new device, which became known as JBB in its development phase. KM initially funded further R&D stages with additional grants covering the patent work.

KM is a shareholder in a PAYD start-up, which was well suited to the new device offering. IPL was formed to deliver a final product into this market, development of a production device was subcontracted to STI Limited (“STI”), work on the cloud service platform to ISL, KM invested further in Group Companies (detailed above in ISL) to cover the development costs, M2M contributed the IP in the devices and services to the new company.

Development of the company went well, JBB was delivered reasonably on time and budget by STI with close engagement from WG.

As the business grew, it became necessary to recruit a sales team, this was led by Christian Galle (CG). As the proportion of IIPL work subcontracted to ISL grew, it became advantageous to take over ISL and merge it into IIPL. JBB was re-branded as IC6 with the intention of it becoming part of a family of related devices.

CG expanded sales efforts into Denmark and South Africa, which created the need to develop an additional device, which became known as IC8.

MJ suffered from health problems and took a non-executive role; CG was appointed CEO of the business, with CH, who had led the software and services business ISL becoming the leaders of the company. KM, MJ and WG occupied non-exec roles providing financial and technical direction.

STI, having successfully developed IC6, subsequently made a disastrous showing in IC8. The design was poorly executed and was very late, creating serious challenges in the relationship with the end customer in Denmark. A project manager with extensive experience in the contract manufacturing industry, Andrew Wycherley ("AW") was brought in to assist.

IIPL integrated a key hardware partner, Roedan Embedded systems into the company to help recover the situation. After several months, it became clear that STI would not complete the IC8 program and a decision had to be taken how to proceed.

Two proposals were made, CG favouring a subcontract of all hardware to a partner in China, WG favoured using in-house resources to complete the task. This was put to a board meeting in February 2019. The board decided to go with the China subcontracting process, which resulted in the IIPL hardware business being closed and AW's employment terminated. This was not acceptable to WG, who stood down from any active participation in the company.

Over the next six months, it became clear that many of the proposed contracts in South Africa, initiated by CG, and had little value in reality. Pressure grew from the customer base due to late deliveries of hardware and services, placing great demands for cash on the IIPL investors.

By July 2019 it was clear that serious problems existed at all levels of the business. Performance targets for the flagship IC6 device were not being met, IC8 was still not delivered and the SA contracts did not materialise.

In August 2019 it was decided to terminate CG and restructure the business. AW re-joined the business to help recover the situation, but it became clear that further delays to deliveries were inevitable.

As stated above in ISL, in early December 2019, management identified and raised to shareholders that a further £1m was required to cash flow the companies until they would be self-funding. £500k was introduced from a new investor who promised another £500k in January 2020.

However, just three weeks later, management revised their position and advised that a further £1.4m would be required. At this point, the new investor withdrew their offer of an additional £500k in January and there was no way of funding the extra £1.4m newly identified. Once this position was made clear, our lender called in their loans, this meant that the business could not continue and as a consequence sought independent advice from DFW Associates to discuss its options at a meeting held on 31 December 2019. The Company's instructions were formalised in the engagement letter dated and signed by the director on 31 December 2019. Given the circumstances the Director was advised that he should take steps to protect the assets of the company for the benefit of the Company's creditors.

A Notice of Intention to Appoint an Administrator ("NOIA") was subsequently filed in the High Court of Justice, The Business & Property Courts in Leeds on 31 December 2019. Following receipt of consent to the Administrators appointment from the qualifying floating charge holder, Lanesborough Developments Limited on 2 January 2020, a Notice of Appointment of an Administrator was filed on 2 January 2020 appointing David Frederick Wilson as Administrator of the Company. David Frederick Wilson is licensed by the Institute of Chartered Accountants in England & Wales.

## **IOTL**

IOTL was incorporated in 2015 as an Intellectual Property (“IP”) company to develop and exploit protectable IP. The entity was a wholly owned subsidiary of ISL with commercial agreements in place with associated inventors who would benefit from the IP when it was commercialised. Its activity was funded via inter-company loans from ISL. Its most notable invention is the Driver ID patent that allows a driver to be identified from their driving behaviour identified from the vehicle installed devices.

In view of the above financial difficulties with the rest of the Group companies the Directors sought independent advice from DFW Associates to discuss its options at a meeting held on 31 December 2019. The Company’s instructions were formalised in the engagement letter dated and signed by the director on 31 December 2019.

Given the circumstances the Director was advised that he should take steps to protect the assets of the company for the benefit of the Company’s creditors. A Notice of Appointment of an Administrator was filed on 2 January 2020 appointing David Frederick Wilson as Administrator of the Company. David Frederick Wilson is licensed by the Institute of Chartered Accountants in England & Wales.

## **6. ESTIMATED FINANCIAL POSITION & OUTCOME FOR CREDITORS**

The Director(s) of the Companies is/are required to lodge a statement of affairs as at 2 January 2020 which has to be filed with the Registrar of Companies as soon as reasonable practicable pursuant to Rule 3.32 of the Rules. A Notice has been served on the Director(s) of the Companies, however the statement of affairs have not yet been received and extension of time has been granted to enable some assistance to be provided to the director(s) to prepare them. In the meantime, an estimate of the financial position as at the date of this report are enclosed at Appendix 2, together with a list of creditors including their names, addresses and details of their debts, including any security held.

It should be noted that no provision has been made in the estimated financial position for costs and expenses of realisation and the costs of the Administration. I would make the following points with regards to the estimated financial position and anticipated return to creditors:

### **Secured Creditor**

#### **ISL**

There are no secured creditors in this instance.

#### **IPPL**

#### **LDL**

At the date of the appointment the estimated indebtedness in accordance with the records of the Companies to LDL was £1,508,865 (originals loans totalling £1,840,000 less repayments of £292,726 and £38,409 made in December 2019 by ISL). The Administrator is in correspondence with LDL to reconcile the outstanding liability due to them which appears to have been paid to IPL and IPS, however the debt has been secured by a debenture against IPPL created on 7 November 2019 and registered on 14 November 2019, creating fixed and floating charges over the assets of the Company. It is not anticipated that LDL will be repaid in full under the terms of their security.

As stated above the Administrator will undertake a full reconciliation of this debt, the inter-company transactions and obtain legal advice in relation to LDL’s security.

#### **IOTL**

There are no secured creditors in this instance.

### **Prescribed Part**

Section 176a of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Administrator must make a prescribed part of the company’s net property available

for the unsecured creditors which is calculated at 50% of the first £10,000 of net floating charge realisations plus 20% thereafter up to maximum of £600,000.

#### **ISL**

There are no floating charge creditors, therefore the prescribed part does not apply in this instance.

#### **IPL**

The prescribed part does not apply in this instance as the company's net property is less than the prescribed minimum.

#### **IOTL**

There are no floating charge creditors, therefore the prescribed part does not apply in this instance.

#### **Preferential Creditors**

The employees were all employed by ISL. The former directors and employees have made claims to the Redundancy Payments Service ("RPS") in relation to wage arrears (limited to £800 per person) and holiday pay subject to the RPS statutory limits. The RPS have not yet submitted a claim in the Administration in respect of these claims. It is anticipated that the preferential claims will be settled in full.

#### **Unsecured Creditors**

The list of creditors' names, addresses and amounts due has been extracted from the books and records of the Companies.

#### **ISL**

The majority of the unsecured claims are in ISL. There are 40 unsecured creditors detailed in the estimated statement of affairs with estimated claims of £4,999,438.

At present, it is considered likely that the unsecured creditors will receive a distribution and the Company will move from Administration into Liquidation to enable the Liquidator to make a distribution to the unsecured creditors. Creditors who have not already done so are requested to submit details of their claims on the attached statement of claim form attached at Appendix 9. The claims will be collated and passed to any subsequently appointed Liquidator. In addition any creditor wishing to claim retention of title or any other claims in respect of the assets should notify me immediately.

#### **IPL**

There are 8 unsecured creditors detailed in the estimated statement of affairs with estimated claims of £378,100.

At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to the unsecured creditor. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should continue to submit claims on the claim form attached at Appendix 9, in the event there are sufficient funds should the position change. These claims will be collated and passed to any subsequently appointed Liquidator.

#### **IOTL**

The only creditor detailed in the company records is ISL in respect of an intercompany loan balance of £41,282.

At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to the unsecured creditor. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should continue to submit claims on the claim form attached at Appendix 9, in the event there are sufficient funds should the position change. These claims will be collated and passed to any subsequently appointed Liquidator.

## 7. THE ADMINISTRATION PERIOD

Attached at appendix 1 is an account of the receipts and payments from the commencement of Administration on 2 January 2020 to the date of this report.

### **ISL / IIPL / IIOT**

#### **Intellectual Property / Intellectual Property Rights**

The main assets of the Companies are the intellectual property, rights ("IP"), titles and registered patents. Following the Administrator's appointment Clarion Solicitors conducted IP searches for the Companies for the registered trade mark, designs and patents. All of the registered IP rights sits in IIPL with the exception of one patent held by IOTL. It is understood that ISL developed certain of the IP rights on behalf of IIPL.

Sanderson Weatherall ("our agents") were consulted to provide advice in relation to determining the value of the IP. They confirmed that given the nature of the IP it is not possible to value it as there are no limited market comparators and as such have said that the best way to determine the value for the IP was to market it and invite offers.

There were a number of interested parties in acquiring the intellectual property rights and certain assets, all of which were sent non-disclosure agreements ("NDA") prior to receiving any financial information in respect of the Company. In total 5 expressions of interest had been received and NDA's were sent to all of these parties, resulting in 4 signed NDA's and 1 formal offer with the prospective purchaser attributing a value of £970,000 for the rights held by the IIPL, £30,000 for the rights held by ISL and £5,000 for the IP held by IIOTL. This is detailed further below (sale of the IP & Certain Assets).

### **ISL / IIPL / IIOT**

#### **Sale of the IP & Certain Assets**

A combined offer of £1,020,000 was received from a connected party, AGM Technologies Limited ("the Purchaser") (with a common shareholder and director, Kerry Michael) to acquire an assignment of the intellectual property rights business and assets.

Following the advice and recommendations from our agents, and in the absence of any other offers for the IP, the offer was accepted and a sale of the IP and certain assets concluded on 6 February 2020.

The sale consideration was as follows:

	£
Intellectual Property – IIPL	970,000
Intellectual Property – ISL	30,000
Intellectual Property – IOTL	5,000
Stock – ISL	14,950
Server – ISL	50
<b>Total</b>	<b>1,020,000</b>

The consideration was paid on completion by the Purchaser less £940,000 in respect of IIPL, which has been allocated as a fixed charge distribution to LDL. The sales considerations have been posted to the receipts and payments accounts of the companies attached at Appendix 1.

### **ISL**

#### **Office Furniture & Equipment / Motor Vehicle**

On 2 January 2020, our agents who are RICS registered agents/valuers were instructed to attend the Companies trading premises to conduct a RICS (red book) asset appraisal and valuation of the Company owned office furniture and equipment. The company owned a Toyota Aventis which has been used as a



test vehicle. They attended on 6 January 2020 to carry out a valuation on the basis of market value as a whole in its working place (in-situ) and for removal from the premises (ex-situ) which are detailed below:

<b>Category of Assets</b>	<b>Market Value as a whole in-situ £</b>	<b>Market Value for removal from the premises (ex-situ) £</b>
Office Furniture & Equipment	8,500	5,500
Motor Vehicle – unencumbered	400	400
<b>Total</b>	<b>8,900</b>	<b>5,900</b>

#### **Basis for the Valuations**

The market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction. The valuations do not take into account any costs of realisation.

- i) As a whole in its working place – In-situ  
The market value as a whole in its working place after proper marketing is intended to reflect that the purchaser will continue to remain in occupation of the premises and the assets will remain in-situ.
- ii) For removal from the premises – Ex-situ  
The market value for removal from the premises is intended to reflect the amount which would be achieved should all the assets be offered for sale by way of online auction of the warehouse and office furniture and private treaty bulk sale of the remaining stock from site.

Our agents recommended that the most appropriate method of disposal was by way of a public online auction which was listed for 30 January 2020. The auction sale has achieved £14,500 and a further £350 by private treaty sales. These funds are being held by our agents and have not been accounted for in the receipts and payments account attached at Appendix 1.

#### **Stock**

This relates to materials being manufactured on behalf of the Company being held by the production company in Shanghai. Due to changes in specification to the product much of the stock held was obsolete and also various payments remained outstanding.

#### **Inter-Company Loan – IOTL**

There have been inter-company historic loans totalling £41,282 made to IOTL as it has not operated a bank account since 2016. IOTL has been dormant other than holding the rights and title to the registered patent which has incurred ongoing costs. For the purposes of the estimated financial position this has been written down to nil.

#### **Encumbered Motor Vehicle on Finance**

The company had a Volvo XC90 which was subject to a purchase plan finance agreement with Volvo Car Financial Services, who have now collected the vehicle.

#### **Book Debts**

At the date of Appointment ISL had an outstanding ledger in the sum of £89,438 with a collectable balance of £79,090. For the purposes of the estimated statement of this has been written down by 40% for bad and disputed debts to an estimated to realise figure of £47,454, which is attached at Appendix 2.

#### **Retention of Title Claims**

There have been two retention of title claims both of which have been valid and the goods have been collected.

## **Cash at Bank**

At the date of appointment £2,336.03 was being held in the Company bank account at Santander UK plc. These funds have been transferred into the Administration account.

## **Lease to the Premises ISL & IIPL**

IIPL leased offices to the 1<sup>st</sup> floor of Bates Mill, Colne Road, Huddersfield, HD1 3AG on a 4 years 2 month lease which commenced on 26 September 2018 from Bates & Co. (Huddersfield) Limited ("the Landlord"). The rent has been paid up to December 2019 by ISL.

ISL leased offices to the 2<sup>nd</sup> floor of Bates Mill, Colne Road, Huddersfield, HD1 3AG on a 5 year lease which commenced on 13 November 2017 from the Landlord. The rent had been paid up to December 2019 by ISL.

Following his appointment the Administrator made an agreement with the Landlord that the companies in Administration will occupy the premises, the rent was to be invoiced on a monthly basis until the assets have been sold and uplifted from the premises. I confirm that the 1<sup>st</sup> floor offices were vacated on 17 January 2020 and the 2<sup>nd</sup> floor offices were vacated on 6 February 2020 and the keys have been returned to the Landlord. Invoices have been received for this period totalling £5,274.06 plus VAT which will be paid out of ISL, as they historically paid all the rent invoices.

## **8. ADMINISTRATOR'S PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATIONS**

### **Purpose of the Administration**

In accordance with paragraph 49(1) of schedule B1 to the Act I am required to set out my proposals for achieving the purpose of the Administration which in this context means one of the objectives specified in Paragraph 3 of Schedule B1 to the Act, this has been detailed above at Section 3 of this report (statutory purpose of the Administrations).

In respect of each of the Companies it is proposed that:

- (i) The Administrator continues to manage the affairs and property of the Company in such manner as he considers, with a view to achieving the statutory purpose for which the Company was placed into Administration;
- (ii) If the Administrator considers it appropriate, he may seek creditor approval to extend the period of the Administration or apply to Court under the provisions of Paragraph 76 (2) (a) of Schedule B1 to the Act for an order that his term of office be extended;
- (iii) The Administrator be authorised to apply provisions at Paragraph 83 to Schedule B1 of the Act, enabling the Company to move from Administration to Creditors Voluntary Liquidation in the likely event of there being sufficient funds to distribute to unsecured creditors other than by virtue of the Prescribed Part. It is proposed that the Administrator be appointed as Liquidator. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made before the proposals are approved;
- (iv) The Company may be placed into Compulsory Liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. It is proposed that the Administrator be appointed as Liquidator. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made before the proposals are approved;
- (v) The Administrator be authorised to apply to Court under Paragraph under Paragraph 65(3) of Schedule B1 to the Insolvency Act for permission to make a distribution to the unsecured creditors within the Administration;
- (vi) In the event that there are no monies remaining to be distributed to creditors as soon as all matters relating to the Administration have been completed, the Administrator be authorised to apply provisions at Paragraph 84 to Schedule B1 to the Act enabling a Notice to be filed at the Registrar of Companies to enable the Company to move from Administration to dissolution;

- (vii) The Administrator investigates and, if appropriate, pursue any claims that he or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company;
- (viii) The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule B1 of the Act, as he considers desirable or expedient to achieve the statutory purpose of the Administration; and
- (ix) The Administrator will be discharged from liability in accordance with Paragraph 98(1) of Schedule B1 of the Act immediately upon his appointment as Administrator ceasing to have effect.

## **Exit Strategy from Administration**

### **ISL**

On present information it is apparent that there will be sufficient property to enable a distribution to the unsecured creditors. Administrators do not have a general power to make a distribution to unsecured creditors, and may only do so if the court gives permissions. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally there may be matters for enquiry concerning Company's which are not within the scope of an Administrator's powers and which can only be properly dealt with by a Liquidator.

Consequently, as soon as I am satisfied that I have fully discharged my duties as an Administrator and that the purpose of the Administration has been fully achieved, I propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent by me to the Registrar of Companies, my appointment as Administrator will cease to have effect, and the Company is will automatically be placed into Creditors Voluntary Liquidation.

The Liquidator for the purpose of the winding up shall be –

- (a) A person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) If no person nominated under paragraph (a), the Administrator, David Frederick Wilson.

However, should it appear that the company does not have sufficient property to enable a distribution to unsecured creditors, as soon as I am satisfied that I have fully discharged my duties as Administrator and that the purpose of the Administration has been fully achieved, if there are no funds to distribute I propose to implement the provisions of Paragraph 84 of Schedule B1 to the act. Under these provisions, on the registration of a notice sent by me to the Registrar of Companies, my appointment as Administrator ceases to have effect, and at the end of three months the company will automatically be dissolved.

Where an Administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the Court and send a copy to each creditor of the Company, and on application by any interested party the Court may suspend or disapply the dissolution of the Company.

### **IPL**

On present information it is apparent that there will be sufficient property to enable a distribution to the secured creditor, LDL.

Following payment of any further secured distribution and the conclusion of my investigations into the affairs of the IPL, as soon as I am satisfied that I have fully discharged my duties as Administrator and that the purpose of the Administration has been fully achieved, I propose to implement the provisions of Paragraph 84 of Schedule B1 to the act. Under these provisions, on the registration of a notice sent by me to the Registrar of Companies, my appointment as Administrator ceases to have effect, and at the end of three months the company will automatically be dissolved.

Where an Administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the Court and send a copy to each creditor of the Company, and on application by any interested party the Court may suspend or disapply the dissolution of the Company

However, should the position change and there is sufficient property to enable a distribution to the unsecured creditors. Administrators do not have a general power to make a distribution to unsecured creditors, and may only do so if the court gives permissions. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally there may be matters for enquiry concerning Company's which are not within the scope of an Administrator's powers and which can only be properly dealt with by a Liquidator.

Consequently, in the event of an unsecured distribution as soon as I am satisfied that I have fully discharged my duties as an Administrator and that the purpose of the Administration has been fully achieved, I propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent by me to the Registrar of Companies, my appointment as Administrator will cease to have effect, and the Company is will automatically be placed into Creditors Voluntary Liquidation.

The Liquidator for the purpose of the winding up shall be –

- (c) A person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or

If no person nominated under paragraph (a), the Administrator, David Frederick Wilson

#### **IOTL**

On present information it is apparent that there will be insufficient realisations after discharging the costs of the Administration to enable a distribution to the unsecured creditor, ISL.

As soon as I am satisfied that I have fully discharged my duties as Administrator and that the purpose of the Administration has been fully achieved, I propose to implement the provisions of Paragraph 84 of Schedule B1 to the act. Under these provisions, on the registration of a notice sent by me to the Registrar of Companies, my appointment as Administrator ceases to have effect, and at the end of three months the company will automatically be dissolved.

Where an Administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the Court and send a copy to each creditor of the Company, and on application by any interested party the Court may suspend or disapply the dissolution of the Company

However, should the position change and there is sufficient property to enable a distribution to the unsecured creditors. Administrators do not have a general power to make a distribution to unsecured creditors, and may only do so if the court gives permissions. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally there may be matters for enquiry concerning Company's which are not within the scope of an Administrator's powers and which can only be properly dealt with by a Liquidator.

Consequently, in the event of an unsecured distribution as soon as I am satisfied that I have fully discharged my duties as an Administrator and that the purpose of the Administration has been fully achieved, I propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent by me to the Registrar of Companies, my appointment as Administrator will cease to have effect, and the Company is will automatically be placed into Creditors Voluntary Liquidation.

The Liquidator for the purpose of the winding up shall be –

- (d) A person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or

If no person nominated under paragraph (a), the Administrator, David Frederick Wilson

## **Extension to Period of Administrations**

### **ISL / IIPL / IOTL**

If it is not possible to finalise the Administrations within one year of the date of appointment, the Administrator's term of office may be extended either by Court order for a specified period or by consent of the creditors for a specified period, not exceeding twelve months. It may therefore become necessary at a future time for me to seek creditor consent to extending the period of the Administrations for up to a further twelve months following the anniversary of my appointment, in order to ensure that the objective of the Administrations can be carried out. It is not anticipated that an extension will be required for any of the Companies.

## **9. PRE-ADMINISTRATION COSTS**

Pre-Administration costs are defined as fees charged and expenses incurred by the Administrator or any other person qualified to act as an insolvency practitioner before the Companies entered into Administration.

In this case the basis on which my pre-administration costs would be incurred was agreed with the directors of the Company in my firm's letter of engagement dated 31 December 2019.

Time charged and expenses incurred by the Administrator and his agents and solicitors in the period prior to their appointment are summarised below:

### **ISL**

<b>Provider</b>	<b>Services</b>	<b>Amount £</b>	<b>Amount Unpaid £</b>
DFW Associates	Time Costs	869.00	869.00
Clarion Solicitors	Detailed below	327.50	327.50
		<b>1,196.50</b>	<b>1,196.50</b>

### **IIPL**

<b>Provider</b>	<b>Services</b>	<b>Amount £</b>	<b>Amount Unpaid £</b>
Clarion Solicitors	Legal fees/disbs	908.00	908.00
		<b>908.00</b>	<b>908.00</b>

### **IOTL**

<b>Provider</b>	<b>Services</b>	<b>Amount £</b>	<b>Amount Unpaid £</b>
Clarion Solicitors	Legal fees/disbs	375.80	375.80
		<b>375.80</b>	<b>375.80</b>

### **ISL**

#### **DFW Associates**

In the period prior to Administration, DFW Associates provided insolvency advice to the Companies and carried out an assessment of the Company's financial position with a view establishing the appropriate insolvency procedure.

The Administrator evaluated the Company's financial position and advised that unless a significant capital injection was introduced in the short term to pay employee wages, and essential suppliers complete

and alleviate creditor pressure then trading of the business would not be able to continue given the insolvent position of the Companies.

Subsequently, it was advised that Administration was the most suitable form of insolvency for the Companies and the Administrator assisted with formulating an appropriate Administration strategy.

The work undertaken by DFW Associates included but was not limited to the following:

- Meeting with the Directors of the Company to provide advice and assistance regarding their options and the most appropriate insolvency process;
- Advising the Company on the financial control and supervision of the business from engagement up until the Appointment of an Administrator;
- Advising the Company on whether an early sale of the business and assets would be in the best interests of creditors;
- Instructing and reviewing the valuation of the physical assets prepared by the independent agents, Sanderson Weatherall;
- Instructing and liaising with solicitors in relation to legal advice and assistance, security review prior to the appointment, preparing and filing the Notice of Intention to Appoint an Administrator (IIPL) and subsequent court filing;
- Dealing with pre-appointment related matters; and
- Considerations of the Insolvency process to achieve the strategy of the Administrations and ensure maximum asset realisations are achieved.

Enclose at appendix 3 is a pre-appointment time cost summary for the Administrator and his staff for each of the Companies. No time has been charged to IIPL or IOTL and 2.20 hours of time has been charged to ISL equating to time costs of £869 at the rate of £395 per hour.

#### **ISL / IIPL / IOTL**

##### **Clarion Solicitors**

Clarion Solicitors, an independent law firm, who were instructed to provide legal advice to businesses in all sectors and specialise in business sales/purchases, commercial contracts, litigation and property, corporate recovery were instructed to provide legal advice and assistance in relation to the following matters. They were instructed because of the experience and expertise in dealing with insolvency matters and their close proximity to the Administrator's office.

- General advice and assistance in relation to the Administration pre-appointment matters;
- Preparing and filing the Notice of Intention to Appoint an Administrator (IIPL); and
- Drafting the Appointment Document.

Disbursements of £50 have been accrued for the court fee in ISL, £50 court fees and £21 swear fees in IIPL and £50 court fee in IOTL.

The Administrator considers that the work has furthered the achievement of the objectives of Administrations being pursued, which are detailed at section 3 above (statement of affairs).

The Administrator is therefore seeking that the costs be paid as an expense of the Administration. Pursuant to Rule 3.52 of the Insolvency Rules, approval to pay such costs as an expense is required from the creditors committee, or in the absence of a committee, or if the committee does not make a determination, by a decision of the creditors through a decision procedure (detailed at the conclusion of this report). Payment of the unpaid pre-appointment costs requires separate approval and is not part of the Administrators proposals subject to approval pursuant to Paragraph 53 of Schedule B1 to the Act.

## **10. ADMINISTATOR'S REMUNERATION & DISBURSEMENTS**

### **Case Strategy**

My overall strategy for the Administration is to realise the Company's assets, namely the intellectual property, physical assets and book debt collections.

Following the conclusion of realisation in respect of the above, I will look to exit Administration into CVL to enable a distribution to the unsecured creditors in respect of ISL. If it transpires that there are insufficient realisations to enable a distribution to unsecured creditors I look to exit Administration into dissolution.

Following the conclusion of my investigations into the loans received from LDL and repayments and payment of any further secured distribution in respect of IIPL, I will look to exit Administration into dissolution.

I am being assisted in the performance of my duties by a Case Manager, who will have the day to day conduct of the case and who will help me to ensure that the work done is carried out at the appropriate grade.

I instructed agents, Sanderson Weatherall to carry out an inventory and valuation of the Companies physical assets. They have also provided recommendations in relation to disposal advice, and dealt with the sale of the remaining assets by way of an online auction and supervised the collection of assets and clearance of the trading premises ready for the keys to be returned to the landlord. They were selected because of their specialist knowledge and expertise in that sector.

I instructed solicitors, Clarion Solicitors to assist with the Notice of Intention to Appoint and Administrator (IIPL) and Notice of Appointment of an Administrator for each of the Companies and filing in court, provide confirmation in relation to the validity of my appointment and the Debenture (IIPL), provide advice and conducted a review of the intellectual property and registered patents for each of the Companies, draft the sale and purchase agreement, IP assignments and provide advice and assistance in relation to the Administration process.

### **Administrator's Post Appointment Time Costs**

#### **ISL**

Total time spent by the Administrator and his staff to 24 February 2020 has been 111.40 hours at an average rate of £298.73 per hour equating to time costs of £33,728, this is detailed further at Appendix 4.

#### **IIPL**

Total time spent by the Administrator and his staff to 24 February 2020 has been 71.40 hours at an average rate of £329.66 per hour equating to time costs of £23,538, this is detailed further at Appendix 4.

#### **IOTL**

Total time spent by the Administrator and his staff to 24 February 2020 has been 15 hours at an average rate of £281 per hour equating to time costs of £4,215, this is detailed further at Appendix 4.

### **Statutory Fees Estimate**

#### **IIPL**

As detailed in section 3.4 above it is anticipated that there will only be a distribution to the secured creditor, therefore fee approval will be requested by consent of the secured creditor.

## IOTL

As detailed at section 3.5 above, it is anticipated that all of the realisations will be utilised in costs. As a result there is no requirement to seek a decision from the creditors in relation to the Administrator's time costs.

## ISL

I propose to be remunerated as Administrator on the basis of time necessarily spent on the matters by myself and my staff at DFW Associates charged at standard charging rates, a copy of which are also attached at Appendix 6. I also seek authority to draw my remuneration on account as and when funds are received into the estate.

When seeking to agree that my remuneration be paid on the basis of my time costs I am obliged to provide a statutory estimate of my fees for the ISL (attached at Appendix 4) which, if approved, will act as a cap on the amount of remuneration that I can draw out of the assets of the ISL without further authority from creditors.

The services to be provided by me include those required by law and/or professional regulations to deal with the Administrations, as well as the more obvious work to be done in realising the assets, which work is in the direct financial interest of creditors.

The fee estimates attached at Appendix 4 set out the work that I expect to undertake, the average hourly rate of the personnel working on it and the time it is expected to take. Please note that the total fee estimate includes the time already spent.

In order to prepare my fee estimate at this stage in the Administration I have necessarily made a number of assumptions about the extent of the work that will be required. The most important of these assumptions are:-

- That the duration of the Administration will not exceed 12 months;
- That it will not become necessary to bring or defend any legal proceedings; and
- That my investigations do not reveal any transactions that it is necessary to investigate in greater depth, or to pursue in the interests of the creditors of the Companies.

Accordingly my fee estimate does not include these activities and on that basis you will see that my fees are proposed to be capped as follows £54,253 representing 186.40 hours in aggregate at an average charging rate of £292.51 per hour.

Where any of the excluded activities required, I am permitted to treat them as 'milestones' in the conduct of the case, and am then able to provide creditors with a revised fee estimate to accommodate the extra work. In that event, creditors may agree to an increase in the cap on my remuneration.

I am also more generally permitted to revert to creditors for further fee approval should matters develop in a manner that has not currently been foreseen, or should additional matters emerge. In practice, it may be that some of the anticipated activities take longer than expected for example any legal action in relation to book debt collections. Provided the outcome remains at all times fair and reasonable for the creditors the fee cap operates on the total time spent and not on the estimates for the individual activities.

Please note that your approval to the basis of my remuneration does not necessarily mean that I will receive that level of remuneration. I am obliged to let you know what my costs will be, not the amount that I expect to recover. I can only be paid out of the assets of ISL, so if that does not come in as anticipated I may not be paid in full for my services as Administrator, or at all.

The following information in relation to the statutory fee estimate and statement of disbursements and expenses are set out in the attachments below:

- Appendix 2 – Administrator's Estimated Financial Position as at 25 February 2020;
- Appendix 4 – Administrator's Statutory Fee Estimate incorporating time incurred to date;
- Appendix 5 – Administrator's Statutory Estimate of Expenses and Disbursements;



- Appendix 6 - DFW Associates charge out policy;
- Appendix 7 – Notice of Decision by Correspondence;
- Appendix 8 – Decision Form; and
- Appendix 9 – Creditor Claim Form.

It would be of assistance to me in the performance of my duties as Administrator if you could complete and return the Decision Form and the creditor claim form to my office by the Decision Date specified in the Notice, which is **12 March 2020 at 23.59** signifying your decision for each of the resolutions.

A copy of a Creditors' Guide to Administrators' Fees, can be downloaded from the following link:

<https://www.r3.org.uk/media/documents/publications/professional/Administration%20Creditor%20Fee%20Guide%20April%202017.pdf>

Alternatively I shall be pleased to provide you with a hard copy free of charge on request.

### **Statutory Estimate of Disbursements and Expenses**

The Administrator's estimated Statutory Statement of Expenses is attached at Appendix 5. I am obliged at this early stage to estimate the nature and quantum of my expenses for the entire duration of the Administrations.

In order to make this statement I have therefore had to make a number of assumptions, which are detailed in the Estimate.

As the Administrations progress I may find that I am not obliged to incur certain of these expenses, or may be obliged to incur additional expenses. An updated position will be reported to creditors in my future progress reports.

The Administrator's expenses and disbursements are payable out of the assets of the Companies in a statutory priority which means that they rank for payment ahead of the Administrators own remuneration.

As Administrator, I have direct authority under the Insolvency Rules to defray expenses necessarily and properly incurred in the performance of my duties, however professional regulations require me to obtain specific approval from creditors for the rates at which apportioned costs, such as photocopying and mileage charges, are charged in the Administrations.

Such costs are known as Category 2 disbursements and are shown separately in the Expenses Estimate, and a resolution to enable creditors to consider approving them is on the enclosed decision form. Details of DFW Associates standard tariff rates for Category 2 disbursements are also attached at Appendix 6.

It is important that you have enough information about the services that I am going to provide as Administrator to be able to assess the reasonableness of my estimate of the costs of providing them. That is something that, ultimately, only you can determine. If you require a more detailed description of the specific tasks that I will be carrying out, please let me know and I shall be pleased to provide it.

## **12. OTHER INFORMATION TO ASSIST CREDITORS**

### **Directors of the Companies Conduct**

As part of his statutory duties, the Administrator will consider the conduct of the Directors of the Companies and any person he considers a shadow or de facto partner in relation to their management of the affairs of the Company, during the three years prior to the appointment of the Administrator and the causes of failure and will submit a confidential report to the Insolvency Service..

As part of the investigation, the Administrator will consider, amongst other matters, the following:

- Statutory compliance issues;
- Misfeasance or breach of duty; and
- Antecedent transactions (including transactions at an under value and preferences)

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

### **SIP 13 – Transactions with connected parties**

The Administrator is obliged to identify and investigate any transactions entered into by the Companies and any connected parties in the two years prior to their appointment. Further details shall be provided in the Administrator's first progress report after I have carried out my investigations.

### **Sale of Assets to Director**

There has been a sale of an Apple Mac monitor and Sharp flat screen TV, to a former director of the Companies, Carl Howarth for a consideration of £300 on 21 January 2020.

### **Third Party Assets**

Should you believe that you own items that may have been present at the Companies trading premises at the date of appointment please contact the Administrator as soon as possible.

## **13. CONCLUSION**

The Administrator is seeking creditor approval to the Administrator's proposals and certain resolutions by correspondence in respect of ISL, in order for your vote to count you should complete and return the decision voting form (ISL) attached at appendix 8 by the deadline of **23:59 on 12 March 2020** or your vote will be disregarded, as will any votes received after the deadline. In order for your vote to be counted, please also complete and return a claim form for (ISL) attached at Appendix 9. Voting and claim forms should be returned to DFW Associates, 29 Park Square West, Leeds, LS1 2PQ or by email to [sam.booth@dfwassociates.co.uk](mailto:sam.booth@dfwassociates.co.uk).

Creditors will be notified of the outcome of the voting in due course. Subject to the approval of my proposals by the decision procedure, I will report on progress again approximately six months after the commencement of the Administrations, or at the conclusion of the Administrations, whichever is the sooner. Please note that there may be changes to the content of these proposals, and if so, will be reported to creditors at the earliest opportunity.

Neither I nor DFW Associates have any relationship with any of the creditors of the Companies which could give rise to a conflict of interest in their consideration of any of the resolutions proposed.

Should you have any queries please do not hesitate to contact me.

Yours faithfully



**David Frederick Wilson**  
**Administrator**

Date: 25 February 2020

**INTERCEPT SERVICES LIMITED  
(IN ADMINISTRATION)**

**ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT  
2 JANUARY 2020 TO 21 FEBRUARY 2020**

	Statement of affairs	From 2 Jan 20 to 21 Jan 20	Total
	£	£	£
<b>RECEIPTS</b>			
Office Furniture & Equipment	5,550.00	50.00	50.00
Stock	14,950.00	14,950.00	14,950.00
Book Debts	47,454.00	6,480.99	6,480.99
Cash at Bank	2,336.00	2,336.03	2,336.03
Motor Vehicle	400.00	-	-
Intellectual Property Rights	30,000.00	30,000.00	30,000.00
	<u>100,690.00</u>	<u>53,817.02</u>	<u>53,817.02</u>
<b>PAYMENTS</b>			
Statutory Advertising		(91.00)	(91.00)
		<u>(91.00)</u>	<u>(91.00)</u>
Net Receipts/(Payments)		<u>53,726.02</u>	<u>53,726.02</u>
<b>MADE UP AS FOLLOWS</b>			
Bank		62,707.82	62,707.82
VAT Receivable		18.20	18.20
VAT Payable		<u>(9,000.00)</u>	<u>(9,000.00)</u>
		<u>53,726.02</u>	<u>53,726.02</u>

**INTERCEPT SERVICES LIMITED  
(IN ADMINISTRATION)**

**ESTIMATED FINANCIAL POSITION AS AT 25 FEBRUARY 2020**

	Notes	Book Value £	Estimated to Realise £
<b>Assets not specifically pledged</b>			
Office furniture & Equipment / Motor Vehicle	1	25,093	14,850
Stock	2	154,569	14,950
Book Debts	3	79,090	47,454
Cash at Bank	4	2,336	2,336
Intellectual Property Rights	5	2,769,949	30,000
Inter-Company Loan - IOTL	6	41,282	Nil
		<u>3,072,319</u>	<u>109,590</u>
<b>Amount Available for Pref Creditors</b>			<b>109,590</b>
Est. Preferential Creditors	7		<u>(78,858)</u>
<b>Shortfall as per Preferential Creditors</b>			<b>30,732</b>
Less: Prescribed Part	8		<u>Nil</u>
<b>Amount available to Floating Charge Creditors</b>			<b>30,732</b>
Less:			<u>Nil</u>
<b>Shortfall as per Floating Charge Creditors</b>			<b>30,732</b>
Add: Prescribed Part	8		<u>Nil</u>
<b>Amount available to Unsecured Creditors</b>			<b>30,732</b>
<b>Estimated Unsecured Creditors</b>			
Employee Estimated Claims for Redundancy/Pay in Lieu	9		(60,558)
Trade and expense creditors	10		(922,444)
HM Revenue & Custom	11		(58,139)
Loan - LDL	12		(1)
Landlord - Contingent Claim	13		(122,166)
Inter-Company Loan IIPL	14		<u>(3,896,688)</u>
			<u>(5,059,996)</u>
Surplus/deficit to unsecured creditors			<u><u>(5,029,264)</u></u>

**INERCEPT SERVICES LIMITED****NOTES TO THE ESTIMATED FINANCIAL POSITION**

The last set of accounts prepared by the accountants were draft unaudited financial statements for the year ended 30 June 2019. It should be noted that no provision has been made for the costs and expenses of the Administration

**1) Office Furniture and Equipment / Motor Vehicle**

On 2 January 2020, Sanderson Weatherall (“our agents”) who are RICS registered agents/valuers were instructed to attend the Companies trading premises to conduct a RICS (red book) asset appraisal and valuation of the Company owned office furniture and equipment. The company owned a Toyota Aventis which has been used as a test vehicle. They attended on 6 January 2020 to carry out a valuation on the basis of market value as a whole in its working place (in-situ) and for removal from the premises (ex-situ) which are detailed below:

<b>Category of Assets</b>	<b>Market Value as a whole in-situ £</b>	<b>Market Value for removal from the premises (ex-situ) £</b>
Office Furniture & Equipment	8,500	5,500
Motor Vehicle – unencumbered	400	400
<b>Total</b>	<b>8,900</b>	<b>5,900</b>

**Basis for the Valuations**

The assets have been valued on a market value basis. The market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction. The valuations do not take into account any costs of realisation.

**i) As a whole in its working place – In-situ**

The market value as a whole in its working place after proper marketing is intended to reflect that the purchaser will continue to remain in occupation of the premises and the assets will remain in-situ.

**ii) For removal from the premises – Ex-situ**

The market value for removal from the premises is intended to reflect the amount which would be achieved should all the assets be offered for sale by way of online auction of the warehouse and office furniture and remaining stock from site.

SW recommended that the most appropriate method of disposal was by way of a public online auction which was listed for 30 January 2020. The auction sale has achieved £14,500 and a further £350 by private treaty sales.

**2) Stock**

This relates to materials being manufactured on behalf of the Company being held by the production company in Shanghai. Due to changes in specification to the product much of the stock held was obsolete and also various payments remained outstanding.

**3) Book Debts**

At the date of Appointment ISL had an outstanding ledger in the sum of £89,438 with a collectable balance of £79,090. For the purposes of the estimated statement of this has been written down by 40% for bad and disputed debts to an estimated to realise figure of £47,454.

**4) Cash at Bank**

At the date of appointment £2,336.03 was being held in the Company bank account at Santander UK plc. These funds have been transferred into the Administration account.

**5) Intellectual Property Rights ("IP")**

The main assets of the Companies are the ("IP") rights, titles and registered patents. Following the Administrator's appointment Clarion Solicitors conducted IP searches for the Companies for the registered trade mark, designs and patents. All of the registered IP rights sits in IIPL with the exception of one patent held by IOTL. It is understood that ISL developed certain of the IP rights on behalf of IIPL.

Our agents, Sanderson Weatherall ("SW") were consulted to provide advice in relation to determining the value of the IP. They confirmed that given the nature of the IP it is not possible to value it as there are no limited market comparators and as such have said that the best way to determine the value for the IP was to market it and invite offers.

There were a number of interested parties in acquiring the intellectual property rights and certain assets, all of which were sent *non-disclosure agreements* ("NDA") prior to receiving any financial information in respect of the Company. In total 5 expressions of interest had been received and NDA's were sent to all of these parties, resulting in 4 signed NDA's and 1 formal offer with the prospective purchaser attributing a value of £970,000 for the IP and the rights held by the IIPL, £30,000 for the rights held by ISL and £5,000 for the IP held by IOTL.

Following the advice and recommendations from our agents, and in the absence of any other offers for the IP, the offer was accepted and a sale of the IP and certain assets concluded on 6 February 2020 (see the section 7 of the report for further details).

**6) Inter-Company Loan - IOTL**

There have been inter-company loans totalling £41,282 made to IOTL as it has not operated a bank account since 2016. IOTL has been dormant other than holding the rights and title to the registered patent which has incurred ongoing costs. For the purposes of the estimated financial position this has been written down to nil.

**7) Preferential Creditors**

The preferential claims anticipated from the employees and Director, in respect of wage arrears and holiday pay have been estimated at £78,858 for the purposes of the estimated financial position. Claims have been submitted to the Redundancy Payments Office, however they have not yet submitted a claim in the Administration. It is anticipated that the preferential claims will be settled in full.

**8) Prescribed Part**

Section 176a of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Administrator must make a prescribed part of the company's net property available for the unsecured creditors which is calculated at 50% of the first £10,000 of net floating charge realisations plus 20% thereafter up to maximum of £600,000.

The prescribed part does not apply in this instance as there are no floating charge creditors.

**9) Employees Estimated Claims for Redundancy and Pay in Lieu of Notice**

The employees and Director were made redundant by the Company at the date of appointment and they have submitted claims to the RPO for pay in lieu of notice and redundancy entitlements. The RPO will lodge a claim in the Administration for these claims and the employees may be entitled to make claim for any shortfall. The amount has been estimated for the purposes of the estimated financial position.

**10) Trade & Expense Creditors**

This figure has been taken from information provided by the Company and should not be taken as an agreed amount.

**11) HM Revenue & Customs**

This amount has been taken from the initial claim received from HM Revenue & Customs on 30 January 2020 in the sum of £58,139 in respect of VAT.

**12) Loan – LDL**

At the date of the appointment the estimated indebtedness in accordance with the records of the Companies to LDL was £1,508,865 (originals loans totalling £1,840,000 less repayments of £292,726 and £38,409 made in December 2019 by ISL). The Administrator is in correspondence with LDL to reconcile the outstanding liability due to them which appears to have been paid to IPL and IPS, however the debt has been secured by a debenture against IIPL created on 7 November 2019 and registered on 14 November 2019, creating fixed and floating charges over the assets of the Company. For the purposes of the estimated financial position the liability is being shown as a contingent claim of £1 as it is believed the loans were made to IIPL.

As stated above the Administrator will undertake a full reconciliation of this debt, the inter-company transactions and obtain legal advice in relation to LDL's security.

**13) Landlord – Contingent Claim**

ISL leased offices to the 2<sup>nd</sup> floor of Bates Mill, Colne Road, Huddersfield, HD1 3AG on a 5 year lease which commenced on 13 November 2017 from the Landlord. The rent had been paid up to December 2019.

Following his appointment the Administrator made an agreement with the Landlord that the Company in Administration will occupy the premises which is to be invoiced on a monthly basis until the assets have been sold and uplifted from the premises. I confirm that the 2<sup>nd</sup> floor offices were vacated on 6 February 2020 and the keys have been returned to the Landlord.

The Landlords claim has been estimated for the remaining term of the lease not including any dilapidations.

**14) Inter-Company Loan IIPL**

There have been inter-company loans of £3,896,688 made from IIPL. This figure has been extracted from the management accounts as at 31 December 2019 and should not be taken as agreed.

**DFW Associates**  
**Intercept Services Limited**  
**B - Company Creditors**

Key	Name	Address	£	Security Held
C200	2plus1	181 Huddersfield Road, Elland, West Yorkshire, HX5 0EE	702.00	
CA00	Accessor Telematics Enabler	BY EMAIL, cecilia.collin@accessor.se	4,193.00	
CA02	Audax UK Long Distance Cyclists Ass Ltd	25 Blue Water Drive, Elborough, West-super-Mare, BS24 8PF	23,830.00	
CA03	Astrondo Limited	235 Maitiam Road, Huddersfield, HD4 7HL	13,528.32	
CB00	Broadway Design	BY EMAIL, lindsay@broadway-design.co.uk	59.00	
CB01	Bytesnap Design	2 Devon Way, Longbridge Technology Park, Birmingham, B31 2TS	42,559.53	
CB02	British Pregnancy Advisory Centre	20 Timothy Bridge Road, Stratford Enterprise Park, Stratford-upon-Avon, Warwickshire, CV37 9BF	15,287.00	
CB03	Barclaycard Commercial	PO Box 4000, Wigston, LE18 9EN	10,133.91	
CB04	Bates & Co (Huddersfield) Limited	Fairfield Mills, Miltord Street, Huddersfield, HD1 3DX	122,166.00	
CC00	Carreres Bessons (PTY) Limited	BY Email, ronelleates@gmail.com	16,082.47	
CC03	Connected Car A/S	BY EMAIL, mg@connectedcars.dk	580,880.00	
CE00	Element Materials Technology Limited	BY EMAIL, ESS.creditcontrol@element.com	3,600.00	
CE01	Ellidan Limited	The Waterworks North Ramsden, Ramsden Lane, Todmorden, OL14 7RS	18,240.00	
CE02	Expion	Tower Offices, Plover Road, Huddersfield, HD3 3HR	9,360.00	
CE03	Express Living	Permanent House, 1 Dundas Street, Huddersfield, HD1 2EX	385.00	
CF00	Florence Wilkinson	20 Knowles Wharf, 38 St Pancras Way, London, NW1 0QW	937.50	
CG00	Mr Christian Galle	BY EMAIL, Christian Galle - W1 <cg@w-1.dk>	72,000.00	
CG01	Grey Matter Limited	2 Prigg Meadow, Ashburton, Devon, TQ13 7DF	1,001.61	
CH00	HM Revenue & Customs	Debt Management, Enforcement & Insolvency Service, BX9 1SH	58,138.92	
CH01	Hendry IT Consulting Limited	56 Minster Way, Bath, BA2 6RL	450.00	
CI00	Inventec Appliances Corporation	BY EMAIL, chang andy@iac.com.tw	17,210.00	
CI01	Inter-Company Loan IPL	c/o DFW Associates, 29 Park Square West, Leeds, LS1 2PQ	3,896,688.00	
CK00	Klaus Hansson	BY EMAIL, klaus.hansson@interceptip.com	1.00	
CL00	Lanesborough Developments Limited	Cuckhams Farm, 67 Ragged Lane, St Albans, AL2 3NP	1.00	
CM00	Madelene Mendes	BY EMAIL, madelene.mendes@interceptip.com	2,766.00	
CM01	MD3X Limited	32 Stanley Avenue, Beckenham, Kent, BR3 6PX	3,000.00	
CM02	My Management Accountant Limited	The Media Centre, 7 Northumberland Street, Huddersfield, HD1 1RL	3,600.00	
CN00	NBS Associates	BY EMAIL, matt.bailey@nbsassociates.co.uk	3,210.00	
CP00	Persimmon Homes Limited	Persimmon House, Fulford, York, YO19 4FE	2,044.00	



DFW Associates  
Intercept Services Limited  
B - Company Creditors Continued

Key	Name	Address	£	Security Held
CP01	Premium Credit Limited	Ermyn House, Ermyn Way, Leatherhead, KT22 8UX	1.00	
CR00	RF Web Design Limited	Unit 1 - 1st Floor, Radiant Works, Back Union Street, Huddersfield, HD1 6AL	5,175.84	
CR01	Roedan Embedded Systems Limited	BY EMAIL, admin@roedan.com	6,000.00	
CS00	Surface Technology International	Osborn Way, Hook, Hampshire, RG27 9HX	52,517.00	
CS01	Santander	44 Merrion Street, Leeds, LS2 8JQ	1.00	
CT00	Texim Europe	BY EMAIL, info@texim-europe.com	428.00	
CT01	Total Jobs Group Limited	BY EMAIL, alison.ramsay@jobsite.co.uk	840.00	
CV00	Volvo Car Financial Services	Santander Consumer (UK) plc, Santander House, 86 Station Road, Redhill, Surrey RH1 1SR	622.00	
CW00	W1 Consulting	BY EMAIL, christian.galle@controffl.co.uk	4,283.50	
CW01	Wavenet	Blythe Valley Park, One Central Blvd, Solihull, B90 8BG	15.00	
CZ00	Zetland Design Limited	subrogated claim to Markel Tax, One Mitchell Court, Castle Mound Way, Rugby, CV23 0UY	7,500.00	
40 Entries Totalling			4,999,437.60	

**DFW Associates**  
**Intercept Services Limited**  
**B1 – Company Creditors – Employees & Directors**

Key	Name	Address	Pref £	Unsec £	Total £
EA00	Mr M Ahmed	38 Pasture Close, Clayton, Bradford, BD16 6LY	2,747.50		2,747.50
EB00	Mr J Bedford	185 Longley, Huddersfield, HD5 8LB	2,485.00		2,485.00
EB01	Ms L Brooker	5 Hill Close, Huddersfield, HD3 3TN	2,275.00		2,275.00
ED00	Mr A Davis	30 Cathedral Road, Chadderton, Oldham, OL9 0AT	2,275.00		2,275.00
ED01	Mr B Downen	12 Cardinal Way, Clipstone Village, Mansfield, NG21 9FH	2,275.00	1,050.00	3,325.00
ED02	Mr C Dixon	Flat 20 Creative Lofts, Huddersfield, HD1 1RL	1,916.68	884.62	2,801.30
EF00	Mr A Fernandez	8 Greenfield Court, Leeds, LS16 7TU	2,275.00		2,275.00
EG00	Mr C Greenway	25 Mill Race Lane, Laisterdyke, Bradford, BD4 8DH	2,275.00		2,275.00
EG01	Mr G Gatenby	25 Woodleigh Close, Lydiate, Merseyside, L31 4LB	2,800.00	5,250.00	8,050.00
EG02	Mr L Greenwood	23 St Oswalds Terrace, Guiseley, Leeds, LS20 9BD	2,275.00	1,312.50	3,587.50
EG03	Mr P Gray	20 Grasscroft Avenue, Honley, Huddersfield, HD9 6HY	2,275.00	4,200.00	6,475.00
EH00	Mr C Howarth	Chapelbank House, 30 Elland Road, Ripponden, HX6 4DB	4,585.00	9,450.00	14,035.00
EH01	Mr C Headford	75 Warneford Road, Cowersley, Huddersfield, HD4 5TP	2,275.00	5,250.00	7,525.00
EH02	Mr P Hey	4 Edgemoor Road, Honley, Holmfirth, HG9 6HP	2,275.00	6,037.50	8,312.50
EK00	Mr A Kell	140 Hightown Road, Liversedge, West Yorkshire, WF15 8BZ	2,275.00		2,275.00
EK01	Mr P Kendall	Netherton Cottage, Farnley, Tyas, Huddersfield, HD4 6UL	2,275.00	2,100.00	4,375.00
EL00	Mr A Lilley	9 Kenyin Bank, Denby Dale, Huddersfield, HD8 8TD	999.40	4,725.00	7,000.00
EM00	Mr A Mora	94 Tanhouse Farm Road, Solihull, B92 9EY	2,275.00		2,275.00
EM01	Mr I Muhammad	58 Moor View Drive, Bradford, BD3 0DP	2,905.00		2,905.00
EM02	Mr T Mahmood	118 White Lee Road, Batley, WF17 8AG	2,275.00		2,275.00
EN00	Mr D Needham	30 Killarney Close, Grantham, NG31 9GA	2,275.00	1,312.50	3,587.50
EO00	Mr P O'Dowd	12 Water Lily Way, Nuneaton, C10 7SJ	3,010.00		3,010.00
EP00	Mr J Page	58 Far Banks, Honley, Holmfirth, HD9 6NW	726.92		726.92
ES00	Ms J Stevens	3 Harper Royd Lane, Norland, Sowerby Bridge, HX6 3QQ	2,275.00	4,200.00	6,475.00
ES01	Mr M Shuheb	Apartment 6, Colonial Buildings, 135-139 Sunbridge Road, Bradford, BD1 2NB	2,275.00	1,050.00	3,325.00
ES02	Mr A Shah	8 Crescent Road, Rochdale, OL11 3LF	2,275.00		2,275.00
ET00	Mr C Townsend	3 Alexander Road, Lyndley, Huddersfield, HD3 3DP	2,275.00	2,625.00	4,900.00
ET01	Mr S Tunaley	8 Werneth Close, Denton, Manchester, M34 6LR	2,275.00	2,625.00	4,900.00
EW00	Mr A Wycherley	38 Mitchcroft Road, Longstanton, Cambridge, CB24 3BF	2,275.00		2,275.00
EW01	Mr C Welsh	22 Cathill Drive, Calverley, Leeds, LS28 5QA	2,083.34	1,923.08	4,006.42
EW02	Mr K Wood	90B Kaye Lane, Almondbury, Huddersfield, HD5 8XU	2,275.00	5,250.00	7,525.00
EW03	Mr M Wells	3 Heaton Drive, Huddersfield, HD5 0LL	2,275.00	1,312.50	3,587.50
EW04	Mr M Woodhead	53 Threelands, Birkenshaw, Bradford, BD11 2DG	2,275.00		2,275.00
EW05	Mr S Wilkinson	11 Greenfield Road, Holmfirth, HD9 2LA	2,275.00		2,275.00
36 Entries Totalling			78,858.84	60,557.70	139,416.54

DFW Associates  
Intercept Services Limited  
B2 – Company Creditors - Consumer Creditors

Key	Name	Address	£
0	Entries Totalling		0.00

Time Entry - SIP9 Time & Cost Summary

ADM0024 - Intercept Services Limited  
All Pre Appointment Project Codes  
From: 31/12/2019 To: 02/01/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.20	0.00	0.00	0.00	2.20	869.00	395.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	2.20	0.00	0.00	0.00	2.20	869.00	395.00

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	395	395
Manager	245	245
Assistants & Support Staff	180	180

Time Entry - SIP9 Time & Cost Summary

ADM0024 - Intercept Services Limited  
All Post Appointment Project Codes  
From: 02/01/2020 To: 24/02/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	7.50	18.70	0.00	0.00	26.20	7,544.00	287.94
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.80	36.00	0.00	0.00	38.80	9,926.00	255.82
Investigations	0.50	1.00	0.00	0.00	1.50	442.50	295.00
Realisation of Assets	29.10	15.80	0.00	0.00	44.90	15,365.50	342.22
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	39.90	71.50	0.00	0.00	111.40	33,278.00	298.73
						0.00	

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	395	395
Manager	245	245
Assistants & Support Staff	180	180

**INTERCEPT SERVICES LIMITED (“ISL”)****Post Appointment Time Cost Summary, Statutory Fee Estimate & Narrative**

## Notes

	Note	Time Costs to Date 2 Jan 20 - 24 Feb 20			Estimated Future Time Costs			Total Estimated Time Costs		
		Hrs	Rate	£	Hrs	Rate	£	Hrs	Rate	£
Admin and planning	1	26.20	252.42	7,544.00	10.00	395.00	3,950.00	36.20	317.51	11,494.00
Investigations	2	1.50	395.00	442.50	15.00	245.00	3,675.00	16.50	249.55	4,117.50
Realising assets	3	44.90	306.02	15,365.50	20.00	300.00	6,000.00	64.90	329.21	21,365.50
Trading	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Creditors	5	38.80	252.31	9,926.00	30.00	245.00	7,350.00	68.80	251.10	17,276.00
Case specific	6	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		111.40		33,278.00	75.00		20,975.00	186.40		54,253.00

\* Statutory Fee Estimate

N.B. I am required to detail whether the below listed actions were for the direct financial benefit or a statutory requirement or both. I have annotated them with an ‘F’ for financial a benefit or an ‘S’ for a statutory requirement.

**1) ADMINISTRATION & PLANNING**

This category encompasses work undertaken for statutory and case management purposes. This work will not result in any direct financial benefit for creditors, however it will ensure the case is set-up and managed efficiently which will be of a benefit to all creditors.

The work carried out under this category comprises of the following:

**General Administration**

File Notes to records decisions evidence case progression; (S)  
 Collection, inventory, storage and review of company books and records; (S)  
 Ongoing completion of case checklists to ensure compliance/progression; (S)  
 Calculation of IP’s bond in accordance with Insolvency Practitioners’ Regulations 2005; (S)  
 Periodic review of bonding to ensure adequate cover is in place; (S)  
 Completing and submitting S120 Notice online/paper under the Pensions Act 2004, corresponding with the Pension Protection Fund and the Pension Regulator; (S)  
 Liaising/corresponding with pension scheme providers to ensure statutory compliance and arrange winding-up of scheme or appointment of a new Trustee where appropriate; (S)  
 General correspondence/communications with Directors and beneficial owners; (S)  
 Case resourcing and budgeting; (S)  
 Periodic case reviews to ensure case progression; (S)  
 Periodic review of anti-money laundering risk assessment, update checklist ascertain change in risk levels and conduct any necessary due diligence; (S)  
 Review of time costs and data to ensure accurate postings; (S) and  
 Case closure procedures. (S)

**Cashiering**

This category of work is statutory and will not result in a direct financial benefit for creditors. The work is essential to ensure the estate bank account is closely monitored and all transactions are recorded on IPS, bank interest is maximised where possible, professional costs are monitored and funds distributed to creditors as soon as practicable.

Opening estate bank account; (S)  
 Liaising with RBS in relation to credits to company account in respect of sales to request transfers to the Administration account; (S)  
 Posting and recording sales transactions to IPS and corresponding charges; (S)  
 Maintenance of estate bank accounts and periodic bank reconciliations from statements; (S)  
 Payment of estate expenses; (S)

Posting transactions on IPS; (S)  
Processing HMRC returns pre and post appointment VAT 769, VAT 100, VAT193, VAT833 and Corporation Tax returns; (S, F)  
Obtaining HMRC clearance to close case from Insolvency Claims Handling Unit and Corporation Tax; (S)  
Preparation of periodic receipts and payments accounts to be filed at Companies House; (S)  
Transfer funds to non-interest bearing account; (S) and  
Close estate bank account following case closure. (S)

## **2) INVESTIGATIONS**

This category of work is statutory and will not result in direct financial benefit for creditors. The work is essential to ensure compliance and ensure that all matters regarding the Directors conduct are reported to the Insolvency Service for further investigation (if applicable) and the appropriate disqualification action taken. It is necessary to conduct a full review of the books and records/affairs of the Company to ascertain if there are any undisclosed assets which is for the direct financial benefit of creditors.

Conduct full Directors search at Companies House to ascertain if there have been any previous disqualifications or directorships of insolvent companies; (S)  
Corresponding with Directors ensuring completed questionnaires are returned; (S)  
Review of books and records, preliminary investigation under Statement of Insolvency 2 (SIP2); (F, S)  
Completion Directors conduct checklists; (S)  
Enquiry into Directors conduct under Statement of Insolvency Practice 4 (SIP4) and Department of Business Innovation and Skills (DBIS); (S)  
Completion/submission of online returns under the Company Directors Disqualification Act 1986 (CDDA); (9S) and  
Liaising with the Insolvency Service to assist enquiries/investigations regarding any investigations into the Directors conduct. (S)

## **3) REALISING ASSETS**

This category of work will result in the direct financial benefit of creditors and is essential to maximise realisations to enable (where sufficient funds are available) a return to creditors after costs of realisation.

Liaising with solicitors in relation to post appointment matters, the validity of the appointment and general advice in relation to the Administration; (F)  
Liaising with agents regarding site attendance to value the assets and provide marketing and disposal advice; (F)  
Liaising with agents in relation to disposal strategy for the office furniture and equipment and online auction; (F)  
Liaising with agents to provide advice, assistance and recommendations in relation to the intellectual property, rights and title; (F)  
Liaising with solicitors in relation to intellectual property register searches and advice; (F)  
Liaising with solicitors to obtain to advice regarding Lanesborough Developments Limited and the intellectual property rights; (F)  
Liaising with interested parties for the IP and certain assets, issuing NDA's, liaising with director/agents to collate financial information for interested parties; (F)  
Negotiations with interested party in relation to their offer; (F)  
Liaising with solicitors regarding the draft sale and purchase agreement, amendments, enquiries and sale completion; (F)  
Corresponding with outstanding debtors in relation to payments due; (F)  
Review of loans and repayments made by/to Lanesborough Developments Limited; (F)  
Review of books and records/affairs of the Company to ascertain if there are any undisclosed assets; (F)  
Review and analysis of company bank statements; (F)  
Submission of pre-appointment VAT returns in respect of any refunds due; (F)  
Communications with third parties regarding the collection/return of any third party owned assets; (F)  
Dealing with retention of title (ROT) claims, issuing questionnaires, conducting identifications of any items in relation to ROT claims, agreeing/signing off inventory of goods, reviewing documentation to assess the validity of claims, liaising with suppliers to arrange collection of goods in relation to valid claims; (F) and

Liaising with Company bankers to ensure all sales receipts are transferred to the Administration bank account.  
(F)

#### 4) CREDITORS

This category of work is statutory the majority of which will not result in the direct financial benefit of creditors, however it is essential to keep creditors fully informed regarding the case and allow them to vote on any qualifying decision procedures. The agreement/adjudication of creditor claims is in the direct financial benefit of creditors as the work is required to enable distributions to the secured/unsecured creditors.

Processing company creditor claims; (S)  
Creditor correspondence, emails, faxes and telephone calls; (S)  
Corresponding with lease/finance creditors; (S)  
Processing company employee claims with Redundancy Payments Office; (S)  
Corresponding with Lanesbrough Developments Limited; (S)  
Review of inter-company loans and transactions; (S)  
Corresponding with employees in writing, email, fax, telephone calls; (S)  
Calculating employees claims to include in statement of affairs; (S)  
Agreeing/adjudication secured/preferential/unsecured creditor claims; (S)  
Calculating creditor distributions (if sufficient realisations); (S)  
Preparation and review of pre-appointment VAT and Corporation Tax Returns to enable HMRC to calculate their claim; (S)  
Preparation and submission of initial appointment notifications to creditors; (S)  
Preparation and submission of Administrator's Report & Proposals to creditors regarding proposals, fee approval and qualifying decision procedure, monitor voting in respect of decisions; (S)  
Record and notify creditors regarding decisions approved/not approved by creditors; (S)  
Preparation and submission of statutory six monthly progress reports to creditors; (S)  
Filing copies of statutory reports at Companies House; (S) and  
Preparation and submission of final reports to creditors at the conclusion of the case. (S)



**Intercept Services Limited**  
**Administrator's Statutory Estimate of Expenses (including disbursements)**

Estimated duration - 12 months

\* not including VAT

Expense	Note	Provider	Estimate £	Incurred £	Paid £	Unpaid £	Total £
Statutory Bond	1	Marsh Limited	780.00	780.00	Nil	780.00	780.00
Statutory Adverts	2	Courts Advertising	182.00	91.00	91.00	Nil	182.00
Storage Costs	3	McCarthy's	250.00	Nil	Nil	250.00	250.00
Rent	4	Landlord	5,211.06	5,211.06	Nil	5,211.06	5,211.06
Legal Fees	5	Clarion Solicitors	6,500.00	4,022.50	Nil	4,022.50	6,500.00
Agents Fees & Disbursements	6	Sanderson Weatherall	4,000.00	4,000.00	Nil	4,000.00	4,000.00
Insurance of Assets	7	Marsh Limited	1,000.00	Nil	Nil	1,000.00	1,000.00
Accountants Fees	8	My Management Accountant	270.00	180.00	Nil	180.00	270.00
IT Support	9	Grey Matter Limited	200.00	18.78	Nil	18.78	200.00
<b>Total expenses and category 1 disbursements</b>			<b>18,393.06</b>	<b>14,303.34</b>	<b>91.00</b>	<b>15,462.34</b>	<b>18,393.06</b>
<b>Category 2 disbursements</b>							
Printing & Photocopying	10	DFW Associates	1,000.00	Nil	Nil	Nil	1,000.00
Postage	11	DFW Associates	500.00	Nil	Nil	Nil	500.00
Travel	12	DFW Associates	54.00	54.00	Nil	54.00	54.00
<b>Total Category 2 disbursements</b>			<b>1,554.00</b>	<b>54.00</b>	<b>0.00</b>	<b>54.00</b>	<b>1,554.00</b>
<b>Total per Estimated Outcome Statement</b>			<b>19,947.06</b>	<b>14,357.34</b>	<b>91.00</b>	<b>15,516.34</b>	<b>19,947.06</b>

**Notes**

- 1 Marsh Limited costs for the provision of the Administrator's statutory bond
- 2 Courts Advertising costs for the provision of the statutory adverts
- 3 McCarthy's storage costs for the Company's books and records
- 4 Rent for the 1st & 2nd floor offices of the trading premises until they were vacated on 17 January 2020 and 7 February 2020, respectively.
- 5 Estimate for filing appointment, legal advice and assistance post appointment, draft SPA and IP assignment, completing sale & advice in relation to LDL
- 6 Estimate for sale of assets via online auction, supervision of collection/property clearance, obtaining back-up and data wiping for IT equipment
- 7 Insurance of the assets from the date of appointment until they were sold/collected via private treaty or in the online auction.
- 8 Accountants fees for the monthly subscriptions for Xero
- 9 IT Support to ensure the appropriate services are maintained to enable a sale and transfer of the IP
- 10 DFW Associates be paid (as a Category 2 disbursement) the printing and photocopying costs associated with sending correspondence and creditor circulars.
- 11 DFW Associates be paid (as a category 2 disbursement) the postage costs associated with sending correspondence
- 12 That DFW Associates be paid (as a Category 2 disbursement) any travel costs to collect the books and records

## **DFW Associates Charging Policy**

### **Introduction**

This note applies where a licenced insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees. Following a passing of the resolution for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the costs of facilities provided by the firm and where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **Office Holder's Fees in Respect of the Administration of the insolvent estate.**

The office holder will delegate tasks to colleagues. Such delegation assists the office holder as it allows him/her to deal with the more difficult aspects of the case and ensures that work is allocated and completed at the appropriate level. There are various staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows the staff working on the case with the office holder to allocate their time to the case. The time is recorded at the individual hourly rate in force at that time which is detailed below.

### **Expenses Incurred By Office Holder In Respect Of the Administration of Insolvent Estates**

Best practice guidance classifies expenses into two broad categories

- Category 1 disbursements (approval not required) – specific expenditure that is directly related to the case usually outsourced to a third party. Once these items of expenditure are incurred they are immediately charged to the case.
  - Category 2 disbursements (approval required) – items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.
- (A) The following items of expenditure are charged to the case (subject to approval)
- Car Mileage is charged at a rate of 45p per mile
  - Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the 2 categories referred to above best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as category 2 disbursements
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a category 1 disbursement.
- Telephone and facsimile
  - Printing and photocopying
  - Stationery

### **DFW Charge-out Rate – From 20<sup>th</sup> November 2018**

Time is recorded in 6 minute units.

Principal Associate	395
Associate	245

**NOTICE TO CREDITORS**

**PARAGRAPH 51 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**RULE 15.8 INSOLVENCY (ENGLAND & WALES) RULES 2016**

**INTERCEPT SERVICES LIMITED – IN ADMINISTRATION (“THE COMPANY”)**

**COMPANY REGISTRATION NUMBER: 07284437**

**IN THE HIGH COURT OF JUSTICE, THE BUSINESS & PROPERTY COURTS IN LEEDS NO.**

**CR-2020-LDS-000001**

**DECISION PROCEDURE BY CORRESPONDENCE**

I David Frederick Wilson of DFW Associates, 29 Park Square West, Leeds, LS1 2PQ was appointed as Administrator of the Company on 28 October 2019.

This Notice is being given to all known creditors in accordance with the requirements of Rule 15.8(2) of the Insolvency (England and Wales) Rules 2016.

Notice is hereby given pursuant to paragraph 51 of Schedule B1 of the Insolvency Act 1986 that the creditors are being asked to consider the Administrators Proposals and other resolutions by correspondence and are detailed on the Decision Form provided.

Please indicate your agreement or disagreement to each Decision where indicated then authenticate your Decisions and return them to the Administrator at DFW Associates, 29 Park Square West, Leeds, LS1 2PQ prior to the Decision Date.

**The Decision Date is 12 March 2020 at 23.59.**

If any creditor wishes to propose a modification(s) to the Proposals they must do so in writing. Modifications should be sent to the Administrator at DFW Associates, 29 Park Square West, Leeds, LS1 2PQ with a completed claim form or by fax to 0113 2346953. If modifications are put forward it may be necessary to issue revised Proposals and to postpone the decision date.

The resolutions to be considered are:

1. That the Administrator’s Proposals be approved;
2. That the unpaid pre-administration costs as detailed in the Administrator’s Statement of Proposal’s be approved for payment as an expense of the Administration;
3. In the absence of a creditors’ committee, the remuneration of the Administrator be fixed by reference to time properly spent by him and his staff in attending to matters as set out in the Statutory Fee Estimate at the rates notified to creditors;
4. That the basis for recharge of the Administrator’s category 2 disbursements be fixed by reference to the rates set out in the Administrator’s Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit; and
5. That the Administrator be discharged from liability in respect action(s) of his as Administrator pursuant to the provisions of 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon his appointment ceasing to have effect.

In order to be taken into account, unless previously provided your Decisions must be accompanied by a proof of your debt and if no proof is received prior to the Decision Date your Decisions will be disregarded. Secured creditors, unless they surrender their security, should also include a statement giving details of their security, the date on which it was given and the estimated value at which it is assessed. Creditors whose claims are for less than £1,000 are also required to have submitted a proof of their claim in order for their Decisions to be valid. Creditors who have opted out may also participate in the Decision Procedure provided they have lodged a proof of their debt before the Decision Date.

As creditor, you may, if you wish, object to the use of the Decision by Correspondence procedure and you may require a physical meeting to be convened to consider these Decisions provided that you do so **within 5 business days** of delivery of this Notice. This Notice will be delivered to you no later than 27 February 2020.

You may object by delivering an authenticated and dated Notice of your objection to the Administrator at DFW Associates at the address provided above.

The threshold for objecting to the use of the Decision by Correspondence procedure and requiring a physical meeting to take place is 10% of all creditors by value, 10% by number or 10 creditors.

It is the Administrator's responsibility to determine whether objections received are sufficient for the Decision by Correspondence procedure to end without a decision being made.

If sufficient requests for a physical meeting are received the Decisions are not made and the Administrator will write to creditors to give Notice of a physical meeting to enable creditors to consider these Decisions.

Creditors' attention is further drawn to Insolvency (England and Wales) Rules 2016 15.28, 15.31, 15.32 and 15.34 which detail the rules for voting.

Creditors have the right to appeal any decision made by applying to the Leeds District Registry under the High Court of Justice under Rule 15.35 within 21 days of the Decision Date under court reference CR-2020-LDS-000001.

Signed:



**David Frederick Wilson**  
Administrator

Dated: 25 February 2020

**INTERCEPT SERVICES LIMITED**

**NOTICE OF YOUR OBJECTION TO THE USE OF THE DECISION BY CORRESPONDENCE PROCEDURE**

*Please read the guidance notes below which explain how to authenticate and deliver your objection*

**Objection to the use of the Decision by correspondence procedure/request for a physical meeting**

I/We object to the use of the Decision by correspondence procedure to the above named Company ☐

I/We request that a physical meeting of creditors be convened to vote on the decisions ☐

Please tick either or both boxes

Name of creditor: \_\_\_\_\_

Signed: \_\_\_\_\_

Position (if applicable) \_\_\_\_\_

Sole member of a body corporate (please circle as appropriate) YES/NO/NOT APPLICABLE

Dated: \_\_\_\_\_

Please return this notice to:-

*Contact details and address for notifying your objection to the Convenor*

c/o DFW Associates  
29 Park Square West  
Leeds  
LS1 2PQ

Telephone 0113 3907940 (Please ask for Sam Booth)

and/or

E mail address: [sam.booth@dfwassociates.co.uk](mailto:sam.booth@dfwassociates.co.uk)

**How to authenticate and deliver your Notice of objection**

The Insolvency Rules stipulate how a document is to be authenticated.

For your convenience a written form of Notice of Objection is provided. **You can authenticate your Notice by signing this form and returning it to DFW Associates.** Their contact details are given above.

If the Notice of Objection is being signed on behalf of a creditor who is a body of persons (eg a partnership) or a body corporate (eg a company or LLP) the person signing **must** also state his position in relation to that body eg partner, director, credit controller - otherwise the Notice is not valid.

In addition, if a creditor is a body corporate and the signatory is the sole member of it, that fact must be stated.

**You can return this document to DFW Associates by post, by fax or as an attachment to an email.**

If you do not wish to use this form you can give Notice of objection at any time prior to the Decision Date provided that this is done in writing, your signature is authenticated as described above and your Notice of objection and a proof of your debt are delivered to DFW Associates who are acting for the Convenor. If you intend to deliver an election on behalf of a body of persons or a body corporate by **e mail** could you please ensure that you include a heading and statement identifying clearly the proceedings to which the election relates and do so from an official and verifiable e mail address for the electing body.

## DECISION FORM FOR CREDITORS VOTING

**INTERCEPT SERVICES LIMITED – IN ADMINISTRATION (“THE COMPANY”)****COMPANY REGISTRATION NUMBER: 07284437****IN THE HIGH COURT OF JUSTICE, THE BUSINESS AND PROPERTY COURTS IN LEEDS CR-2020-LDS-000001****DECISION PROCEDURE BY CORRESPONDENCE**

Please consider the following Decisions and signify your response to each of them:

**Decision 1**

That the Administrator’s Proposals be approved;

**\*Accept / Reject****Decision 2**

That the unpaid pre-administration costs as detailed in the Administrator’s Statement of Proposal’s be approved for payment as an expense of the Administration;

**\*Accept / Reject****Decision 3**

In the absence of a creditors’ committee, the remuneration of the Administrator be fixed by reference to time properly spent by him and his staff in attending to matters as set out in the Statutory Fee Estimate at the rates previously notified to creditors;

**\*Accept / Reject****Decision 4**

That the basis for recharge of the Administrator’s category 2 disbursements be fixed by reference to the rates set out in the Administrator’s Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit; and

**\*Accept / Reject****Decision 5**

That the Administrator be discharged from liability in respect action(s) of his as Administrator pursuant to the provisions of 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon his appointment ceasing to have effect.

**\*Accept / Reject**Please authenticate your decisions below and return this Decision Form before the Decision Date **12 March 2020 at 23.59**. Please enclose a proof of your debt if you have not previously done so or your decision will be disregarded.

Name of creditor: \_\_\_\_\_

Signed: \_\_\_\_\_

Position (if applicable) \_\_\_\_\_

Sole member of a body corporate (please circle as appropriate) YES/NO/NOT APPLICABLE

Dated: \_\_\_\_\_

Please return this Decision Form to:-

DFW Associates  
29 Park Square West  
Leeds  
LS1 2PQTelephone 0113 3907940 (Please ask for Sam Booth)  
Email address sam.booth@dfwassocistes.co.uk

# Rule 14.4

## Proof of Debt – General Form

IN THE

High Court of Justice, The Business and Property Courts  
in Leeds

court name or "Office of Adjudicator"  
(bankruptcy only)

Number:

CR-2020-LDS-000001

Name of Company in Administration:

Intercept Services Limited

Company registration number:

[Liquidation only]

07284437

Date of Order:

[day, month, year]

2 January 2020

1 Name of creditor

(If a company, provide the company registration  
number).

2 Correspondence address of creditor

(including any email address)

3 Total amount of claim (£)

(include any Value Added Tax)

4 If amount in 3 above includes (£)

outstanding uncapitalised interest, state  
amount.

5 Details of how and when the debt was  
incurred.

(If you need more space, attach a continuation  
sheet to this form)

6 Details of any security held, the value of  
the security and the date it was given.

7 Details of any reservation of title claimed  
in respect of goods supplied to which the  
debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

Admitted to vote for

Amount (£)

Date

Office Holder (Administrator)

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.



**NOTICE TO CREDITORS**

**R6.19**

**INTERCEPT SERVICES LIMITED – IN ADMINISTRATION (“THE COMPANY”)  
IN THE HIGH COURT OF JUSTICE, THE BUSINESS & PROPERTY COURTS IN LEEDS  
CR-2020-LDS-000001**

**INVITATION TO CREDITORS TO DECIDE IF A CREDITORS’ COMMITTEE SHOULD BE ESTABLISHED**

This Notice is being given to all known creditors in accordance with the requirements of Paragraph 57 of Schedule B1 of the Insolvency Act 1986, Rule 3.39 and Rule 17 of the Insolvency (England and Wales) Rules 2016

Creditors are invited to decide whether a Creditors’ Committee should be established if sufficient creditors are willing to be members of that committee.

The Notice must also invite nominations for membership of the Committee.

The minimum number of nominations (together with consents to act) required for the establishment of a Committee is three persons who satisfy the eligibility requirements under Rule 17.4 which require that a proof of debt has been lodged and not wholly disallowed for voting or dividend purposes. The maximum number of creditors who can form a Committee is five.

If no creditor claim form is received prior to the Decision Date your Decision will be disregarded. Creditors whose claims are for less than £1,000 are also required to have submitted a proof of their claim in order for their Decision to be valid.

**The Decision Date for the receipt of nominations to the Committee is 12 March 2020 at 23.59.**

It is the responsibility of the Administrator to collate all nominations received and to notify the Administrator of the same and if the minimum membership threshold is not met for the decision to form a Committee to be taken as not having been made.

If the threshold is met the Administrator will deal with the statutory formalities of constituting the Committee in accordance with Rule 17.5. Until it is so established the Committee cannot act.

All documentation in relation to this Notice must be sent to the Administrator at DFW Associates, 29 Park Square West, Leeds, LS1 2PQ and not to the Partnership’s trading address.

Creditors have the right to appeal any decision made by applying to Court under Rule 15.35 within 21 days of the Decision Date.

Signed:



**David Frederick Wilson  
Administrator**

**Dated: 25 February 2020**

**INTERCEPT SERVICES LIMITED – IN ADMINISTRATION (“THE COMPANY”)**

**CONSENT TO ACT AS A MEMBER OF THE CREDITORS’ COMMITTEE**

I, the undersigned, request that a Creditors’ Committee be established ☐ (Tick box)

I hereby consent to act as a member of any Creditors’ Committee that may be formed in this matter.

This consent will continue until it is withdrawn by me by written Notice to the Administrator or the Administration is concluded, whichever is the earlier.

My business card, providing contact details for any Committee business, is attached.

Signed:

Name in capitals:

Representing (if not the party on the card):

Date:

**Notes on procedure**

- 1 No Committee can be formed unless at least three nominations are received from persons who have satisfied the Administrator that they are or represent creditors of the Company.
- 2 No person may act as a Committee member unless he or she has agreed to do so and confirmed their agreement in writing to the Administrator.
- 3 The Administrator is obliged to notify creditors of all nominations received to the Committee and of any appointments made.
- 4 The Administrator is required to constitute formally any Committee that may be formed and file details of this and its membership on the Company’s record at Companies House.
- 5 The maximum number of Committee members is five.

**Notes on eligibility**

In order to be eligible to serve on a Committee the creditor must have:-

- 1 Proved for a debt
- 2 Be due a debt which is not fully secured
- 3 A proof that has not been wholly disallowed for voting purposes
- 4 A proof that has not been wholly disallowed for dividend purposes

A body corporate can only be a member of a Committee if it has appointed a duly authorised representative

*Please return this Decision and the Consent to Act to the Convenor at the address provided for this purpose*

**INTERCEPT IP LIMITED  
(IN ADMINISTRATION)**

**ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT  
2 JANUARY 2020 TO 21 FEBRUARY 2020**

	Statement of affairs	From 2 Jan 20 to 21 Jan 20	Total
	£	£	£
<b>RECEIPTS</b>			
Cash at Bank	1,760.00	1,760.07	1,760.07
Intellectual Property	Nil	30,000.00	30,000.00
	<u>1,760.00</u>	<u>31,760.07</u>	<u>31,760.07</u>
<b>PAYMENTS</b>			
Distribution - Lanesborough Developments Limite		(940,000.00)	(940,000.00)
Statutory Advertising		<u>(91.00)</u>	<u>(91.00)</u>
		<u>(91.00)</u>	<u>(91.00)</u>
Net Receipts/(Payments)		<u>31,669.07</u>	<u>31,669.07</u>
<b>MADE UP AS FOLLOWS</b>			
Bank		225,650.87	225,650.87
VAT Receivable		18.20	18.20
VAT Payable		<u>(194,000.00)</u>	<u>(194,000.00)</u>
		<u>31,669.07</u>	<u>31,669.07</u>

**INTERCEPT IP LIMITED  
(IN ADMINISTRATION)**

**ESTIMATED FINANCIAL POSITION AS AT 25 FEBRUARY 2020**

	Notes	Book Value £	Estimated to Realise £
<b>Assets specifically pledged</b>			
Intellectual Property	1	2,401	970,000
<b>Less: LDL (shortfall c/d)</b>	2	<u>(1,508,865)</u>	<u>(1,508,865)</u>
		(1,506,464)	(538,865)
<b>Assets not specifically pledged</b>			
Cash at Bank	3	1,760	1,760
Inter-Company Loan - ISL	4	<u>3,896,688</u>	<u>Uncertain</u>
		3,898,448	1,760
<b>Amount Available for Pref Creditors</b>			<b>1,760</b>
Est. Preferential Creditors	5		<u>-</u>
<b>Shortfall as per Preferential Creditors</b>			<b>1,760</b>
Less: Prescribed Part	6		<u>-</u>
<b>Amount available to Floating Charge Creditors</b>			<b>1,760</b>
Less: LDL (shortfall b/d)			<u>(538,865)</u>
<b>Shortfall as per Floating Charge Creditors</b>			<b>(537,105)</b>
Add: Prescribed Part	6		<u>-</u>
<b>Amount available to Unsecured Creditors</b>			<b>(537,105)</b>
<b>Estimated Unsecured Creditors</b>			
Trade and expense creditors	7		(332,560)
Landlord - Contingent Claim	8		<u>(45,540)</u>
			(378,100)
Surplus/deficit to unsecured creditors			<u><u>(915,205)</u></u>

**INERCEPT IP LIMITED****NOTES TO THE ESTIMATED FINANCIAL POSITION**

The last set of accounts prepared by the accountants were unaudited filleted abridged financial statements for the year ended 30 November 2018. It should be noted that no provision has been made for the costs and expenses of the Administration

**1) Intellectual Property Rights**

The main assets of the Companies are the intellectual property, rights ("IP"), titles and registered patents. Following the Administrator's appointment Clarion Solicitors conducted IP searches for the Companies for the registered trade mark, designs and patents. All of the registered IP rights sits in IIPL with the exception of one patent held by IOTL. It is understood that ISL developed certain of the IP rights on behalf of IIPL.

Our agents, Sanderson Weatherall ("SW") were consulted to provide advice in relation to determining the value of the IP. They confirmed that given the nature of the IP it is not possible to value it as there are no limited market comparators and as such have said that the best way to determine the value for the IP was to market it and invite offers.

There were a number of interested parties in acquiring the intellectual property rights and certain assets, all of which were sent non-disclosure agreements ("NDA") prior to receiving any financial information in respect of the Company. In total 5 expressions of interest had been received and NDA's were sent to all of these parties, resulting in 4 signed NDA's and 1 formal offer with the prospective purchaser attributing a value of £970,000 for the IP and the rights held by the IIPL, £30,000 for the rights held by ISL and £5,000 for the IP held by IOTL.

Following the advice and recommendations from our agents, and in the absence of any other offers for the IP, the offer was accepted and a sale of the IP and certain assets concluded on 6 February 2020 (see the section 7 of the proposals report for further details).

**2) Loan – LDL**

At the date of the appointment the estimated indebtedness in accordance with the records of the Companies to LDL was £1,508,865 (originals loans totalling £1,840,000 less repayments of £292,726 and £38,409 made in December 2019 by ISL). The Administrator is in correspondence with LDL to reconcile the outstanding liability due to them which appears to have been paid to IPL and IPS, however the debt has been secured by a debenture against IIPL created on 7 November 2019 and registered on 14 November 2019, creating fixed and floating charges over the assets of the Company. For the purposes of the estimated financial position the liability is being shown as a contingent claim of £1 as it is believed the loans were made to IIPL.

As stated above the Administrator will undertake a full reconciliation of this debt, the inter-company transactions and obtain legal advice in relation to LDL's security.

**3) Cash at Bank**

At the date of appointment £1,760 was being held in the Company bank account at Barclays Bank plc. These funds have been transferred into the Administration account.

**4) Inter-Company Loan – ISL**

There have been inter-company loans of £3,896,688 made from IIPL. This figure has been extracted from the management accounts as at 31 December 2019 and should not be taken as agreed. For the purposes of the estimated financial position the estimated to realise figure has been stated as uncertain as its dependant on any dividend distribution from the Administration of ISL.

**5) Preferential Creditors**

*There are no employees held in this company they were all employed by ISL.*

**6) Prescribed Part**

Section 176a of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Administrator must make a prescribed part of the company's net property available for the unsecured creditors which is calculated at 50% of the first £10,000 of net floating charge realisations plus 20% thereafter up to maximum of £600,000.

*The prescribed part does not apply in this instance as the company's net property is less than the prescribed minimum.*

**7) Trade & Expense Creditors**

*This figures have been taken from information provided by the company and should not be taken as an agreed amount.*

**8) Landlord – Contingent Claim**

ISL leased offices to the 1st floor of Bates Mill, Colne Road, Huddersfield, HD1 3AG on a 4 year 2 month lease which commenced on 24 September 2018 from the Landlord. The rent had been paid up to December 2019.

Following his appointment the Administrator made an agreement with the Landlord that the Company in Administration will occupy the premises which is to be invoiced on a monthly basis until the assets have been sold and uplifted from the premises. I confirm that the 1<sup>st</sup> floor offices were vacated on 17 January 2020 and the keys have been returned to the Landlord.

The Landlords claim has been estimated for the remaining term of the lease not including any dilapidations.

**DFW Associates**  
**Intercept IP Limited**  
**B - Company Creditors**

Key	Name	Address	£ Security Held
CA00	Astrondo Limited	235 Melham Road, Huddersfield, HD4 7HL	13,528.32
CB00	Bates & Co (Huddersfield) Limited	Fairfield Mills, Milford Street, Huddersfield, HD1 3DX	45,540.00
CC00	China Rouge Consulting Limited (BY EMAIL)	Flat A Tower, 5/11 Dausalito, 1 Yuk Tai Street, Ma on Shan, New Territories, Hong Kong	23,516.50
CC01	Close Brother Premium Finance Limited	Wimbeldon Bridge House, 1 Hartfield Road, London, SW19 3RU	735.70
CD00	Christiaan De Beer	BY EMAIL: christiaan.debeer107@gmail.com	4,500.00
CI00	Miway Insurance Limited (BY EMAIL)	48 Sterling Road , Samrand Business Park, Kosmodal O157, Gauteng, South Africa	281,279.00
CL00	Lanesborough Developments Limited	Cuckams Farm, 67 Ragged Lane, St. Albans, AL2 3NP	1,508,865.00
CZ00	Zetland Design Limited	subrogated to Markel Tax, One Mitchell Court, Castle Mound Way, Rugby, CV23 0UY	9,000.00
8 Entries Totalling			1,886,964.52

**B1 - Company Creditors - Employees & Directors**

Key	Name	Address	Pref £	Unsec £	Total £
0 Entries Totalling			0.00	0.00	0.00

**B2 - Company Creditors - Consumer Creditors**

Key	Name	Address	£
0 Entries Totalling			0.00

Time Entry - SIP9 Time & Cost Summary

ADM0023 - Intercept IP Limited  
All Pre Appointment Project Codes  
From: 31/12/2019 To: 02/01/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	395	395
Manager	245	245
Assistants & Support Staff	180	180



# Time Entry - SIP9 Time & Cost Summary

ADM0023 - Intercept IP Limited  
All Post Appointment Project Codes  
From: 02/01/2020 To: 24/02/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.10	7.80	0.00	0.00	10.90	3,135.50	287.66
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	13.20	0.00	0.00	13.20	3,234.00	245.00
Investigations	3.30	1.30	0.00	0.00	4.60	1,622.00	352.61
Realisation of Assets	33.90	8.80	0.00	0.00	42.70	15,546.50	364.09
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	40.30	31.10	0.00	0.00	71.40	23,538.00	329.66

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	395	395
Manager	245	245
Assistants & Support Staff	180	180

## INTERCEPT IP LIMITED ("IPL")

## Post Appointment Time Cost Summary, Statutory Fee Estimate &amp; Narrative

	Note	Time Costs to Date 2 Jan 20 - 24 Feb 20			Estimated Future Time Costs			Total Estimated Time Costs		
		Hrs	Rate	£	Hrs	Rate	£	Hrs	Rate	£
Admin and planning	1	10.90	252.42	3,135.50	10.00	395.00	3,950.00	20.90	339.02	7,085.50
Investigations	2	4.60	395.00	1,622.00	15.00	245.00	3,675.00	19.60	270.26	5,297.00
Realising assets	3	42.70	306.02	15,546.50	5.00	300.00	1,500.00	47.70	357.37	17,046.50
Trading	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Creditors	5	13.20	252.31	3,234.00	30.00	245.00	7,350.00	43.20	245.00	10,584.00
Case specific	6	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		<u>71.40</u>		<u>23,538.00</u>	<u>60.00</u>		<u>16,475.00</u>	<u>131.40</u>		<u>40,013.00</u>

\* Statutory Fee Estimate

N.B. I am required to detail whether the below listed actions were for the direct financial benefit or a statutory requirement or both. I have annotated them with an 'F' for financial a benefit or an 'S' for a statutory requirement.

## NOTES

## 1) ADMINISTRATION &amp; PLANNING

This category encompasses work undertaken for statutory and case management purposes. This work will not result in any direct financial benefit for creditors, however it will ensure the case is set-up and managed efficiently which will be of a benefit to all creditors.

The work carried out under this category comprises of the following:

**General Administration**

File Notes to records decisions evidence case progression; (S)  
 Collection, inventory, storage and review of company books and records; (S)  
 Ongoing completion of case checklists to ensure compliance/progression; (S)  
 Calculation of IP's bond in accordance with Insolvency Practitioners' Regulations 2005; (S)  
 Periodic review of bonding to ensure adequate cover is in place; (S)  
 Completing and submitting S120 Notice online/paper under the Pensions Act 2004, corresponding with the Pension Protection Fund and the Pension Regulator; (S)  
 Liaising/corresponding with pension scheme providers to ensure statutory compliance and arrange winding-up of scheme or appointment of a new Trustee where appropriate; (S)  
 General correspondence/communications with Directors and beneficial owners; (S)  
 Case resourcing and budgeting; (S)  
 Periodic case reviews to ensure case progression; (S)  
 Periodic review of anti-money laundering risk assessment, update checklist ascertain change in risk levels and conduct any necessary due diligence; (S)  
 Review of time costs and data to ensure accurate postings; (S) and  
 Case closure procedures. (S)

**Cashiering**

This category of work is statutory and will not result in a direct financial benefit for creditors. The work is essential to ensure the estate bank account is closely monitored and all transactions are recorded on IPS, bank interest is maximised where possible, professional costs are monitored and funds distributed to creditors as soon as practicable.

Opening estate bank account; (S)  
 Liaising with RBS in relation to credits to company account in respect of sales to request transfers to the Administration account; (S)  
 Posting and recording sales transactions to IPS and corresponding charges; (S)  
 Maintenance of estate bank accounts and periodic bank reconciliations from statements; (S)  
 Payment of estate expenses; (S)

Posting transactions on IPS; (S)  
Processing HMRC returns pre and post appointment VAT 769, VAT 100, VAT193, VAT833 and Corporation Tax returns; (S, F)  
Obtaining HMRC clearance to close case from Insolvency Claims Handling Unit and Corporation Tax; (S)  
Preparation of periodic receipts and payments accounts to be filed at Companies House; (S)  
*Transfer funds to non-interest bearing account; (S) and*  
Close estate bank account following case closure. (S)

## 2) INVESTIGATIONS

This category of work is statutory and will not result in direct financial benefit for creditors. The work is essential to ensure compliance and ensure that all matters regarding the Directors conduct are reported to the Insolvency Service for further investigation (if applicable) and the appropriate disqualification action taken. It is necessary to conduct a full review of the books and records/affairs of the Company to ascertain if there are any undisclosed assets which is for the direct financial benefit of creditors.

*Conduct full Directors search at Companies House to ascertain if there have been any previous disqualifications or directorships of insolvent companies; (S)*  
Corresponding with Directors ensuring completed questionnaires are returned; (S)  
Review of books and records, preliminary investigation under Statement of Insolvency 2 (SIP2); (F, S)  
Completion Directors conduct checklists; (S)  
Enquiry into Directors conduct under Statement of Insolvency Practice 4 (SIP4) and Department of Business Innovation and Skills (DBIS); (S)  
Completion/submission of online returns under the Company Directors Disqualification Act 1986 (CDDA); 9S) and  
Liaising with the Insolvency Service to assist enquiries/investigations regarding any investigations into the Directors conduct. (S)

## 3) REALISING ASSETS

This category of work will result in the direct financial benefit of creditors and is essential to maximise realisations to enable (where sufficient funds are available) a return to creditors after costs of realisation.

Liaising with solicitors in relation to post appointment matters, the validity of the appointment and general advice in relation to the Administration; (F)  
Liaising with agents to provide advice, assistance and recommendations in relation to the intellectual property, rights and title; (F)  
Liaising with solicitors in relation to intellectual property register searches and advice; (F)  
Liaising with solicitors to obtain to advice regarding Lanesborough Developments Limited and the intellectual property rights; (F)  
Liaising with interested parties for the IP and certain assets, issuing NDA's, liaising with director/agents to collate financial information for interested parties; (F)  
Negotiations with interested party in relation to their offer; (F)  
Liaising with solicitors regarding the draft sale and purchase agreement, amendments, enquiries and sale completion; (F)  
Review of loans and repayments made by/to Lanesborough Developments Limited; (F)  
Review of books and records/affairs of the Company to ascertain if there are any undisclosed assets; (F)  
Review and analysis of company bank statements; (F)  
Submission of pre-appointment VAT returns in respect of any refunds due; (F) and  
*Liaising with Company bankers to ensure all sales receipts are transferred to the Administration bank account.* (F)

## 4) TRADING

The Company has not traded in the Administration period.

## **5) CREDITORS**

This category of work is statutory the majority of which will not result in the direct financial benefit of creditors, however it is essential to keep creditors fully informed regarding the case and allow them to vote on any qualifying decision procedures. The agreement/adjudication of creditor claims is in the direct financial benefit of creditors as the work is required to enable distributions to the secured/unsecured creditors.

Processing company creditor claims; (S)

Creditor correspondence, emails, faxes and telephone calls; (S)

Corresponding with Lanesbroough Developments Limited; (S)

Review of inter-company loans and transactions; (S)

Agreeing/adjudication secured/unsecured creditor claims; (S)

Calculating creditor distributions (if sufficient realisations); (S)

Preparation and review of pre-appointment VAT and Corporation Tax Returns to enable HMRC to calculate their claim; (S)

Preparation and submission of initial appointment notifications to creditors; (S)

Preparation and submission of Administrator's Report & Proposals to secured creditor regarding proposals, fee approval and qualifying decision procedure, monitor voting in respect of decisions; (S)

Record and notify creditors regarding decisions approved/not approved by creditors; (S)

Preparation and submission of statutory six monthly progress reports to creditors; (S)

Filing copies of statutory reports at Companies House; (S) and

Preparation and submission of final reports to creditors at the conclusion of the case. (S)

## **6) CASE SPECIFIC**

There are no case specific time costs charged to the case.

**Intercept IP Limited****Administrator's Statutory Estimate of Expenses (including disbursements)**

Estimated duration - 12 months

\* not including VAT

Expense	Note	Provider	Estimate £	Incurred £	Paid £	Unpaid £	Total £
Statutory Bond	1	Marsh Limited	400.00	400.00	Nil	400.00	400.00
Statutory Adverts	2	Courts Advertising	91.00	91.00	91.00	Nil	91.00
Storage Costs	3	McCarthy's	250.00	Nil	Nil	250.00	250.00
Legal Fees	4	Clarion Solicitors	8,000.00	6,832.50	Nil	6,832.50	8,000.00
Agents Fees & Disbursements	5	Sanderson Weatherall	5,250.00	5,250.00	Nil	5,250.00	5,250.00
<b>Total expenses and category 1 disbursements</b>			<b>13,991.00</b>	<b>12,573.50</b>	<b>91.00</b>	<b>12,732.50</b>	<b>13,991.00</b>
<b>Category 2 disbursements</b>							
Printing & Photocopying	6	DFW Associates	500.00	Nil	Nil	Nil	500.00
Postage	7	DFW Associates	500.00	Nil	Nil	Nil	500.00
<b>Total Category 2 disbursements</b>			<b>1,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,000.00</b>
<b>Total per Estimated Outcome Statement</b>			<b>14,991.00</b>	<b>12,573.50</b>	<b>91.00</b>	<b>12,732.50</b>	<b>14,991.00</b>

**Notes**

- 1 Marsh Limited costs for the provision of the Administrator's statutory bond
- 2 Courts Advertising costs for the provision of the statutory adverts
- 3 McCarthy's storage costs for the Company's books and records
- 4 Confirming the validity of the debenture, legal advice and assistance post appointment, draft SPA and IP assignment, completing sale & advice in relation to LI
- 5 Valuation of assets, advice and recommendations in relation to intellectual property
- 6 DFW Associates be paid (as a Category 2 disbursement) the printing and photocopying costs associated with sending correspondence and creditor circulars
- 7 DFW Associates be paid (as a category 2 disbursement) the postage costs associated with sending correspondence

## **DFW Associates Charging Policy**

### **Introduction**

This note applies where a licenced insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees. Following a passing of the resolution for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the costs of facilities provided by the firm and where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **Office Holder's Fees in Respect of the Administration of the insolvent estate.**

The office holder will delegate tasks to colleagues. Such delegation assists the office holder as it allows him/her to deal with the more difficult aspects of the case and ensures that work is allocated and completed at the appropriate level. There are various staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows the staff working on the case with the office holder to allocate their time to the case. The time is recorded at the individual hourly rate in force at that time which is detailed below.

### **Expenses Incurred By Office Holder In Respect Of the Administration of Insolvent Estates**

Best practice guidance classifies expenses into two broad categories

- Category 1 disbursements (approval not required) – specific expenditure that is directly related to the case usually outsourced to a third party. Once these items of expenditure are incurred they are immediately charged to the case.
- Category 2 disbursements (approval required) – items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Car Mileage is charged at a rate of 45p per mile
- Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the 2 categories referred to above best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as category 2 disbursements

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a category 1 disbursement.

- Telephone and facsimile
- Printing and photocopying
- Stationery

### **DFW Charge-out Rate -- From 20<sup>th</sup> November 2018**

Time is recorded in 6 minute units.

Principal Associate	395
Associate	245



## Proof of Debt – General Form

IN THE

High Court of Justice, The Business and Property Courts  
in Leeds

court name or "Office of Adjudicator"  
(bankruptcy only)

Number:

CR-2019-LDS-001403

Name of Company in Administration:

Intercept IP Limited

Company registration number:

[Liquidation only]

07449188

Date of Order:

[day, month, year]

2 January 2020

1 Name of creditor

(If a company, provide the company registration  
number).

2 Correspondence address of creditor

(including any email address)

3 Total amount of claim (£)

(include any Value Added Tax)

4 If amount in 3 above includes (£)

outstanding uncapitalised interest, state  
amount.

5 Details of how and when the debt was  
incurred.

(If you need more space, attach a continuation  
sheet to this form)

6 Details of any security held, the value of  
the security and the date it was given.

7 Details of any reservation of title claimed  
in respect of goods supplied to which the  
debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

Admitted to vote for

Amount (£)

Date

Office Holder (Administrator)

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.



**NOTICE TO CREDITORS**

**R6.19**

**INTERCEPT IP LIMITED – IN ADMINISTRATION (“THE COMPANY”)  
IN THE HIGH COURT OF JUSTICE, THE BUSINESS & PROPERTY COURTS IN LEEDS  
CR-2019-LDS-001403**

**INVITATION TO CREDITORS TO DECIDE IF A CREDITORS’ COMMITTEE SHOULD BE ESTABLISHED**

This Notice is being given to all known creditors in accordance with the requirements of Paragraph 57 of Schedule B1 of the Insolvency Act 1986, Rule 3.39 and Rule 17 of the Insolvency (England and Wales) Rules 2016

Creditors are invited to decide whether a Creditors’ Committee should be established if sufficient creditors are willing to be members of that committee.

The Notice must also invite nominations for membership of the Committee.

The minimum number of nominations (together with consents to act) required for the establishment of a Committee is three persons who satisfy the eligibility requirements under Rule 17.4 which require that a proof of debt has been lodged and not wholly disallowed for voting or dividend purposes. The maximum number of creditors who can form a Committee is five.

If no creditor claim form is received prior to the Decision Date your Decision will be disregarded. Creditors whose claims are for less than £1,000 are also required to have submitted a proof of their claim in order for their Decision to be valid.

**The Decision Date for the receipt of nominations to the Committee is 12 March 2020 at 23.59.**

It is the responsibility of the Administrator to collate all nominations received and to notify the Administrator of the same and if the minimum membership threshold is not met for the decision to form a Committee to be taken as not having been made.

If the threshold is met the Administrator will deal with the statutory formalities of constituting the Committee in accordance with Rule 17.5. Until it is so established the Committee cannot act.

All documentation in relation to this Notice must be sent to the Administrator at DFW Associates, 29 Park Square West, Leeds, LS1 2PQ and not to the Partnership’s trading address.

Creditors have the right to appeal any decision made by applying to Court under Rule 15.35 within 21 days of the Decision Date.

Signed:



**David Frederick Wilson  
Administrator**

**Dated: 25 February 2020**

**INTERCEPT IP LIMITED – IN ADMINISTRATION (“THE COMPANY”)**

**CONSENT TO ACT AS A MEMBER OF THE CREDITORS’ COMMITTEE**

I, the undersigned, request that a Creditors’ Committee be established ☐ (Tick box)

I hereby consent to act as a member of any Creditors’ Committee that may be formed in this matter.

This consent will continue until it is withdrawn by me by written Notice to the Administrator or the Administration is concluded, whichever is the earlier.

My business card, providing contact details for any Committee business, is attached.

Signed:

Name in capitals:

Representing (if not the party on the card):

Date:

**Notes on procedure**

- 1 No Committee can be formed unless at least three nominations are received from persons who have satisfied the Administrator that they are or represent creditors of the Company.
- 2 No person may act as a Committee member unless he or she has agreed to do so and confirmed their agreement in writing to the Administrator.
- 3 The Administrator is obliged to notify creditors of all nominations received to the Committee and of any appointments made.
- 4 The Administrator is required to constitute formally any Committee that may be formed and file details of this and its membership on the Company’s record at Companies House.
- 5 The maximum number of Committee members is five.

**Notes on eligibility**

In order to be eligible to serve on a Committee the creditor must have:-

- 1 Proved for a debt
- 2 Be due a debt which is not fully secured
- 3 A proof that has not been wholly disallowed for voting purposes
- 4 A proof that has not been wholly disallowed for dividend purposes

A body corporate can only be a member of a Committee if it has appointed a duly authorised representative

*Please return this Decision and the Consent to Act to the Convenor at the address provided for this purpose*

**INNOVATION OF THINGS LIMITED  
(IN ADMINISTRATION)**

**ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT  
2 JANUARY 2020 TO 21 FEBRUARY 2020**

	Statement of affairs	From 2 Jan 20 to 21 Jan 20	Total
	£	£	£
<b>RECEIPTS</b>			
Intellectual Property	18,660.00	5,000.00	5,000.00
	<u>18,660.00</u>	<u>5,000.00</u>	<u>5,000.00</u>
<b>PAYMENTS</b>			
Statutory Advertising		(91.00)	(91.00)
Irrecoverable VAT		<u>(18.20)</u>	<u>(18.20)</u>
		<u>(109.20)</u>	<u>(109.20)</u>
 Net Receipts/(Payments)		 <u>4,890.80</u>	 <u>4,890.80</u>
 <b>MADE UP AS FOLLOWS</b>			
 Bank		 4,890.80	4,890.80
		<u>4,890.80</u>	<u>4,890.80</u>

INNOVATION OF THINGS LIMITED  
(IN ADMINISTRATION)

ESTIMATED FINANCIAL POSITION AS AT 2 JANUARY 2020

	Notes	Book Value £	Estimated to Realise £
<b>Assets not specifically pledged</b>			
Intellectual Property	1	<u>18,660</u>	<u>5,000</u>
		<u>18,660</u>	<u>5,000</u>
<b>Amount Available for Pref Creditors</b>			<b>5,000</b>
Est. Preferential Creditors	2		<u>Nil</u>
<b>Shortfall as per Preferential Creditors</b>			<b>5,000</b>
Less: Prescribed Part	3		<u>Nil</u>
<b>Amount available to Floating Charge Creditors</b>			<b>5,000</b>
Less:			<u>Nil</u>
<b>Shortfall as per Floating Charge Creditors</b>			<b>5,000</b>
Add: Prescribed Part	3		<u>Nil</u>
<b>Amount available to Unsecured Creditors</b>			<b>5,000</b>
<b>Estimated Unsecured Creditors</b>			
Inter-Company Loan - ISL	4		<u>(41,282)</u>
			<u>(41,282)</u>
Surplus/deficit to unsecured creditors			<u><u>(36,282)</u></u>

**INNOVATION OF THINGS LIMITED****NOTES TO THE ESTIMATED FINANCIAL POSITION**

The last set of accounts prepared by the accountants were unaudited filleted abridged financial statements for the year ended 30 November 2018. It should be noted that no provision has been made for the costs and expenses of the Administration

**1) Intellectual Property ("IP")**

The main assets of the Companies are the intellectual property, rights ("IP"), titles and registered patents. Following the Administrator's appointment Clarion Solicitors conducted IP searches for the Companies for the registered trade mark, designs and patents. All of the registered IP rights sits in IIPL with the exception of one patent held by IOTL. It is understood that ISL developed certain of the IP rights on behalf of IIPL.

Our agents, Sanderson Weatherall ("SW") were consulted to provide advice in relation to determining the value of the IP. They confirmed that given the nature of the IP it is not possible to value it as there are no limited market comparators and as such have said that the best way to determine the value for the IP was to market it and invite offers.

There were a number of interested parties in acquiring the intellectual property rights and certain assets, all of which were sent non-disclosure agreements ("NDA") prior to receiving any financial information in respect of the Company. In total 5 expressions of interest had been received and NDA's were sent to all of these parties, resulting in 4 signed NDA's and 1 formal offer with the prospective purchaser attributing a value of £970,000 for the IP and the rights held by the IIPL, £30,000 for the rights held by ISL and for the IP held by IOTL.

Following the advice and recommendations from our agents, and in the absence of any other offers for the IP, the offer was accepted and a sale of the IP and certain assets concluded on 6 February 2020 (see the section 7 of the report for further details).

**2) Preferential Creditors**

There are no employees held in this company they were all employed by ISL.

**3) Prescribed Part**

Section 176a of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Administrator must make a prescribed part of the company's net property available for the unsecured creditors which is calculated at 50% of the first £10,000 of net floating charge realisations plus 20% thereafter up to maximum of £600,000.

The prescribed part does not apply in this instance as the company's net property is less than the prescribed minimum.

**4) Inter-Company Loan -- ISL**

There have been inter-company loans totalling £41,282 made by ISL as the company has not operated a bank account since 2016. The company has been dormant other than holding the rights and title to the registered patent which has incurred ongoing costs.

DFW Associates  
Innovation of Things Limited  
B - Company Creditors

Key	Name	Address	£ Security Held
C100	Inter-Company Loan ISL - In Administration	c/o DFW Associates, 29 Park Square West, Leeds, LS1 2PQ	41,282
1 Entries Totalling			41,282

B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
0 Entries Totalling			0.00	0.00	0.00

B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

# Time Entry - SIP9 Time & Cost Summary

ADM0025 - Innovation of Things Limited  
All Pre Appointment Project Codes  
From: 31/12/2019 To: 02/01/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	395	395
Manager	245	245
Assistants & Support Staff	180	180

Time Entry - SIP9 Time & Cost Summary

ADM0025 - Innovation of Things Limited  
All Post Appointment Project Codes  
From: 02/01/2020 To: 24/02/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	2.10	0.00	0.00	2.10	514.50	245.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	7.30	0.00	0.00	7.30	1,788.50	245.00
Investigations	0.00	1.00	0.00	0.00	1.00	245.00	245.00
Realisation of Assets	3.60	1.00	0.00	0.00	4.60	1,667.00	362.39
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	3.60	11.40	0.00	0.00	15.00	4,215.00	281.00

Summary of chargeout rates for staff members involved with this case.

Grade Category	Minimum Rate	Maximum Rate
Partner	395	385
Manager	245	245
Assistants & Support Staff	180	180



## INTERCEPT IP LIMITED (“IPL”)

## Post Appointment Time Cost Summary, Statutory Fee Estimate &amp; Narrative

	Note	Time Costs to Date 2 Jan 20 - 24 Feb 20			Estimated Future Time Costs			Total Estimated Time Costs		
		Hrs	Rate	£	Hrs	Rate	£	Hrs	Rate	£
Admin and planning	1	2.10	245.00	514.50	5.00	395.00	1,975.00	7.10	350.63	2,489.50
Investigations	2	1.00	245.00	245.00	5.00	245.00	1,225.00	6.00	245.00	1,470.00
Realising assets	3	4.60	362.39	1,667.00	Nil	Nil	Nil	4.60	362.39	1,667.00
Trading	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Creditors	5	7.30	245.00	1,788.50	10.00	245.00	2,450.00	17.30	245.00	4,238.50
Case specific	6	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		15.00		4,215.00	20.00		5,650.00	35.00		9,865.00

N.B. I am required to detail whether the below listed actions were for the direct financial benefit or a statutory requirement or both. I have annotated them with an ‘F’ for financial a benefit or an ‘S’ for a statutory requirement.

## NOTES

## 1) ADMINISTRATION &amp; PLANNING

This category encompasses work undertaken for statutory and case management purposes. This work will not result in any direct financial benefit for creditors, however it will ensure the case is set-up and managed efficiently which will be of a benefit to all creditors.

The work carried out under this category comprises of the following:

**General Administration**

File Notes to records decisions evidence case progression; (S)  
 Collection, inventory, storage and review of company books and records; (S)  
 Ongoing completion of case checklists to ensure compliance/progression; (S)  
 Calculation of IP's bond in accordance with Insolvency Practitioners' Regulations 2005; (S)  
 Periodic review of bonding to ensure adequate cover is in place; (S)  
 Completing and submitting S120 Notice online/paper under the Pensions Act 2004, corresponding with the Pension Protection Fund and the Pension Regulator; (S)  
 Liaising/corresponding with pension scheme providers to ensure statutory compliance and arrange winding-up of scheme or appointment of a new Trustee where appropriate; (S)  
 General correspondence/communications with Directors and beneficial owners; (S)  
 Case resourcing and budgeting; (S)  
 Periodic case reviews to ensure case progression; (S)  
 Periodic review of anti-money laundering risk assessment, update checklist ascertain change in risk levels and conduct any necessary due diligence; (S)  
 Review of time costs and data to ensure accurate postings; (S) and  
 Case closure procedures. (S)

**Cashiering**

This category of work is statutory and will not result in a direct financial benefit for creditors. The work is essential to ensure the estate bank account is closely monitored and all transactions are recorded on IPS, bank interest is maximised where possible, professional costs are monitored and funds distributed to creditors as soon as practicable.

Opening estate bank account; (S)  
 Liaising with RBS in relation to credits to company account in respect of sales to request transfers to the Administration account; (S)  
 Posting and recording sales transactions to IPS and corresponding charges; (S)  
 Maintenance of estate bank accounts and periodic bank reconciliations from statements; (S)  
 Payment of estate expenses; (S)

Posting transactions on IPS; (S)  
Processing HMRC returns pre and post appointment VAT 769, VAT 100, VAT193, VAT833 and Corporation Tax returns; (S, F)  
Obtaining HMRC clearance to close case from Insolvency Claims Handling Unit and Corporation Tax; (S)  
Preparation of periodic receipts and payments accounts to be filed at Companies House; (S)  
Transfer funds to non-interest bearing account; (S) and  
Close estate bank account following case closure. (S)

## 2) INVESTIGATIONS

This category of work is statutory and will not result in direct financial benefit for creditors. The work is essential to ensure compliance and ensure that all matters regarding the Directors conduct are reported to the Insolvency Service for further investigation (if applicable) and the appropriate disqualification action taken. It is necessary to conduct a full review of the books and records/affairs of the Company to ascertain if there are any undisclosed assets which is for the direct financial benefit of creditors.

Conduct full Directors search at Companies House to ascertain if there have been any previous disqualifications or directorships of insolvent companies; (S)  
Corresponding with Directors ensuring completed questionnaires are returned; (S)  
Review of books and records, preliminary investigation under Statement of Insolvency 2 (SIP2); (F, S)  
Completion Directors conduct checklists; (S)  
Enquiry into Directors conduct under Statement of Insolvency Practice 4 (SIP4) and Department of Business Innovation and Skills (DBIS); (S)  
Completion/submission of online returns under the Company Directors Disqualification Act 1986 (CDDA); 9S) and  
Liaising with the Insolvency Service to assist enquiries/investigations regarding any investigations into the Directors conduct. (S)

## 3) REALISING ASSETS

This category of work will result in the direct financial benefit of creditors and is essential to maximise realisations to enable (where sufficient funds are available) a return to creditors after costs of realisation.

Liaising with solicitors in relation to post appointment matters, the validity of the appointment and general advice in relation to the Administration; (F)  
Liaising with agents to provide advice, assistance and recommendations in relation to the intellectual property, rights and title; (F)  
Liaising with solicitors in relation to intellectual property register searches and advice; (F)  
Liaising with solicitors to obtain to advice regarding Lanesborough Developments Limited and the intellectual property rights; (F)  
Liaising with interested parties for the IP and certain assets, issuing NDA's, liaising with director/agents to collate financial information for interested parties; (F)  
Negotiations with interested party in relation to their offer; (F)  
Liaising with solicitors regarding the draft sale and purchase agreement, amendments, enquiries and sale completion; (F)  
Review of loans and repayments made by/to Lanesborough Developments Limited; (F)  
Review of books and records/affairs of the Company to ascertain if there are any undisclosed assets; (F)  
Review and analysis of company bank statements; (F)  
Submission of pre-appointment VAT returns in respect of any refunds due; (F) and  
Liaising with Company bankers to ensure all sales receipts are transferred to the Administration bank account. (F)

## 4) TRADING

*The Company has not traded in the Administration period.*

## 5) CREDITORS

This category of work is statutory the majority of which will not result in the direct financial benefit of creditors, however it is essential to keep creditors fully informed regarding the case and allow them to vote on any qualifying decision procedures. The agreement/adjudication of creditor claims is in the direct financial benefit of creditors as the work is required to enable distributions to the secured/unsecured creditors.

Processing company creditor claims; (S)  
Creditor correspondence, emails, faxes and telephone calls; (S)  
Corresponding with Lanesbroough Developments Limited; (S)  
Review of inter-company loans and transactions; (S)  
*Agreeing/adjudication secured/unsecured creditor claims; (S)*  
Calculating creditor distributions (if sufficient realisations); (S)  
Preparation and review of pre-appointment VAT and Corporation Tax Returns to enable HMRC to calculate their claim; (S)  
Preparation and submission of initial appointment notifications to creditors; (S)  
Preparation and submission of Administrator's Report & Proposals to secured creditor regarding proposals, fee approval and qualifying decision procedure, monitor voting in respect of decisions; (S)  
Record and notify creditors regarding decisions approved/not approved by creditors; (S)  
Preparation and submission of statutory six monthly progress reports to creditors; (S)  
Filing copies of statutory reports at Companies House; (S) and  
Preparation and submission of final reports to creditors at the conclusion of the case. (S)

## 6) CASE SPECIFIC

There are no case specific time costs charged to the case.

**Innovation of Things Limited****Administrator's Statutory Estimate of Expenses (including disbursements)**

Estimated duration - 12 months

\* not VAT registered amounts are gross

Expense	Note	Provider	Estimate £	Incurred £	Paid £	Unpaid £	Total £
Statutory Bond	1	Marsh Limited	80.00	80.00	Nil	80.00	80.00
Statutory Adverts	2	Courts Advertising	109.20	109.20	109.20	Nil	109.20
Legal Fees	4	Clarion Solicitors	4,135.00	4,135.00	Nil	4,135.00	4,135.00
Agents Fees & Disbursements	4	Sanderson Weatherall	300.00	300.00	Nil	300.00	300.00
<b>Total expenses and category 1 disbursements</b>			<b>4,624.20</b>	<b>4,624.20</b>	<b>109.20</b>	<b>4,515.00</b>	<b>4,624.20</b>
<b>Category 2 disbursements</b>							
Printing & Photocopying	5	DFW Associates	Nil	Nil	Nil	Nil	Nil
Postage	6	DFW Associates	Nil	Nil	Nil	Nil	Nil
<b>Total Category 2 disbursements</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total per Estimated Outcome Statement</b>			<b>4,624.20</b>	<b>4,624.20</b>	<b>109.20</b>	<b>4,515.00</b>	<b>4,624.20</b>

**Notes**

- 1 Marsh Limited costs for the provision of the Administrator's statutory bond
- 2 Courts Advertising costs for the provision of the statutory adverts
- 3 Confirming the validity of the debenture, legal advice and assistance post appointment, draft SPA and IP assignment, completing sale & advice in relation to LI
- 4 Valuation of assets, advice and recommendations in relation to intellectual property
- 5 DFW Associates be paid (as a Category 2 disbursement) the printing and photocopying costs associated with sending correspondence and creditor circulars
- 6 DFW Associates be paid (as a category 2 disbursement) the postage costs associated with sending correspondence

## **DFW Associates Charging Policy**

### **Introduction**

This note applies where a licenced insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees. Following a passing of the resolution for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the costs of facilities provided by the firm and where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **Office Holder's Fees in Respect of the Administration of the insolvent estate.**

The office holder will delegate tasks to colleagues. Such delegation assists the office holder as it allows him/her to deal with the more difficult aspects of the case and ensures that work is allocated and completed at the appropriate level. There are various staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows the staff working on the case with the office holder to allocate their time to the case. The time is recorded at the individual hourly rate in force at that time which is detailed below.

### **Expenses Incurred By Office Holder In Respect Of the Administration of Insolvent Estates**

Best practice guidance classifies expenses into two broad categories

- Category 1 disbursements (approval not required) – specific expenditure that is directly related to the case usually outsourced to a third party. Once these items of expenditure are incurred they are immediately charged to the case.
  - Category 2 disbursements (approval required) – items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.
- (A) The following items of expenditure are charged to the case (subject to approval)
- Car Mileage is charged at a rate of 45p per mile
  - Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the 2 categories referred to above best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as category 2 disbursements
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a category 1 disbursement.
- Telephone and facsimile
  - Printing and photocopying
  - Stationery

### **DFW Charge-out Rate – From 20<sup>th</sup> November 2018**

Time is recorded in 6 minute units.

Principal Associate	395
Associate	245

## Proof of Debt – General Form

IN THE

High Court of Justice, The Business and Property Courts  
in Leeds

court name or "Office of Adjudicator"  
(bankruptcy only)

Number:

CR-2020-LDS-000002

Name of Company in Administration:

Innovation of Things Limited

Company registration number:

[Liquidation only]

09810242

Date of Order:

[day, month, year]

2 January 2020

1 Name of creditor

(If a company, provide the company registration  
number).

2 Correspondence address of creditor

(including any email address)

3 Total amount of claim (£)

(include any Value Added Tax)

4 If amount in 3 above includes (£)

outstanding uncapitalised interest, state  
amount.

5 Details of how and when the debt was  
incurred.

(If you need more space, attach a continuation  
sheet to this form)

6 Details of any security held, the value of  
the security and the date it was given.

7 Details of any reservation of title claimed  
in respect of goods supplied to which the  
debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

Admitted to vote for

Amount (£)

Date

Office Holder (Administrator)

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your *relationship to the company*.