

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	8	1	7	3	3	3	9
Company name in full	Intelligent Telecommunications Ltd							

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	Richard Paul
Surname	Rendle

3 Administrator's address

Building name/number	No 9 Hockley Court
Street	Hockley Heath
Post town	Solihull
County/Region	
Postcode	B 9 4 6 N W
Country	

4 Administrator's name ①

Full forename(s)	
Surname	

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

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	
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7 Sign and date

Administrator's Signature	Signature ✕  ✕									
Signature date	<table><tr><td>^d 0</td><td>^d 1</td><td>^m 0</td><td>^m 2</td><td>^y 2</td><td>^y 0</td><td>^y 2</td><td>^y 1</td></tr></table>	^d 0	^d 1	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1	
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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	Joe Bentley									
Company name	R P Rendle & Co Limited									
Address	No 9 Hockley Court									
	Hockley Heath									
Post town	Solihull									
County/Region										
Postcode	B	9	4		6	N	W			
Country										
DX	info@rprendle.com									
Telephone	01564 783777									



Checklist

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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 or email enquiries@companieshouse.gov.uk

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

INTELLIGENT TELECOMMUNICATIONS LTD (“COMPANY”)

REGISTERED NUMBER: 08173339

STATEMENT OF ADMINISTRATOR’S PROPOSALS

The Administrator’s Proposals in relation to the above Company are as follows:

1. The Administrator should consider and pursue the most appropriate method of realising the assets for the benefit of the creditors.
2. The Administrator should arrange to distribute any available funds from the realised assets to those creditors entitled to them in an economic manner and may agree the claims of all categories of creditors of the Company unless the Administrator concludes, in his reasonable opinion, that the Company will have no assets available for distribution to them.
3. The Administrator continues his enquiries into the conduct of the directors and the reasons for the failure of the Company and pursues the benefit of any claims, including antecedent transactions, the Company may have or assets to which the Company may be entitled.
4. The Administrator be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and in relation to distributions to unsecured creditors when the Court gives permission.
5. That in the event the relevant creditors so determine, as part of a decision procedure, appoint a Creditors Committee in the Administration comprising of not more than five and not less than three creditors of the Company.
6. That the Administrator be authorised to charge and draw disbursements and expenses incurred by the Administrator at the standard rates of Rendle & Co as amended from time to time. The current rates are described in the section of these Proposals headed "Administrator's Fees and Expenses".
7. The Administrator be authorised to make such application to Court for directions or otherwise as he considers appropriate with a view to achieving the purposes of the Administration or the Proposals.
8. If the Administrator considers it appropriate, he may convene a further decision procedure for creditors pursuant to paragraph 54 of schedule B1 of the Insolvency Act 1986 to consider a revision to the Administrator’s proposals.
9. The Administrator concludes the Administration if or when he considers the objective to have been achieved.
10. In the event that the claims of creditors have been settled or compounded for and funds remain in the hands of the Administrator and the Administrator is satisfied that the objective of the Administration has been achieved then the Administrator may pass control of the Company back to the directors in accordance with the Rules.

11. Unless the Administrator considers that the objective has been achieved, the Company exits the Administration by the route deemed most appropriate by the Administrator, being:
- Company Voluntary Arrangement
 - Creditors' Voluntary Liquidation
 - Dissolution, or
 - Compulsory liquidation
12. If the Company exits the Administration by way of a Creditors' Voluntary Liquidation ("CVL"), Compulsory liquidation or a Company Voluntary Arrangement ("CVA") Richard Paul Rendle of Rendle & Co, No 9 Hockley Court, Hockley Heath, Solihull B94 6NW be appointed as Liquidator or Supervisor as appropriate. Creditors may nominate a different person as the proposed Liquidator or Supervisor.
13. The Administrator may seek to extend the term of the Administration should he consider it necessary and appropriate.
14. The Administrator be granted his discharge with effect from the date specified in the relevant section headed, "Discharge from Liability", in the Administrator's report issued in respect of these Proposals.

Approved for inclusion in the Proposals report pack issued to creditors.

Dated: 1 December 2020



R P Rendle
Administrator

**INTELLIGENT TELECOMMUNICATIONS LTD
IN ADMINISTRATION**

ADMINISTRATOR'S PROPOSALS AND REPORT

**PURSUANT TO PARAGRAPH 49 OF THE INSOLVENCY ACT 1986 (AS AMENDED)
AND RULES 3.35 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 1986 (AS AMENDED)**

Rendle & Co

Chartered Accountants
Licensed Insolvency Practitioner
Pensions Consultants

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INTELLIGENT TELECOMMUNICATIONS LTD - IN ADMINISTRATION

ADMINISTRATOR’S PROPOSALS AND REPORT

1. BACKGROUND

- 1.1. This report is prepared pursuant to paragraph 49 of Schedule B1 of the Insolvency Act 1986 (as amended) (“Act”). The purpose of the report is to update creditors and provide creditors with details of the Administrator’s Proposals to achieve the purpose of the Administration. Much of the information has been provided from various sources within the Company and has not been verified by the Administrator or R P Rendle & Co Limited (“Rendle & Co”).
- 1.2. These Proposals and report have been prepared for the sole purpose of updating creditors in accordance with the Act. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.
- 1.3. Attached as Appendix A is an extract of statutory information, including details of the directors, from the Company’s file held at Companies’ House.

History

- 1.4. Intelligent Telecommunications Limited (“ITL” or “Company”), was founded in 2013 by Tahir Afzal and Pete Evans (“Initial Directors”) to provide telecommunications installation and commissioning services as a Tier 2 supplier.
- 1.5. The Company was initially located in Edgbaston. In 2015 the Company moved into leasehold warehouse and office premises in Willenhall.
- 1.6. In 2017 the business was approached for work delivering fibre to the home (“FTTH”) to premises. This was of interest to the Company due to the large amount of investment in this industry and the under-penetration of the fibre market in the UK. However, it required the business to consider 3rd party investment, because of the capex required to establish a civils department within the business.
- 1.7. In 2019, the Initial Directors secured over £2m of funding from 5 business angels investors to support the move into FTTH. At this stage, Tahir Afzal a founding director of the Company became a non-executive director with Pete Evans taking the position as Managing Director.
- 1.8. The business then signed contracts to deliver FTTH in the South East of the UK with a number of providers and established a 1.2-acre storage yard to facilitate operations. The business also took on a senior team to help deliver the contracts that the Company had secured. This increased the annualised operating costs of the business to c £3.4m per year (c £280k per calendar month).

Overview of the Financial Information

- 1.9. Summarised profit and loss accounts and balance sheets for the periods ended 31 May 2018 and 30 June 2019 and management profit and loss accounts for the same periods and the 15 months ended 30 September 2020 are shown in Appendix B attached.
- 1.10. The information has been extracted from Companies House or provided by management and has not been checked or verified by the Administrator or Rendle & Co.

2. CIRCUMSTANCES AND EVENTS LEADING UP TO THE ADMINISTRATION

- 2.1. A number of issues prevented ITL from becoming as profitable as had been anticipated. These were as follows:

- **Unprofitable contract:** ITL’s largest contract turned out to be unprofitable; the Company needed to complete 80 metres per day per digging gang. This was achievable over the first 9 months of the contract. However, the local authority was unwilling to assist with closing roads when required and the relationship between the client and the local authority deteriorated. The contract was based on a NEC3 Option B framework agreement which required ITL to retain a minimum level of staffing that prevented the Company from reducing overheads to mitigate the losses.
- **Slow-down of work due to Covid and other factors:** due to Covid-19 and corporate transactions (e.g. one of ITL’s clients merging with another) the volume of work for ITL reduced significantly over the second half of 2020. As such, not enough revenue or gross profit was generated to support ITL’s cost base;
- **Inability to secure Coronavirus Business Interruption Loans (“CBILs”) or a Working Capital Facility:** despite the volume of work being impacted by Covid, ITL was not able to secure CBILs support from either its bank or over 15 other CBIL providers it attempted to speak with. Furthermore, the business was unable to secure a working capital facility (despite agreeing terms with one provider) due to credit insurance agencies perceiving ITL’s customers to be poor credit risks (despite all of them having significant capital to build-out FTTH);

2.2. As a result of the above factors, the business from June to September 2020 posted losses of c £400,000-£500,000 per month and was unable to extricate itself from unprofitable contracts or reduce its cost base. The losses were overwhelming and the business was unable to operate in the normal course of trading. The decision was therefore made in October 2020 to place the Company into administration in order to preserve as much of the business as was possible and in the best interests of creditors.

2.3. The directors sought advice regarding the position of the Company and was advised that in order to protect the business and the Company they should take immediate steps to place the Company into Administration.

3. **ADMINISTRATOR’S APPOINTMENT**

3.1 Richard Paul Rendle of Rendle & Co was appointed as Administrator of the Company on 26 October 2020 by the directors.

3.2 The notice of appointment was filed in the The High Court of Justice London Business and Property Courts of England and Wales under reference number CR-2020-004033.

Purpose of the Administration

3.3 From 15 September 2003 the Enterprise Act 2002 (“Enterprise Act”) replaced the previous four purposes of Administration with one overarching purpose split into a 3 part single purpose:

- Firstly, to rescue a company as a going concern (in other words a restructuring which keeps the entity intact).
- Secondly, if the first purpose is not reasonably practicable (or the second purpose would clearly be better for creditors as a whole), then the Administrator must perform his functions with the objective of achieving a better result for creditors than would be obtained through an immediate liquidation of the company. This would normally be by a sale of the business and assets, or a significant part of them, as a going concern.
- Thirdly, if neither of the first two parts of the purpose are reasonably practicable, then the Administrator must perform his functions with the objective of realising property in order to make a distribution to secured and/or in respect of the preferential claims of creditors.

- 3.4 In the case of the Company it was considered that there was no prospect of the survival of the Company given its immediate and significant cash requirement, however it was likely to achieve a better result for creditors than would have been obtained through an immediate liquidation of the Company.

4. CONDUCT OF THE ADMINISTRATION

Introduction

- 4.1 As previously disclosed, immediately following the appointment the Administrator entered into a Pre-pack sale of the business and assets of the Company. Full details of the sale of the business and assets is disclosed below.
- 4.2 All of the staff and directors were also advised of the Administrator's appointment. At the same time staff were instructed to deal with regulatory notifications, banking, employee matters, insurance and the overall control of the Administration process.
- 4.3 The following sections cover the major actions taken by the Administrator and his staff since the appointment regarding the realisation of the assets and the achievement of the purpose of the Administration.

Funding and initial strategy

- 4.4 Prior to the appointment it became apparent to the Administrator that unless the business continued to trade the customers would likely terminate the contracts which would effectively render the debtors and work in progress ("WIP") valueless. The customers would also have substantial claims against the Company for breach of contract and failure to complete the contracts. Furthermore, the customers would have little difficulty in engaging alternative contractors to complete the works.
- 4.5 Accordingly, after careful consideration of the circumstances the Administrator concluded that the best course of action would be to facilitate a continuation of the business as this would be in the best interests of creditors.
- 4.6 Having conducted a review of the business prior to his appointment the Administrator concluded that the Company would be unable to continue to trade during the Administration because:
- It had insufficient funds to pay either the employees or the subcontractors for the current week's work
 - The customers would likely withhold any monies due to the Company pending a settled outcome for the business
 - There were significant health and safety and environmental risks associated with continued trading of the business
 - Given the cash constraints there was no certainty that suppliers (including the subcontractors without whom the business could not continue to trade) would continue to supply the Company in Administration
 - There was no certainty that a buyer for the business would be found in a timescale that satisfied the expectations of the customers
- 4.7 Consideration had been given to licensing the business and assets to a third party to enable the business to continue pending a sale of the business and assets. However, the Administrator was advised that this would expose the Company in Administration and the Administrator personally to unavoidable, unacceptable risks.
- 4.8 Accordingly, it was concluded that the only viable option if the business was to continue to trade was to immediately sell the business and assets to a third party.

- 4.9 In more normal circumstances, there would be an opportunity to advertise the business and assets for sale and/or carry out some discrete marketing of the business. However, because the Company had run out of funds and there were only two customers of the business the proposed Administrator and his advisers concluded that there was insufficient time to carry out any credible marketing activity prior to the sale and even if there had been sufficient time the exposure of the Company's dire position to the marketplace would have been self-fulfilling.
- 4.10 It was therefore decided to enter into a Pre-pack sale of the business and assets to a third party (called Whitlenge Limited) with connections to the existing directors with the proviso that there was a buy-back clause should any other party submit a better offer in due course when the business and assets have been exposed to the market.
- 4.11 The intention behind the Pre-pack was to provide a better return to creditors than the only other option which was an insolvent liquidation (with the loss of the value of debtors and WIP as discussed above).

Trading

- 4.12 As the business was sold as a Pre-Pack the Company did not trade during the Administration.

Sale of the Business

- 4.13 It is evident from the information provided above that it was necessary in the circumstances to sell the business and assets as quickly as possible in order to extract the maximum value for the benefit of the creditors and the Company. It is understandable that creditors would wish to know about the sale and the reasons as soon as reasonably practicable hence the issue of the "SIP 16" report to all creditors on 27 October 2020 and the issue of these Proposals as soon after the appointment of the Administrator as was possible in the circumstances and when the outcome was reasonably certain.
- 4.14 A full and detailed explanation of the sale is included as Appendix D. It is anticipated that the information provided in that appendix and in this report will be sufficient to explain the rationale and reasons why the sale was considered to be necessary however creditors are invited to seek such further information as they may consider necessary in the circumstances. Details of the financial effects of the sale and the comparison with an immediate liquidation of the business are shown below.

Marketing of the business and assets for sale

- 4.15 The business and assets were sold on the appointment of the Administrator to Whitlenge however the sale contract included provisions which were designed to allow the Administrator time to expose the business and assets to the marketplace in order to ensure that the best value possible was obtained. Accordingly, immediately after the appointment of the Administrator steps were taken to offer the business and assets for sale on an organised basis; something which could not be done before the appointment of the Administrator due to the lack of time and sensitivity of the issue.
- 4.16 The business was advertised for sale on an insolvency specific internet website as the Administrator was advised that there was no known industry relevant publications which would be suitable for an advert of this type. The Administrator also contacted a number of tier 2 telecommunications installation entities direct to ensure that every potential interested party was made aware of the opportunity.
- 4.17 Expressions of interest were received from 22 interested parties and a Memorandum of Information was produced and forwarded to those parties who entered into a non-disclosure agreement. There then followed a period in which interested parties were invited to seek such information as they required prior to the formal submission of offers.
- 4.18 Subsequently, offers were received from two interested parties, one of which was Whitlenge. After extensive negotiations with both parties, Whitlenge increased its offer for the assets from that originally negotiated to £162,500 and the percentage recoverable from the book debts and WIP to

52.5%. It was also agreed that the Administrator would receive 75% of any retentions that may be received by Whitlence from the novation of certain customer contracts.

- 4.19 The rationale for the price for the book debts to be a percentage of recoveries was that work was required to be done to novate the contracts with the customers (which was not certain) and that work was necessary to complete the work in progress. The same reason is evident for the percentage payable for the collection of retentions. However, this was reduced to 25% on the basis that whilst work may be required to be done by Whitlence to recover the retentions this was likely to be substantially less as the work should have already been completed.
- 4.20 The consideration of £162,500 was apportioned as below. The likely expected values of the assets on a liquidation are also shown below. However, the values shown on a liquidation basis do not take account of the costs of collection of the assets from the various sites (which would have been significant), the costs of sale nor the loss of those assets which may have been retained by subcontractors owed monies by the Company.

	Sale proceeds £	Liquidation £
Intellectual property rights	1	0
Goodwill	1	0
Business records and customer contracts	2	0
Plant & machinery	74,496	55,000
Motor vehicles	8,500	7,200
Office furniture & equipment	4,000	3,150
Finished stock	75,500	25,000
	<u>£162,500</u>	<u>£90,350</u>

- 4.21 The expected realisations from debtors, WIP and retentions held by customers and the comparison with the expected outcome on a liquidation are shown below.

	Estimated book value £	Sale proceeds £	Liquidation £
Debtors	150,000	52.5%	0%
WIP	180,000	52.5%	0%
Retentions	400,000	75%	0%

- 4.22 The debtors and WIP are expected to be realised in full whilst only some of the retentions are expected to be realised because some of the retentions are owed in respect of contracts that the Company has exited.
- 4.23 A sale of the business was also desirable in that it would enable the outstanding contracts to be completed thereby avoiding further claims against the Company whilst providing the prospect of recovery in respect of those contracts.
- 4.24 As a result of the sale of the business, I am pleased to report that 46 jobs were preserved and those employees that were made redundant have the prospect of employment in the future.
- 4.25 The transfer to the purchaser of various employees and the Company’s associated obligations to those employees has significantly reduced the level of preferential claims and the unsecured employee claims.

- 4.26 The Administrator also entered into a licence agreement with Whitlence to facilitate the trading of the Company from the premises leased to the Company further reducing the potential claims against the Company. Whitlence has paid the Company monies in respect of the rent of the respective premises which has been disbursed to the relevant landlords by the Administrator and monies in respect of business rates (£1,500) which will be paid to the relevant rating authority when demanded.

Investigation

- 4.27 As part of his statutory duties the Administrator will consider the conduct of the Directors and any person considered to be a shadow or de facto director in relation to the management of the affairs of the Company and the causes of its failure. The Administrator will submit confidential reports to the Insolvency Service of his findings.

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

- Statutory compliance issues
- Misfeasance or breach of duty
- Transactions at an undervalue and potential preferences

- 4.29 Creditors who wish to draw any matters to the attention of the Administrator should put the matter in writing and forward it to the Administrator at Rendle & Co, No. 9 Hockley Court, Hockley Heath, Solihull B94 6NW.

Future strategy and conduct

- 4.30 The Administrator will continue to manage the business and affairs of the Company in a similar manner until he is discharged should his Proposals be approved by creditors.

5. ASSETS AND REALISATIONS

- 5.1 Set out below is a brief commentary on the assets and the steps taken to realise them.

Leasehold properties

- 5.2 At the date of appointment of the Administrator the Company occupied leasehold properties at Intelligent House, 1-3 Spring Lane, Willenhall WV12 4HR and 1 – 6 Codham Hall Lane, Great Warley CM13 3JT. There is no intrinsic value in either lease. The only value that could be attributed to the leases was in their continued occupation by a purchaser of the business otherwise they were a liability.

- 5.3 The Company had also previously occupied rented yard premises in Rayleigh in Essex and Southend – on – Sea however these were vacated shortly prior to the appointment of the Administrator.

WIP and debtors

- 5.4 Book debt realisations total £43,835 as at the date of the report. The Administrator is continuing to liaise with Whitlence to ensure that every effort is made to collect the outstanding debts and WIP the realisable value of which is uncertain at this stage.

Retentions

- 5.5 No monies have been received as yet in respect of retentions because the debts are not yet due. Whilst the book value of retentions is c £400,000 as indicated in the statement of affairs some of these retentions relate to contracts which the Company has exited and are unlikely to be realisable. Accordingly, the estimated realisable value of retentions is uncertain.

Customer contracts, intellectual property rights, goodwill and seller’s records

- 5.6 Where there is little or insignificant goodwill attaching to a business, for whatever reason, then it is conventional to attach a nominal value to the intangible assets such as customer contracts, goodwill and customer records in order to substantiate that the business and assets has been sold as a going concern and for the protection of both the seller and the purchaser.
- 5.7 Accordingly, the sum of £4 was allocated to the value of the Customer Contracts, Goodwill and the seller’s records (which excludes the statutory books and records of the business).

Plant, machinery and motor vehicles

- 5.8 As set out above, the plant, machinery and motor vehicles were sold as part of the sale of the business to Whitlence. The plant and machinery was sold for £74,496 and the motor vehicle was sold for £8,500.

Office equipment

- 5.9 There was a small amount of office furniture and fixtures which had a limited value and which is largely attributed to its continued use in the business. The amount realised was £4,000.

Stock

- 5.10 Stock was estimated to have a book value of £250,000 approximately 50% of the stock was purchased specifically for a contract which the Company had recently exited. The amount realised from the stock was £75,500.
- 5.11 A small number of suppliers have claimed retention of title to goods supplied to the Company. The Administrator’s staff have arranged stock counts and have reviewed the documentation provided by the suppliers in support of their claims. A number of these claims have proved to be valid and the stock is in the process of being returned to the suppliers by Whitlence in accordance with the terms of the sale contract.

Corporation Tax refund

- 5.12 At the date of appointment the Company was due a refund of Corporation Tax. An amount of £20,002 has been subsequently received.

Cash at bank

- 5.13 At the date of appointment cash at bank (net of accrued charges and interest) totalled £6,453 and this amount has been received by the Administrator.

Agents

- 5.14 The Administrator instructed MGR Appraisals, an independent, specialist firm of insolvency valuers and auctioneers, to assist in the valuation of the tangible assets and the disposal of the assets. In the opinion of MGR Appraisals the valued obtained for the assets was in excess of that which they would be likely to achieve by any other method of sale.
- 5.15 Prior to being instructed MGR Appraisals, confirmed that they did not have a conflict of interest in accepting the appointment and that they held adequate professional indemnity insurance cover.

Sales to connected parties

- 5.16 In accordance with SIP13 we are obliged to report that on 26 October 2020 Whitlence, which it is believed employs a former director of the Company, acquired the business and assets of the Company for the sum of £162,500 and certain other monies as explained above.

5.17 The assets had been professionally appraised and valued by the agents instructed by the Administrator and the value obtained was in the opinion of the agents the best value reasonably obtainable at that time. The matter has been previously fully disclosed and is further disclosed now in the interests of transparency.

5.18 As explained above, the sale process was a robust tender process in which numerous independent parties participated. MGR Appraisals, an experienced independent firm of valuers oversaw the sale process which was considered to be open and transparent. The offer that was eventually accepted was considered to be the best value that was likely to be obtained in the circumstances at that time and was recommended by the agents.

6. ASSETS REMAINING TO BE REALISED

6.1 The only assets left to realise are in respect of the debtors, WIP and retentions, the realisable value of which is not known with any reasonable degree of certainty.

7. RECEIPTS AND PAYMENTS

7.1 Attached as Appendix C to this report is a summary of the receipts and payments in the Administration as at 30 November 2020 being the latest practicable reckonable date prior to the issue of this report. The amounts are stated net of VAT as the Company is registered for VAT.

7.2 The summary when read in conjunction with this report is self-explanatory and no further explanation is considered to be necessary.

7.3 The balance of funds in hand, together with any accruing interest, represents monies which will be available to creditors in their appropriate ranking after the payment of the costs and expenses of the Administration. Monies are held on interest bearing accounts and the interest earned is credited to the account on the date on which the interest is received.

8. STATEMENT OF AFFAIRS

Introduction

8.1 A summary of a Statement of Affairs, attested by Mr Peter Evans, a director of the Company, is attached at Appendix E showing the net book value of the assets and liabilities as at the date of the Administration.

8.2 The Statement of Affairs and the accompanying schedules have only recently been received and as such has not been subject to a detailed review by the Administrator or his staff however, in the Administrator’s opinion, the following comments are relevant in relation to an appreciation of the Statement of Affairs:

- The claims of creditors are based on the information in the Company’s books and records and may not be wholly correct or complete. Certain claims also appear to have been estimated and others have been omitted.
- The book values of the assets are in line with the books and records and the management accounts.
- The realisable values of the assets has been estimated and appear to be reasonably accurate.
- As is usual in these circumstances no allowance has been made for the costs and expenses of the Administration or the realisation of the assets. Accordingly, the statement of affairs overstates any funds that may be available to unsecured creditors.

8.3 The agreement of creditors’ claims for voting or dividend purposes is a separate matter and will be dealt with as appropriate in due course.

Statements of Concurrence

- 8.4 Statements of concurrence in respect of the Statement of Affairs have been requested from Messrs Mahapatra and Marshall, two directors of the Company and from Mr Afzal, a former director of the Company. These have not yet been received.

Limited disclosure

- 8.5 An Order limiting the disclosure of the Statement of Affairs has not been sought nor is there any intention to do so.

9. PRESCRIBED PART

- 9.1 The Enterprise Act amended the Act by inserting inter alia section 176A into the Act. The effect of inserting section 176A is to provide, in certain circumstances, a limited fund for unsecured creditors from the assets of the Company, which would otherwise be available to a floating charge holder. This fund is known as the “Prescribed Part” and is only relevant where the floating charge holder obtained the benefit of its security on or after the implementation of the relevant provisions of the Enterprise Act on 15 September 2003.

- 9.2 The Administrator is required in certain circumstances to detail those monies paid to unsecured creditors in respect of the Prescribed Part. However, as there are no creditors secured by charges over the assets and undertakings of the Company created on or after 15 September 2003, there will be no payments to unsecured creditors in relation to the Prescribed Part.

10. CREDITORS’ CLAIMS

- 10.1 Set out below is a brief summary of the current estimated position in relation to the various categories of creditors.

Secured creditors

- 10.2 There are no secured creditors other than in respect of two finance agreements for items of plant and machinery.
- 10.3 There were finance agreements with Aldermore Asset Finance for excavators and the associated trailers and Lloyds Asset Finance for testing equipment and trenchers which were considered to have negative equity.
- 10.4 Following the sale of the business it is understood that Whitlenge entered into novation agreements with the finance companies or agreed with the finance entities to return their goods.
- 10.5 Any shortfall due to the finance companies will rank as an unsecured claim in the Administration

Preferential creditors

- 10.6 At the date of appointment of the Administrator the preferential claims of creditors were estimated to be in the region of £129,042. Following the sale of the business employee preferential claims totalling c £77,262 were transferred to the purchaser in accordance with the TUPE regulations. It is estimated that the preferential claims of creditors will total c £52,210 following the sale of the business.

Unsecured creditors

- 10.7 It is estimated that there are some 257 unsecured creditors and unsecured claims will total approximately £9,193,266 based on the information shown in the books and records and the statement of affairs. However, it is an early stage of the proceedings and there may be material differences in the claims that may actually be received from creditors and ultimately agreed.

- 10.8 It is estimated that those employees who were transferred to the purchaser of the business had unsecured claims for redundancy and notice pay of approximately £190,402 which will now not be payable by the Company as a result of the sale of the business and assets.
- 10.9 Certain creditors have indicated that they have claims for retention of title or liens over assets which may have a bearing on the amounts ultimately agreed.
- 10.10 The amounts at which creditors’ claims are stated in these Proposals are not those which may be used for voting or dividend purposes which are different matters.

11. ESTIMATED OUTCOME

- 11.1 The estimated outcome for creditors is dependent upon the approval of the Administrator’s Proposals. It is not possible at the present time to produce a credible formal estimated outcome statement for creditors since many matters remain outstanding. However, on the assumption that the Administrator’s Proposals are approved without significant modification a brief commentary is set out below.
- 11.2 Creditors will understand that any estimate provided in respect of the dividend prospects for creditors is purely an estimate based on the circumstances as they are known at the current time. Any dividend that may ultimately be declared could be significantly different from the estimate stated.

Secured creditors

- 11.3 It is understood that Whitlence intends to either enter into novation agreements with the finance companies which will avoid any claim against the Company or return the goods to the relevant company.
- 11.4 Any shortfall due to the finance companies will rank as an unsecured claim in the Administration.

Preferential claims of creditors

- 11.5 Any claims that may be received will be paid in priority to the unsecured claims of creditors and are likely to be paid in full.

Unsecured creditors

- 11.6 On the basis of the current information, and given the anticipated level of future realisations, it appears likely there will be sufficient funds, after settling the preferential claims of creditors and the costs of Administration, to pay a dividend to the unsecured creditors of approximately 2 - 5p in the £. However, it is too early in the process to give an indication as to the likely timing of the dividend, if any.

12. ADMINISTRATOR’S PROPOSALS

- 12.1 The Administrator’s Proposals in relation to the Company are as follows:
- 12.2 The Administrator should consider and pursue the most appropriate method of realising the assets for the benefit of the creditors.
- 12.3 The Administrator should arrange to distribute any available funds from the realised assets to those creditors entitled to them in an economic manner and may agree the claims of all categories of creditors of the Company unless the Administrator concludes, in his reasonable opinion, that the Company will have no assets available for distribution to them.
- 12.4 The Administrator continues his enquiries into the conduct of the directors and the reasons for the failure of the Company and pursues the benefit of any claims, including antecedent transactions, the Company may have or assets to which the Company may be entitled.

- 12.5 The Administrator be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and in relation to distributions to unsecured creditors when the Court gives permission.
- 12.6 That in the event the relevant creditors so determine, as part of a decision procedure, appoint a Creditors Committee in the Administration comprising of not more than five and not less than three creditors of the Company.
- 12.7 That the Administrator be authorised to charge and draw disbursements and expenses incurred by the Administrator at the standard rates of Rendle & Co as amended from time to time. The current rates are described in the section of these Proposals headed "Administrator's Fees and Expenses".
- 12.8 The Administrator be authorised to make such application to Court for directions or otherwise as he considers appropriate with a view to achieving the purposes of the Administration or the Proposals.
- 12.9 If the Administrator considers it appropriate, he may convene a further decision procedure for creditors pursuant to paragraph 54 of schedule B1 of the Insolvency Act 1986 to consider a revision to the Administrator’s proposals.
- 12.10 The Administrator concludes the Administration if or when he considers the objective to have been achieved
- 12.11 In the event that the claims of creditors have been settled or compounded for and funds remain in the hands of the Administrator and the Administrator is satisfied that the objective of the Administration has been achieved then the Administrator may pass control of the Company back to the directors in accordance with the Rules.
- 12.12 Unless the Administrator considers that the objective has been achieved, the Company exits the Administration by the route deemed most appropriate by the Administrator, being:
- Company Voluntary Arrangement
 - Creditors’ Voluntary Liquidation
 - Dissolution, or
 - Compulsory liquidation
- 12.13 If the Company exits the Administration by way of a Creditors’ Voluntary Liquidation (“CVL”), Compulsory liquidation or a Company Voluntary Arrangement (“CVA”) Richard Paul Rendle of Rendle & Co, No 9 Hockley Court, Hockley Heath, Solihull B94 6NW be appointed as Liquidator or Supervisor as appropriate. Creditors may nominate a different person as the proposed Liquidator or Supervisor.
- 12.14 The Administrator may seek to extend the term of the Administration should he consider it necessary and appropriate.
- 12.15 The Administrator be granted his discharge with effect from the date specified in the relevant section headed, “Discharge from Liability”, in the Administrator’s report issued in respect of these Proposals.
13. EXIT ROUTES FROM ADMINISTRATION
- 13.1 Following the amendments to the Act pursuant to the terms of the Enterprise Act all administrations after 15 September 2003 automatically come to an end after one year, unless an extension is granted by the Court or with the consent of the creditors.
- 13.2 The exit provisions contained in Schedule B1 of the Act provide an informal and cost effective way for the appointment of an Administrator to cease and reference is made to this in the Administrator’s Proposals.

13.3 Otherwise and unless it is proposed that a company in Administration should be placed in Creditors’ Voluntary Liquidation the appointment of an Administrator ceases on the following:

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

13.4 The exit route chosen in relation to the Company will depend on the circumstances of the Administration and the approval of creditors.

13.5 The Administrator is required to provide an estimate of the likely costs of exiting the Administration in the event the Proposals are approved in the same or a substantially similar form by creditors. These costs are set out in the table below and are based on the circumstances as they are currently known and expected future events to name two of the primary assumptions. The prediction of future events is an imprecise science and as such the costs shown below should be used as a guide and may not be materially correct.

Exit route	Fees £	Expenses £	Total cost £
Voluntary Arrangement	50,000	1,000	51,000
Creditors’ voluntary liquidation	30,000	3,000	33,000
Compulsory liquidation	30,000	15,000	45,000
Dissolution	5,000	0	5,000

14. ADMINISTRATOR’S RELEASE

14.1 On the date of cessation of the Administrator’s appointment either pursuant to Paragraph 83(6)(a) (voluntary liquidation) or 84(4) (dissolution) of Schedule B1 of the Act, as appropriate, the Administrator will be discharged from liability in respect of any of his actions as administrator 14 days after the cessation of his appointment as administrator in accordance with Paragraph 98 2(b) of the said Schedule. In respect of the ending of the Administration in any other circumstance, except by resolution of the Creditors’ Committee the discharge shall be the earlier of 14 days after the expiry of the natural term, the filing of a notice in accordance with Paragraph 80(2) (achievement of purpose) or the making of a Court Order, as appropriate. Where the discharge is granted in accordance with Paragraph 98 2(b) by the Creditors’ Committee it shall be the date specified by the relevant resolution of the Creditors’ Committee.

15. ADMINISTRATOR’S FEES AND EXPENSES

Pre-administration costs

15.1 There are unpaid pre-Administration costs of the Administrator in the sum of £27,822. The costs are set out in Appendix G and are the costs agreed with the Company in respect of a letter of engagement dated 15 October 2020. The costs were incurred in carrying out an investigation into the affairs of the Company to ascertain whether the circumstances of the Company were suitable for the Company to be placed into Administration and negotiating the sale of the business. Accordingly, the work was essential to protect the interest of creditors and the success of the Administration. The outstanding expenses are shown separately. None of these costs have been paid.

15.2 For the avoidance of doubt the unpaid pre-appointment costs constitute those that are permitted within Rule 3.35 of the Rules and the details required by 3.35(10) of the Rules are provided within this section of the report or Appendix G.

- 15.3 Pre appointment fees and expenses unpaid at the commencement of the Administration may only be paid to the extent permitted by Rule 3.36. These Proposals and the supporting appendices provide creditors with the detailed account of such expense to be paid from Administration funds in accordance with Rule 3.36. Pre appointment fees and expenses not payable with Rule 3.36 shall rank as an unsecured claim alongside other ordinary creditors.
- 15.4 These Proposals disclose the nature of the work carried out prior to the Administration and the necessity for that work. It is also evident how the objective of the Administration was furthered by that work.
- 15.5 The pre-Administration work arose as a result of an instruction to Rendle & Co issued by the directors on 15 October 2020 as they were considered to be an essential pre-requisite to the consideration of an appointment of an Administrator and the sale of the business and assets. The legal costs incurred were similarly authorised by the directors on 15 October 2020.
- 15.6 The fees incurred in respect of the pre-Administration work were charged at the standard charge out rates of Rendle & Co without any uplift to reflect the speculative nature of the work.
- 15.7 The monies received by Rendle & Co in respect of the pre-Administration costs as set out in Appendix G were paid by the Company.
- 15.8 The costs of the solicitors in relation to appointment of the Administrator and the pre-pack sale of the business total £19,810 including the application fee. In accordance with Rule 3.51, the costs of the application are payable as an expense of the Administration. These costs are also outstanding.
- 15.9 MGR Appraisals, were instructed to undertake an inventory and valuation of the plant, equipment, fixtures, and fittings and stock where appropriate. Their fees for valuation advice and assistance are based upon their recorded time costs incurred at their prevailing hourly charge out rates. Disbursements are an additional cost. Their costs, net of VAT as at 20 November 2020 have been agreed at £3,700.
- 15.10 The payment of the pre-Administration costs as an expense of the administration is:
- Subject to approval under Rule 3.52, and
 - Not part of the Proposals subject to approval under paragraph 53 of Schedule B1 of the Act.
- 15.11 It is proposed that the Administrator shall be authorised to make the payments detailed above.

Fee information

- 15.12 From the date of appointment to 25 November 2020 205 hours have been recorded as having been spent at a cost of £52,452 as shown in Appendix H. The costs incurred have been categorised into the various standard task headings and sub categories and a detailed analysis and summary of the time spent is shown in the appendix.
- 15.13 It will be proposed in due course that the Administrator shall be authorised to draw remuneration based upon time costs together with the expenses incurred by him in the Administration, to be paid out of the assets of the Company (in accordance with Rule 18.16(2)) “by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration”

Fees and costs approval

- 15.14 As the Administrator has decided not to seek the approval of the Administrator’s fees at this time because it is too early in the process to provide any reliable estimates. The matter will be dealt with by way of a separate decision procedure for creditors at a later date.

Administrator’s expenses

- 15.15 The direct expenses incurred (but not paid) in the Administration total £202 as set out in Appendix J. Certain costs are estimated.

Solicitors

- 15.16 To advise on appropriate legal matters the Administrator instructed Fieldfisher solicitors. An indication of their outstanding costs to 30 November 2020, net of VAT, has been provided to us and is also included in Appendix J. Their fees are based upon their recorded time costs incurred at their prevailing charge out rates and will be reviewed by the Administrator’s staff before being approved for payment. Fieldfisher were selected based on their specialist knowledge and acknowledged experience in dealing with complex insolvency matters.

Other professional costs

- 15.17 No other professional costs have been incurred in the Administration as at 30 November 2020 other than in respect of insurance.

Requests for further information regarding fees and costs

- 15.18 Where the time costs or fees exceed £50,000 professional regulations require that further information is provided to creditors so that creditors may consider themselves to be fully informed before deciding whether to seek to challenge the fees charged. Rendle & Co fully endorses and supports the requirement to provide adequate, clear concise information to enable creditors to fully consider the position regarding the approval or challenge of fees. However, the provision of too much information is equally as bad as the provision of too little. Accordingly, notwithstanding any legal rights (as set out below) Rendle & Co will seek to make available to creditors such further information as may reasonably be requested regarding time or costs charged to the case. This approach is adopted to avoid overburdening creditors with detailed information which they may not want and which they do not wish to pay for whilst acknowledging the quasi trust status of monies held and drawn. Should you require any further information please contact us.
- 15.19 A secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may request such further information regarding the costs and expenses of the Administration which is considered reasonable and not prejudicial to the Administration or subject to any confidentiality obligation. Furthermore, any secured creditor, or unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including that creditor) or the permission of the Court, may apply to the Court for one or more orders set out in Rule 18.34 of the Rules.
- 15.20 Further information regarding fees and creditors’ rights can be found in the creditors’ guides produced by R3 which are available from www.creditorinsolvencyguide.co.uk. Statement of Insolvency Practice 9 (“SIP9”) which deals with the information that insolvency practitioners are obliged to make known to creditors and interested parties is available from the client access area of our website at www.rprendle.com (username SIP9, password SIP9) or inter alia, from the websites of the Institute of Chartered Accountants in England & Wales at www.icaew.com or R3 at www.r3.org.uk. Alternatively you may request a hard copy by contacting us at info@rprendle.com.
- 15.21 The appropriate SIP9 is that which relates to the relevant date of appointment which was 26 August 2020.

16. CONSIDERATION OF ADMINISTRATOR’S PROPOSALS

- 16.1 In accordance with Paragraph 52(2) of Schedule B1 to the Act a creditors’ meeting may be convened by the Administrator if it is requested by creditors of the Company, whose debts amount to at least 10% in value of the total debts of the Company.

16.2 In accordance with Rule 15.18 such a request must be submitted within 8 business days on which these Proposals are sent out and the Administrator may require any such creditor to lodge with him a deposit, at an amount to be determined by the Administrator, as security for expenses of convening a meeting.

16.3 The purpose of such a decision procedure would be for creditors to consider and vote on the Administrator’s Proposals.

Physical meeting

16.4 In accordance Section 246ZE of the Act creditors may also require a physical meeting be convened to consider the Proposals provided that the request is made before the Decision Date and within 5 business days of the deemed delivery of the notice by delivering an authenticated and dated Notice of the objection to the Convener C/o Rendle & Co at the address provided below.

16.5 The threshold for a request to the use of this procedure and for the convening of a physical meeting is 10% of creditors by value, or 10% by number or 10 creditors. Creditors means all creditors.

Resolutions

16.6 The following resolutions are required to be considered by creditors:

1. The unpaid pre-appointment costs detailed in the Proposal report be paid as a cost of the Administration as funds received allow.
2. The acceptance of the Administrator’s Proposals.
3. For the appointment of a Committee if creditors so wish and sufficient nominations for membership of the Committee are received.
4. The Administrator be authorised to draw Category 2 disbursements periodically from time to time as they are incurred.

17. REGULATORY MATTERS

17.1 The authorising body of Richard Paul Rendle, the Administrator, when engaged in insolvency matters is the Institute of Chartered Accountants in England & Wales.

18. REPORTS

18.1 The next report you will receive will be a progress report which falls due six months after the date of appointment.

19. PROFESSIONAL STANDARDS

19.1 Licensed Insolvency Practitioners are required to comply with the Insolvency Code of Ethics (“Code”), Statements of Insolvency Practice (“SIPs”) and professional regulations which set out fundamental principles dealing with requirements for integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. A copy of the Code can be found on the Insolvency Service website (www.gov.uk). A copy of the SIPs can be found on the R3 website (www.r3.org.uk).

20. EC REGULATIONS

20.1 Council Regulation (EU) No 848/2015 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

21. PRIVACY NOTICE

- 21.1 Rendle & Co uses personal information in order to fulfil our legal obligations as insolvency practitioners under the Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how we use your personal information on our website at www.rprendle.com

If you have any queries in relation to the report, please contact Louise Rutherford.

Dated: 1 December 2020



R P Rendle
Administrator

Licensed in the UK to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

The affairs, business and property of the Company are being managed by the Administrator who acts as agent for the Company without personal liability.

PRO1002

INTELLIGENT TELECOMMUNICATIONS LTD
STATUTORY INFORMATION

NAME:	Intelligent Telecommunications Ltd	
REGISTERED NUMBER:	08173339	
DATE OF INCORPORATION:	9 August 2012	
FORMER TRADING NAME:	N/A	
FORMER TRADING ADDRESS:	Intelligent House, 1-3 Spring Lane, Willenhall WV12 4HR	
PRINCIPAL ACTIVITY:	Installation of Telecommunications	
REGISTERED OFFICE:	No 9 Hockley Court, Hockley Heath, Solihull, B94 6NW Changed on 26 October 2020 from Intelligent House 1-3 Spring Lane Willenhall West Midlands WV12 4HR	
SHARE CAPITAL:	Nominal	Issued
Ordinary shares of £1 each	100	100
SHAREHOLDER:	Ensco 1336 Ltd – 100 Ordinary £1 shares	
DIRECTORS:	Mr Peter Evans Mr Neil Mahapatra Mr Tony Marshall Mr Jakub Swieboda	
SECRETARY:	None	
MORTGAGES AND CHARGES:	None	
COURT:	The High Court of Justice London Business and Property Courts of England and Wales	
CASE NUMBER:	CR-2020-004033	
NAME OF ADMINISTRATOR:	Richard Paul Rendle	
OFFICE HOLDER NUMBER:	5766	
DATE APPOINTED:	26 October 2020	
BY WHOM APPOINTED:	Directors	
CONTACT DETAILS:	info@rprendle.com or 01564 783777	

Appendix B

INTELLIGENT TELECOMMUNICATIONS LTD
SUMMARY OF PROFIT AND LOSS ACCOUNTS

	31 May 2018 Filed £	30 June 2019 Filed £	15 months ended September 2020 Management £
Turnover	4,073,236	3,630,324	13,636,500
Cost of Sales	3,522,612	2,228,776	12,525,430
Gross Profit	<u>550,624</u>	<u>1,401,548</u>	<u>1,111,070</u>
Distribution Costs			
Administrative Expenses	1,799,623	1,757,319	4,334,325
Operating Loss	<u>(1,248,999)</u>	<u>(355,771)</u>	<u>(3,223,255)</u>
Interest and Charges	<u>(19,894)</u>	<u>(7,431)</u>	<u>(956,509)</u>
Loss before Tax	(1,268,893)	(363,202)	(4,179,764)
Taxation	(239,169)	(26,328)	(399,346)
Loss after Taxation	<u><u>(1,029,724)</u></u>	<u><u>(336,874)</u></u>	<u><u>(3,780,418)</u></u>

INTELLIGENT TELECOMMUNICATIONS LTD
SUMMARY OF BALANCE SHEETS

	As at 31 May 2018 £	As at 30 June 2019 £	As at 30 September 2020 £
Fixed Assets			
Tangible Fixed Assets	503,160	301,985	760,039
Intangible Assets	0.00	4,040,000	4,040,000
	<u>503,160</u>	<u>4,341,985</u>	<u>4,800,039</u>
Current Assets			
Stock	100,000	100,000	518,046
Trade Debtors	655,272	1,106,197	832,098
Cash at Bank and in Hand	162,398	1,519,140	185,234
	<u>917,670</u>	<u>2,725,337</u>	<u>1,535,378</u>
Current Liabilities			
Hire Purchase Contracts	105,455	66,917	0
Trade Creditors	946,065	596,047	1,809,943
Taxation and Social security	375,526	202,712	1,997,353
Other Creditors	614,314	422,077	355,990
	<u>2,041,360</u>	<u>1,287,753</u>	<u>4,163,286</u>
Net Current Liabilities	<u>(1,123,690)</u>	<u>1,437,584</u>	<u>(2,627,908)</u>
Total Assets less Current Liabilities	(620,530)	5,779,569	2,172,131
Liabilities Due After 12 Months			
Hire Purchase Contracts	119,084	57,435	191,118
Amounts owed to group undertaking	0	2,255,000	0
Deferred Taxation	0	0	(670,727)
Other Creditors	0	503,622	640,932
Net (Liabilities)/Assets	<u>(739,614)</u>	<u>2,963,512</u>	<u>2,010,808</u>
Represented By			
Share Capital	100	100	100
Opening Reserves	0	4,040,000	7,045,000
Retained loss for the Period	<u>(739,714)</u>	<u>(1,076,588)</u>	<u>(5,034,292)</u>
	<u>(736,614)</u>	<u>2,963,512</u>	<u>2,010,808</u>

INTELLIGENT TELECOMMUNICATIONS LTD
ADMINISTRATOR'S ABSTRACT OF RECEIPTS & PAYMENTS
FROM 26 OCTOBER 2020 TO 1 DECEMBER 2020

S of A £		£
		Appointment to date
ASSET REALISATIONS		
	Business Records and Customer Contracts	2.00
15,000	Plant & Machinery	74,496.00
2,000	Office Furniture, Fixtures & Equipment	4,000.00
5,000	Motor Vehicles	8,500.00
50,000	Stock	75,500.00
	Goodwill	1.00
	Intellectual Property Rights	1.00
43,385	Book Debts	43,835.17
70,000	Retentions	0.00
6,453	Cash at Bank	6,453.45
	Licence monies received	26,150.71
	Corporation Tax Refund	20,002.23
<u>191,838</u>		<u>258,941.56</u>
COST OF REALISATIONS		
	Licence monies paid	14,520.00
	Whitlence debt recovery	23,013.46
		<u>37,533.46</u>
BALANCE		<u>221,408.10</u>
REPRESENTED BY		
	Cash at bank – interest bearing	111,277.39
		<u>221,408.10</u>

INTELLIGENT TELECOMMUNICATIONS LTD

SIP 16 – PRE-PACK INFORMATION DISCLOSURE

On 26 October 2020 Richard Paul Rendle of R P Rendle & Co Limited (“Rendle & Co”) was appointed Administrator of the Intelligent Telecommunications Ltd (“Company”).

The statutory purpose of an Administration is for an Administrator to perform his functions with the objective of either rescuing the company as a going concern or achieving a better result for the company’s creditors as a whole than would be likely if the company were wound up rather than being placed into Administration first. If neither of these objectives is reasonably practicable, the third objective of realising property in order to make a distribution to one or more secured or preferential creditors of the company may be pursued providing the Administrator avoids unnecessarily harming the interests of the creditor as a whole. In this instance, it was not appear possible to rescue the Company as a going concern and therefore the Administrator is pursuing the objective of achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first (“Purpose”).

Where a sale of all or part of a company’s business or assets is negotiated with a purchaser prior to the appointment of an Administrator, and the Administrator effects the sale immediately on, or shortly after appointment, this is known as a pre-packaged sale (“Pre-pack”).

In this case, in order to achieve the Purpose, the Administrator needed to sell the business and assets as a going concern. However, the Administrator did not have the sufficient funds to continue trading, and the risks associated with continued trading were unacceptable. A Pre-pack sale was the only realistic means of delivering this.

Set out below is further information containing a summary of the circumstances relevant to the Pre-pack of the Company’s business and assets to Whitlenge Civils Limited (“Whitlenge”) in accordance with the provisions of Statement of Insolvency Practice 16 (“SIP 16”). In agreeing to the Pre-pack, the Administrator considered the purpose of the Administration and the fulfilment of the statutory obligations to creditors under paragraphs 3(2) and 3(4) of Schedule B1 of the Insolvency Act 1986.

Executive Summary

The principal activity of the Company was a Tier 1 civil engineering supplier to the fibre telecommunications industry operating from premises at Willenhall, Wolverhampton.

In the months prior to going into Administration, the Company experienced difficulties with a particular contract in Southend-on-Sea and incurred losses on other contracts.

Valuable assets of the Company are those that arise in respect of the customer contracts, the debtors and work in progress (“WIP”).

Prior to the appointment it became apparent to the Administrator that unless the Company continued to trade the customers would likely terminate the contracts which would effectively render the debtors and WIP valueless. The customers would also have substantial claims against the Company for breach of contract and failure to complete the contracts. Furthermore, the customers would have little difficulty in engaging alternative contractors to complete the works.

Accordingly, after careful consideration of the circumstances the Administrator concluded that the best course of action would be to facilitate a continuation of the business as this would be in the best interests of creditors.

Having conducted a brief review of the business the Administrator also concluded that the Company would be unable to continue to trade during the Administration because:

- It had insufficient funds to pay either the employees or the subcontractors for the current week’s work
- The customers would likely withhold any monies due to the Company pending a settled outcome for the business
- There were significant health and safety and environmental risks associated with continued trading of the business
- Given the cash constraints there was no certainty that suppliers (including the subcontractors without whom the business could not continue to trade) would continue to supply the Company in Administration
- There was no certainty that a buyer for the business would be found in a timescale that satisfied the expectations of the customers

Intelligent Telecommunications Ltd – Administrator’s Proposals

Consideration was given to licensing the business and assets to a third party to enable the business to continue pending a sale of the business and assets. However, the Administrator was advised that this would expose the Company in Administration and the Administrator personally to unavoidable, unacceptable risks.

Accordingly, it was concluded that the only viable option if the business was to continue to trade was to immediately sell the business and assets to a third party.

In more normal circumstances, there would be an opportunity to advertise the business and assets for sale and/or carry out some discrete marketing of the business. However, because the Company had run out of funds and there were only two customers of the business the Administrator and his advisers concluded that there was insufficient time to carry out any credible marketing activity and even if there had been sufficient time the exposure of the Company’s dire position to the marketplace would have been self-fulfilling.

It was therefore decided to enter into a Pre-pack sale of the business and assets to a third party with connections to the existing directors with the proviso that there was a buy-back clause should any other party submit a better offer in due course when the business and assets have been exposed to the market.

The intention behind the Pre-pack was to provide a better return to creditors than the only other option which was an insolvent liquidation (with the loss of the value of debtors and WIP as discussed above).

The business and assets of the Company are currently being marketed for sale. Should you have an interest in the acquiring the business and assets of the Company, please contact Joe Bentley (Joe.Bentley@rprendle.com).

Initial introduction

Prior to the appointment the Administrator had no prior involvement with the Company or its directors. The introduction was at the instigation of Robin Middleton, an accountant, who had met the proposed Administrator approximately 10 years ago when he was working for a group of companies which had failed. The proposed Administrator had been engaged to produce the statements of affairs for the directors of the group of companies.

The Administrator was first contacted on 5 October 2020 by Robin Middleton, met with the directors on 7 October 2020 and formally appointed to advise the Company on 15 October 2020. The short delay in making the appointment was due to the directors discussing the matter between themselves and considering the options available.

The proposed appointment of the Administrator was made by a resolution of the Board of Directors dated 23 October 2020 and the necessary documents were lodged in Court on 26 October 2020.

Pre-appointment considerations & options analysis

As mentioned above, on 7 October 2020, a board meeting was held at which Rendle & Co attended, where the Company’s financial performance and deteriorating cash position was discussed.

It was evident, due to the deterioration of the Company’s cash position that the Company would run out of cash in the near future. The directors attributed the failure of the Company to the losses it had incurred on various contracts and one contract in particular in Southend-on-Sea for a particular customer. The losses on that contract had been stemmed by the Company exiting the relationship with the customer concerned.

The following alternative courses of action were considered with management prior to the Administrator’s appointment and the Pre-pack.

Debt or equity finding to enable a rescue of the Company as a going concern

A rescue of the Company as a going concern was not possible because the Company did not have sufficient funds to continue to trade whilst further funding was sought. The prospect of further funding was considered to be remote given the losses that had been incurred.

Company Voluntary Arrangement

A Company Voluntary Arrangement was not possible as this would require funding for ongoing cash flow demands which was not available and would not provide the necessary protection from creditors.

Liquidation

Any liquidation of the Company, be that Creditors Voluntary Liquidation (“CVL”) or Compulsory Liquidation (“WUC”) would have resulted in an immediate cessation of trade which would have prevented any going concern sale of the business and reduced the potential realisations from the Company’s assets, in particular its debts and WIP. The offer for the business and assets of the Company was based upon a desire for a seamless continuity of trade and any suggestion of cessation of trade would have resulted in the immediate withdrawal of the offer.

The cessation of trade would have had little impact on customers. The customers employ various other contractors throughout the country and the customers would have had little difficulty in employing alternative contractors to continue the works. The customers might have suffered a couple of weeks of delay in the works whilst alternative contractors were sourced and appointed. Other than that inconvenience and cost the customers would have felt little impact.

Immediately prior to the Administration, the Company employed 72 staff and directors and a liquidation, be that CVL or WUC, would have resulted in the termination of all the contracts of employment, therefore crystallising employee claims in the nature of accrued holiday pay, pay-in-lieu of notice and redundancy. Such claims would have significantly burdened the Company with additional liabilities and diluted the anticipated dividend to unsecured creditors of the Company. These liabilities have been mitigated by the Administration and the Pre-pack, as the liabilities associated with the employees contracts of employment have transferred to Whitlence under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”).

The costs in a shutdown scenario would have also been significantly higher than those that are likely to be incurred following the Pre-pack because of the need to deal with employee and customer claims. These higher costs would also have had a detrimental impact upon any return to creditors.

In a liquidation scenario, there was no prospect of any return to unsecured creditors.

Administration

The Administration process was explained to the directors of the Company, along with the statutory purposes of Administrations set out in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986. It was noted that Administration would allow the Company to explore the possibility of a sale on a going concern basis to a preferred buyer, which was likely to offer considerably enhanced realisations for the benefit of creditors compared to the alternative insolvency scenarios.

Having discussed the options for the Company with the directors, it was concluded that the Administration was the best insolvency option. The statutory purposes of Administration are shown below:

1. Rescuing the company as a going concern, or;
2. Achieving a better result for the Company’s creditors as a whole than would be likely were the Company wound up (without being in Administration), or;
3. Realising property in order to make a distribution to one or more secured or preferential creditors.

In this instance and based upon estimates of potential realisations in an Administration, it was considered that the second purpose of Administration, that is achieving a better result for the Company’s creditors as a whole than would be likely were the Company wound up (without being in Administration), was likely to be achieved, as a going concern sale of the Company’s business and assets was anticipated to generate better realisations than a close down scenario.

The proposed Administrator considered that the optimum strategy was to explore the possibility of the sale of the business and assets on a going concern basis. A sale of the business and assets was considered critical to maximising the realisations from the Company’s assets and minimising the Company’s liabilities.

Ongoing trading was not a realistic option for the proposed Administrator because of the lack of funds, the risks associated with continued trading and the lack of certainty in respect of the customers continuing to pay the Company even if trade had been continued.

There was insufficient time available to market the business and assets for sale before the Company ran out of funds and the open marketing of the business and assets for sale would have been self-fulfilling. Inevitably, the Company would have had to cease trading.

This meant that the only way that a sale of the business as a going concern could have been achieved was by way of a Pre-pack.

Intelligent Telecommunications Ltd – Administrator’s Proposals

As mentioned above, the Company had exhausted all of the funds available to it and urgent steps were required if the Company was to continue trading. Accordingly, there was insufficient time to undertake any marketing of the business and assets and in the circumstances any such marketing could have been counterproductive, if details of the Company’s situation was made known to suppliers, subcontractors or customers.

Accordingly, the only offer received and considered prior to the appointment of the Administrator was, of necessity, the offer from Whitlence.

The directors of the Company were informed in writing that the proposed Administrator would have to carefully consider any offer and critically review it from an independent point of view. The Administrator will also consider any alternative proposal independently and consider whether to implement the buy-back rights.

Appointment related matters

The Administrator was appointed by the directors of the Company on 26 October 2020.

The Administrator formed the view that insolvency proceedings in respect of the Company were inevitable on 8 October 2020 and that the most appropriate course of action for the Company was Administration proceedings as soon as practically possible.

The directors were advised at the commencement of the engagement that they had the right to obtain independent legal advice at any stage of the assignment.

Prior to the engagement of Rendle & Co there was no prior involvement with either the Company or any of the directors or the shareholder or its shareholders.

Marketing of the business and assets

As explained above, there was insufficient time to construct or undertake any credible marketing activity prior to the appointment of the Administrator. Furthermore, any such activity would have been counterproductive and commercially damaging to the business. Accordingly, the business was not marketed for sale prior to entering into the transaction with Whitlence. However subsequent to the appointment of the Administrator the business and assets of the Company have been and are in the process of being marketed for sale on a specialist insolvency internet based business and assets for sale marketing platform as well as targeted approaches to other Tier 1 civils contractors in the fibre broadband industry. This marketing strategy is considered to be the most appropriate strategy to attract those who are likely to be interested in acquiring the business and assets as a going concern. In reality, the only parties likely to be interested in the business are Tier 1 civils contractors who are already in the industry and who have the necessary contacts in the industry.

Sale of the business and assets/the Transaction

On 26 October 2020 the business and assets were sold to Whitlence Civils Limited (“Purchaser” or “Whitlence”).

As the contract includes a buy-back clause the details of the price paid for the assets are commercially sensitive and cannot be released to creditors. However, in broad terms, all of the business and assets of the Company were included in the sale except for one contract with a customer in Southend-on-Sea which had been exited by the Company on terms. Some of the stock was sold to the Purchaser, but a large part of the stock remains to be sold and is also being marketed for sale. The debtors and WIP were also assigned, with an obligation of a percentage of recoveries to be paid to the Company, however these values are uncertain.

As far as the Administrator is aware, none of the directors had given any guarantee in respect of the debts of the Company and no guarantees have been provided by the directors to the financiers of Whitlence. Furthermore, the director of Whitlence has confirmed that he has not entered into any personal guarantees in respect of the affairs of the Company or Whitlence.

The contract for the acquisition of the business and assets by Whitlence includes a buy-back clause which permits the Administrator, subject to certain conditions, to buy-back the business and assets of the Company for a limited period.

The purpose and the intention behind the buy-back clause is to ensure that the business and assets can be marketed for sale by the Administrator in a structured manner to ensure that the best price possible is obtained for the business and assets of the Company.

Intelligent Telecommunications Ltd – Administrator’s Proposals

Full disclosure of the purchase price paid (either by the Purchaser or any subsequent purchaser of the business if the buy-back option is exercised) will be made to creditors in due course and this is likely to be included in the report which is issued by the Administrator in relation to the consideration of his Proposals.

A significant deposit was received on completion of the contract with Whitlence however, part of the consideration was deferred. The deferred consideration has been secured by the buy-back provisions and a first ranking debenture over all of the assets of Whitlence.

Whilst nothing can be certain until the outcome of the marketing exercise is complete, the Administrator is reasonably content that the price obtained for the sale of the business and assets to Whitlence is likely to be the best price available at the current time and significantly in excess of that which would have been obtained from a sale by any other means.

Continued trading and funding

The only monies that were available to fund trading were those in the Company’s bank account which totalled, c £22,000. Accordingly, the monies available to fund continued trading were limited and insufficient. Furthermore, the Administrator was informed that no further proprietary funding was available.

Even if sufficient funds had been available, continued trading would not have been possible because of the risks associated with doing so and because trading was unlikely to have been profitable or cash positive. Continued trading could only have been considered in the light of a committed alternative purchaser prepared to fund any losses and provide finance to continue the business.

Consultation with major creditors (including contingent creditors)

The proposed transaction with Whitlence was not discussed with any party because there is no single creditor or interested party, other than HM Revenue & Customs (“HMRC”) who is independent and who is owed any significant monies in relation to the Company’s affairs. There are various connected parties who are owed significant unsecured liabilities however these parties are associated with the directors of the Company.

HMRC is difficult to engage with at the best of times and during the pandemic lines of communication for insolvency practitioners have been further reduced, necessarily so. Furthermore, even if it had been possible to discuss the matter in detail with HMRC in the time available their views would have little impact on the decision because of the statutory and regulatory obligations placed on the Administrator to obtain the best result possible for the creditors.

Reasons for the sale and steps taken leading up to the sale

As explained above, there was insufficient time to construct and deploy a credible, risk tolerant marketing exercise for the business and assets prior to the appointment of the Administrator. Any delay in the sale of the business and assets would have likely lead to a significant reduction in their value and the price subsequently obtained because the Company would have had to cease to trade.

The tangible assets were valued on an in situ and ex-situ basis by MGR Appraisals (“MGR”), an independent firm of specialist insolvency valuers and auctioneers who were instructed by the proposed Administrator.

The price obtained from Whitlence for the tangible assets compares favourably with the valuations provided by MGR who consider the sale to have taken place at full value given the circumstances.

The sale of the customer contracts and the associated receivables (debtors and WIP) significantly improved the likely realisable value of the receivables; the actual amount realised will not be known until the receivables are actually collected/realised. However, it is reasonable to say that in the event that the contracts and associated receivables had not been sold the realisable value would have been nil. Furthermore, the customers would have submitted significant claims against the Company for failure to complete contracts and for damages.

Person or persons connected or associated with the Purchaser

There are no persons connected or associated with the Purchaser so far as the Administrator is aware within the meanings set out in the Insolvency Act 1986. However, there are some associations with the Purchaser which are disclosed for the sake of transparency.

Peter Evans, a former director of the Company, is likely to be employed by Whitlence but not as a director. In addition, certain of the directors of the Company are understood to be involved in the provision of finance and facilities to Whitlence.

Other than the above, there are no known connections or associations between the Company, its officers and Whitlence.

Special conditions attaching to the sale and financial considerations in respect of the sale

The only condition which the Administrator considers to be “special” in the contract between the Company and Whitlence relates to the buy-back clause whereby the Company has the right to buy back the business and assets subject to certain terms and conditions for a limited time. The buy-back clause is intended to protect the interests of creditors and enable the Administrator to sell the business and assets to a third party should a third party submit a better offer than that made by Whitlence.

Details of charge holders

There are no charges over the assets of the Company.

Previous business failures

As far as the Administrator is aware, the business or assets have not been acquired from an insolvency practitioner within the previous 24 months.

So far as the Administrator is aware none of the directors have been involved with an insolvency failure within the previous 3 years.

Valuation of the business and assets

As explained above MGR Appraisals an independent firm of specialist insolvency valuers and auctioneers were instructed by the proposed Administrator.

MGR confirmed that they did not have any conflict in accepting the appointment and that they carried adequate professional indemnity insurance.

Comparative outcomes

The Administrator is unable to provide full and specific details of the comparative outcomes for the assets at this time because of the commercial needs as a result of the buy-back clause. Full details will be provided in due course and are likely to be included in the report circulated by the Administrator in relation to his Proposals. However, the Administrator can make the following statements for the assistance of creditors:

- The values obtained for the tangible assets are likely to significantly exceed the ex-situ or forced sale/break up values
- The sale of the customer contracts and associated receivables should provide a significant contribution to the assets available for creditors which in any other scenario would not be realisable
- The transfer of the customer contracts to Whitlence has avoided significant claims against the Company by the customers for failure to complete the contracts and damages
- The sale of the business has avoided significant liabilities owed to the employees which have automatically transferred to Whitlence under TUPE
- In order to continue the customer contracts, Whitlence will necessarily take over some of the liabilities which would otherwise be borne by the Company (force majeure)
- Approximately 46 jobs have been saved

Pre-pack pool

The Pre-pack Pool (“Pool”) is an independent body of experienced business people who will offer an opinion on the purchase of a business and/or its assets by connected parties to a Company where a Pre-pack is proposed.

This was not a sale to a connected party which means there was no requirement to approach the Pool, nor is there a requirement that any party must engage with the Pool. However, Whitlence has been advised of the existence of the Pool and been recommended to contact the Pool. It is understood that Whitlence intends to approach the Pool. Should it do so and subsequently provides the Administrator with a copy of the submission and the Pool’s report this will be made available to creditors, as appropriate, in due course.

It is also understood that Whitlence intends to produce a viability statement as part of its submission to the Pool.

Summary

It is believed that the circumstances warranted the immediate sale of the business and assets and that as a consequence the interests of creditors has been protected and enhanced. The sale complied with the Administrator's statutory obligation to obtain the best outcome for creditors.

Dated: 27 October 2020

A handwritten signature in black ink, appearing to read 'R P Rendle', with a stylized flourish at the end.

R P Rendle
Administrator

Licensed in the UK to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England & Wales

The affairs, business and property of the Company are being managed by the Administrator who acts as agent for the Company without personal liability.

INTELLIGENT TELECOMMUNICATIONS LTD
SUMMARY OF THE STATEMENT OF AFFAIRS

ASSETS	Book value £	Estimated realisable value £
Excavators and Trailers	38,881.00	15,000.00
Aldermore Asset Finance		(20,045.00)
		<u>(5,045.00)</u>
Trencher	45,000.00	45,000.00
Lloyds Commercial Finance		(149,502.00)
		<u>(104,502.00)</u>
Leasehold Improvements	60,631.00	Nil
Plant & Machinery	405,334.00	15,000.00
Office Furniture, Fixtures & Equipment	15,508.00	2,000.00
Motor Vehicles	8,055.00	5,000.00
Stock	250,000.00	50,000.00
Goodwill	4,040,000.00	Nil
Customer Contracts/Book Debts	190,722.00	43,385.00
Retentions	451,857.00	70,000.00
Cash at Bank	6,453.00	6,453.00
LIABILITIES		
Preferential claims		129,472.00
Estimated assets available for unsecured creditors		<u>62,366.00</u>
Unsecured creditors		
Deficiency b/d		109,547.00
Trade & Expense Creditors		2,001,046.13
Employee Unsecured Claim		275,761.68
Loans		534,999.99
Ensco 1336 Limited		3,107,233.00
Kingsley Capital Partners		55,250.00
Director's Loan Tahir Afzar		734,622.00
Director's Loan Pete Evans		316,000.00
City Fibre		Uncertain
Virgin Media		40,000.00
HM Revenue & Customs – PAYE		1,334,110.00
HM Revenue & Customs – VAT		663,502.00
Lloyds Bank Corporate Credit Card		21,194.44
Estimated deficiency as regards creditors		<u>(9,130,900.24)</u>
Shares		100
Estimated deficiency as regards members		<u>(9,131,000.24)</u>

Appendix F

Intelligent Telecommunications Ltd
Company Registered Number: 08173339
Statement of Affairs List of Creditors

Key	Name	Address	£
C100	1 Alliance Ltd	183 Hainault Avenue, WESTCLIFF-ON-SEA	1,296.00
C101	1st PS Limited	38 Borough High Street, London, SE1 1XW	31,200.39
C200	2 Rent Specialised Veh Hire	Sankey Valley Ind Estate,Junction LaneNewton Le Willows, St Helens	10,502.99
CA00	A&B Plant	Kildare, New Hall Road, HOCKLEY	5,827.20
CA01	AA	Fanum House, Bassingstoke, Hampshire	274.50
CA02	Access Hire Nationwide Limited	Unit F, Trident Park, Rosie Road, Normanton, WF6 1ZB.	1,227.60
CA03	Accounts and Legal	Suite 1-3, The Hop Exchange, 24 Southwark Street, LONDON	1,800.00
CA04	Active Plant Hire	Unit 26 Greenacres Trading Estate, Aveley Rd, Upminster	300.00
CA05	ADPM Services Ltd (Andy Dawes)	281 Old Worthing Road, Basingstoke, Hampshire	24,480.00
CA06	ADT Fire	Tyco Park,Grimshaw Lane, Newton Heath, Manchester	1,086.96
CA07	Affinity Water	Finance Department 3rd Floor, Tamblin Way, HATFIELD	42.00
CA08	Aim Environmental Services	280 Great Bridge Road, Bilston, Wolverhampton, WV14 8NW	108.00
CA09	Alexander Daniels	Grosvenor House, 11 St. Pauls Square, Birmingham	10,800.00
CA0A	Amazon	60 Holborn Viaduct, Holborn, London, EC1A 2FD	715.48
CA0B	Ashford Print	24 Lincoln Road, North Harrow, HA2 7RL	1,152.00
CA0C	ASL Fusion Ltd	7 Earls Ct, Sunderland, SR5 2QP	1,269.50
CA0D	AXA PPP Healthcare	Phillips House, Crescent Road, Tunbridge Wells, TN1 2PL	2,568.90
CA0E	Aldermore Asset Finance	4th Floor Block D, Apex Plaza, Forbury Road, Reading, RG1 1 AX	20,045.00
CA0H	Tahir Afzal	60 Farquhar Road, Edgbaston, Birmingham, B15 3RE	734,622.00
CA0I	Arval UK Limited	Whitehill House, Windmill Hill, Swindon, SN5 6PE	14,245.12
CA0J	ABU Construction	58 New Bedford Road, Luton, LU1 1SH	1,000.00
CB00	Blitz Recycling Limited	Blitz Business Park, Woden Road, Wolverhampton	282.00
CB01	Blocktech Recruitment	, Marston Green	32,617.25
CB02	Warringtonfire Testing and Certification Ltd	2A (1F) Harvest Drive, Rosewell House, Newbridge, EH28 8QJ	2,206.80
CB03	Boss Contracts Ltd (Aurel(Tony) Lupsa)	2 Lodge Avenue, HARROW	6,523.40
CB04	British Telecommunications	Eldon House, Charter Row, Sheffield, S1 3EF	1,185.46
CC00	Callcare Limited	186 Sloane Street, Knightsbridge, London	630.00
CC01	Calor Gas Ltd	Manor Way, Corringham, Stanford-le-Hope, SS17 9LW	1,051.60
CC02	CF Corporate Finance Ltd	Reading International Bussiness Park, Reading, Berkshire, RG2 6AA	326.00
CC03	Charles Wilson Engineers (CW Plant hire)	317 Bromford Ln, Washwood Heath, Birmingham, B8 2SH	99,349.99

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Key	Name	Address	£
CC04	CHAS	Merton Civic Centre, London Road, Morden, SM4 5DX	706.80
CC05	City Electrical Factors Ltd (CEF)	Heathcote House, Hawkes Drive, Heathcote Ind Estate, Royal Leamington Spa, Warwick, CV34 6UZ	289.86
CC06	Clean With Care	81 Tempest Street, The Curve, Wolverhampton, WV2 1AA	420.00
CC07	CMT Equipment Limited	Trident Works, Mulberry Way, Belvedere, DA17 6AN	51,001.66
CC08	Comtec Cable	Cardinal Way, Cardinal Distrib Park, Godmanchester	3,217.20
CC09	Consider it Done (CID)	Peckfield Business Park, Phoenix Avenue, Leeds	61,276.91
CC0A	CQS (Certified Systems) Limited	Britannia House, Britannia Way, Enigma Park, Malvern, WR14 1GZ	300.00
CC0D	Capital Properties & Investments Ltd	11 Portland Road, Edgbaston, Birmingham, B16 9HN	70,000.00
CC0E	Stuart Currall	5 Chigwell Road, London, E18 1LR	144,999.99
CD00	Dan Carter	29 Kitkatts Road, CANVEY ISLAND	27.50
CD01	David Sperring	Flat 10, 1 Baron Road, South Woodham Ferrers, Flat 10, Chelmsford	350.00
CD02	Dor-2-Dor	67 West Avenue, Chelmsford, Essex, CM1 2DD	9,540.00
CD03	DQ Utilities	Portsmouth Technopole, Kingston Crescent, Portsmouth, PPO2 8FA	444.68
CD04	Dunmow Skips Ltd	14 Baynes Place, Waterhouse Business Park, Chelmsford, Essex, CM1 2QX	7,657.92
CD05	DWF LLP	5 St Pauls Square, Old Hall Street, Liverpool	194.00
CE00	Emtelle UK Limited CF	Emtelle UK Ltd, Haughhead, Hardwick	353.40
CE01	Emtelle UK Limited	Hawick, Scottish Borders, TD9 8LF	12,021.00
CE02	Enfield Safety	Langley House,, Station Road,, Standon,, Herts.SG11 1QN	189.06
CE03	Enterprise Flex E Rent	84-90 Brades Rd, Oldbury, B69 2E	25,331.93
CE04	Essex Concrete & Screed	8 Brockwell Walk, Wickford, Essex, SS12 9D	1,971.81
CE05	Essex County Council	Essex County Council, PO Box 11, County Hall, Chelmsford, Essex CM1 1QH	2,395.36
CE06	Essex Driver	Hawk Hill, Battlesbridge	60.00
CE07	Essex Groundworks	Kierbeck Business Park, Wharf Lane, Basildon, SS16 4SP	5,000.00
CE08	Peter Evans	30 High Street, Shifnall, West Midlands, TF11 8BJ	316,000.00
CE09	Ensco 1336 Limited	Maddox House, Maddox Street, London, W1S 2PZ	3,107,233.00
CE0A	Employee Unsecured		275,761.68
CE0B	Employee Preferential		129,042.82
CF00	Facelift (AFI Ltd)	Diamond House, Diamond Business Park, Thornes Moor Road, Yorkshire, WF2 8PT	712.80
CF01	Fibreplus	Caithness House, Western Way, Melksham, SN12 8DZ	2,934.00

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Key	Name	Address	£
CF02	Fred Humphrey (CIS)		250.00
CF03	Frontline Safety UK Limited	Unit F 230 Springhill Parkway, Parkway Point, Glasgow Business Park, Glasgow, G69 6GA	3,890.64
CF04	Fuel Recruitment	17 Waterloo Place, Leamington Spa, Warwickshire	29,001.64
CG00	G & B Finch	Batemans Farm, Lynderswood lane, Great Leighs, Essex, CM3 1PO	7,007.89
CG01	Global Fibre Networks	5 Darlington Close, SANDY	9,497.90
CG02	Global Go Limited	Tripark One,, Lichfield Road Ind Estate, Tamworth	123,699.65
CG03	GMS International Resources	Onega House, 112 Main Road, Sidcup, DA14 6NE	480.00
CG04	Golz UK Ltd	Unit A5 Springhead Enterprise Par, Springhead Road, Northfleet, DA11 8HB	131.46
CH00	Hannah Lewis	3 Nursey Rise, Waltham Abbey, EN9 3FB	3,024.00
CH01	Hanson Aggregates	PO BOX1828	24,622.45
CH02	Harding Utilities / GAC Civils	Slack Wood, Riverview Road,, Bromborough	18.80
CH03	HellermannTyton Data Limited	Waterside House, Edgar Mobbs Way, Northampton, NN5 5JE	2,469.15
CH04	Hexatronic UK	Unit B, Quay West BC, Quay Lane, Gosport, PO12 4LJ	12,505.20
CH05	Highway Quality Solutions	Unit 3 Meridian Centre, Vulcan Way, New Addington, Croydon	663.00
CH06	Hill Top Transport	56-58 Hill Top, West Bromwich, B70 0PU	2,946.00
CH07	Holiday Inn	Tempus Ten, Tempus Drive, Walsall, WS2 8TJ	159.50
CH08	Howden Workplace Consulting Limited	Glamorgan House, Cardiff Park Bus Park, Cardiff	3,020.00
CH09	HSL Utilities	Unit 2 No, 11 High Holborn Rd, Codnor, Ripley, DE5 3NW	5,154.00
CH0C	HM Revenue & Customs	Enforcement & Insolvency Service, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	1,997,612.00
CI00	Instarmac Group Plc	Danny Morson Way, Birch Coppice Business Park, Dordon	1,711.80
CI01	Integra Cleaning Group	Design House, Todd Close, Rainham, RM13 9XX	1,033.20
CI03	IVAN88 Ltd	234 Theobald Street, Borehamwood, WD6 4PE	14,871.06
CI05	Infinity UK Networks	282 Leigh Road, Essex, SS9 1BW	2,665.22
CJ00	Jadine Shepard		400.00
CJ01	JKS Group	Road Valley Works, Purdeys ways, Purdeys Ind, Rochford, Essex, SS4 1LZ	57,489.30
CJ02	JML Groundworker Ltd (Ion Lechea)	48 Lyndhurst Road, LONDON	3,338.00
CJ03	Jon Root		272.00
CK00	Keymas Ltd	4 Darwin House, Dudley Innovation Centre, The Pensnett Estate, Kingswinford, DY6 7YB	5,976.00

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Key	Name	Address	£
CK01	Kingsley Capital Partners	Maddox House, 1 Maddox Street, London, W1S 2PZ	55,250.00
CL00	Lacos Transport	34 Buckton Road, Borehamwood, Herts, WD6 4HN	1,541.18
CL01	LC Vehicle Hire	Manchester Depot, 52 Kansas Avenue, Salford	6,720.00
CL02	Lease Plan UK Limited	165 Bath Road, Slough, Berkshire, SL1 4AA	739.32
CL03	Leigh Baxter Associates Ltd	unit 17-18, Robert Leonard industrial Estate, Stock Road, Southend On Sea	172.85
CL04	Lyreco UK Limited	Deer Park Court Donnington Wood, Telford, Shropshire, TF2 7NB	69.20
CL05	Lloyds Commercial Banking	6th Floor, 110 St Vincent Street, Glasgow, G2 5ER	149,502.00
CL06	Lloyds Bank Corporate Card	Corporate Card Services, Burystead Court, 120 Caldecotte lake Drive, Caldecotte, Milton Kynes, MK9 1EB	21,194.44
CL07	Lloyds Bank Plc - Bounceback		50,000.00
CM00	M & C Utilites	2 Waldringfield, Basildon, SS14 2JR	3,150.00
CM01	M & O Construction and Civil Engineering	4 School Ln, Luton, LU4 9QS	1,560.00
CM02	Manpower UK	Capital Court, Windsor Street, Uxbridge, Middlesex	19,095.98
CM03	Mark One Hire Ltd	16 Purdeys Way, Purdeys Industrial Estate, Rochford, SS4 1ND	894.15
CM04	MDL Plant	Lodge Works, Great Ashfield, B.S.E, Suffolk, IP31 3HA	16,440.00
CM05	Mehmet Cokgezici		298.52
CM06	Melvin Coleman/ Coleman Civils	42 Foley Street, WEDNESBURY	280.00
CM07	Mervyn Lambert Plant	Millpond Farm, Garboldisham, Diss, IP22 2SP	2,402.40
CM08	Mills Ltd	13. Fairway Drive, Fairway Ind Estate, Greenford	13,725.66
CM09	Mobile Mini	Ravenstock House, 28 Falcon Court, Preston farm Business Park, Stockton on Tees, TS18 3TX	327.84
CN00	Navartis Ltd	4 Sidings Court, Doncaster, South Yorkshire, DN4 5NU	8,352.00
CN01	Northgate Vehicle Hire	Northgate Centre, Lingfield Way, Darlington	3,476.30
CN02	Northumbrian Water	Business Income Group, PO BOX 400, Durham, DH1 5FJ	1,025.22
CN03	Staff Select Ltd T/a Nova Training	3 Lower Lichfield Street, Willenhall, WV13 1PX	242.00
CO00	Office Options (Midlands) Ltd	5 Castle Court, Castlegate Business Park, Dudley, DY1 4RD	1,681.45
CO01	Online Lubricants	Unit 20, The IO Centre, 69 River Road, Barking, IG11 0DR	779.10
CP00	Passcomm	24-25, Tatton Court, Kingsland Grange, Warrington, WA1 4RR	4,945.08
CP01	PBU (UK) Ltd	Hutton House, Stockton-on-Tees, TS21 2EP	12,300.00
CP02	Perimeter Fencing Solutions	Office G9, Ty Menter, Abercynon, CF45 4SN	660.00

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Key	Name	Address	£
CP03	PG Platforms	Mid Kent Buisness Park, Sortmill Rd, Snodland, ME6 5UA	12,381.82
CP04	Pirtek Basildon	Unit R The Enterprise Centre, Paycocke Road, Basildon	1,504.43
CP05	PML	Patch Park, Ongar Road, Abridge, RM4 1AA	320.82
CP06	Portable Offices	Factory Road, Deaside	7,623.92
CP07	Principal Hygiene Systems Ltd	Unit 2 bentley Bridge Business Park, Sidings Close, Wolverhampton	492.00
CP08	Prototec Security Ltd	117 Dartford Road, Dartford, DA1 3EN	7,113.60
CP09	Pickle Solutions Ltd	Lindens House, 16 Copse Wood Way, Northwood, Middlesex, HA6 2UE	340,000.00
CQ00	Qbytec	16 Copse Wood Way, NORTHWOOD	18,701.40
CR00	Redtrail	Thickbroom Farm, Little Hay Lane, Weeford, LICHFIELD	1,431.00
CR01	Reed Specialist Recruitment	California, 120Coombe Lane, LONDON	2,800.98
CR02	Restorations UK	Unit 2 Blackbushe Business Village, Blackbushe Business Park, YATELEY	1,350.72
CR03	Richard Long (PAYE)		27.91
CR04	RNR UK 2014 LTD	Progress Drive, CANNOCK	27,222.00
CR05	ROADTRAIN	Burnley Rd, West Thurrock	687.50
CR06	Robertson Recruitment	Foxhall Lodge, Foxhall Road, NOTTINGHAM	3,600.00
CR07	RGSC	Capstone Road, Gillingham, ME7 3JQ	3,228.17
CS00	S & J Padfield Estates	Codham Hall, Great Warley, BRENTWOOD	30,811.92
CS01	Select surveys	The Old Coach House, London Road, Wrotham, SEVENOAKS	10,465.04
CS02	Shabir nawab & co Accountants	11 Portland Road, Edgbaston, Birmingham	954.00
CS03	SHB Vehicle Hire & Management	18 Premier Way, Abbey Park industrial Estate, ROMSEY	5,816.87
CS04	Shoosmiths LLP	The Lakes, Beford Road, Northampton, NN4 7SH	8,400.00
CS05	Smart Platform Rental	14 Mcdonald Business Park ,Mcdonald Way, Hemel Hempstead, HEMEL HEMPSTEAD	1,751.50
CS06	Smart Traffic Management Services Ltd	Crown House, 123 Hagley Road, Edgbaston	473,471.60
CS07	Societe Generale Equipment Finance Ltd	Parkshot House, 5 Kew Road, Richmond, TW9 2PR	112.72
CS08	Somerscales	Newstead Farm, Stallingborough Road, Keelby, GRIMSBY	648.00
CS09	Sonovate/Corporate technical Management Limit	5 Chigwell Road, LONDON	18,180.12
CS0A	Southeast Lifting Services	Suite 1 Christchurch House, House, Sir Thomas Longley Road, Rochester, ME2 4FX	180.00
CS0B	Southend on Sea Borough Council	Civic Centre, Victoria Avenue, Southend On Sea, Essex, SS2 6ER	2,796.96
CS0C	Speedy Asset Services Limited	Chase House, 16 The Parks, Newton le Willows, Merseyside, WA12 0JQ	12,829.22
CS0D	Spliceteq South Communications Ltd	183 Station Lane, Hornchurch, Essex	84,267.90

Intelligent Telecommunications Ltd
Company Registered Number: 08173339
Statement of Affairs List of Creditors

Key	Name	Address	£
CS0E	Sunbelt Rentals (a Plant)	102, Dalton Avenue, Birchwood Park, Birchwood	46,019.66
CT00	TA Drilling Ltd	Churchfields Industrial Estate, Sidney Little Road, ST. LEONARDS-ON-SEA, TN38 9PU	9,552.30
CT01	TAB Tyres Ltd	Bottany Way, Purfleet, RM19 1SR	542.40
CT02	Tarmac Trading	PO Box 16766, Portland House, Bickenhill Lane, Birmingham	104,385.91
CT03	Technical Resources	Rivermead House, Hamm Moor Lane, Addlestone	7,571.13
CT04	Telkom International (60 Days)	Unit 12A Templars Way Ind Est, Marlborough Road, Royal Wootton Bassett, Wiltshire, SN4 7SR	2,084.40
CT05	The Fuel Card Company UK Ltd (DD)	St james Business Park, Grimbald Crag Court, Knaresborough	1,266.54
CT06	Thorney Bay Park	Thorney Bay Caravan Park, Thorney Bay Road, CANVEY ISLAND	2,880.00
CT07	TNT UK Limited	PO Box 4, Ramsbottom, Bury	99.20
CT08	TNTech Limited	6 WADKINS WAY, BUSHBY, LEICESTER, LE7 9NA	14,743.45
CT09	Trade Container Services	19 Michelle Gardens, MARGATE	1,453.37
CT0A	Travis Perkins	C/o Creditor Services, Freeths LLP, 1st floor, 5 New York, Manchester, M1 4JB	1,195.26
CT0B	TREACY BROS	292 Wake Green Road, Birmingham, B13 9QP	1,885.75
CT0C	Trust Hygiene Services Limited	Leamore Lane, Bloxwich, walsall	136.68
CU00	UK Power Networks (Operations) Ltd	29 Fore Hamlet, IPSWICH	318.84
CV00	Virgin Media Limited	500 Brook Drive, Reading, RG2 6UU	5,990.00
CV01	Virgin Media Limited	500 Brook Drive, Reading, RG2 6UU	40,000.00
CW00	Waterhouse Plant Services Ltd	Flynn Concrete Yard, Tilley Lane, Boreham Street, Hailsham, East Sussex, BN27 4UU	127,869.60
CW01	White Hare Aggregates Limited	Josselin Road, Burnt Mills Industrial Estate, BASILDON	4,916.88
CW02	WJB Training & Consultancy Ltd	Nelson Mill, Gaskell Street, Bolton	1,321.50
165 Entries Totalling			9,382,309.06

INTELLIGENT TELECOMMUNICATIONS LTD
SUMMARY OF PRE-ADMINISTRATION COSTS

Pre-Administration Costs Charged/Incurred

	Charged/ Incurred	Paid	Unpaid
	£	£	£
Administrator's Fees	27,822	0	27,822
Fieldfisher solicitors	19,810	0	19,810
MGR Appraisals	3,700	0	3,700
Total	51,332	0	51,332

Pre-Administration work carried out

The work prior to the Administration was carried out by Rendle & Co and no other party (other than the solicitors and agents engaged – see below) carried out any of the work for which payment is sought.

The work carried out in respect of the Administration prior to the appointment prior to the appointment being made represented was essential and constituted amongst other more minor matters the following work:

- Taking instructions from the directors
- Briefing solicitors on the circumstances of the Company
- Drafting and reviewing the briefing and Administration purposes documents for the directors
- Considering the implications of trading the business and the inherent difficulties of the Company's industry
- Discussing concerns with solicitors and taking formal advice regarding insurance and health and safety risks
- Considering the regulatory circumstances
- Liaising with solicitors regarding the sale of the business
- Negotiating a sale of the business via a pre-packaged sale
- Considering and comparing the outcome from an Administration to that of any other insolvency process
- Drafting the Consent to Act
- Liaising with the directors during the process

Rendle & Co hold the sum of £12,000 in respect of deposit for costs paid it by the Company on being instructed by the Company. Rendle & Co has a lien on these monies in respect of their pre-appointment costs however in accordance with the spirit of the insolvency regulations and legislation these monies will be made available to the Administrator on the payment of Rendle & Co's costs in due course.

INTELLIGENT TELECOMMUNICATIONS LTD
REMUNERATION SCHEDULE
Between 26 October 2020 and 25 November 2020

Classification of Work Function	Actual results						
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	7.80	1.10	1.30	0.10	10.30	3,814.50	370.34
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	8.40	8.80	43.40	1.40	62.00	13,768.00	222.06
Dividends & distributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	30.30	1.00	28.30	0.80	60.40	17,801.50	294.73
Statutory & regulatory compliance	7.10	24.50	36.00	5.30	72.90	17,140.00	235.12
Total	53.60	35.40	109.00	7.60	205.60	52,524.00	255.47

Total Fees Claimed

0

Administration and planning - includes such tasks as case planning and set-up, cashiering, accounting, where appropriate, and administrative functions.

Case specific matters - are those matters which cannot be appropriately categorised elsewhere or relate to the specific nature and circumstances of the case

Creditors - queries from and correspondence with creditors and where appropriate employees are necessary aspects of any insolvency process. A significant amount of time can be spent in dealing with the claims of creditors. Generally, this category includes such tasks as creditors set up, communication, reviewing and claims, retention of title issues, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted by the Company and recording and progressing employee related claims.

Dividends & distributions - dividends are monies made available to creditors in respect of claims lodged. A formal process is required to be undertaken in order to declare and pay a dividend to creditors. Distributions are funds made available to the members of an entity after the payment of the claims of creditors.

Investigation - includes such tasks as investigating the directors' conduct and the reasons for the failure of the Company, where appropriate, investigating antecedent transactions and any other investigations that may be deemed appropriate. An officeholder is obliged to report his findings, as appropriate, to the Disqualification Unit of BIS in respect of certain insolvencies and generally in respect of other aspects of breaches of the law.

Realisation of assets - realising the assets is considered to be the key aspect of any insolvency. It includes such tasks as identifying and securing assets, sale of business, property issues, and activities in relation to other fixed assets, stock, debtors, investments and related legal issues.

Statutory & regulatory compliance - this is a significant component of every case as insolvency work is highly regulated. Insolvency law is codified and prescriptive in the manner in which tasks are required to be undertaken and a myriad of professional and regulatory requirements with which insolvency practitioners are obliged to comply.

A fuller description of the tasks included in the above categories is included in the Fees Estimate & Expenses pack attached.

INTELLIGENT TELECOMMUNICATIONS LTD
DETAILED REMUNERATION SCHEDULE
Between 26 October 2020 and 25 November 2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
15AD1 : Strategy & Planning (Non Specific)	4.60	1.10	0.10	0.00	5.80	2,270.50	391.47
15AD2 : Discussions with directors regarding Insolvency	3.20	0.00	0.00	0.00	3.20	1,328.00	415.00
15AD4 : Filing and Archiving	0.00	0.00	1.20	0.10	1.30	216.00	166.15
Administration & Planning	7.80	1.10	1.30	0.10	10.30	3,814.50	370.34
15CR1 : Creditors & Creditors claims	6.10	7.40	27.70	1.40	42.60	9,696.50	227.62
15CR2 : Employees claims	1.00	0.60	7.00	0.00	8.60	1,797.00	208.95
15CR3 : Retention of Title ("ROT")	1.30	0.80	8.70	0.00	10.80	2,274.50	210.60
Creditors	8.40	8.80	43.40	1.40	62.00	13,768.00	222.06
15AS1 : Cash at Bank	0.00	0.00	0.20	0.00	0.20	34.00	170.00
15AS12 : Sale of Business	23.40	0.50	28.10	0.80	52.80	14,744.00	279.24
15AS16 : Agents	0.40	0.00	0.00	0.00	0.40	166.00	415.00
15AS8 : Land & Property	6.50	0.50	0.00	0.00	7.00	2,857.50	408.21
Realisation of Assets	30.30	1.00	28.30	0.80	60.40	17,801.50	294.73
15SC10 : Case Set Up	0.40	0.10	1.70	0.50	2.70	547.00	202.59
15SC12 : SOA/Dec Sol & EOS	0.90	0.50	2.80	0.00	4.20	1,002.00	238.57
15SC13 : Statutory Investigations & reporting	0.00	0.20	0.00	0.00	0.20	64.00	320.00
15SC14 : Case & diary reviews	0.20	3.00	0.00	0.00	3.20	973.00	304.06
15SC15 : Cashiering, receipts and payments & Bank Recs	0.20	0.00	0.70	0.00	0.90	202.00	224.44
15SC16 : Tax, VAT & other regulatory returns	0.00	0.40	0.20	0.00	0.60	162.00	270.00
15SC17 : Standard Correspondence	3.20	19.30	19.00	4.80	46.30	10,985.00	237.26
15SC18 : Drafting & reviewing proposals and reports	1.30	0.60	7.20	0.00	9.10	1,955.50	214.89
15SC3 : MoneyLaundering/Bribery/Ethics & Regulatory Bodies	0.00	0.00	1.30	0.00	1.30	221.00	170.00
15SC5 : Pension	0.00	0.10	3.10	0.00	3.20	559.00	174.69
15SC6 : Companies House (all filing)	0.00	0.10	0.00	0.00	0.10	32.00	320.00
15SC9 : Time recording, fees, costs, budget and estimates	0.90	0.20	0.00	0.00	1.10	437.50	397.73
Statutory & Regulatory Compliance	7.10	24.50	36.00	5.30	72.90	17,140.00	235.12
Total Hours	53.60	35.40	109.00	7.60	205.60	52,524.00	255.47
Total Fees Claimed						0.00	

R P RENDLE & CO LIMITED
CHARGE OUT RATES AND CHARGING POLICY AS AT 1 JUNE 2020

Charging policy

- Directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff is charged for separately and such work is not charged for as part of the hourly rates charged by directors, managers and administrators.
- Time spent by directors and all staff in relation to work carried out is charged to the relevant case and recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate as appropriate.

CHARGE OUT RATE BANDS

	Charge out band as at date of current report
Directors	£275 - £445
Managers	£165 - £330
Other senior professionals	£120 - £195
Assistants & support staff	£50 - £120

In accordance with Statement of Insolvency Practice 9, copies of Creditors Guides to fees can be obtained from, inter alia, from the websites of the Institute of Chartered Accountants in England & Wales at www.icaew.com or R3 at www.r3.org.uk. Alternatively you may request a hard copy by contacting us at info@rprendle.com.

It is our policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to the complexity, skill and experience required to perform it.

Charge out recovery rates are reviewed and amended periodically.

Expenses and disbursements policy

- Only expenses and disbursements specifically incurred in relation to the work carried out are re-charged.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the client or the work carried out require disclosure to creditors/stake holders as appropriate, but do not require the approval of creditors/stake holders prior to being drawn from funds held. These are known as “Category 1” disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors/stake holders prior to being drawn from funds held. These are known as “Category 2” disbursements.
- General office overheads are not re-charged to clients as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors/stakeholders.
- Where applicable, expenses and disbursements re-charged or incurred directly are subject to VAT at the applicable rate.

In accordance with Statement of Insolvency Practice 9, copies of Creditors Guides to fees can be obtained inter alia, from the websites of the Institute of Chartered Accountants in England & Wales at www.icaew.com or R3 at www.r3.org.uk. Alternatively you may request a hard copy by contacting us at info@rprendle.com.

Category 1 disbursements such as external room hire and telephone and conference call charges etc. are recharged at cost or estimated cost and at the rates shown below for category 2 disbursements.

Faxes	50p per page
Printing & Photocopying	10p per page
Internal room hire	£80
Case set up fee	£50 per client
Travel (car)	50p per mile
Subsistence	£25 per diem
Storage of records - physical	60p per box per month (or part thereof)
Storage of records – electronic data	£5.00 per month for the first GB (or part thereof) and £3.00 per month for each subsequent GB (or part thereof)
Case and document management system	£150 per annum (or part thereof) (max £300 per client)
Web publishing	£75 per annum (or part thereof) (max of £150 per client)

Disbursement recovery rates are reviewed and amended periodically.

The authorising body for Richard Paul Rendle when engaged in insolvency work is the Institute of Chartered Accountants in England & Wales

**INTELLIGENT TELECOMMUNICATIONS LTD
DISBURSEMENT AND EXPENSES SUMMARY**

Amounts paid to the Office holder's firm and/or associated parties

Nature of the expense	Cat	Costs Estimate £	Estimated Chargeable £	Incurred £	Paid Total £
Searches	1	N/A	10	0	0
Printing, photocopying, & stationery	2	N/A	100	118	0
Travel & subsistence	2	N/A	100	0	0
Post redirection, post & courier costs	1	N/A	100	79	0
Room hire	1	N/A	0	0	0
Advertising	1	N/A	400	0	0
Insurance & specific bond	1	N/A	1,140	0	0
Filing and court fees etc.	1	N/A	0	0	0
IT costs	2	N/A	225	0	0
General	2	N/A	0	0	0
Storage & archiving costs	2	N/A	200	5	0
			2,275	202	0
			2,275	202	0

Amounts paid to the Office holder's solicitors, agents and subcontractors

Nature of the expense	Costs Estimate £	Estimated Chargeable £	Incurred £	Paid Total £
Solicitors fees and costs	N/A	18,040	13,040	0
Agent's fees and costs	N/A	0	0	0
Subcontractor's fees and costs	N/A	0	0	0
	N/A	18,040	13,040	0
	N/A	18,040	13,040	0