

## Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

FC026932

Name of Company

Alpha International Overseas Telecommunications Services Limited

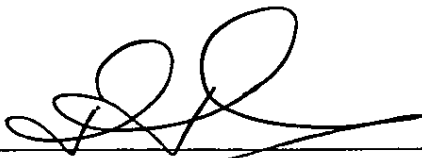
I / We

Kikis Kallis FCCA FABRP, Mountview Court, 1148 High Road, Whetstone, London, N20 0RA

the liquidator~~(s)~~ of the company attach a copy of my/~~our~~ Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 15/06/2013 to 14/06/2014

Signed



Date

08/07/2014

Kallis & Company  
Mountview Court  
1148 High Road  
Whetstone  
London, N20 0RA

Ref ALP2431/KK/KG/BK/IG

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11/07/2014

COMPANIES HOUSE

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**Alpha International Overseas Telecommunications Services Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 15/06/2013 To 14/06/2014	From 15/06/2011 To 14/06/2014
	<b>ASSET REALISATIONS</b>		
90,000 00	Tangible Assets	NIL	NIL
24,000 00	Book Debts	NIL	NIL
Uncertain	C3 Europe Limited	NIL	53,841 50
418,992 00	Goodwill & IPR	NIL	30,613 12
1 00	Employee contracts	NIL	15,568 11
	VAT Refund	NIL	92,650 76
	Surplus from Administration	NIL	281,753 60
318,493 00	Cash at bank	NIL	NIL
	Bank Interest Gross	244 85	2,898 48
	Cash in Hand	NIL	8,598 85
		<u>244 85</u>	<u>485,924 42</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	240 00	240 00
	Liquidator's Fees	16,700 00	77,600 00
	Travelling Expenses	NIL	35 00
	Accountancy Fees	NIL	7,500 00
	Legal Fees (1)	6,666 00	12,273 90
	Corporation Tax	273 80	15,894 61
	Storage Costs	2,886 13	3,737 60
	Statutory Advertising	NIL	190 50
		<u>(26,765 93)</u>	<u>(117,471 61)</u>
	<b>UNSECURED CREDITORS</b>		
(116,988 00)	Trade & Expense Creditors	(33,387 99)	199,451 85
Uncertain	Director	NIL	NIL
(8,144 00)	HM Revenue & Customs (PAYE)	NIL	NIL
(616,870 00)	Luxembourg Taxes	NIL	NIL
(17,632 00)	HM Revenue & Customs (VAT)	NIL	NIL
Uncertain	Corporation Tax	NIL	NIL
		<u>33,387 99</u>	<u>(199,451 85)</u>
	<b>DISTRIBUTIONS</b>		
(665 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>91,187 00</u>		<u><u>6,866 91</u></u>	<u><u>169,000 96</u></u>

**REPRESENTED BY**

VAT Receivable	440 00
Bank 1 Current Interest Bearing	168,560 96
	<u><u>169,000 96</u></u>



Kikis Kallis FCCA FABRP  
Liquidator

**ALPHA INTERNATIONAL OVERSEAS TELECOMMUNICATIONS SERVICES LIMITED (IN VOLUNTARY LIQUIDATION)**

**Liquidator's Third Progress Report to Members and Creditors  
For the year ending 14 June 2014**

**STATUTORY INFORMATION**

Company name	Alpha International Overseas Telecommunications Services Limited
Registered office	Mountview Court, 1148 High Road, Whetstone, London, N20 0RA
Former trading address	Hill House, 2 Heron Square, Richmond, Surrey, TW9 1EP
Registered number	FC026932
Liquidator's name.	Kiris Kallis FCCA FABRP
Liquidator's address	Mountview Court, 1148 High Road, Whetstone, London, N20 0RA
Liquidator's date of appointment	15 June 2011

**RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 15 June 2013 to 14 June 2014 and cumulative figures for the whole liquidation to 14 June 2014 is attached at Appendix 1 and is further explained below

**ASSETS**

The majority of the assets have been dealt with in my report dated 9 August 2013

The following assets have been dealt with in the current reporting period

**Goodwill & IPR**

As previously explained the company's business and assets were sold along with the business and assets of its parent company C3 Europe Limited ("C3") to Onyx Innovation UK Limited ("Onyx")

There is deferred consideration outstanding of £231,428 60 However, Onyx went into compulsory liquidation on 16 October 2012 I have been advised by the Official Receiver who is dealing with the liquidation that a small dividend will be possible in the liquidation This should be paid by August 2014 but the amount is not known at this stage

The director, Zafar Mirza, had provided a personal guarantee for the deferred consideration He had previously advised that he was personally insolvent and was not able to make any payments I have had a couple of meetings with him during this reporting period to discuss his circumstances and review matters I understand his circumstances have deteriorated and in fact his residential property is now being repossessed by the mortgage company It seems unlikely any recoveries will be possible from the personal guarantee

**Alpha International Overseas Telecommunications Services Limited (In Voluntary Liquidation)**  
**Liquidator's Third Progress Report for the year ending 14 June 2014**

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Bank Interest Gross

Gross bank interest of £244 85 has been received during this reporting period

**LIABILITIES**

**Secured Liabilities**

An examination of the company's mortgage register held by the Registrar of Companies, showed that the company had not granted any debentures

**Preferential Creditors**

The company's employees, 4 in total, were transferred under the Transfer of Undertakings (protection of Employment) Regulations ("TUPE") to Onyx Innovation UK Limited, the transfer occurring on 2 August 2010. As expected no claims have been received in this regard

**Unsecured Creditors**

The statement of affairs included 10 unsecured creditors with an estimated total liability of £759,633 74, of which £25,775 97 is owed to HMRC. I had received claims from 10 creditors at a total of £776,132 75, including HMRC's final claim of £25,400 11. However as explained below Tele2 has now withdrawn their claim of £111,293 31 from the liquidation. As such the total creditor claims received are now £664,839 44 from 9 creditors

**LIQUIDATOR'S ACTIONS SINCE LAST REPORT**

My actions as liquidator are detailed in the body of this report and relate to my duties as required by the insolvency legislation along with and including investigations relating to the company officers and asset realisations

I have held meetings with the director Zafar Mirza to ascertain whether he is able to honour the personal guarantee he had provided in respect of the deferred consideration. I have reviewed correspondence provided regarding his personal circumstances

I have been in correspondence with the Official Receiver's office regarding the liquidation of Onyx and their investigations

As previously advised I had been making enquiries regarding a possible counterclaim for a tax liability against the seller of the business of Alpha in 2007. This counterclaim could not be progressed due to a lack of available documentation. The legal advice obtained also highlighted that the claim may be time barred according to the terms of the agreement dated 9 May 2007. In view of this advice it was not viable to progress any possible counterclaim and incur further legal fees. However following negotiations with the seller of the business an agreement has been reached whereby the seller has withdrawn any claim they have in the liquidations of Alpha and C3

The seller, Tele2 UK Services Limited ("Tele2") had previously submitted a claim for £111,293 31 in the liquidation of Alpha. A first dividend of 30p in the £ had been declared on 27 July 2012 and the sum of £33,387 99 had been held in the liquidation for the benefit of Tele2 pending the outcome of any counterclaim. This dividend has now been written back into the case and the funds are now available for the benefit of the general body of creditors. Furthermore, Tele2 will not take part in any further dividends which will enable a higher dividend to be paid to the remaining creditors

As previously advised the company's parent company is C3. C3's parent company is Eutelia S p A, which is also in administration in Italy. The Italian administrators have advised that they are looking into various possible actions

**Alpha International Overseas Telecommunications Services Limited (In Voluntary Liquidation)**  
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which may result in recoveries for the benefit of C3. If these actions are successful and additional realisations are made in C3, then a further dividend should be possible to Alpha from C3 as Alpha has a claim of £2,424,925 against C3. Matters in this regard are still being dealt with by the Italian administrators and it is not known when these matters may be finalised.

### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

The matters that required further investigation have been discussed above.

Within six months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

### **LIQUIDATOR'S REMUNERATION**

My remuneration was previously authorised by creditors whilst the company was in Administration at a meeting held on 8 October 2010 to be drawn on a time cost basis. My total time costs to 14 June 2014 amount to £80,613.08, consisting of 352.09 hours which have been charged at an average charge out rate of £228.96, of which £13,675.30 was charged in the period between 15 June 2013 and 14 June 2014, consisting of 63.34 hours at an average charge out rate of £215.90. I have drawn £77,600 to date of which £16,700 was drawn in the period between 15 June 2013 and 14 June 2014. A schedule of my time costs incurred is attached as Appendix 2 and information about current charge out rates and routine work undertaken in the Liquidation is attached as Appendix 3.

In addition to the routine work, I have spent additional time as follows:

- Chasing the director for payment of the deferred consideration under his personal guarantee
- Meeting the director to establish his current personal circumstances before legal action is considered against him in respect of the guaranteed consideration
- Progressing the possible counterclaim against the seller of the business in respect of the Luxembourg tax liabilities
- Reviewing the company's books and records to determine whether any further documentary evidence is available to assist the solicitors with regard to the possible claim above
- Discussions with solicitors to negotiate with the seller with a view to withdrawing their claims in the liquidations of Alpha and C3

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'Statement of Insolvency Practice 9' are available at the link <http://www.kallis.co.uk/services/creditors>. Hard copies can be obtained on request to my office.

### **LIQUIDATOR'S EXPENSES**

My expenses to 14 June 2014 amount to £40,437.85 of which £10,251.27 was incurred in the period between 15

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June 2013 and 14 June 2014 I have drawn £39,871 61 to date of which £10,065 93 was drawn in the period between 15 June 2013 and 14 June 2014

Specific Bond

The Specific Bond is the cost of the insurance, based on the level of realisations by the Liquidator as required by insolvency legislation. Expenses totalling £240 00 have been incurred in this regard, all of which were paid in the current reporting period.

Legal fees

Legal fees of £12,273 90 have been incurred in relation to the possible counterclaim against the seller of the business. £6,666 of this was incurred in the current reporting period.

Corporation Tax

£15,894 61 was incurred in relation to Corporation Tax on asset realisations, of which £273 80 was paid in the current reporting period.

Storage Costs

Storage costs of £3,737 60 were incurred in relation to the storage of 125 boxes of the company's records in Portugal, of which £2,886 13 was incurred in the current reporting period. These records were retained pending any litigation against the seller of the business as mentioned earlier as the records contained trading information prior to 2007.

Statutory advertising

Expenses of £190 50 have been incurred relating to advertising of the Liquidator's statutory notices, none of which have been paid in the current reporting period.

The following expenses have been incurred but have not yet been paid:

Type of expense	Incurred to date	Incurred in period	Amount still to be paid
Postage	£26 24	£5 34	£26 24

The following category 2 disbursements have been accrued but have not yet been paid:

Type of category 2 disbursement	Accrued to date	Accrued in period	Amount still to be paid
Storage	£540 00	£180 00	£540 00

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Soteriou Banerji	Accountant and Tax adviser	Time costs
Lewis Terrance Rose	Solicitors	Time costs
Karslakes Solicitors	Solicitors	Time costs
Turner Parkinson LLP	Solicitors	Time costs

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The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

**FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

**DIVIDEND PROSPECTS**

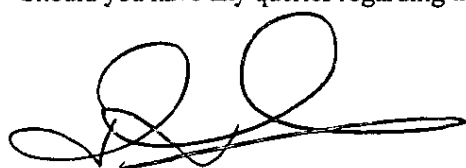
**Ordinary unsecured creditors**

A first interim dividend of 30p in the £ was declared on 27 July 2012 to the unsecured creditors of the company. The second interim dividend of 18.05p in the £ was declared on 3 July 2014 and the payment is attached with this report.

**SUMMARY**

The liquidation will remain open until the dividend has been received from the liquidation of Onyx and any recoveries are made in C3 by the administrators of its parent company. Once this issue has been dealt with the liquidation will be finalised and our files will be closed.

Should you have any queries regarding this matter please contact Bina Kotecha on 020 8492 6031.



**KIKIS KALLIS FCCA FABRP**  
**LIQUIDATOR**