

The Insolvency Act 1986

**Notice of move from administration
to creditors' voluntary liquidation**

Name of Company SL2005 Limited (formerly Sendo Limited) – In Administration
--

Company number 03718220

In the High Court of Justice, Chancery Division, Companies Court

Court case number 4070 of 2005

We Simon Jonathan Appell and Alastair Paul Beveridge having been appointed administrators of SL2005 Limited (formerly Sendo Limited), c/o Kroll Limited, 10 Fleet Place, London, EC4M 7RB on 29 June 2005 by the High Court of Justice, Chancery Division, Companies Court hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that Simon Jonathan Appell and Alastair Paul Beveridge of Kroll Limited, 10 Fleet Place, London EC4M 7RB will be the liquidators of the company (IP No's 9305 & 8991)

We attach a copy of the final progress report

Signed [Signature]
Joint Administrator

Dated 25 June 2007

Contact Details:

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

Ms K Moore	
Kroll Limited, 10 Fleet Place,	
London	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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TUESDAY
TUESDAY

**Joint Administrators'
Final Progress Report
For the Period
29 June 2005 to 8 June 2007
Pursuant to Rule 2.110 of the
Insolvency Rules 1986**

**SL2005 Limited (formerly
Sendo Limited) -
In Administration**

14 June 2007

KROLL

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DEFINITIONS

the Company	SL2005 Limited (formerly Sendo Limited) – In Administration
the Group	Sendo Holdings plc, SL2005 Limited (formerly Sendo Limited), Sendo International Limited (all in Administration), Sendo Telecommunications Limited (formerly in Administration), Sendo Singapore Pte Limited (In Liquidation), Sendo America Inc, Sendo Brasil Ltda – Telefonica Celuar
Joint Administrators	Simon J Appell and Alastair P Beveridge
S\$	Singapore Dollar
the Act	Insolvency Act 1986 (as amended)
the Rules	Insolvency Rules 1986

1 Statutory Information

- 1 1 I was appointed Joint Administrator of the Company together with Alastair P Beveridge on 29 June 2005. The application for the appointment of an Administrator was made by the directors of the Company.
- 1 2 This Administration is being handled by Kroll's London office, situated at 10 Fleet Place, London, EC4M 7RB.
- 1 3 The Administration is registered in the High Court, under reference number 4070 of 2005.
- 1 4 The trading address of the Company is Hatchford Brook, Hatchford Way, Birmingham, B26 3RZ.
- 1 5 The registered office of the Company is c/o Kroll Limited, 10 Fleet Place, London, EC4M 7RB and its registered number is 03718220.
- 1 6 The Company is part of the Sendo Group of companies. Its parent company is Sendo Holdings plc, a UK incorporated company.
- 1 7 The functions of the Administrators may be exercised by either or both, acting jointly or alone.

2 Joint Administrators' Proposals

- 2 1 As previously advised, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- rescuing the Company as a going concern,
 - achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2 2 Prior to the appointment of Joint Administrators it was apparent that due to a lack of funding and failure to find a purchaser for the Group, a sale of the Company as a going concern would not be possible.

- 2 3 Consequently, the strategy adopted by the Joint Administrators was to complete a sale of certain assets of the Company upon appointment of Joint Administrators, being 29 June 2005, and pursue the second objective, being achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
- 2 4 The Joint Administrators have twice successfully applied to Court for the Administration Order to be extended, on 19 December 2005 and 22 December 2006

3 Progress of the Administration

- 3 1 Attached at Appendix A is my Receipts and Payments Account for the periods 30 December 2006 to 8 June 2007 and 29 June 2005 to 8 June 2007
- 3 2 In the following section of the report, we provide details of the asset realisations and other key matters that the Joint Administrators have dealt with throughout the Administration

Sale of Assets

- 3 3 Immediately upon the appointment of Joint Administrators, the sale of the Group's intellectual property and plant, equipment and machinery to Motorola Inc and Motorola Limited (together **Motorola**) was completed for consideration of approximately \$19 million (£10.5 million)

Plant and Machinery

- 3 4 Henry Butcher International Limited were engaged to complete an inventory of and assist in the disposal of the Company's fixed assets that were located in Birmingham, Zevenaar, Celestica's facility in Kladno and at the Company's seven branch sales offices. Total realisations from the disposal of plant and machinery amounted to c£0.4 million

Book Debts

- 3 5 Debtor receipts of £4,312 have been received from the two outstanding debtors of the Company. There are no further outstanding debtors.

Cash at Bank

- 3 6 The Company had a number of bank accounts in the various countries in which it operated. The Joint Administrators have successfully collected all of the credit balances on these accounts, realising a total sum of c£0.4 million

Sale of Software Licenses

- 3 7 The Joint Administrators marketed a small bundle of software licenses held by the Company and successfully realised £5,749 net of commission and sale costs

Trust Account

- 3 8 Prior to the appointment of the Joint Administrators, the directors of the Company executed two trust deeds, as follows

- On 27 May 2005, a trust deed which purported to establish a trust in respect of liabilities incurred by the Company to unsecured creditors during the period from 13 May 2005 to 21 June 2005 inclusive (**Trust 1**), and
- On 24 June 2005, a trust deed which purported to establish a trust in respect of liabilities incurred by the Company, Sendo Limited, Sendo Telecommunications Limited, Sendo Holdings plc, Sendo Singapore PTE Ltd and Sendo America Inc to unsecured creditors during the period from 21 June 2005 to 28 June 2005 inclusive (**Trust 2**)

- 3 9 In order to determine the validity of both Trust 1 and Trust 2, and to confirm the steps the Joint Administrators were required to take to agree the trust claims and distribute trust funds to those properly entitled, the Joint Administrators made an application to the High Court for directions

- 3 10 On 24 November 2006, Mr Justice Blackburne handed down his judgment with regards to the two trust accounts operated by the Group. Amongst other things, he ordered the following

- That the two trust funds be distributed in accordance with the draft protocol circulated with the Joint Administrators' letter of 13 September 2006
- That the Joint Administrators may transfer the sum of US \$1 million from the proceeds of sale of business and assets of Sendo International Limited and Sendo Limited to be held on terms of the Trust 1
- That HDL International BV (**HDL**) is entitled to have costs met from the trust funds – despite the fact that Mr Justice Blackburne supported the Administrators' proposed approach, he considered that HDL's submissions were of assistance to the Court and also reflected the position of a number of the creditors and not just its own. However, a separate hearing is to be held to fix the Joint Administrators' remuneration, costs and expenses to be retained from the trust funds, and those of HDL's in dealing with trust matters (if not otherwise agreed)

- That HDL's application for permission to appeal to be refused. However, under the Civil Procedure Rules, HDL had the right to apply to the Court of Appeal for permission to appeal within 21 days of the judgement. Application for permission to appeal was not made by HDL.

- 3 11 Further information and copies of all documents filed at Court can also be found on the specially designed website, www.sendotrustclaims.com
- 3 12 Further to the judgment and order, the Joint Administrators and their legal advisors have been undertaking further work in connection with the trust account schedules to ascertain the details of the listed beneficiaries
- 3 13 Following finalisation of these investigations, a further hearing is needed to settle the level of costs and expenses to be drawn out of the trust funds prior to a distribution being made. It is anticipated that a distribution from the trust accounts will be made shortly after this hearing. The Joint Administrators anticipate that this hearing will take place by mid July 2007.
- 3 14 Neither Alastair P Beveridge or I need to be Joint Administrators of the Company to distribute the funds of the Trust

Employment Tribunal

- 3 15 A number of the Group's employees were made redundant prior to the sale of certain Group assets to Motorola. The Joint Administrators subsequently received various Employment Tribunal claims relating to alleged unfair dismissal and failure to consult under section 188 TULR(C)A 1992 and Regulation 11 TUPE 1981, with both Motorola and the Company being joined as respondents.
- 3 16 Compromise agreements settling these claims were executed on 9 November 2006 and as a result, the hearings that were scheduled for 13 November 2006 and 26 February 2007 were vacated. The compromise agreements did not incur any additional costs to the Company's insolvent estate.

Distribution from Sendo Singapore Pte Limited (Sendo Singapore)

- 3 17 Total dividends of 2 0954c/S\$ were paid to the unsecured creditors of Sendo Singapore and the Company received a distribution of £3,856 on its admitted debt in respect of inter-company loans. No further dividend distributions are expected.

Pre-appointment Tax related claims

- 3 18 Following protracted negotiations with HM Revenue & Customs, we successfully secured a significant recovery of £68,167 in respect of pre-appointment VAT owed to the Company
- 3 19 The Joint Administrators have submitted the pre-appointment corporation tax returns and the post appointment corporation tax returns for the periods 29 June 2005 to 30 September 2005 and 1 October 2005 to 30 September 2006 respectively We are still awaiting confirmation from HM Revenue & Customs that they agree with these returns and once confirmed we will submit the relevant payments for these returns

4 Joint Administrators' Remuneration

- 4 1 Creditors approved the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration
- 4 2 The Joint Administrators' time costs at 8 June 2007 are £204,669 This represents 999 9 hours at an average rate of £205 per hour Attached as Appendix B is a Time Analysis that provides details of the activity costs incurred by staff grade for the period since my last report together with a cumulative analysis for the entire Administration
- 4 3 The total fees drawn are £177,490 plus disbursements of £6,230 We are currently awaiting Creditor Committee approval for our time costs in the period 30 December 2006 to 18 May 2007 of £15,837
- 4 4 Attached as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade

5 Outcome for Creditors

- 5 1 In our previous reports to creditors we reported that there will be a substantial deficit to the secured creditor, Celestica We anticipate total distributions to Celestica across the Group will be in the region of \$22 million with a shortfall of approximately \$200 million
- 5 2 All preferential claims have been agreed and all dividend cheques totalling £32,678 have been issued and we are waiting for these all to be banked This represents a distribution of 100 pence in the pound to preferential creditors
- 5 3 We have previously indicated that there may be a likely distribution to the unsecured creditors of the Company from the Prescribed Part We had estimated that the Prescribed Part was expected to be funded to an amount of approximately £40,000 subject to costs

However, further to confirmation from our legal advisors regarding the treatment of the certain monies held by the Company, we now estimate the fund to be in the region of £120,000 before costs

- 5 4 The Joint Administrators have received claims to date from unsecured creditors totalling £6,392,116. The precise return to unsecured creditors is difficult to estimate with certainty, but after deducting the Joint Administrators anticipated costs and expenses it is expected that the dividend for unsecured creditors is likely to be 1 pence in the pound
- 5 5 As outlined in Section 6 of this report, the Joint Administrators propose filing a notice with the Registrar of Companies which will automatically move the Company into Creditors' Voluntary Liquidation (CVL), from which the distribution of the Prescribed Part fund to the unsecured creditors of the Company can be made

6 Ending the Administration

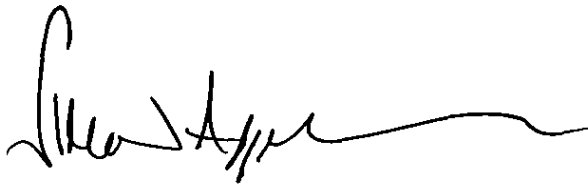
- 6 1 Please note that the Joint Administrators proposals, which were approved at the meeting of creditors on 5 September 2005, stated that should there be funds available for a distribution to unsecured creditors from the Prescribed Part, the Joint Administrators would make an application to Court, under Paragraph 65(3) of Schedule B1, so allowing the Joint Administrators to make the distribution
- 6 2 Despite the Joint Administrators efforts, it has not proved possible to finalise all of the outstanding matters since the date of the last report. In order to bring the Company's outstanding matters to a conclusion, thus minimising further costs, and to make a distribution of the Prescribed Part Fund to the unsecured creditors of the Company, the Joint Administrators propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into CVL
- 6 3 The Joint Administrators believe that such a process will be the most expedient and cost effective method of resolving these matters. This process will enable the residual matters as outlined in Sections 3 to be finalised, and the payment of a dividend distribution to the unsecured creditors from the Prescribed Part, prior to the Company being dissolved
- 6 4 We are now ready to place the Companies into CVL and it is anticipated that the Company will be placed into CVL within the next two weeks
- 6 5 Pursuant to paragraph 83(3) of Schedule B1 of the Act, the Joint Administrators intend to file a notice with the Registrar of Companies in order that the Administration will cease and the Company shall be placed into CVL. A copy of this notice is attached at Appendix D

6 6 In addition, pursuant to Paragraph 83(8)(f) of Schedule B1 of the Act, the existing Creditors' Committee shall continue in existence as if appointed as a Liquidation Committee under Section 101 of the Act

6 7 The Joint Administrators have applied to the Court to be discharged from liability under Paragraph 98(1) of Schedule B1 to the Act. It is expected such discharge will take effect immediately following the Joint Administrators application to the Court and the filing of the notice with the Registrar of Companies ending the Administration of the Company

Should you have any queries, please do not hesitate to contact Ben Hughes of this office

For and on behalf of
SL2005 Limited

A handwritten signature in black ink, appearing to read 'S J Appell', with a long horizontal flourish extending to the right.

S J Appell
Joint Administrator

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**Receipts and Payments Account for the Periods 30 December 2006 to
8 June 2007 and 29 June 2005 to 8 June 2007**

Appendix A

	30 December 2006 to 8 June 2007	29 June 2005 to 8 June 2007
RECEIPTS	Total (£)	Total (£)
Bank Interest	10,694 19	43,276 88
Cash at Bank	0 00	444,186 60
Plant & Machinery	0 00	362,575 32
Debtor Receipts	0 00	4,312 57
Dividend Income	2,002 77	3,856 28
VAT Refund	0 00	68,167 24
Software Licence Fees	1,619 02	5,749 27
Vat Payable	295 43	445 74
	14,611 41	932,569 90
PAYMENTS		
Wages & Salaries	0 00	4,070 48
PAYE/NIC	0 00	3,242 84
Pension Fund Contributions	0 00	3,778 80
Administrators' Fees	13,724 00	177,489 50
Administrators' Expenses	0 00	6,229 88
Legal Fees	0 00	4,050 00
Professional Fees	16 25	11,015 64
Corporation Tax	10,801 38	10,801 38
Sundry Expenses	5,524 89	15,899 79
Preferential Distribution (100p in the £)	3,223 95	32,677 95
VAT Receivable	2,926 70	3,136 49
Floating Vat Control A/c	0 00	619 14
	36,217 17	273,011 89
Balance In Hand	(21,605 76)	659,558 01
	14,611 41	932,569 90

**Time Analysis for the Periods 30 December 2006 to 8 June 2007 and
29 June 2005 to 8 June 2007**

Appendix B**Analysis of time costs incurred from 30 December 2006 to 8 June 2007**

TIME CLASSIFICATION	TIME COSTS BY EMPLOYEE RANK				TOTAL		
	Partner/ Director Hours	Senior Associate Hours	Associate / Analyst Hours	Junior Analyst / Support Hours	Total Hours	Total Cost (£)	Ave Rate per Hour (£)
Administration and Planning	0 10	9 90	68 60	13 30	91 90	22,739 50	247
Investigation	2 00	0 00	0 00	0 00	2 00	950 00	475
Asset Realisations - Fixed Charge	0 00	0 00	0 00	0 00	0 00	0 00	0
Asset Realisation - Debtors	0 00	0 00	1 60	0 00	1 60	390 00	244
Asset Realisation - Floating Charge	0 00	0 00	0 10	0 00	0 10	27 00	270
Trading	0 00	0 20	0 00	0 00	0 20	65 00	325
Creditors	0 00	0 00	13 50	0 00	13 50	3,483 00	257
GRAND TOTAL	2 10	10 10	83 80	13 30	109 30	27,654 50	253

Analysis of time costs incurred from 29 June 2005 to 8 June 2007

TIME CLASSIFICATION	TIME COSTS BY EMPLOYEE RANK				TOTAL		
	Partner/ Director Hours	Senior Associate Hours	Associate / Analyst Hours	Junior Analyst / Support Hours	Total Hours	Total Cost (£)	Ave Rate per Hour (£)
Administration and Planning	2 60	64 30	297 20	186 30	550 40	115,239 00	209
Investigation	2 40	1 20	26 20	4 40	34 20	8,694 50	254
Asset Realisations - Fixed Charge	0 00	0 80	0 60	3 30	4 70	783 50	167
Asset Realisation - Debtors	0 00	0 30	7 20	1 50	9 00	1,771 50	197
Asset Realisation - Floating Charge	0 00	14 40	53 00	2 00	69 40	17,310 00	249
Trading	0 20	10 90	38 70	12 60	62 40	13,365 50	214
Creditors	1 10	17 30	144 80	106 60	269 80	47,505 00	176
GRAND TOTAL	6 30	109 20	567 70	316 70	999 90	204,669 00	205

**Additional Information in Relation to Joint Administrators' Fees
Pursuant to Statement of Insolvency Practice 9**

Appendix C

Policy

Detailed below is Kroll's policy in relation to

staff allocation and the use of sub-contractors,

professional advisors, and

disbursements

Staff Allocation and the use of Sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Senior Associate, Associate and Analyst. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Associates/Analysts may be allocated to meet the demands of the case

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard

We have not utilised the services of any sub-contractors in this case

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
White & Case (legal advice)	Hourly rate & disbursements
MichelMores (legal advice)	Hourly rate & disbursements
Payco (employee claims advice)	Hourly rate & disbursements
Alexander Forbes (insurance)	Hourly rate & disbursements
Henry Butcher (valuation and disposal advice)	Hourly rate & disbursements - % of realisations

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder. No such costs have been incurred on this case.

Charge-out Rates

A schedule of Kroll charge-out rates effective from 1 January 2007 is detailed below

With effect from 1 January 2007, certain job titles within our organisation have been re-classified and the new grade titles are shown within the table below. These changes do not affect the rates our staff are being charged out at with the exception of staff previously classified as Administrators. This grade has now been re-classified to Analyst and as a consequence, the charge out rate as from 1 January 2007 for this level of staff has been increased by an average of £45 per hour.

	(Per hour) £
Partner/Director	
Partner 1	475
Partner 2	425
Director	395
Senior Associate	
Senior Associate 1	350
Senior Associate 2	325
Associate/Analyst	
Associate	270
Analyst	240
Junior Analyst and Support Staff	
Junior Analyst	125
Experienced Cashier	185
Cashier	125
Assistant Cashier	75
Support	75

Form 2.34B Notice of Move From Administration to CVL

Appendix D

Rule 2.117

Form 2.34B

The Insolvency Act 1986

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to creditors' voluntary liquidation**

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Court case number 4070 of 2005

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We attach a copy of the final progress report

Signed [Signature]
Joint Administrator

Dated 08 JUNE 2007

Contact Details.

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

Ms R Moore	
Kroll Limited 10 Fleet Place,	
London	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at
James House, Crown Way, Cardiff, CF14 3UZ. DX 33050 Cardiff

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