

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company Intuwave Limited	Company number 3790048
In the High Court of Justice, Chancery Division Companies Court	Court case number 8993/2006

(a) Insert name(s) and
address(es) of
administrator(s)

We Graham Paul Bushby and Geoffrey Carton Kelly of Baker Tilly Restructuring and Recovery LLP, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA

(b) Insert name and address
of registered office of
company

having been appointed administrators of Intuwave Limited C/o Baker Tilly Restructuring and Recovery LLP, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA

(c) Insert date of
appointment

on 13 November 2006 by the director of the Company

(d) Insert name of applicant /
appointor

hereby give notice that

(e) Insert name(s) and
address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,
and it is proposed that Graham Paul Bushby and Geoffrey Carton Kelly of Baker Tilly Restructuring and Recovery LLP, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA

will be the liquidators of the company (IP No(s) 8736 and 8602)

I attach a copy of the final progress report

Signed

Joint Administrators

Dated

11-09-2007

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.

Mr G P Bushby

Baker Tilly Restructuring and Recovery LLP, 5th Floor, Exchange House, 446 Midsummer Boulevard

Central Milton Keynes, MK9 2EA

Tel 01908 687800

DX Number 54472

DX Exchange MILTON KEYNES

THURSDAY



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13/09/2007

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COMPANIES HOUSE

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

INTUWAVE LIMITED IN ADMINISTRATION
JOINT ADMINISTRATORS' PROGRESS REPORT

11 September 2007

1. PURPOSE OF REPORT

This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors with information relating to the progress of the administration from 13 May 2007 to date.

2. JOINT ADMINISTRATORS' APPOINTMENT

Graham Paul Bushby and Geoffrey Carton Kelly of Baker Tilly Restructuring and Recovery LLP, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA were appointed Joint Administrators ("the Joint Administrators") of Intuwave Limited ("the Company") on 13 November 2006 by the directors of the Company.

The notice of appointment was filed in the High Court of Justice, Chancery Division under reference number 8993 of 2006.

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

3. COMPANY DETAILS

The registered number of the Company is 03790048.

The Registered Office of the Company is c/o Baker Tilly Restructuring and Recovery LLP, 5th Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA.

4. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix A a receipts and payments summary for the period from 13 November 2006 to date.

Prescribed Part

There have been no payments to unsecured creditors in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended)).

This distribution will take place once the company has been placed into liquidation.

5. DIVIDEND PROSPECTS FOR CREDITORS

The secured creditor has been paid £590,000 under its fixed charge and £200,000 under its floating charge. There may be a further small distribution to the chargeholder under their fixed charge, but no calculation has been prepared to date.

A distribution has also been paid to the preferential creditors at a rate of 100p in the £. The total distribution amounted to £53,434.63.

It is now my intention to place the Company into liquidation in order to enable the agreement of the claims of unsecured creditors and pay a distribution of approximately 2p in the £.

These funds are derived from the prescribed part to unsecured creditors before costs, amount to £117,281.

6. CONDUCT OF THE ADMINISTRATION

The majority of the assets of the Company have been realised. This included the intellectual property of the Company sold for \$1,089,487.40 on 13 December 2006. Further details are set out in the report to creditors sent to creditors on 19 December 2006.

I am now in the process of placing the Company into liquidation to enable a distribution to be made to the unsecured creditors.

7. ASSETS REMAINING TO BE REALISED

It was believed that there was a possibility of a potential R&D tax credit.

After submitting the R & D Tax return, H M Revenue & Customs requested in depth information in respect of the last three years accounting periods. After discussions with our technical department and our tax advisors, a commercial decision was made with regards to withdrawing the claim.

It was believed that the costs involved in dealing with the H M Revenue & Customs' requests would outweigh the actual realisation due, after taking into account crown set off.

8. ADMINISTRATORS' PROPOSALS

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 (as amended) sets out the purposes of the Administration. The Administrator must perform his functions with the objective of -

- (a) rescuing the Company as a going concern,
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- (b) 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
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

I can confirm that both objectives b and c have been achieved

9. EXTENSION OF THE ADMINISTRATION

There have been no extensions of the administration and I do not intend to extend the administration order

10. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Time costs and fees drawn to date

The basis of the Joint Administrators' remuneration was approved by creditors at the meeting held on 4 January 2007 and subsequently followed by a conduct of business by correspondence sent to creditors on 10 January 2007, when the following resolution was passed:

"The Joint Administrators shall be authorised to draw their remuneration based upon time costs incurred by them in the Administration, to be paid out of the assets of the Company in accordance with Rule 2.106(2) (b) "by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration." "

To date we have drawn a total of £105,575 50 plus disbursements and VAT on account of our time costs and expenses incurred

Attached are the following

- Appendix B. Baker Tilly Restructuring and Recovery LLP charging, expenses and disbursements policy statement
- Appendix C Time and charge out summary
- Appendix D Charge out bands
- Appendix E Summary of payments to office holder and associated parties

A total of 740 8 hours have been spent by our staff in the administration of the estate from the date of appointment to 25 June 2007 at an average hourly charge out rate of £154 60

Analysis of time spent in administration of the estate

Our staff have carried out the following tasks

a) Administration and Planning

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments; VAT and Corporation Tax issues such as the monthly VAT returns, pension queries and general correspondence.

b) Realisation of Assets

Our staff have been employed on various matters, including the sale of the Intellectual Property. Asset realisation is considered to be a key aspect of the Administration.

c) Trading

Our staff have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Since trading has ceased, most accounts have been closed and final bills paid.

d) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the Administration period have both been prepared.

Administrators' Disbursements

The basis of the Joint Administrators' drawing disbursements was approved by creditors at the meeting held on 4 January 2007 and subsequently followed by a conduct of business by correspondence sent to creditors on 10 January 2007, when the following resolution was passed:

"The Joint Administrators be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2 disbursements"

Disbursements drawn from the Company's assets in accordance with the resolution are detailed on Appendix E



G P Bushby
Baker Tilly Restructuring and Recovery LLP
Joint Administrators

Graham Paul Bushby and Geoffrey Carton Kelly were appointed Joint Administrators on 13 November 2006 to manage the affairs, business and property of the company

The Joint Administrators act solely as agents to the company without personal liability

Graham Paul Bushby is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England & Wales under Registration No 8736

Appendix B

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

**CHARGING, EXPENSES AND DISBURSEMENTS
POLICY STATEMENT**

Charging policy

- Partners, 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 will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
 - Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. 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 prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
 - General office overheads are not re-charged to the insolvency estate 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
 - Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate
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Appendix C

TIME AND CHARGE OUT SUMMARY

	HOURS SPENT					TIME COSTS £
	Partner	Manager	Administrator	Assistants & Support Staff	Total	
Administration and planning	8.5	122.9	120.2	0.5	252.10	28,776.65
Investigations		5.2			5.2	647.00
Realisation of assets	40	79.3			119.3	29,852.61
Trading		59			59	6,785
Creditors	22	122.9	16.3	31.7	192.90	32,944.57
Case specific Matters	14.50	22.5	34.2		71.20	11,673.67
Taxation	0.9	29.6	10.3	0.3	41.10	3,851
Total Hours	85.9	441.40	181	32.10	740.80	114,530.50
Total Time Costs	30,307.50	68,932.50	12,860	2,430.50	114,530.50	114,530.50

Appendix D

CHARGE OUT RATE BANDS

	Charge out band as at date of appointment	Charge out band as at date of current report
Partners	350	365
Managers	245	255
Administrators	115	125
Assistants & Support Staff	75	80

Appendix E

SUMMARY OF PAYMENTS TO OFFICE HOLDER AND ASSOCIATED PARTIES

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Office Holders Fees	£105,575 50
Office Holders Disbursements	£2,697.14
Total	£108,272 64

AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-HOLDER	
TYPE AND PURPOSE	£
Total	

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
Legal Fees	£22,902 50
Legal disbursements	£83.40
Total	£22,985 90

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
Agents/Valuers' Fees	£6,014 10
Total	£6,014.10