

**Liquidator's Progress Report**

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

**S.192**

To the Registrar of Companies

Company Number

07599781

Name of Company

(a) Insert full name of  
company

(a) I3-GROUP LIMITED

(b) Insert full name(s)  
and address(es)

I/We (b)

Daniel Paul Hennessy

Aticus Recovery Limited  
1 Hanson Road  
Aintree  
Liverpool  
L9 7BP

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 22 January 2014 to 21  
January 2015.

THURSDAY



A08 \*A4135EYI\*  
12/02/2015 #32  
COMPANIES HOUSE

Signed

Date

11 February 2015

Presenter's name, address  
and reference (if any)

Aticus Recovery Limited, 1 Hanson Road,  
Aintree, L9 7BP  
PJC / 1 / SI0002

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- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9**

## **1 Introduction and Statutory Information**

- 1 1 I, Daniel Paul Hennessy of Aticus Recovery Limited, 1 Hanson Road, Aintree, Liverpool L9 7BP, was appointed as Liquidator of i3-Group Limited (the **Company**) on 22 January 2014. This report provides an update on the progress in the liquidation for the year ended 21 January 2015.
- 1 2 The principal trading address of the Company was Unit 1B Mochdre Commerce Park, Colwyn Bay, Conwy, Gwynedd LL28 5HX.
- 1 3 The registered office of the Company was previously 1B Mochdre Commerce Park, Colwyn Bay, Conwy, Gwynedd LL28 5HX which has been changed to 1 Hanson Road, Aintree, Liverpool L9 7BP, and its registered number is 07599781.

## **2 Realisation of Assets**

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 22 January 2014 to 21 January 2015.

### **Intellectual Property Sold – Deferred Payments Due**

On 7 June 2013 a deed of assignment was entered into between (1) i3-Group Limited & Elfed Thomas and (2) Fibre Optic Solutions Limited assigning all patents and patent applications applied for and granted in respect of four technologies. These technologies were the Original Manifold, the In and Out Cable, Manifold Mark 2 and Backdrop Manifold. In addition the trade marks Fibrezone, Focus, Fibrecity, FS Focus System, Darc and H2O Networks and the content of the website [www.i3-group.co.uk](http://www.i3-group.co.uk) were assigned. Specifically excluded were the rights to the name "i3" and the domain name [www.i3-group.co.uk](http://www.i3-group.co.uk). Elfed Thomas had warranted certain information and has provided an indemnity in respect of these warranties.

A search revealed that the domain name is owned by H2O Networks Limited which is in Liquidation.

Payments to be made £15,000 on the date of the agreement, £65,000 on the effective date, £40,000 on 30 August 2013, £40,000 on 20 December 2013, £45,000 on 30 March 2014 and £45,000 on 30 August 2014. Payment was subject to settling the indebtedness to Cablecom Inc based in Wichita, USA – debt approximately £22,000.

All payments had been made to 20 December 2013 and from the last payment £22,000 was deducted to pay the Cablecom Liability.

Upon my appointment as Liquidator an invoice was sent to Fibre Optic Solutions Limited for the next payment due on 30 March 2014 for £45,000 plus VAT. On 20 March 2014 I received

an invoice from Fibre Optic Solutions Limited for £40,970.24 plus VAT for the collection, transportation and unloading of IT equipment on 16/17 May 2013 as allegedly requested by Mr Elfed Thomas and also for the rental of the 3,000 sqft of storage space at £15 per sqft per day for the 308 days to 20 March 2014. This invoice was disputed by the Liquidator.

A meeting was held with Fibre Optic Solutions Limited "FOS", the Liquidator and a former Director, Michael Norris, on 29 April 2014 at which FOS indicated that there was a provision within the agreement for £50,000 warranties and indemnities (Clause 5.4 of the agreement). Along with the storage costs FOS did not consider that the March 2014 payment of £45,000 and the August 2014 payment of £45,000 were due as their costs could be offset against the agreement as per Clause 3.3 of the agreement.

After considerable negotiations between the Liquidator, his legal representative and FOS a one off payment was agreed of £18,000 plus VAT was to be paid by FOS in full and final settlement.

In addition to the deed of assignment there was a supplementary agreement, a side letter confirming that in the event of a sale of the Intellectual Property rights before a specified date Fibre Optic Solutions Limited will pay additional consideration for the Assigned Rights in the sum of £200,000. No signed copy of this agreement was provided to the Liquidator. FOS stated that this was not agreed and the side letter was not signed. Therefore there was no realisation from this deed of assignment.

### **Bank**

The Company operated a credit account at Lloyds. No facilities were granted to the Company and all funds were discharged on 20 December 2013 to make part payments to certain creditors. After final charges had been taken by the bank, no funds were realised.

### **Director's Loan Account – Elfed Thomas**

The Company's records show that an amount is owed to Mr Thomas. No formal claim was submitted by Mr Thomas. A review of the Company's bank statements show withdrawals of sums of money. The Liquidator has asked for these sums to be repaid. Mr Thomas has disputed that the sums are repayable stating that they represented his remuneration and part contribution of expenses. The Liquidator is considering pursuing this debt if a Solicitor will act on a contingent fee basis.

### **3 Investigations**

- 3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents
- 3 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire My investigations have not revealed any issues requiring further report

### **4 Creditors**

#### *Secured Creditors*

- 4 1 There are no secured creditors

#### *Preferential Creditors*

- 4 2 There are no preferential creditors

- 4 3 *Unsecured Creditors*

I have received claims totalling £392,434 08 from 18 creditors I have not agreed creditors claims as there is no prospect of a dividend to any class of creditor

## 5 Liquidator's Remuneration

Creditors will recall that it was agreed at the initial Section 98 meeting that my costs of the preparation and calling the meetings of shareholders and creditors be fixed at £9,250 which has been drawn. The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation.

My time costs for the period from 22 January 2014 to 21 January 2015 are £33,178. This represents 143.4 hours at an average rate of £231.37 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. I have drawn £1,489.45 towards these costs.

The largest element of fees expended has been in dealing with the Admin & planning of the Liquidation. Other activities include:

- Attending to all statutory required of the Liquidator
- Realisation of the Assets
- Investigations into the financial affairs of the Company

A copy of 'A Creditors' Guide to Liquidators' Fees is available on request or can be downloaded from <http://www.aticus.co.uk/downloads.html>

## 6 Liquidator's Expenses

The following expenses have been incurred since my appointment as Liquidator and have been paid by Aticus Recovery Limited and have been reimbursed,

Supplier/Service Provider	Nature of Expenses incurred	Amount incurred to date £	Paid to date	Amount outstanding
Courts Advertising	Advertising	338.40	£338.40	Nil
Willis	Bordereau	553.00	£553.00	Nil
Pelstar	Insolvency Software Licence	125.00	£125.00	Nil
Room Hire	Room Hire	84.15	£84.15	Nil

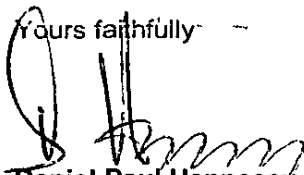
## **7 Creditors' rights**

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

## **8 Next Report**

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully

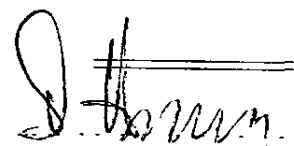


**Daniel Paul Hennessy**  
Liquidator

# i3-Group Limited

## Liquidator's Abstract of Receipts and Payments

Statement Of Affairs		From 22/01/2014 To 21/01/2015
<b>FLOATING CHARGE ASSETS</b>		
290,000.00	Intellectual Property	18,000 00
1.00	Cash at Bank - Lloyds	0 00
		<u>18,000 00</u>
<b>COSTS</b>		
	Liquidator's Remuneration	1,489 45
	Statement of Affairs Fee	9,250 00
	Legal Fees	6,040 00
	Statutory Advertising	338 40
	Bordereau Fee	553 00
	Insolvency Software Licence	125 00
	Mail Redirect	120 00
	Room Hire	84 15
		<u>-18,000 00</u>
<b>UNSECURED CREDITORS</b>		
378,352 67	Trade & Expense Claim	0 00
4,000 00	HM Revenue & Customs - PAYE & NI	0 00
20,000 00	HM Revenue & Customs - VAT	0 00
		<u>0 00</u>
<b>DISTRIBUTIONS</b>		
1,000 00	Issued Share Capital	0 00
250 00	Share Premium Account	0 00
		<u>0 00</u>
<u>(113,601 67)</u>		<u><u>0 00</u></u>

  
 Daniel Paul Hennessy  
 Liquidator



**i3-Group Limited**

(In Creditors Voluntary Liquidation)

## Summary of Liquidator's Time Costs from 22 January 2014 to 22 January 2015

[illegible]

Liquidator's statement of account  
under section 192 of the Insolvency Act 1986

Realisations			
Date	Received from	Nature of asset realised	Amount
	Brought forward		0 00
2 40 62 0 1 4	Moorcroft Sols - FOC Ltd	Intellectual Property	18,000 00
2 40 62 0 1 4	Moorcroft Sols - FOC Ltd	VAT on - Intellectual Property	3,600 00
Carried forward			21,600.00

Liquidator's statement of account  
under section 192 of the Insolvency Act 1986

Payments			
Date	Paid to	Nature of payment	Amount
	Brought forward		0 00
29/05/2014	Advertising	Statutory Advertising	338 40
29/05/2014	Room Hire	Room Hire	84 15
29/05/2014	Mail Redirect	Mail Redirect	120 00
29/05/2014	Pelstar	Insolvency Software Licence	125 00
29/05/2014	Moorcrofts	Legal Fees	815 00
29/05/2014	Bordereau	Bordereau Fee	553 00
2 40 62 0 1 4	Moorcrofts Sols	Legal Fees	4,175 00
2 40 62 0 1 4	Moorcrofts Sols	VAT on - Legal Fees	825 00
2 40 62 0 1 4	Rivertime	Legal Fees	300 00
2 40 62 0 1 4	Rivertime	VAT on - Legal Fees	60 00
2 40 62 0 1 4	M Keen	Legal Fees	750 00
0 10 72 0 1 4	Aticus	Statement of Affairs Fee	9,250 00
0 10 72 0 1 4	Aticus	VAT on - Statement of Affairs Fee	1,850 00
0 10 72 0 1 4	Aticus Disbursements	VAT Paid/Received	407 11
1 50 72 0 1 4	aticus	Liquidator's Remuneration	1,489 45
1 50 72 0 1 4	aticus	VAT on - Liquidator's Remuneration	297 89
0 10 82 0 1 4	HMRC	VAT Paid/Received	160 00
Carried forward			21,600 00

## Analysis of Balance

Total realisations	-----	£	21,600 00
Total disbursements	-----		21,600 00
	Balance		0 00
The balance is made up as follows-			
1	Cash in hands of liquidator	-----	0 00
2	Balance at bank	-----	0 00
3	Amount in Insolvency Services Account	-----	0 00
4	*Amounts invested by liquidator	-----	0 00
	Less the cost of investments realised	-----	0 00
	Balance		0 00
Total balance as shown above		£	0 00

QRMemo1

The liquidator should also state-

(1) The amount of the estimated assets and liabilities at the date of the commencement of the winding up-

Assets (after deducting amounts charged to secured creditors - including the holders of floating charges)	290,001 00
Liabilities - Fixed charge holders	0 00
Floating charge holders	0 00
Unsecured creditors	402,352 67

(2) The total amount of the capital paid up at the date of the commencement of the winding up-

Paid up in cash	1,000 00
Issued as paid up otherwise than for cash	0

(3) The general description and estimated value of any outstanding assets (if there is insufficient space here, attach a separate sheet)

Cash at Bank - Lloyds	0
Intellectual Property	0

(4) Why the winding up cannot yet be concluded - Realisation of Assets

(5) The period within which the winding up is expected to be completed - 6 Months

## Appendix C

### ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES

#### PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

##### 1 Policy

Detailed below is Aticus Recovery Limited's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors

##### 1.1 *Staff allocation and the use of subcontractors*

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, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We are not proposing to utilise the services of any sub-contractors in this case.

##### 1.2 *Professional advisors*

Moorecroft Solicitors dealt with the legal issues of the remuneration on the Intellectual Property. Their fees were £6,040.

