

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A20 *A7AG69XF* #233
18/07/2018
COMPANIES HOUSE

1 Company details

Company number 0 6 2 6 5 2 2 7

Company name in full The UK Intelligent Systems Research Institute
Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Darren Terence

Surname Brookes

3 Liquidator's address

Building name/number The Old Bank

Street 187a Ashley Road

Post town Hale

County/Region Cheshire

Postcode W A 1 5 9 S Q

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

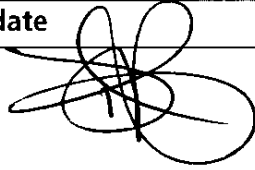
Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report																
From date	^d 1	^d 9	^m 0	^m 5	^y 2	^y 0	^y 1	^y 7									
To date	^d 1	^d 8	^m 0	^m 5	^y 2	^y 0	^y 1	^y 8									
7	Progress report																
										<input type="checkbox"/> The progress report is attached							
8	Sign and date																
Liquidator's signature	Signature																
	X		X														
Signature date	^d 1	^d 6	^m 0	^m 7	^y 2	^y 0	^y 1	^y 8									

LIQ03

Notice of progress report in voluntary winding up

**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	Molly Monks
Company name	Milner Boardman & Partners
Address	The Old Bank 187a Ashley Road
Post town	Hale
County/Region	Cheshire
Postcode	W A 1 5 9 S Q
Country	
DX	
Telephone	0161 927 7788

**Checklist**

We may return forms completed incorrectly or with information missing.

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 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.

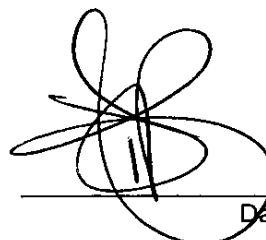
**Further information**

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

**The UK Intelligent Systems Research Institute Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 19/05/2017 To 18/05/2018 £	From 19/05/2016 To 18/05/2018 £
	ASSET REALISATIONS		
105,000.00	Work in Progress	6,171.76	381,064.72
Uncertain	Intercompany Debt (Group)	NIL	NIL
Uncertain	Intercompany Debt (Technology)	NIL	NIL
	Bank Interest Gross	122.62	138.41
		<u>6,294.38</u>	<u>381,203.13</u>
	COST OF REALISATIONS		
	Specific Bond	280.00	480.00
	Preparation of S. of A.	NIL	15,000.00
	Office Holders Fees	14,300.00	25,404.58
	Agents/Valuers Fees (2)	NIL	NIL
	Legal Fees (1)	NIL	4,264.00
	Sales Ledger and WIP Costs	NIL	500.00
	Corporation Tax	3.16	3.16
	Debt Collection Fee	NIL	129,933.33
	Statutory Advertising	NIL	144.00
	Bank Charges	NIL	55.00
	Land Registry	11.00	11.00
		<u>(14,594.16)</u>	<u>(175,795.07)</u>
	UNSECURED CREDITORS		
(327,841.00)	Trade & Expense	NIL	NIL
(6,724.00)	Intercompany Debt - Esti	NIL	NIL
(625,678.00)	Intercompany Debt - MATRI	NIL	NIL
(722,649.00)	Intercompany Debt - PRA	NIL	NIL
(98,263.00)	Intercompany Debt - Nor-Tek	NIL	NIL
(23,772.00)	H M Revenue & Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(1,699,928.00)		<u>(8,299.78)</u>	<u>205,408.06</u>
	REPRESENTED BY		
	Current Account		205,408.06
			<u>205,408.06</u>



Darren Terence Brookes
Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Our ref: DTB/MM/2487/24

16 July 2018

TO ALL MEMBERS AND CREDITORS

Dear Sirs

The UK Intelligent Systems Research Institute Limited ("the Company") – In Liquidation

This is my report to members and creditors following the second anniversary of my appointment as Liquidator. Please find enclosed the Liquidator's progress report for the period 19 May 2017 to 18 May 2018.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Molly Monks by email at mollym@milnerboardman.co.uk, or by phone on 0161 927 7788.

Yours faithfully
for and on behalf of
The UK Intelligent Systems Research Institute Limited



Darren Brookes
Liquidator

Liquidator's
Progress Report



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

The UK Intelligent Systems Research Institute Limited- In Liquidation

Liquidator's Progress Report

**Covering the Period
19 May 2017 to 18 May 2018**

16 July 2018

**Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ**

Our Ref: DTB/MM/2487/24

**Liquidator's
Progress Report**



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Appendix III	Proof of debt form



1. Statutory Information

Company name:	The UK Intelligent Systems Research Institute Limited
Registered office:	C/O Milner Boardman & Partners ("MBP") The Old Bank 187a Ashley Road Hale Cheshire WA15 9SQ
Former registered office:	Pera Business Park Nottingham Road Melton Mowbray LE13 0PB
Trading address:	<i>See above former registered office</i>
Registered number:	06265227
Principal trading activity	Research and development of new products and new production engineering processes
Liquidator's name:	Darren Brookes
Liquidator's address:	MBP The Old Bank 187a Ashley Road Hale Cheshire WA15 9SQ
Date of appointment:	19 May 2016

2. Case Overview

- 2.1 On 29 April 2016, the board of directors signed notices convening meetings of the Company's members and creditors with a view to placing the Company into Creditors' Voluntary Liquidation.
- 2.2 On 19 May 2016, members passed a special resolution placing the Company into Liquidation and an ordinary resolution appointing Darren Brookes of MBP, as Liquidator. At a meeting of the Company's creditors held on the same day, creditors passed a resolution confirming the appointment of Darren Brookes as Liquidator.

- 2.3 It is considered that the EC Regulation on Insolvency Proceedings applies to these proceedings, which are main proceedings as defined in Article 3 of the EC Regulations.
- 2.4 The reason for the failure of the Company according to the director was the failure of its parent company; Pera Technology Limited ("Technology"), resulting in withdrawal of financial capital and human resources. As a further consequence, the group bank facility was consolidated, and the Company lost its credit balance.
- 2.5 According to the director's statement of affairs, the assets of the Company comprised of work in progress and intercompany debts.
2. The case remains open as it is envisaged that there will be further asset realisations and to enable a dividend to be paid to the unsecured creditors.

3. Assets and Liquidator's Actions Since Last Report

3.1 Work in Progress ("WIP")

- 3.1.1 The Company's WIP ledger prior to the Liquidation, on 10 March 2016, stood at circa £1.047m.
- 3.1.2 Independent agents, CGDM Limited trading as Cerberus Receivables Management ("Cerberus"), valued the WIP ledger and provided a sales ledger assessment and collectability report.
- 3.1.3 An indicative outcome range was provided as follows: -

	Low	Med	High
Principal Ledger	1,047,000	1,047,000	1,047,000
General Provision	1,047,000	(942,000)	(732,000)
Estimated Indicative Outcome	0	105,000	315,000

- 3.1.4 In order to maximise realisations, initially Pera Technology Solutions Limited (10044541) ("PTSL") was instructed to assist the Company in completing the WIP and with the subsequent collection of the book debts. However, PTSL subsequently entered into Administration. Therefore, PRA World Limited ("PWL") was instructed to complete the WIP and collect the outstanding book debts. Due to the experience and skills of PWL, it was understood that they would maximize realisations and without their assistance the collection would have been adversely affected. PWL was set up on 26 September 2016 and its director is Alan Baxter who is also a director of the Company.
- 3.1.5 For the period under review £6,171.76 has been received, in respect of WIP and for the entire period a total of £381,064.72 has been received.
- 3.1.6 There are three projects that remain outstanding; with one project we are imminently expecting payment of circa £30k. A payment is expected on another project but less

than originally expected due to the project not having completed all its tasks and it is estimated that circa £20k will now be realised. With the assistance of PWL, we have requested that the European Commission take action against the coordinator on a project as they are withholding payment. It is unknown if any realisations will be made in relation to this project.

3.2 Intercompany Debt (Group)

- 3.2.1 The Company is owed circa £873,910, being the credit balance from the bank account with Natwest Bank plc, that was consolidated within the group facility to settle the overdrawn bank balances of: -

Technology – In Administration

PRA Trading Limited – In Liquidation ("PRA")

Pera Management Services Limited– In Liquidation ("PMSL")

- 3.2.2 As you are aware, Technology and PRA entered into Administration on 11 April 2016, with Darren Brookes and Molly Monks of MBP being appointed as Joint Administrators. PRA subsequently entered into Liquidation on 14 March 2017 with Darren Brookes and Molly Monks of MBP being appointed as Joint Liquidators. PMSL entered into Liquidation on 12 April 2016 with Darren Brookes of MBP being appointed Liquidator.

- 3.2.3 A dividend has now been received by Technology from the Administration of PTSL, therefore, a dividend to the unsecured creditors of Technology is expected to be paid through the prescribed part, and a claim will now be lodged by the Liquidator in the Administration of Technology.

- 3.2.4 A dividend to the unsecured creditors of PRA is also likely and a claim will be lodged in due course, however, it may be offset against amounts owed to PRA in the sum of £722,649 for advances to the treasury cash flow in October 2015.

- 3.2.5 It is envisaged that the Liquidator of PMSL will be able to make a distribution of the prescribed part to the unsecured creditors and it is estimated that £33,600 may be available. A claim has been lodged in the Liquidation of PMSL, however, the claims received in PMSL have not yet been adjudicated upon and the dividend rate is not yet known.

3.3 Intercompany Debt (Technology)

- 3.3.1 Technology also owes the Company £1,060,661 in respect of payments made to it by the European Commission to fund the projects carried out by the Company, specifically individual time card transactions for labour incurred. A claim will now be lodged within the Administration as a dividend is likely.

3.4 Bank Interest



- 3.4.1 A sum of £122.62 has been received from Allied Irish Bank GB in relation to bank interest applied to the account during this period. A total of £138.41 has been received since appointment.
- 3.5 In addition to the above case specific actions taken, this is certain work I am required to do by the Insolvency Legislation to undertake in connection with the Liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken during this period of this report is found at Sections 8.7 and 8.8.

4. Creditors

4.1 Secured Claims

- 4.1.1 According to Companies House, there were no secured creditors in this case.

4.2 Prescribed Part

- 4.2.1 Under Section 176A of the Insolvency Act 1986, where after 15th September 2003 a company has granted to a creditor a floating charge, a proportion of the net property realised must be made available exclusively for the unsecured creditors.
- 4.2.2 In this case, the provision will not apply as no relevant charge is registered.

4.3 Preferential Creditors

- 4.3.1 No preferential creditor claims are expected in this case.

4.4 Unsecured Creditors

4.4.1 Trade and Expense Creditors

As of the date of the Liquidation, there were 15 trade and expense creditors who were owed £327,841 in total. To date, 7 have submitted claims totalling £205,176.76.

4.4.2 Inter-Company Debts

The Company owes its sister company, Eesti Innovatsiooni Instituut (EII), £6,724 for outstanding charges and a claim of £6,452.70 has been received.

The Company owes its sister company, Nor-Teknologisenter, £98,263 for labour charges performed on a project known as 'Gigawam'. It is understood that Nor-Teknologisenter has since entered into Liquidation.

The Company owes its sister company, The UK Materials Technology Research Institute Limited, £625,678 in respect of a cash advance for a project known as 'Lightfoam', no claim has been submitted to date but it is understood that it intends to shortly.



The Company owes PRA a sum of £722,649 for advances to the treasury cash flow in October 2015. However, the debt will likely be offset against the amount due to it from the consolidation of the group banking facility.

4.4.3 HM Revenue & Customs ("HMRC")

The statement of affairs included an amount of £23,772 owed to HMRC in respect of VAT for the period ending 31 March 2016. A VAT integrated group claim in the sum of £19,884.60 has been received from HMRC.

4.4.4 European Commission Research Executive Agency Unit ("REA")

Although, not listed as a creditor within the Estimated Statement of Affairs, REA have submitted a claim for €5.876m (£4.573m), being the maximum provisional amount owed within the framework of the management of the EU projects. I am currently liaising with the directors and key personnel to establish if the debt is due and payable and if so, to what extent.

- 4.4.5 At the initial meeting of creditors, it was indicated that based on information presented to the meeting, there might be a prospect of a dividend being paid to creditors in this case. I can confirm that due to the high level of realisations from the WIP and Debt collections, there should be sufficient funds to enable a dividend in this matter. The quantum of timing will be dependent on the future collections and level of creditor claims yet to be agreed. Attached at appendix 3 is a proof of debt form. Please complete and return if you have not already done so.

5. Receipts and Payments

- 5.1 A receipts and payments account for the period 19 May 2017 to 18 May 2018 is enclosed with this report at appendix 1. The balance of funds is held in an interest-bearing estate account.

- 5.2 Total receipts for the entire period are £381,203.13, of which £6,294.38 has been received for the period under review. It is broken down as follows:

- | | |
|--------------------|-----------|
| • Work in Progress | £6,171.76 |
| • Bank Interest | £122.62 |

- 5.3 Total payments for the entire period are £175,795.07 and £14,594.16 and for the period under review, and are broken down as follows:

- | | |
|---------------------|---------|
| • Specific bond | £280 |
| • Liquidators' Fees | £14,300 |
| • Corporation Tax | £3.16 |
| • Land Registry | £11 |

6. Investigation

- 6.1 As part of my duties as Liquidator, 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.
- 6.2 I have previously provided details of the investigation and can confirm that there were no matters that justified further investigation in the circumstances of this appointment.
- 6.3 Within three 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 them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

7. Pre-Appointment Remuneration

- 7.1 At the initial meeting of creditors on 19 May 2016, creditors authorised that payment of £15,000 plus VAT be made for our assistance in preparing the statement of affairs and convening and holding the meeting of creditors. This fee was paid from first realisations on appointment and is shown on the receipts and payments account.

8. Liquidator's Remuneration

- 8.1 My remuneration was previously authorised by creditors by a written resolution dated 16 June 2016. I was authorised to draw my fees on a time costs basis for work in respect of administration and planning, investigations, creditors and realisations of assets categories. This approval was based on my fee estimate of £38,145. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. As you can see from the attached summary at appendix 2, the time costs to date are £29,678.50 which represents 116.40 hours at an average rate of £254.97 per hour, of which £15,182.50, which represents 57.70 hours at an average rate of £263.13 per hour, has been charged during the period of this report. The actual charge out rate incurred is slightly higher than the estimated charge out rate of £244.52 in my fee estimate. I have drawn a total of £25,404.58, of which £14,300 has been drawn during the period of this report.
- 8.2 The policy of MBP is to record time, directly to each case, of all staff. The attached summary at appendix 2 is intended to provide a breakdown of time costs incurred to date. Please note that MBP record time in 6 minute units. Details of MBP charge out rates is included in the Practice Fee Recovery Policy which is also attached at appendix 2.
- 8.3 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals

(R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidator's Fees' also published by R3, is available at www.milnerboardman.com by clicking on "useful links" and then "creditors guide to fees" and "Guide to Liquidators fees". Please note that there are different versions of the Guidance Notes and in this case, you should refer to Version 3 issued in October 2015. Further details are also provided in the Practice Fee Recovery Policy attached at appendix 2.

- 8.4 The main areas where time costs have been incurred are 'Administration and Planning', 'Investigations', 'Realisation of Assets' and 'Creditors'. These are discussed in more detail below:

8.5 Administration and Planning

- 8.5.1 A total of £18,136.50 has been spent on administration and planning of which £10,852.50 has been spent during the period under review. This includes time spent on meetings and telephone conversations with the directors, complying with statutory duties, reporting to creditors and general administrative work including preparing documentation and dealing with correspondence, maintaining the office holder's estate bank account and cash book, undertaking regular bank reconciliations, reviewing the adequacy of the specific penalty bond and increasing where necessary, undertaking period reviews of the progress of the case, issuing an annual progress report to creditors and members, and filing the relevant documentation at Companies House, preparing and filing VAT returns and preparing and filing Corporation Tax returns.

8.6 Investigations

- 8.6.1 A total of £1,779.50 has been spent on investigations, of which £440.50 has been spent during the period under review. This includes time spent dealing with cooperating and providing information to third parties. Due to the nature of this work the Liquidator cannot, at this stage, disclose any further information.

8.7 Realisation of Assets

- 8.7.1 A total of £7,237.50 has been spent on the realisation of assets of which £1,692.50 has been spent during the period under review. Time has been spent on dealing with realisation of assets and included liaising with agents and third parties regarding the completion of the work in progress, regularly liaising with the bank regarding the transfer of credit balance from the Company's account and monitoring the incoming book debts and paying the debt collection agents agreed fee.

8.8 Creditors

- 8.8.1 A total of £2,525 has been spent on creditors of which £2,197 has been spent during the period under review. Work carried out relates to dealing with creditor correspondence, emails and telephone calls, managing up to date creditor information on IPS and adjudicating upon claims received.



9. Liquidator's Disbursements

- 9.1 With regard to disbursements, specific expenditure relating to the administration of the insolvent's estate and payable to an independent third party is recoverable without creditor approval. Payments made in respect of the above are defined as "Category 1 disbursements". Category 1 disbursements incurred to date totalling £139,707.56 of which £4,611.23 has been incurred in this period. A total of £135,387.33 has been drawn of which £291 has been drawn during this period. I can confirm that the outstanding brokers commission has been paid but is not included within the period under review.

9.2

Type of expense	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Bordereau	280.00	280.00
Land Registry Search Fee	11.00	11.00
Brokers Commission	4,320.23	

- 9.3 Expenditure incidental to the administration of the insolvent's estate, which by its nature includes an element of shared or allocated costs, are recoverable with creditors' approval. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements require creditor authorisation before they can be drawn. Category 2 disbursements include staff mileage costs. MBP have not charged Category 2 disbursements.

- 9.4 All disbursements are shown net of VAT and as the Company was registered for VAT purposes, VAT totalling £19,535.78 was recoverable for the benefit of the insolvent's estate.

- 9.5 I have used the following agents or professional advisors in this reporting period:

Agent/Professional Advisor	Nature of work	Basis of fees
PWL	Debt Collection	Agreed % of realisations

9.6 PWL

- 9.6.1 Upon PTSL entering into Administration, PWL, continued with the collection of the book debts at a rate of 70%. The higher rate of commission was justified as the remaining balance was aged and more difficult to collect.
- 9.6.2 A total sum of £129,933.33 has been paid to PWL, and during the period under review £4,320.23 was incurred and has been paid.
- 9.6.3 PWL was selected on a basis of my perception of their experience and ability to perform this type of work and nature and complexity of the assignment and the basis of my fee

arrangement with them. The fees charged have been reviewed and I am satisfied they are reasonable in the circumstances.

10. Further Information

- 10.1 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 Joint Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.
- 10.2 An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.
- 10.3 To comply with the Provision of Services Regulations, some general information about MBP can be found in the attached summary sheet at appendix 2.

11. Summary

- 11.1 *This concludes the Liquidator's progress report for the year ended 18 May 2018. The Liquidation will remain open until the book debt ledger has been exhausted and to receive any possible dividends from within the group, if applicable. It is likely a dividend will be paid to the unsecured creditors. Once these matters have been resolved, the Liquidation will be finalised and the files closed. If the Liquidation has not been finalised, the next report is due within 2 months of the next year's anniversary, i.e. before 18 July 2019.*

Should you require further information please contact this office on 0161 927 7788.

Yours faithfully
for and on behalf of
The UK Intelligent Systems Research Institute Limited



Darren Brookes
Liquidator



Appendix I

Receipts and Payments Account

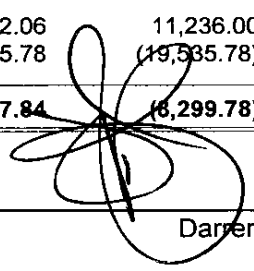
**The UK Intelligent Systems Research Institute Limited
(In Liquidation)**

Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 19/05/2016 To 18/05/2017 (£)	From 19/05/2017 To 18/05/2018 (£)	Total (£)
Work in Progress	105,000.00	374,892.96	6,171.76	381,064.72
Intercompany Debt (Group)	Uncertain	0.00	0.00	0.00
Intercompany Debt (Technology)	Uncertain	0.00	0.00	0.00
Bank Interest Gross		15.79	122.62	138.41
		374,908.75	6,294.38	381,203.13
PAYMENTS				
Specific Bond		200.00	280.00	480.00
Preparation of S. of A.		15,000.00	0.00	15,000.00
Office Holders Fees		11,104.58	14,300.00	25,404.58
Legal Fees (1)		4,264.00	0.00	4,264.00
Sales Ledger and WIP Costs		500.00	0.00	500.00
Corporation Tax		0.00	3.16	3.16
Debt Collection Fee		129,933.33	0.00	129,933.33
Statutory Advertising		144.00	0.00	144.00
Bank Charges		55.00	0.00	55.00
Land Registry		0.00	11.00	11.00
Trade & Expense	(327,841.00)	0.00	0.00	0.00
Intercompany Debt - Esti	(6,724.00)	0.00	0.00	0.00
Intercompany Debt - MATRI	(625,678.00)	0.00	0.00	0.00
Intercompany Debt - PRA	(722,649.00)	0.00	0.00	0.00
Intercompany Debt - Nor-Tek	(98,263.00)	0.00	0.00	0.00
H M Revenue & Customs	(23,772.00)	0.00	0.00	0.00
Ordinary Shareholders	(1.00)	0.00	0.00	0.00
		161,200.91	14,594.16	175,795.07
Net Receipts/(Payments)		213,707.84	(8,299.78)	205,408.06

MADE UP AS FOLLOWS

Current Account	194,172.06	11,236.00	205,408.06
VAT Receivable / (Payable)	19,535.78	(19,535.78)	0.00
	213,707.84	(8,299.78)	205,408.06


 Darren Terence Brookes
 Liquidator



Appendix II

Milner Boardman & Partners' Time Analysis, Practice Fee Recovery Policy and Provision of Services Regulations Summary Sheet

Milner Boardman & Partners**TIME & CHARGEOUT SUMMARIES**

The UK Intelligent Systems Research Institute Ltd

To 18 May 2018

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	8.70	49.20	0.00	11.70	69.60	18,136.50	260.58
Investigations	0.00	1.80	0.00	7.50	9.30	1,779.50	191.34
Realisation of Assets	4.70	22.30	0.00	0.00	27.00	7,237.50	268.06
Creditors	0.90	5.30	0.00	4.30	10.50	2,525.00	240.48
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	5,291.00	20,275.00	0.00	4,112.50		29,678.50	
Total Hours	14.30	78.60	0.00	23.50	116.40		
Average Rate	370.00	257.95	0.00	175.00			

Milner Boardman & Partners**TIME & CHARGEOUT SUMMARIES**

The UK Intelligent Systems Reasearch Institute Ltd

From 19 May 2017 to 18 May 2018

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	2.10	29.00	0.00	9.90	41.00	10,852.50	264.70
Investigations	0.00	0.90	0.00	1.00	1.90	440.50	231.84
Realisation of Assets	0.00	5.90	0.00	0.00	5.90	1,692.50	286.86
Creditors	0.90	4.10	0.00	3.90	8.90	2,197.00	246.85
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	1,110.00	11,482.50	0.00	2,590.00		15,182.50	
Total Hours	3.00	39.90	0.00	14.80	57.70		
Average Rate	370.00	287.78	0.00	175.00			

PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.insolvency-practitioners.org.uk. Alternatively a hard copy may be requested from Milner Boardman & Partners. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge Out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 June 2017 £	Previous charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Director	370	370	295 to 370
Appointment Taker	295	N/A	N/A
Senior Manager	255	255	N/A
Manager	215	215	215
Case Administrator	175	175	175
Support Staff	175	175	175

These charge-out rates charged are reviewed each year and may be adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories, where applicable:

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to Members' Voluntary Liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Milner Boardman & Partners; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements incurred in administering the case will be charged as follows:

Room Hire	£30 per hour
Mileage	0.45p per mile (in accordance with HMRC approved rates)
Photocopying	10p per sheet (circulars to creditors only)

PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR MILNER BOARDMAN & PARTNERS

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Licensing Body

Darren Brookes and Molly Monks are licensed to act as Insolvency Practitioners in the United Kingdom by the Insolvency Practitioners Association ("IPA").

Rules Governing Actions

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Darren Brookes and Molly Monks of Milner Boardman & Partners can be found at - <http://www.insolvency-practitioners.org.uk>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

Ethics

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>.

Complaints

In the first instance, you should contact the Insolvency Practitioner ("IP") acting as office holder. Please note that within Milner Boardman & Partners there are two Licensed Insolvency Practitioners; Darren Brookes and Molly Monks.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Molly Monks. However, if your complaint is regarding Molly Monks then please contact Darren Brookes.

We will lodge your complaint and open a file, this will be done immediately. We will then investigate your complaint and report to you as soon as possible, usually within five business days.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gsi.gov.uk; or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

Professional Indemnity Insurance

Milner Boardman & Partners' Professional Indemnity Insurance is provided by Nexus Underwriting Limited of 150 Leadenhall Street, London EC3V 4QT.

VAT

Milner Boardman & Partners is registered for VAT under registration no 693 3180 22.



Appendix III

Proof of Debt

PROOF OF DEBT - GENERAL FORM

The UK Intelligent Systems Research Institute Limited	
Date of Winding-Up Order / Resolution for voluntary winding 19 May 2016	
1.	Name of Creditor (If a company please also give company registration number)
2.	Address of Creditor for correspondence
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)
4.	Details of any documents by reference to which the debt can be substantiated. [Note there is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting]
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount £
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7.	Particulars of any security held, the value of the security, and the date it was given.
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
9.	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	Position with or in relation to creditor _____ Address of person signing (if different from 2 above)
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator