

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company locom (UK) Limited	Company number 04113808
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of Court)	Court case number 2324 of 2009

(a) Insert full name and address of the administrator

We (a) Jason Mark Elliott and Gary Bell of Cowgill Holloway Business Recovery LLP, 49 Peter Street, Manchester, M2 3NG

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates

from / to (b) 17 August 2009 to 17 February 2010
--

Signed

Joint Administrators

Dated

15/3/10

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.

Jason Mark Elliott & Gary Bell	
Cowgill Holloway Business Recovery LLP, 49 Peter Street, Manchester, M2 3NG	
	Telephone No 0161 827 1215
Fax No 0161 827 1211	Dx No -

Co

WEDNESDAY



A50 17/03/2010 80
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

IOCOM (UK) LIMITED – IN ADMINISTRATION

**INTERIM REPORT OF THE ADMINISTRATOR PURSUANT TO RULE 2.47
OF THE INSOLVENCY RULES 1986**

Jason Mark Elliott and Gary Bell were appointed Joint Administrators on 17 August 2009.

The affairs, business and property are being managed by the Joint Administrators.

The Administrators act as the Company's agent.

1 COMPANY AND ADMINISTRATORS' DETAILS

Name of Court	High Court of Justice, Chancery Division, Manchester District Registry
Court Reference Number	2324 of 2009
Company Registered Number	04113808
Registered Office Address	c/o Cowgill Holloway Business Recovery LLP 49 Peter Street, Manchester, M2 3NG
Name of Administrator	Jason Mark Elliott and Gary Bell
Date of Administrator's Appointment	17 August 2009
Person making appointment application	the Directors

2. PROGRESS DURING THE PERIOD

This report should be read in conjunction with my previous report to creditors dated 21 September 2009. The main purpose of the Administration, as stated in the original report to creditors, was to realise property in order to make a distribution to one or more secured or preferential creditors.

I attach at Appendix I and III respectively the Administrators' Receipts and Payments Account and Outcome Statement as at 16 February 2010.

As previously advised in my last report the Joint Administrators were appointed at the High Court of Justice Manchester on 17 August 2009. The initial Notice of Intention expired as negotiations with the interested party continued. A second Notice of Intention was filed on 4 August 2009.

i) Sale of Business Assets

As previously reported, on 18 August 2009 a sale of certain business assets was completed to Visus Ophthalmics Ltd. I understand that Paul Cooper is the sole director and shareholder in Visus. The consideration payable under the transaction was as follows:

Description	£
Goodwill	3,000
Stock	17,000
	<u>20,000</u>

In relation to the sale proceeds £5,000 was paid on 18 August 2009 with a balance of £15,000 being received by my solicitors on 21 August 2009.

ii) **Furniture and Equipment**

There was a small amount of furniture and equipment which was not part of the sale to Visus

The director, in his Estimated Statement of Affairs, scheduled furniture and equipment with an estimated to realise value of £3,585

I am pleased to confirm that the equipment has been sold by the Agents and realised a consideration of £14,510 plus VAT

iii) **Book Debt Collections**

The Company factored its book debts in favour of Royal Bank of Scotland Invoice Finance ('RBSIF')

At the date of Administration a sum of £43,105 was due to RBSIF in relation to the outstanding sales ledger RBSIF hold a fixed and floating charge debenture in respect of the outstanding liability

Prior to my appointment RBSIF instructed a firm of debt collectors to assist with the debt recovery process

I can confirm that after discussions with the debt collectors, it appears that, based on current information, that there will be a significant shortfall to RBSIF

Solicitors have confirmed that the RBSIF security is valid

As a result there will be no surplus available to the Company in this case

iv) **Corporation Tax Refund**

A corporation tax refund has been received in the sum of £12,197

v) **Creditors**

a) **Secured Creditors**

National Westminster Bank Plc ('NWB') held a debenture dated 5 January 2001 supported by a personal guarantee from Paul Cooper in respect of their outstanding indebtedness

At the date of Administration a sum of £11,846 plus post appointment interest was due to NWB

I can confirm that a distribution of £3,000 will be made to NWB under their floating charge

I would refer you to my comments at (iii) above in relation to RBSIF

b) Non-Preferential Creditors

Due to the insufficiency of assets in this case there will be no distribution to unsecured creditors in this case

c) Section 176A Fund for Unsecured Creditors (“The Prescribed Part”)

Section 176A (2) of the Insolvency Act 1986 provides that, where the Company has created a floating charge after 15 September 2003, the Administrator must make a “prescribed part” of the Company’s net property available for unsecured creditors and not distribute it to the floating charge holder except insofar as it exceeds the amount required for the satisfaction of unsecured claims

The NWB debenture ranks in priority to the RBSIF security, however, as the NWB debenture pre dates 15 September 2003 Section 176A of the Insolvency Act will not apply in this case NWB face a shortfall of some £9,000 in relation to their initial outstanding indebtedness

3. COSTS

a) Administrators Remuneration

At the initial meeting of creditors held on 8 October 2009 creditors approved a proposal for the Administrator to be remunerated on the basis of hourly costs, as set out below, calculated on the time properly spent in the course of the Administration, pursuant to Rule 2 106(2) of the Insolvency Act 1986 (as amended) and that he may draw his remuneration on account as and when funds permit

Set out below is a summary of time costs incurred, analysed between staff grade and work activities

Cowgill Holloway Business Recovery LLP adopt a policy of reviewing chargeout rates on an annual basis. A material increase in charge out rates took effect from 1 August 2009 details of which are set out below -

To 31 July 2009	£ per hour	From 1 August 2009	£ per hour
Partner	225	Partner	275
Manager	160	Manager	200
Junior Administrator	70	Senior Administrator	150
Cashier	60	Cashier	110
		Junior Administrator	80

An analysis of time spent in administering this matter in accordance with Statement of Insolvency Practice is set out below

Total time spent on this assignment to date amounts to 133.45 hours at an average composite rate of £171.24 per hour resulting in total time costs to date £22,853.00. At the date of this report the Administrators are yet to draw a fee.

An analysis of time spent in administering this matter in accordance with Statement of Insolvency Practice 9 is set at Appendix II.

An explanatory note entitled "A Creditor's Guide to Administrators Fees" can be found on the Insolvency Practitioners Website at www.insolvency-practitioners.org.uk under the "technical" link, alternatively a copy can be obtained from Cowgill Holloway Business Recovery LLP free of charge.

b) Other Costs

The other cost figures included within the report, I trust, are self explanatory, however, should you require any clarification of these amounts then please do not hesitate to contact me.

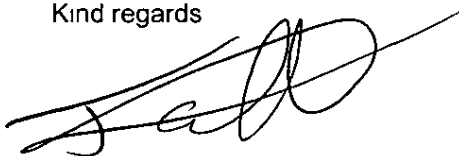
4 **CONCLUSION**

The only outstanding matter in this case relates to the final distribution to NWB, I am currently awaiting copies of certain security documentation from NWB prior to proceeding to distribution of funds

Once such payment is made the Administration will be closed and the Company will proceed to dissolution

Should you require any further information regarding this matter then please do not hesitate to contact me

Kind regards

A handwritten signature in black ink, appearing to read 'J. Elliott', written over a horizontal line.

JASON MARK ELLIOTT
JOINT ADMINISTRATOR

The Receiver and Manager act as Agent of the Company at all times and without personal liability

APPENDIX I

**IOCOM (UK) LIMITED – IN ADMINISTRATION
RECEIPTS AND PAYMENT ACCOUNT
AS AT 16 FEBRUARY 2010**

	As at 15 Sept 2009	From 15 Sept 2009 To 16 Feb 10	Total
	£	£	£
RECEIPTS			
Furniture and Equipment	-	15,183	15,183
Stock	5,000	12,000	17,000
Corporation Tax Refund	12,197	-	12,197
Goodwill	-	3,000	3,000
Bank Interest	-	29	29
Total Receipts	17,197	30,212	47,402
PAYMENTS			
Bordereau	180	-	180
Agents Fees	-	5,341	5,341
Legal Fees	-	4,282	4,282
Storage Costs	-	595	595
Statutory Advertising	-	150	150
Bank Charges	-	17	17
Total Payments	180	10,385	10,565
Balance in Hand	17,017	19,827	36,844

IOCOM (UK) LIMITED – IN ADMINISTRATION
SUMMARY OF ADMINISTRATORS' TIME COSTS
From 17 August 2009 to 31 January 2010

	Partner	Manager	Administrator	Junior Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Steps upon appointment	5 50	4 40	10 40	0 30	-	20 60	3,560 50	172 83
Planning and Strategy	-	-	-	-	-	-	-	-
General Administration	-	-	5 80	4 25	4 90	14 95	1,517 00	101 47
Asset Realisation / Manager	6 30	10 70	6 10	5 20	-	28 30	4,959 50	175 24
Trading Related matters	-	-	-	-	-	-	-	-
Investigations	-	15 20	0 50	-	-	15 70	3,095 00	197 13
Employee Matters	-	-	-	-	-	-	-	-
Creditor Claims	-	9 20	10 70	10 20	-	30 10	3,833 00	127 34
Other issues	-	-	-	-	-	-	-	-
Reporting / Returns	16 00	7 00	0 30	-	0 50	23 80	5,888 00	247 39
Distribution and Closure	-	-	-	-	-	-	-	-
TOTAL	27 80	46.50	33 80	19 95	5 40	133.45	22,853.00	171.24

APPENDIX III

(Page 1 of 2)

IOCOM LIMITED – IN ADMINISTRATION
ESTIMATED OUTCOME STATEMENT AS AT 16 FEBRUARY 2010

	<u>Note</u>	<u>£'000</u>
ASSETS SPECIFICALLY PLEDGED		
Fixed Charge		
Book Debts		43
Due to RBSIF		<u>(43)</u>
		<u>-</u>
HP Assets		
Motor Vehicle		20
Due to Finance Creditor		<u>(20)</u>
		<u>-</u>
ASSETS NOT SPECIFICALLY PLEDGED		
Corporation Tax		12
Equipment & Furniture		15
Stock		17
Goodwill		<u>3</u>
		47
Less Costs	(i)	<u>(44)</u>
Available to floating Charge Holder		3
Less Due to National Westminster Bank Plc ('NWB')		
Under Floating Charge (Subject to post appointment interest and charges)		(12)
Estimated shortfall to NWB		<u>9</u>

APPENDIX III

(Page 2 of 2)

IOCOM (UK) LIMITED – IN ADMINISTRATION ESTIMATED OUTCOME STATEMENT AS AT 16 FEBRUARY 2010

Notes:

1 Costs

	Notes	Total £'000
Administrators Fees		33
Agents Fees		5
Legal Fees		5
Other Costs		1
		<hr/> 44 <hr/>