

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

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(s) and
address(es) of
administrator(s)~~Mr~~ (a) Jason Mark Elliott
Cowgill Holloway Business Recovery LLP
49 Peter Street
Manchester
M2 3NG(b) Insert name and
address of
registered office of
companyhaving been appointed administrator(s) of (b) locom (UK) Limited c/o Cowgill Holloway Business
Recovery LLP, 49 Peter Street Manchester M2 3NG(c) Insert date of
appointment
(d) Insert name of
applicant/appointor

on (c) 17 August, 2009 by (d) High Court of Justice, Chancery Div

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

I attach a copy of the final progress report

Signed


~~Joint~~ Administrator(s)

Dated

13 / 8 / 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
formThe contact information that you give
will be visible to searchers of the
public recordJason Mark Elliott
Cowgill Holloway Business Recovery LLP
49 Peter Street
Manchester
M2 3NG

DX Number

0161 827 1200
DX Exchange

TUESDAY



A40

17/08/2010

488

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

**FINAL REPORT OF THE ADMINISTRATOR PURSUANT TO RULE 2.47 AND 2.110 OF
THE INSOLVENCY RULES 1986**

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

Gary Bell subsequently resigned on 6 May 2010

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

The Administrator acts as the Company's agent and without personal liability.

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	Gary Bell and Jason Mark Elliott until Gary Bell resigned on 6 May 2010
Date of Administrators Appointment	17 August 2009

2. ADMINISTRATOR'S PROPOSALS

On 17 August 2009, the Company entered into Administration under Part II of the Insolvency Act 1986, Gary Bell and I, were appointed as Joint Administrators of the Company

Following the resignation of Gary Bell as a Partner in the firm of Cowgill Holloway Business Recovery LLP, his appointments as Office Holder in the various insolvency cases to which he was appointed have been transferred to Jason Mark Elliott. The Order was made on 6 May 2010 in the High Court of Justice, Chancery Division, Manchester District Registry, number 982 of 2010

As such, my appointment as sole Administrator took effect on 6 May 2010

This report should be read in conjunction with the previous report to creditors dated 15 March 2010

Pursuant to paragraph 3(1) of Schedule B1 to the Insolvency Act 1986 (as amended) ("the Act"), the Administrator of the Company must perform this function with the objective of

- i Rescuing the Company as a going concern or,
- ii 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)
- iii Realising property in order to make a distribution to one or more secured or preferential creditors

As detailed in the Joint Administrators' Report and Statement of Proposals to creditors pursuant to paragraph 49 of the Insolvency Act 1986 (as amended), it was believed that the third purpose of Administration would be achieved in this instance

I am of the belief that I have achieved this purpose and as such am now in a position to finalise the Administration by moving the Company to dissolution

Details of how the purpose of the Administration has been achieved are set out in this report for the attention of creditors

3. PROGRESS OF ADMINISTRATION

I attach at Appendix I an account of the receipts and payments in the Administration for the period 17 August 2009 to 12 August 2010

My comments on the progress of the Administration are set out below

RECEIPTS

Sale of Business

A sale of certain assets of the Company was completed on 18 August 2009 to Visus Ophthalmics Limited ("Visus") for total consideration of £20,000. Visus is an associated party as defined in section 435 of the Act by way of common director, Paul Cooper

Details of the assets included in the sale and how the consideration was apportioned is set out below

Asset	Consideration £
Stock	£17,000
Goodwill	£3,000
Total Consideration	£20,000

Payment of £5,000 was received upon completion of the sale, with the residual balance of £15,000 being received by my appointed solicitors, Laytons Solicitors ("Laytons"), on 26 October 2009. These funds were subsequently transferred to the Administration account

Furniture & Equipment

Furniture and equipment held by the Company at the date of Administration had an estimated realisable value of £3,585 and was not included in the sale to Visus

I instructed independent agents, Robson Kay & Co Limited ("Robson Kay"), to carry out valuations in this regard and to facilitate the sale of these assets via public auction or private treaty, as they saw fit

The furniture and equipment was sold for a total of £15,183 and funds held by Robson Kay were transferred to the Administration account accordingly

Corporation Tax Refund

Corporation tax refunds have been received from HM Revenue & Customs totalling £12,198. These refunds relate to overpayments of corporation tax in pre-appointment periods and a refund of S419 tax paid pre-appointment, in relation to the previously overdrawn director's loan account. The overdrawn director's loan account was repaid in full prior to the appointment of the Joint Administrators.

Bank Interest

Bank interest has been received in the sum of £73. Corporation tax has been paid at the appropriate rates.

Book Debts

The Company held a factoring agreement with Royal Bank of Scotland Invoice Finance ("RBSIF") relating to the outstanding debtor ledger. This agreement had the benefit of a debenture incorporating a fixed and floating charge of the Company's business and assets. Further details are provided at section 6 of this report.

At the date of Administration, the outstanding liability due to RBSIF under the factoring agreement stood at £43,105. A firm of debt collectors were instructed by RBSIF to assist with collections prior to the date of appointment.

RBSIF have confirmed that there is no surplus available for the benefit of the Administration as they have suffered a shortfall in respect of their indebtedness. This is discussed further in section 6 below.

PAYMENTS

Agents Fees

As detailed previously, Robson Kay were instructed to assist with the sale of the furniture and equipment. Fees and disbursements incurred during this process totalled £5,841 plus VAT. These fees have been paid in full and in light of the work undertaken are deemed reasonable.

Legal Fees

My appointed solicitors, Laytons, provided services relating to the drafting of the sale and purchase agreement between the Company and Visus, and corresponding with Visus during negotiations of the sale. Fees have been paid in the sum of £4,282 plus VAT in this regard.

Turner Parkinson LLP were instructed to provide advice as to the validity of the charges held by the secured creditors, prior to making any distribution under their security. Fees totalling £957 plus VAT have been discharged accordingly.

Accountancy Fees

Fees totalling £1,250 plus VAT were incurred relating Accountancy Services provided by Hargreaves Brown and Benson Chartered Accountants. These fees have been paid accordingly.

Storage Costs

Costs relating to the storage of the books and records of the Company have been paid in the sum of £608 plus VAT to Archive Solutions Limited and Robson Kay, during the Administration period.

Corporation Tax

The accrued corporation tax liability for the Administration period totalling £11 has been discharged accordingly.

4. UNREALISED ASSETS

As mentioned at section 3, it has not been possible to recover book debts in full. On the advice of debt collectors instructed by RBSIF no further realisations were anticipated. As any further book debt realisations would be payable directly to RBSIF, I do not deem it to be in the best interest of creditors, as a whole, to extend the period of the Administration for this purpose.

5. ADMINISTRATOR'S 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)(B) of the Act.

The proposals also provided that approval to draw such remuneration should be sought from

- each secured creditor of the Company and
- preferential creditors whose claims amount to more than 50% of the preferential debts of the Company, disregarding the debts of any creditor who does not respond to an invitation to give or withdraw approval.

In line with the above, approval to draw remuneration was sought and obtained from National Westminster Bank Plc in their capacity as prior ranking floating charge holder over the Company's business and assets as mentioned at section 6.

Sanction has also been received from RBSIF, in their capacity as the secondary floating charge holder, to draw remuneration as outlined above

Time spent in the period 17 February 2010 to 12 August 2010 amounts to 43.95 hours, resulting in time costs of £6,486, which represents an average composite rate of £148

Total time spent on this assignment since the date of appointment amounts to 206.40 hours resulting in total time costs of £33,534 this represents an average composite rate of £162 per hour

Remuneration drawn to date, in accordance with the above approval, amounts to £24,108 plus VAT

I attach at Appendix II an analysis of time costs for the period covered by this report in accordance with Statement of Insolvency Practice 9, together with a cumulative analysis since the date of appointment, attached at Appendix III

Details of the policy of Cowgill Holloway Business Recovery LLP for the recharging of expenses and also detailing staff charge out rates are set out below

Hourly charge-out rates applicable to this matter are as follows

From 1 August 2009	£/per hour
Partner	275
Manager	200
Senior Administrator	150
Administrator	110
Cashier	110
Junior Administrator	80

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

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.

Please note that it is not this firm's policy to recharge Category 2 disbursements

6. OUTCOME FOR CREDITORS

Secured Creditor

National Westminster Bank Plc (“Natwest”)

Natwest hold the benefit of a debenture created on 5 January 2001 and registered on 12 January 2001, incorporating a fixed and floating charge over the Company's assets. The outstanding liability due to Natwest under its charge at the date of Administration stood at £11,840, excluding final interest and charges.

A first and final distribution has been made to Natwest in the sum of £10,000, resulting in an estimated shortfall of £1,840.

No further payments will be made under this security.

RBSIF

As detailed in section 3, RBSIF factored the Company's book debts with the benefit of a debenture, incorporating a fixed and floating charge over the Company's business and assets, created on 27 March 2007 and registered on 5 April 2007.

However, book debt realisations have been insufficient to permit a surplus for the benefit of the Administration.

RBSIF will therefore suffer an estimated shortfall of £26,925, before interest and charges.

Preferential Creditors

The director's sworn Statement of Affairs indicated that no preferential claims were anticipated in this instance. Accordingly, none have been received.

Unsecured Creditors

As mentioned in the previous report issued in this matter, pursuant to Section 176A of the Act, a prescribed part of the Company's net property must be set aside for the benefit of unsecured creditors in the event that there is a floating charge over the Company's assets, created on or after 15 September 2003.

As mentioned above, RBSIF hold a debenture incorporating a fixed and floating charge over the Company's business and assets, which was created and registered after 15 September 2003.

However, as the debenture in favour of Natwest was created prior to that of RBSIF and prior to 15 September 2003, the provisions of, Section 176A do not apply. As such there are insufficient funds to permit a distribution to unsecured creditors in this matter.

7. ENDING THE ADMINISTRATION

In making a distribution to Natwest from the floating charge assets realised during the Administration, I have achieved the third statutory purpose of the Administration as set out in Para3(1) of Schedule B1 of the Act and in my Report and Statement of Proposals, approved by creditors.

As asset realisations have been finalised and there are no residual funds to enable a distribution to unsecured creditors. In accordance with Paragraph 84(1) of Schedule B1 to the Act, I will file a notice together with my final report at Court and with the Registrar of Companies for the dissolution of the Company.

Upon filing of Form 2 35B at Companies House, my appointment as Administrator will cease to have effect and I will be released from liability under paragraph 98(3) of Schedule B1 to the Act. Within three months of filing of this form, the Company will be registered as dissolved.

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

Yours faithfully
for and on behalf of
Iocom (UK) Limited



JASON MARK ELLIOTT
ADMINISTRATOR

The affairs, business and property of the Company are being managed by the administrator, who acts as the Company's agent and without personal liability.

APPENDIX I

IOCOM (UK) LIMITED – IN ADMINISTRATION
RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 17 FEBRUARY
2010 TO 12 AUGUST 2010 AND CUMULATIVE FOR THE PERIOD
FROM 17 AUGUST 2009 TO 12 AUGUST 2010

	Statement of Affairs £	From 17/02/2010 To 12/08/2010 £	From 17/08/2009 To 12/08/2010 £
RECEIPTS			
Book Debts	43,649	-	-
Motor Vehicles Subject to Finance	19,821	-	-
Furniture & Equipment	3,585	-	15,183
Stock	17,000	-	17,000
Corporation Tax Refund	12,197	-	12,198
Goodwill	3,000	-	3,000
Bank Interest Gross		45	74
		<u>45</u>	<u>47,455</u>
PAYMENTS			
Specific Bond		-	180
Accountancy Fees		1,250	1,250
Administrator's Fees		24,108	24,108
Agents/Valuers Fees (1)		500	500
Agents/Valuers Fees (2)		-	5,341
Legal Fees (1)		957	5,239
Corporation Tax		11	11
Stationery & Postage		15	15
Storage Costs		13	608
Statutory Advertising		-	150
Bank Charges		35	52
National Westminster Bank Plc		10,000	10,000
		<u>36,888</u>	<u>47,454</u>
BALANCE - 12 August 2010			<u><u>-</u></u>

IOCOM (UK) LIMITED – IN ADMINISTRATION
SUMMARY OF ADMINISTRATOR'S TIME COSTS
FOR THE PERIOD 17 FEBRUARY 2010 TO 12 AUGUST 2010

	Partner	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Steps upon appointment	-	-	-	-	-	-	-	-	-
Planning and Strategy	-	-	-	-	-	-	-	-	-
General Administration	-	3 00	6 60	2 60	0 60	5 70	18 50	2,551 00	137 89
Asset Realisation / Manager	-	2 20	-	-	-	-	2 20	440 00	200 00
Trading Related matters	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-
Employee Matters	-	-	-	-	1 25	-	1 25	100 00	80 00
Creditor Claims	-	-	-	1 70	4 00	-	5 70	507 00	88 95
Other issues	-	-	1 50	-	-	-	1 50	225 00	150 00
Reporting / Returns	-	6 20	-	3 30	-	-	9 50	1,603 00	168 74
Distribution and Closure	-	5 30	-	-	-	-	5 30	1,060 00	200 00
TOTAL	-	16 70	8 10	7 60	5 85	5 70	43 95	6,486 00	147 58

**IOCOM (UK) LIMITED – IN ADMINISTRATION
SUMMARY OF ADMINISTRATOR'S TIME COSTS
FOR THE PERIOD 17 AUGUST 2009 TO 12 AUGUST 2010**

	Partner	Manager	Senior Administrator	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 84
Planning and Strategy	-	-	-	-	-	-	-	-	-
General Administration	-	3 00	6 60	8 40	5 55	10 60	34 15	4,124 00	120 76
Asset Realisation / Manager	6 30	12 90	-	6 10	5 20	0 50	31 00	5,454 50	175 95
Trading Related matters	-	-	-	-	-	-	-	-	-
Investigations	-	15 20	-	1 60	-	-	16 80	3,216 00	191 43
Employee Matters	-	-	-	-	1 25	-	1 25	100 00	80 00
Creditor Claims	-	13 50	-	12 40	14 20	-	40 10	5,200 00	129 68
Other issues	-	-	1 50	-	-	-	1 50	225 00	150 00
Reporting / Returns	16 00	20 30	-	16 70	-	-	53 00	10,297 00	194 28
Distribution and Closure	-	5 30	-	2 70	-	-	8 00	1,357 00	169 63
TOTAL	27 80	74 60	8 10	58 30	26 50	11 10	206 40	33,534 00	162 47