

**In the Matter of Telwise Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 02099512
Trading As: Telwise Limited
Formerly: Nelcom Limited
Registered Office: 2 Longrood Road, Rugby, Warwickshire, CV22 7RG
Trading Address: Unit 7, Little Forge Road, Redditch, Worcestershire, B98 7SF

In accordance with Rule 4.106, I, Eric Walls of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 2 February 2012 I was appointed liquidator of Telwise Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 May 2012 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the liquidator of the said company, and, if so required by notice in writing from the said liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 3 February 2012

E Walls
Liquidator of Telwise Ltd

Insolvency Act 1986
 Telwise Limited
 Estimated Statement Of Affairs as at 2 February 2012



	Book Value £	Estimated to Realise £
ASSETS		
Computer Equipment	1.00	350.00
Motor Vehicle - KF04 VFH	1.00	1,000.00
Stock	19,505.00	2,500.00
Leashold Improvements	9,653.00	
Book Debts	10,038.00	4,716.00
		8,566.00
LIABILITIES		
PREFERENTIAL CREDITORS:-		
Employees - Arrears and Holiday Pay		10,091.12
		10,091.12
		(1,525.12)
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
		NIL
		(1,525.12)
Estimated prescribed part of net property where applicable (to carry forward)		
		NIL
		(1,525.12)
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		NIL
		(1,525.12)
Estimated prescribed part of net property where applicable (brought down)		
		NIL
		(1,525.12)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors		37,839.40
Employees - Redundancy and Notice Pay		41,796.60
		79,636.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		
		(81,161.12)
		(81,161.12)
Issued and called up capital		
Ordinary Shareholders		1,000.00
		1,000.00
TOTAL SURPLUS/(DEFICIENCY)		(82,161.12)

Telwise Limited – In Liquidation
Notes to the Estimated Statement of Affairs

1. Tangible Assets

- 1.1** The tangible assets of the company consist of some computer equipment, a motor vehicle and some stock. No book values were attributable to the computer equipment or motor vehicle. The book value for stock was taken from the company's most recent annual accounts.
- 1.2** A professional valuation of the tangible assets has not been undertaken in order to mitigate cost. All valuations have been provided by the directors. The stock has been written down as the directors believe, due to the age and specialist nature of the stock, there would be a limited number of potential purchasers for the remaining stock. The motor vehicle has been valued by the directors. Due to the age and a high mileage of the vehicle it is considered to be of minimal value.

2. Book Debts

- 2.1** The book value figure for debtors has been taken from the books and records of the company as at the date of liquidation. In assessing the amounts estimated to realise the directors have written off those debts which are known, or are thought to be, irrecoverable.
- 2.2** The directors have valued the book debts on this basis in order to present a prudent view of the affairs of the company. Some of the debts relate to ongoing maintenance contracts and therefore it is likely that some debtors would not settle amounts due as the company can no longer fulfil its commitments under those contracts. Following liquidation the liquidator will endeavour to collect all amounts due to the company.

3. Amounts Due to Employees

- 3.1** In some instances it has been necessary to estimate the amounts due to employees in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.

4. Prescribed Part of Net Property

- 4.1** In certain circumstances the liquidator is required to make a prescribed part of the company's net property available to the unsecured creditors. In this case the prescribed part does not apply as there is no floating chargeholder.

5. Trade and Expense Creditors

- 5.1** Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

6. Costs and Expenses of Liquidation and Asset Realisation

- 6.1** The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

Telwise Limited – In Liquidation

Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the Westmead Hotel, Redditch Road, Hopwood, Birmingham, B48 7AL
On 2 February 2012 at 2.15 pm



1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names: Nelcom Limited (Changed on 27/02/1987)

Company Number: 02099512

Date of Incorporation: 12 February 1987

Registered Office: Was 2 Longrood Road, Rugby, Warwickshire, CV22 7RG but will shortly change to C12 Marquis Court, Marquisway, Team Valley, Gateshead, NE11 0RU

1,000 Ordinary Shares of £1 each, all of which have been issued and fully paid.

	£1 Ordinary Share
Shareholders:	
Geoffrey Binding	375
Jeanette Shearer	375
Michael Hardcastle	250

Directors in the last 3 years: Geoffrey Binding
Jeanette Shearer
Michael Hardcastle

Company Secretary: Jeanette Shearer

Nature of Business: Telecommunications equipment suppliers and telephone system maintenance services

Trading Address: Unit 7, Little Forge Road, Redditch, Worcestershire, B98 7SF

2. History of the Company

2.1 The company was incorporated on 12 February 1987 and began trading shortly thereafter. The company supplied telecommunications equipment and provided telephone system maintenance services.

2.2 Initially the company was formed to offer retail distribution services. Following incorporation the business grew steadily and developed a successful installation capability. The company continued to trade successfully in this area until April 2011 when it lost a major public sector client maintenance contract worth c£60,000.

2.3 The directors took immediate action to overcome the loss of its major contract and began approaching clients individually to market the company's services. Two of the directors took a 20% salary reduction and overheads were reduced where possible. In addition to this, the directors decided not to replace an engineer who had left the company of his own accord.

2.4 The directors continued to trade the company in an effort to improve its position following the unexpected reduction in turnover. Around the same time, the company began experiencing cash flow problems as a result of many of its clients failing to settle invoices on time. It also became clear that many of the company's clients were reducing their spend on telecom services. The company attempted to source new contracts with existing clients

as well as attracting new clients however, the company's marketing budget was restricted due to cash flow issues and the company struggled to increase its turnover.

- 2.5 The directors identified the need to reduce costs further and explored the option of making redundancies however, the company had insufficient funds to enable it to do so. In December 2011 the company's cash flow became severely restricted. The debtor book was strong however, the company was unable to recover the debts quickly enough and was therefore unable to pay its employees wages for December.
- 2.6 One of the directors attempted to secure additional funding through the company's bankers and although the bank was willing to support the company it was unable to react quickly enough to provide the funds which may have allowed the business to continue trading.
- 2.7 Accordingly, a meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the directors it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the directors felt they had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.
- 2.8 The directors consider that the main reasons for the company's failure were as follows:
 1. The loss of a major public sector contract; and
 2. The slow payment of book debts which was detrimental to cash flow necessary to continue trading.

3. Meetings of Members and Creditors

- 3.1 At a meeting of the board of directors held on 10 January 2012 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 2 February 2012. The notices were issued to shareholders and creditors on 16 January 2012.
- 3.2 Accordingly, on 2 February 2012 at a meeting of the shareholders, duly convened at the Westmead Hotel, Redditch Road, Hopwood, Birmingham, B48 7AL resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls, who is licensed in the UK to act as an insolvency practitioner by the Insolvency Practitioners Association, liquidator.
- 3.3 Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

- 4.1 There are no known associated companies or trading organisations.

5. Extracts from Accounts and other Financial Information

- 5.1 A summary of the company's recent financial history is attached to this report.

6. Statement of Affairs

- 6.1 A statement of affairs of the company as at 2 February 2012 has been prepared by the director. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.
- 6.2 The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business conducted at the meeting

- 7.1** No creditors attended the meeting. A number of proxies were received in favour of the chairman.
- 7.2** The chairman opened the meeting and E Walls of KSA Group Ltd, who had been appointed liquidator of the company by the shareholders of Telwise Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.
- 7.3** There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:
- the appointment of E Walls of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
 - a creditors' committee was not established.

In the absence of a creditors committee:

- meeting was informed that an agreed fee of £4,500 plus VAT plus disbursements will be paid to KSA Group Limited in respect of the costs of assisting the directors in preparing the statement of affairs and summoning and holding the meetings of members and creditors. The meeting was also informed that KSA Group Ltd were holding funds of £5,400 which was made up of £3,250 from third party funds and £2,150 from the company's cash at bank.
- it was agreed that liquidator's remuneration would be calculated by reference to time costs incurred by the liquidator and his staff and authorisation was given for the liquidator to draw remuneration on account of those time costs when he felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidator's firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 45p per mile would be made.
- it was agreed that the level of the liquidator's specific performance bond should be set at £10,000

Telwise Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the company's annual accounts for the years ended 31 July 2009, 31 July 2010 and 31 July 2011.

	Annual Accounts 31 July 2011 £	Annual Accounts 31 July 2010 £	Annual Accounts 31 July 2009 £
Profit and Loss Account			
Turnover	263,266	308,916	645,991
Gross Profit	163,041	190,450	£215,229
Gross Profit Percentage	61.9%	61.7%	33.3%
Director's Remuneration	76,369	82,279	81,990
Dividends	Nil	Nil	Nil
Net profit / (loss) before Taxation & Dividends	464	(5,439)	8,974
	<u> </u>	<u> </u>	<u> </u>
Balance Sheet			
Fixed Assets	14,655	17,332	19,237
Current Assets	32,487	83,607	81,913
Liabilities	(27,012)	(81,273)	(76,045)
Total Assets Less Liabilities	<u>20,130</u>	<u>19,666</u>	<u>25,105</u>
Issued Share Capital	1,000	1,000	1,000
Reserves	19,130	18,666	24,105
Shareholders Reserves	<u>20,130</u>	<u>19,666</u>	<u>25,105</u>

B - List of Creditors

Unsecured Creditors

Name	Address	£
3 Business Services	Hitchinson 3G UK Ltd, PO Box 333, Glasgow, G2 9AG	107.03
Avon Valley School	Newbold Road, Rugby, Warwickshire, CV21 1EH	2,775.60
AXA Insurance UK Plc	5 Old Brood Street, London, EC2N 1AD	0.00
E.On Energy	PO Box 7750, Nottingham, NG1 6WR	147.32
FuelGenie	PO Box 6139, 1 Trinity Court, Briadlands, Wolverhampton, WV1 9RQ	967.50
Gamma Business Communications Ltd	2 Manor Court, Barnes Wallis Road, Segensworth, Fareham, PO15 5TH	101.41
HM Revenue and Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	3,702.93
HM Revenue and Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	758.62
HSBC Bank	770-772 Bristol Road South, Birmingham, B31 2NN	22,146.61
Int. Telecommunications Equipment Ltd	Unit 1 Lawson Hunt Ind Park, Broadbridge Heath, West Sussex, RH12 3JR	431.70
J Shearer	5 Back Lane, Henley, Warwickshrie, B98 5SS	5,000.00
G Binding	5 Back Lane, Henley, B95 5SS	1,000.00
Parcel Save Ltd	Groewood House, Brook Lane, Flitton, Beds, MK45 5EJ	85.68
Redditch Borough Council	Revenue Services, Town Hall, Walter Stranz Square, Redditch, Worcs, B98 8At	343.00
Redditch Fire Protection	Edgioake Lane, Aswood Bank, Worcestershire, B96 6BG	54.00
Sales Funnel	964 Bristol Road, South (Bache), Northfield, Birmingham, B31 2PE	20.00
Service Charges	C/O Saxon House, 2-4 Old Forge Business Park, B98 7SF	0.00
Severn Trent Water	Customer Relations, PO Box 5310, Coventry, CV3 9FJ	0.00
Talk Talk Business	PO Box 136, Birchwood, Warrington, WA3 7WU	18.00
Warwickshire County Council	Saltisford Office Park, Ansell Way, Warwick, CV34 4UL	0.00
Wright & Co	2 Longrood Road, Rugby, Warwickshire, CV22 7RG	180.00
	Total	<u>37,839.40</u>

Signature _____ Date _____

Estimated Deficiency Account
For the period from 1 August 2011 to 2 February 2012.

	£	£
Reserves Balance at 31 July 2011		19,130
Amounts written off for the purposes of the statement		
Computer Equipment	(350)	
Motor Vehicle	(1,000)	
Stock	17,005	
Book Debts	5,322	
Leashold Improvements	9,653	
	<hr/>	<hr/>
		30,630
		(11,500)
Extraordinary Items		
Employees - Redundancy Pay		<hr/>
		41,797
		(53,297)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/>
		(27,865)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(81,161)