

**VR Technology Limited  
In Creditors' Voluntary Liquidation**

**Annual Progress Report**

**15 May 2014**

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**1. INTRODUCTION**

The purpose of this report is to detail my acts and dealing as Liquidator and it should be read in conjunction with my previous correspondence to Creditors.

**2. BACKGROUND**

**REGISTERED NAME, ADDRESS AND NUMBER**

VR Technology Limited (In Liquidation), ("the Company")

Registered office: Insol House, 39 Station Road, Lutterworth, Leicestershire, LE17 4AP

Registered Number: 04824502

Other trading names **None**

**APPOINTMENT DETAILS**

Martin Richard Buttriss and Richard Frank Simms were appointed Joint Liquidators of VR Technology Limited on the 19 April 2013 .

The members' and creditors' meetings were held on 19 April 2013, when I was appointed Liquidator of the company.

The company's principal activity was Manufacturer of Marine Electronics.

The main causes of failure were the downturn in the market coupled with increased raw material costs.

**3. ASSET REALISATIONS**

**The Joint Liquidators Receipts and Payment account for the period from 19 April 2013 to 18 April 2014 is attached at appendix 1. The Receipts and Payments are shown net of VAT.**

**Assets**

**Book Debts**

The Director's statement of affairs indicated that the Company had an outstanding debtors' ledger of £2,073.63 which was estimated to be realised in full. This ledger related to two debtors one in the sum of £1,070.63 and the second in the sum of £1,000.00. The sum of £1,849.95 was received into the Company's bank account after the date of the Liquidation and has been forwarded to us and is included within the cash at bank figure below. The sum of £223.68 has been written off as we have received confirmation from the Company that this sum had been charged incorrectly. No further realisations will be received in respect of this asset.

**Cash at Bank**

The Company banked with National Westminster Bank Plc and at the date of Liquidation it was estimated that the Company had a credit balance of £1,278.02. As detailed above, the Company's debtors subsequently made payments into the Company's bank account after the date of Liquidation and the actual amount received from the bank was £3,249.64 and no further realisations are expected.

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### **Bank Interest**

Since the appointment all funds have been held in interest bearing accounts and interest totalling £15.30 has been received.

### **Cash in Hand**

As previously reported, prior to the Liquidation of the above named Company the sum of £3,500.00 was received into the F A Simms & Partners Client account from the Company as a contribution towards the costs of the Liquidation. Upon appointment these funds were transferred to the estate account in Liquidation.

### **Cash at Auctioneer**

Prior to the Liquidation of the above named Company a sale of the Goodwill, Stock, Office Equipment, Computers and Business Equipment was conducted on behalf of the shareholders to an independent third party with the assistance of independent agents, Eddisons Commercial Limited. The consideration for the sale was in the sum of £50,000.00 plus VAT and the sum of £60,000.00 was held by the agents and transferred to the estate account upon Liquidation.

## **4. INVESTIGATION**

The directors conduct report was submitted to the Insolvency Service on 1 October 2013. The contents of this report are confidential.

### **Potential Antecedent Transactions**

During my investigations no potential antecedent transactions were identified.

## **5. CREDITORS CLAIMS**

The trade and expense creditors, as per the statement of affairs totalled £53,228.00. Please be advised that I am still receiving proof of debts and therefore I am unable to agree the total value of non preferential claims at present.

## **6. DIVIDEND PROSPECTS**

### **Secured Creditors**

National Westminster Bank Plc hold a fixed and floating charge Debenture dated 21 September 2007. This has not been validated by solicitors.

At the date of appointment, the Company had a credit balance of £1,278.02 and no funds were owed to the Bank.

The Bank's charge purports to create a fixed charge over the book debts. The status of a fixed charge over book debts has been called into question over recent years. This matter has now been tested in the English Courts and following the House of Lords ruling in *Re. Spectrum Plus* on 30 June 2005, it is now clear that the Bank in fact holds a floating charge over the book debts. This means that any monies recovered as book debts are to be allocated in settlement of the preferential creditor claims in priority to payment to the Bank.

### **Dividend in Relation to the Prescribed Part**

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Liquidators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. The charge detailed above will not give rise to a prescribed part.

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### **Preferential creditors**

The Company had no preferential creditors at the date the Company was placed into Liquidation.

### **Unsecured creditors**

Creditors' claims, as per the statement of affairs totalled £523,319.00 and the agreed creditors' claims amounted to £142,186.31. A small dividend is expected and therefore anyone who has not already submitted their claim should do so as a matter of urgency.

## **7. COSTS AND EXPENSES**

The payments shown on the summary of the Receipts and Payments at Appendix I are in the main self-explanatory.

### **Pre-Appointment Remuneration**

The members and creditors previously authorised the payment of a fee of £4,914.00 and disbursements of £521.90 for assistance with the statement of affairs and producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 19 April 2014. An amount of £4,914.00 has been drawn of fee and £404.40 on account of these costs. These costs have been paid from first realisations on appointment and are shown in the enclosed receipts and payments account.

### **Joint Liquidators' Remuneration**

The Joint Liquidators remuneration was drawn in accordance with Insolvency Rules 1986 S4.127(2)(b) on a time cost basis in relation to this assignment, as authorised by creditors at the S98 Meeting in accordance with the following resolution:

*"That the Joint Liquidators are authorised to draw their remuneration on the basis of time properly spent by them and their staff, such time costs to be drawn on account from time to time as funds permit."*

### **Summary of Costs**

The Joint Liquidators time costs for the period 19 April 2013 to 18 April 2014 totals £24,799.00 representing 127.80 hours at an average hourly rate of £194.05. The sum of £23,936.00 has been drawn. The time costs are detailed at appendix 2. These figures include an increase in charge out rates effective from 1 July 2011. The Statement of Insolvency Practice 9 "A Creditors guide to Insolvency Practitioners Fees" and our charge out rates and disbursement details may be found on our website. Should you require a copy of these documents to be sent to you please contact my office.

### **Joint Liquidators' Disbursements**

The Joint Liquidators category 1 disbursements for the period 19 April 2013 to 18 April 2014 are listed below and represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. They are as follows:

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	£
Insolvency Bond	180.00
Storage Costs	24.51
Statutory Advertising	253.80
IT Charges	135.00
<b>TOTAL</b>	<b><u>593.31</u></b>

The Joint Liquidators category 2 disbursements for the period 19 April 2013 to 18 April 2014 are listed below, this may include an element of overhead charges in accordance with the resolution passed by creditors at a meeting held on 19 April 2014. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed. Disbursements of this nature incurred to date are as follows:

	£
Postage	24.91
Land Registry	3.00
Confidential Waste	10.50
<b>TOTAL</b>	<b><u>38.41</u></b>

A description of the routine work undertaken in the liquidation to date is as follows:

1. Administration and Planning
    - Preparing the documentation and dealing with the formalities of appointment
    - Statutory notifications and advertising
    - Preparing the documentation required
    - Dealing with all routine correspondence
    - Maintaining physical case files and electronic case details on Insolv case management software
    - Review and storage
    - Case bordereau
    - Case planning and administration
    - Preparing reports to members and creditors
    - Convening and holding meetings of members and creditors
  2. Cashiering
    - Maintaining and managing the liquidator's cashbook and bank account
    - Ensuring statutory lodgments and tax lodgment obligations are met
  3. Creditors
    - Dealing with creditor correspondence and telephone conversations
    - Preparing reports to creditors
    - Maintaining creditor information on Insolv case management software
    - Reviewing, and adjudicating on if necessary, proof of debt received from creditors
  4. Investigations
    - Review and storage of books and records
    - Prepare a return pursuant to the Company Directors Disqualification Act
    - Conduct investigations into suspicious transactions
    - Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
  5. Realisation of Assets
    - Corresponding with debtors and attempting to collect outstanding book debts
    - Liaising with the Company's bank regarding the closure of account
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In addition to the routine work above and the other work I have undertaken as described in the section dealing with my actions since appointment, I have spent additional time as follows:

*I have been liaising with solicitors and the directors' in relation to allegations received regarding the supply of faulty equipment prior to the appointment of the Liquidators. This matter is ongoing and until this is concluded I am unable to proceed with a distribution of the funds in hand to the unsecured creditors.*

#### **Other professional Costs**

##### **Solicitors**

**Shakespears Legal LLP** have been instructed as legal advisors in relation to the allegations of the supply of faulty equipment prior to the Liquidation. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. The solicitors fees for the period 19 April 2013 to 18 April 2014 amount to £600.00 and they have been paid in full.

##### **Agents & Valuers**

Eddisons Commercial Limited were instructed as agents and valuers in relation to the sale of the assets prior to the Liquidation. Their costs have been agreed on the basis of their standard sales commission rate 10 %, plus time costs agreed on the basis of their standard hourly chargeout rates, plus disbursements and VAT. The agents fees for the period 19 April 2013 to 18 April 2014 amount to £6,726.00 and they have been paid in full.

#### **8. FURTHER INFORMATION**

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 Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

#### **9. CONCLUSION**

I shall be continuing my administration of the liquidation and hope to finalise the following outstanding matters that are preventing this case from being closed. As details previously in this report, I am continuing to liaise with our Solicitors and Directors' in relation to the allegation of the supply of faulty equipment prior to the Liquidation. I am unable to give an estimate as to the timescale of the resolution of this matter. Until this matter has been resolved I am unable to make a distribution to unsecured creditors.

If you require any further information please contact Charlene Haycock of this office.

Yours faithfully

Martin Richard Buttriss  
Joint Liquidator  
For and on behalf of  
VR Technology Limited  
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## Appendix 1

**VR Technology Limited - In Creditors Voluntary Liquidation  
Joint Liquidators' Abstract of Receipts & Payments**

**From 19 April 2013 To 18 April 2014**

<b>S of A £</b>	<b>As Previously Reported</b>	<b>19/04/13 to 18/04/14</b>	<b>Total £</b>
<b>RECEIPTS</b>			
2,071 Book Debts	NIL	NIL	NIL
1,278 Cash at Bank	NIL	3,249.64	3,249.64
NIL Bank Interest Gross	NIL	15.30	15.30
NIL Vat Refund	NIL	3,107.96	3,107.96
3,500 Cash in Hand	NIL	3,500.00	3,500.00
60,000 Cash at Auctioneers	NIL	60,000.00	60,000.00
<u>66,849</u>	<u>NIL</u>	<u>69,872.90</u>	<u>69,872.90</u>
<b>PAYMENTS</b>			
Statement of Affairs Fee	NIL	4,914.00	4,914.00
Storage Costs	NIL	24.51	24.51
Statutory Advertising	NIL	253.80	253.80
Professional Fees	NIL	970.00	970.00
Statement of Affairs Disbursements	NIL	404.40	404.40
Liquidators Disbursements	NIL	218.41	218.41
Liquidators Remuneration	NIL	23,936.00	23,936.00
IT Charges	NIL	135.00	135.00
Auctioneers Costs	NIL	6,726.00	6,726.00
Solicitors fees	NIL	600.00	600.00
VAT Receivable	NIL	7,614.42	7,614.42
	<u>NIL</u>	<u>45,796.54</u>	<u>45,796.54</u>
<b>CASH IN HAND</b>	<u>NIL</u>	<u>24,076.36</u>	<u>24,076.36</u>



## Appendix 2

Joint Liquidators' Remuneration Schedule  
VR Technology Limited  
Between 19 April 2013 and 18 April 2014

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	45.20	5.30	8.10	16.30	74.90	14,584.00	194.71
Investigations	15.80	6.80	3.00	0.00	25.60	5,715.00	223.24
Realisation of Assets	0.30	4.30	0.50	0.00	5.10	984.50	193.04
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.00	9.40	6.70	4.10	22.20	3,515.50	158.36
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total hours</b>	63.30	25.80	18.30	20.40	127.80		
<b>Time costs</b>	15,825.00	5,035.00	2,470.50	1,468.50	24,799.00		
<b>Average hourly rate</b>	250.00	195.16	135.00	71.99	194.05		

Description	Total Incurred £
Postage	24.91
Land Registry	3.00
Confidential Waste	10.50
Insolvency Bond	180.00
<b>Totals</b>	<b>218.41</b>

**Summary of Fees**

Time spent in administering the Assignment	Hours	127.80
Total value of time spent to 18 April 2014	£	24,799.00
Total Joint Liquidators' fees charged to 18 April 2014	£	23,936.00

## Proof of Debt – General Form

## VR Technology Limited

Date of resolution for voluntary winding-up 19 April 2013

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.	
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