

Rule 1.26A/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1.26A(4)(a) or
Rule 1.54 of the
Insolvency Rules 1986**R.1.26A(4)(a)/
R.1.54**

For Official Use

To the Registrar of Companies

Company Number

06347031

Name of Company

Fire Technology International Ltd

I,

David Elliott, of Moore Stephens LLP, Victory House, Quayside, Chatham Maritime ME4 4QU

Supervisor of a voluntary arrangement taking effect on

22 October 2010

Attach my progress report for the period

22 October 2014

to

21 October 2015

Number of continuation sheets (if any) attached

☐

Signed



Date

21-12-15

Moore Stephens LLP
Victory House
Quayside
Chatham Maritime
Kent ME4 4QU

Ref C61442/PAS/DRE/DJS

Insolv

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24/12/2015

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COMPANIES HOUSE

**Voluntary Arrangement of
Fire Technology International Ltd**

Statement of Affairs		From 22/10/2014 To 21/10/2015	From 22/10/2010 To 21/10/2015
	OTHER REALISATIONS		
	Interest Gross of Tax	99 86	252.15
	Liquidation Costs Provision	NIL	3,000 00
152,500 00	Voluntary Contributions	35,000 00	147,000 00
		<u>35,099 86</u>	<u>150,252 15</u>
	COSTS OF ADMINISTRATION		
	Stationery & Postage	NIL	12 30
	Specific Penalty Bond	NIL	264 00
	Nominee's Fees	NIL	2,500 00
	Office Holders Fees	2,757 50	12,928 15
	Disbursements	NIL	70 31
		<u>(2,757 50)</u>	<u>(15,774 76)</u>
	UNSECURED CREDITORS		
(169,298 36)	Trade & Expense Creditors	NIL	3,834 41
(51,374 00)	Directors	NIL	NIL
(124,205 00)	H M Revenue & Customs - VAT	NIL	9,708 60
(74,887 69)	Associated Companies	NIL	2,093 29
		<u>NIL</u>	<u>(15,636 30)</u>
	CONTRIBUTORIES		
(4 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
<u>(267,269.05)</u>		<u><u>32,342.36</u></u>	<u><u>118,841.09</u></u>
	REPRESENTED BY		
	Bank 2 - Current (F)		118,841 09
			<u><u>118,841.09</u></u>

David Elliott
Supervisor

MOORE STEPHENS

Strictly Private & Confidential

FIRE TECHNOLOGY INTERNATIONAL LTD ("THE DEBTOR")

Report to the creditors in accordance with Rule 1.26A(4) of the Insolvency Rules 1986

21 December 2015

Moore Stephens LLP
Victory House
Quayside
Chatham Maritime
Kent ME4 4QU

Tel 01634-895100
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Contents

- 1 Statutory information
- 2 Progress to date
- 3 Supervisor's remuneration and category 2 disbursements
- 4 Supervisor's expenses
- 5 Creditors' rights

Appendices

- | | |
|--------------|--|
| Appendix I | Receipts and payments account |
| Appendix II | Breakdown of time costs and category 2 disbursements |
| Appendix III | Summary of accrued and drawn costs |

This report is intended for use by those parties entitled to a copy thereof under Rule 5.31A(4) of the Insolvency Rules 1986. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as guidance as to the actual outcome for creditors.

David Elliott is authorised in the UK to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.

1 Statutory information

Debtor's name	Fire Technology International Ltd
Date of appointment	22 October 2010
Supervisor	David Elliott
Supervisor's address	Moore Stephens LLP Victory House Quayside Chatham Maritime Kent ME4 4QU

2. Progress to date

- 2 1 The receipts and payments account attached in Appendix I details the asset realisations to date
- 2 2 The proposal stated that the company would continue to trade and make available monthly contributions of £1,000 per month until 31 January 2011, £1,500 per month in year two until January 2012, £4,000 per month in year three until January 2013 and £5,000 per month thereafter until total contributions reached £201,000
- 2 3 On 4 April 2013 a variation report was issued to all creditors advising that the Company was unable to maintain the contributions as detailed in the proposal. They requested a variation reducing the contributions to £2,500 per month from January 2013 to the end of the arrangement. The voting period expired on 7 May 2013 whereat 100% of all creditors voting approved the reduction but with a modification that the arrangement was extended by 7 months to enable the company to pay additional contributions totalling £17,500 for the benefit of creditors
- 2 4 In the period under review, the sum of £35,000 was received in respect of contributions, bringing the total contributions received to date to £147,000. There are currently no arrears and the sum of £99.86 was also realised in respect of Gross Bank Interest in the period. In the period under review the Company suffered a substantial bad debt, but the director has advised that he intends to continue supporting the Company and in turn the CVA in order to allow the arrangement to be completed satisfactorily
- 2 5 The proposal was modified by creditors at the first meeting and I confirm that the Company has complied with all modifications to date

3. Supervisor's remuneration and category 2 disbursements

- 3 1 At the initial meeting of creditors held on 22 October 2010, the following resolutions were passed
- That the remuneration of the supervisor be fixed by reference to the time properly given by the supervisor and his staff in attending to matters arising in the bankruptcy in accordance with Rule 6.138(2)(b) of the Insolvency Rules 1986
 - The supervisor shall be authorised to draw his firm's internal costs and expenses in dealing with the estate, including photocopying, printing, facsimile, storage and room hire, as and when funds permit
- 3 2 The time costs incurred to date have arisen primarily as a result of dealing with creditor claims and queries, monitoring the voluntary contributions and ensuring the terms of the modified arrangement are complied with. In addition, we have dealt with the statutory functions required under the Insolvency Act and Rules
- 3 3 A detailed breakdown of the supervisor's time costs and category 2 disbursements, together with current charge out rates are attached in Appendix II
- 3 4 Nominee's fees of £7,500.00 were paid prior to approval of the arrangement. The Supervisor's remuneration was capped at the creditors meeting at 10% of realisations and fees of £12,928.15 have been drawn to date
- 3 5 Following the decision in the Paymex case, it has been held that value added tax is not chargeable on nominees and supervisors fees and disbursements. This case specifically related to individual voluntary arrangements but HM Revenue and Customs have confirmed it should be extended to company voluntary arrangements. Accordingly the input tax previously suffered on my firms' fees was recovered and paid back into the arrangement bank account
- 3 6 Should you wish to receive a copy of "Voluntary Arrangements- A Creditors' Guide to Insolvency Practitioners' Fees" this is available on the Moore Stephens website <http://www.moorestephens.co.uk/corporaterecovery.aspx> or by requesting a copy from this office in writing or by telephone

4. Supervisor's expenses

4 1 No expenses to third parties have been incurred or paid

5. Liabilities

5 1 Secured Creditors

There are no secured creditors

5 2 Preferential Creditors

I am not aware of any preferential creditors

5 3 Non Preferential Creditors

Non-preferential creditor claims were estimated at £419,765.05 in the statement of affairs, and claims totalling £190,402 have been received to date. A first interim dividend of 7.5p in the £ was paid to all proving creditors on 19 November 2012 and sufficient funds have been retained with which to declare an equalising dividend to all creditors who have not submitted their claims. It is anticipated that a second and final distribution will be paid to creditors upon the completion of the arrangement in May 2016. The director has a significant subrogated claim in respect of 'ransom' supplier that he has advised have been settled by him personally outside of the arrangement to enable the Company to continue to trade. Accordingly, documentation has been provided in support of these payments and it is anticipated that he will be entitled to participate in the final distribution in due course in respect of these subrogated claims.



David Elliott
Supervisor

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Supervisor's receipts and payments account

Fire Technology International Ltd (Under a Voluntary Arrangement)

	Statement of affairs £	From 22/10/2014 To 21/10/2015 £	From 22/10/2010 To 21/10/2015 £
RECEIPTS			
Interest Gross of Tax		99.86	252 15
Liquidation Costs Provision		0.00	3,000 00
Voluntary Contributions	152,500.00	35,000.00	147,000 00
		<u>35,099 86</u>	<u>150,252.15</u>
PAYMENTS			
Stationery & Postage		0 00	12 30
Specific Penalty Bond		0 00	264 00
Nominee's Fees		0 00	2,500 00
Office Holders Fees		2,757 50	12,928 15
Disbursements		0 00	70 31
Trade & Expense Creditors		0.00	3,834 41
H M Revenue & Customs - VAT		0.00	9,708 60
Associated Companies		0.00	2,093 29
		<u>2,757.50</u>	<u>31,411.06</u>
Net Receipts/(Payments)		<u>32,342 36</u>	<u>118,841.09</u>
MADE UP AS FOLLOWS			
Bank 2 - Current (F)			118,841 09
			<u>118,841 09</u>

Breakdown of time costs and category 2 disbursements

Fire Technology International Ltd - Subject to a CVA

Summary of Moore Stephens' time-costs from 22/10/2014 to 21/10/2015

	Partner / Associate	Director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Av rate £/h
Statutory compliance administration and planning	0 10	-	3 70	2 95	6 75	744 00	110 22
Realisation of assets	-	-	5 05	-	5 05	595 00	117 82
Creditors	0 50	-	3 15	-	3 65	565 50	154 93
Total hours	0 60	-	11 90	2 95	15 45		
Total time costs £	226 50		1,390 75	287 25		1 904 50	123 27

Summary of Moore Stephens' time-costs from 22/10/2010 to 21/10/2015

	Partner / Associate	Director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Av rate £/h
Statutory compliance administration and planning	0 30	8 75	26 50	13 15	48 70	6 211 85	127 55
Investigations	-	-	-	2 35	2 35	94 00	40 00
Realisation of assets	-	0 35	7 55	-	7 90	948 90	120 11
Creditors	8 65	8 60	19 45	1 60	38 30	7 110 40	185 65
Total hours	8 95	17 70	53 50	17 10	97 25		
Total time costs £	3 299 25	3 639 25	6 070 85	1 355 80		14 365 15	147 71

Total remuneration drawn on account

12 928 15

Charge out rates -

Rates effective from	1st Nov-2012	1st-Nov 2010
Partner/ Associate	£320-£530	£310-£510
Director / Manager	£155-£300	£150-£290
Administrator	£55-£155	£53-£150
Support staff	£30-£115	£30-£109

Time charged in 3 minute units or multiples thereof

Examples of work generally undertaken but not limited to

Statutory compliance, administration and planning

- Compliance with other regulatory requirements
- Statutory reporting and compliance
- Case planning
- Administrative set up
- Appointment notification
- Maintenance of records

Investigations

- SIP 2 review
- CDDA reports
- Investigating antecedent transactions

Realisation of assets

- Identifying securing insuring assets
- Retention of title
- Property business and asset sales
- Debt collection
- Tax reclaims

Creditors

- Communication with creditors
- Creditors' claims (including employees and other preferential creditors)

Breakdown of time costs and category 2 disbursements continued

Fire Technology International Ltd - Subject to a CVA

Summary of Moore Stephens' disbursements

	Undrawn costs brought forward from previous period(s) £	This period 22/10/2014 to 21/10/2015		Cumulative 22/10/2010 to 21/10/2015	
		Costs incurred £	Costs drawn £	Costs incurred £	Costs drawn £
Car mileage		-	-	67 01	67 01
Photocopying / printing	-	-	-	0 15	0 15
Total		-	-	67 16	67 16
Total undrawn costs to carry forward					-

Category 2 disbursement rates -

Type	Rate
Car mileage	£0 45 per mile maximum
Photocopying/printing	£0 15 per sheet
Colour photocopying	£2 50 per sheet
Fax	£0 40 per sheet
Storage - standard box	£3 90 per box per quarter (min £30 per quarter)
Room hire	£30-£50 per hour

Summary of accrued and drawn costs

Fire Technology International Ltd - Subject to a CVA

Cost Description	Undrawn costs 'brought forward from previous period(s) £	This period 22/10/2014 to 21/10/2015		Cumulative 22/10/2010 to 21/10/2015	
		Costs incurred £	Costs drawn £	Costs incurred £	Costs drawn £
Postage	-	-	-	12 30	12 30
Specific penalty bond	-	-	-	264 00	264 00
Companies House Fees	-	-	-	3 00	3 00
Total	-	-	-	279 30	279 30
Total undrawn costs to carry forward					-