

Rule 1 29

**The Insolvency Act 1986
Notice of Completion of
Voluntary Arrangement
Pursuant to Rule 1 29 of the
Insolvency Act 1986**

R.1.29

To the Registrar of Companies

For Official Use

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Company Number

04790808

Insert full name of
company

Name of Company

Vegastream Group Limited

Insert full name and
address


We James Sleight
7-8 Conduit Street
London
W1S 2XF

Stephen Goderski
7-8 Conduit Street
London
W1S 2XF

Insert date

the supervisors of a voluntary arrangement approved on 6 November 2009 enclose a copy of my notice to the creditors and members of the above-named company that the voluntary arrangement has been completed, together with a report of my receipts and payments

Signed



Date

20 Oct 10

Presenter's name,
address and reference
(if any)

VEGA403
Vegastream Group Limited

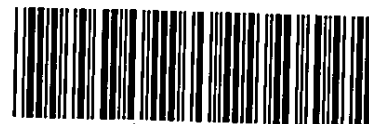
James Sleight
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF

For Official Use

Liquidation Section

Post Room

THURSDAY



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COMPANIES HOUSE

Certificate of Completion

Re Vegastream Group Limited

In The Royal Court of Justice No 19601 of 2009

I, James Sleight, Joint Supervisor of the Voluntary Arrangement of Vegastream Group Limited, hereby confirm that the Proposal agreed at a meeting of creditors held on 6 November 2009 has been fully implemented in accordance with its terms of the Proposal, including any modifications thereto

The Company Voluntary Arrangement is therefore deemed to be completed with effect from 20 October 2010 and Vegastream Group Limited is discharged of all debts included in the Company Voluntary Arrangement

A handwritten signature in black ink, appearing to be 'James Sleight', with a long horizontal flourish extending to the right.

James Sleight
Joint Supervisor

Dated 20 October 2010



GEOFFREY
MARTIN
& CO

7-8 Conduit Street
London
W1S 2XF

Telephone 020 7495 1100
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20 October 2010

A36

21/10/2010
COMPANIES HOUSE

149

To All Known Members and Creditors

Our Ref JAS/SG/PW/JD/VEGA403/RB/3

when telephoning please
ask for—

Jessica Dmochowska

Dear Sirs

**Vegastream Group Limited – (“the Company”)
Under A Company Voluntary Arrangement (“CVA”)
The Royal Courts of Justice, Chancery Division No 19601 of 2009**

Introduction

I write to provide you with my final report pursuant to Rule 1 29(2) of The Insolvency Rules 1986 following the successful completion of the CVA, approved by creditors on 6 November 2009

At Appendix A, I enclose a copy of the Joint Supervisors' final Abstract of Receipts and Payments

Basis of the Arrangement

Under the terms of the CVA, the director of the Company was to continue trading with the support of the parent company, Vegastream Holdings Limited (“VHL”), who in turn would be supported by a consortium of external investors. Following creditors' approval of the CVA, VHL made a single payment in the sum of £160,000 to the Joint Supervisors for distribution to the creditors bound by the CVA. This payment was in addition to the funds required to support the ongoing trading of the Company.

Under the terms of the Proposal the Company was to provide monthly management accounts to the Joint Supervisors for the purpose of monitoring any profits for the first six months. Payments of 50% of monthly net profits would be made as additional contributions to the CVA for the benefit of creditors. The Company did not make any profits during this period and accordingly no further contributions were made.

The CVA has continued for two months longer than the nine month period initially estimated in the Proposal. This was due to the agreement of increased creditor claims and the finalisation of the Company's tax affairs which consequently delayed the process of HM Revenue & Customs (“HMRC”) submitting a final claim. It was agreed that no dividend would be paid to creditors until HMRC had submitted their claim based upon the Company's returns.

Research and Development Tax Credit

Under the terms of the Voluntary Arrangement the Company was to submit a research and development tax return, which would have reduced any liabilities owed to the Crown departments. However, the Company was unable to provide HMRC with all the necessary documentation required to claim a tax refund.



Bank Interest

Interest in the sum of £247 has accrued on the balances held in the CVA bank account following the receipt of funds from VHL

Preferential Creditors

As anticipated there have been no claims with preferential status

Unsecured Creditors and the 'Prescribed Part'

The director's Statement of Affairs ("S of A") showed the sum of £2,783,453 as outstanding to the Company's unsecured creditors which are summarised below

Creditor	S of A Value £	Value of agreed claim £
BreconRidge Corporation	1,374,798	1,484,323
H M Revenue & Customs	853,421	919,511
Trade Creditors	555,234	497,006
Total	<u>2,783,453</u>	<u>2,900,840</u>

Forty six unsecured creditors' claims have been agreed at £2,900,840 being higher than the original figure stated on the S of A. This is due to an increased liability in respect of PAYE/NI and the increased value of the claim submitted by BreconRidge Corporation ("BreconRidge")

With regard to the latter increase, BreconRidge originally submitted a claim for £1,560,164. However, BreconRidge held stock on behalf of the Company and it was agreed in the Proposal that this would be sold and any realisations offset against their claim. It was estimated that 50% of the book value of stock being £185,366 would be achievable. The original estimated value was deducted from their submitted claim, giving a total of £1,374,798 (£1,560,164 - £185,366). The actual stock however realised was less than anticipated, resulting in the increase in value of the agreed claim.

The increase in the amount of agreed claims has meant the original estimate of 4.81 pence in the pound to unsecured creditors was not achievable. Therefore, all creditors bound by the CVA have received a distribution of 4.42p in the pound, being a first and final distribution. This was paid on 16 July 2010.

The Prescribed Part provisions of Section 176A of the Act do not apply in this case.

Completion of Arrangement

I attach a copy of the Certificate of Completion confirming the successful completion of the CVA. I confirm that all terms of the Proposal have been adhered to and there have been no departures from the original Proposal agreed by creditors. I have issued a notice to the High Court and Registrar of Companies on 20 October 2010. Please note that the Joint Supervisors will now vacate office with effect from this date.

Joint Nominees' Fees

Under the terms of the CVA, as approved by creditors, a sum of £10,000 was paid in respect of the Joint Nominees' fees prior to the creditors' meeting. In addition it was anticipated that a further £5,000 would be required to pay agent's and solicitor's costs for their assistance in the valuation of the assets and the drafting of the Proposal. The final costs incurred by the agents and solicitors were lower than estimated totalling £2,516.40 and £1,595 respectively. These costs were paid from the funds held by the Joint Supervisors in accordance with the Proposal.



Joint Supervisors' Costs

Details of the Joint Supervisors' time costs to date are shown on the attached Appendix B. I am required to provide the information in this format by the provisions of Statement of Insolvency Practice ("SIP") 9. I have drawn fees of £26,797 on account of our time costs. The balance of time costs will be written off.

Under the terms of the CVA, as approved by creditors, the Joint Supervisors' remuneration would be charged on a time cost basis together with disbursements. It was anticipated that the Joint Supervisors' fees would be £20,000. In accordance with the provision of SIP 3, I am obliged to inform creditors that the estimate of the Joint Supervisors' fees has been exceeded. This is due to dealing with the agreement of increased creditor claims and the finalisation of the Company's tax affairs. It is now estimated that my final time costs will amount to approximately £40,000. However, as stated above the Joint Supervisors' remuneration will be capped at £26,797.

Disbursements

Appendix C contains details of the firm's policy on charging disbursements.

A total of £952 has been drawn in respect of both Category 1 and 2 disbursements. Category 1 disbursements are in respect of expenses that are directly attributable to the case and do not require authorisation.

Analysis of "Category 1 disbursements"

	£
Specific Bond	330
Storage Costs	43
Company Search Fees	9
Court Fees	30
	<hr/>
	412

Category 2 disbursements require authorisation and consist of disbursements that are not specifically identifiable to the case. These are charged in accordance with the firm's disbursement policy found at Appendix C. This disbursements policy was approved as part of the Proposals on 6 November 2009.

Analysis of "Category 2 disbursements"

	£
Postage, stationery and telephones (at £6.75 per creditor)	540

A copy of 'A Creditors Guide to fees' for Voluntary Arrangements can be downloaded from the Geoffrey Martin & Co website, www.geoffreymartin.co.uk (click on creditors, select fee guide and choose SIP 9 from the list).

Should you have any queries relating to this matter, please do not hesitate to contact either Paul Ward or Jessica Dmochowska of this office.

Yours faithfully

James Sleight
Joint Supervisor

Certificate of Completion

Re Vegastream Group Limited

In The Royal Court of Justice No 19601 of 2009

I, James Sleight, Joint Supervisor of the Voluntary Arrangement of Vegastream Group Limited, hereby confirm that the Proposal agreed at a meeting of creditors held on 6 November 2009 has been fully implemented in accordance with its terms of the Proposal, including any modifications thereto

The Company Voluntary Arrangement is therefore deemed to be completed with effect from 20 October 2010 and Vegastream Group Limited is discharged of all debts included in the Company Voluntary Arrangement

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

James Sleight
Joint Supervisor

Dated 20 October 2010

**Vegastream Group Limited
(Under a Voluntary Arrangement)**

Appendix A

Joint Supervisors' Abstract Of Receipts And Payments

	Statement of affairs £	From 06/11/2009 To 20/10/2010 £
RECEIPTS		
Contribution	160,000 00	160,000 00
Bank Interest Gross		247 22
Vat Control Account		5,472 77
		165,719 99
PAYMENTS		
Specific Bond		330 00
Joint Supervisors' Fees		26,797 35
Disbursements		39 00
Category 2 Disbursements		540 00
Agents/Valuers Fees		2,516 40
Legal Fees		1,595 00
Storage Costs		42 50
Trade & Expense Creditors		21,996 78
BreconRidge Corporation		65,693 97
HM Revenue & Customs		40,696 22
VAT Receivable		5,472 77
		165,719 99
BALANCE - 20 October 2010		0 00
MADE UP AS FOLLOWS		
		0 00

Period 06/11/09 20/10/10

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	7 30	6 40	8 30	62 40	84 40	14 642 00	173 48
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 10	0 00	0 00	0 80	0 90	156 50	173 89
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	8 20	30 30	21 30	96 10	155 90	26 699 50	171 26
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	15 60	36 70	29 60	159 30	241 20	41,498 00	172 05
Total Fees Claimed						26 797 35	

Vegastream Group Limited ("the Company")
Under A Company Voluntary Arrangement ("CVA")

Overview of Joint Supervisors' time spent

I detail below the key areas of work undertaken by the Joint Supervisors' and their staff in respect of the CVA

Administration and planning

- Liaising with the director
- Statutory requirements imposed by the Insolvency Act and Rules 1986
- Administrative setup and filing of all statutory paperwork
- Accounting for receipts and payments in the CVA
- Monitoring the progress of the CVA
- Monitoring and reviewing monthly management accounts

Realisation of assets

- Liaising with the director in respect of funding from the Vegastream Group Limited

Creditors

- Dealing with creditor queries both verbal and written
- Reviewing and agreeing creditor claims
- Liaising with HM Revenue & Customs in respect of their final claim and advice on submitting a Research and Development tax return
- Finalisation and submission of the Company's tax returns
- Statutory reporting to creditors

Other professional costs of the CVA

I have engaged the services of Clarke Willmott, solicitors and Charterfields, valuation agents

Clarke Willmott was instructed to advise on the drafting of the Proposal. Their charges are on the basis of time properly spent in dealing with matters in which they were instructed to assist.

Charterfields were instructed to provide valuation advice in respect of the Company's assets. Their charges are on the basis of time properly spent in dealing with matters in which they were instructed to assist.

There have been no other advisors used to assist the administration of the CVA.



Case Name	Vegastream Group Limited
Court and Number	Royal Court of Justice No 19601 of 2009
Office Holders	James Sleight and Stephen Goderski
Firm	Geoffrey Martin & Co
Address	7-8 Conduit Street London W1S 2XF
Telephone	020 7495 1100
Reference	VEGA403/JS/SG/PW/JD
Type of Appointment	Company Voluntary Arrangement
Date of Appointment	6 November 2009

CHARGING AND DISBURSEMENTS POLICY (Combined London & Leeds Offices)

Time Costs

The firm's hourly charge out rates are revised annually from 1 May. The rates currently in use are within the following bands:

	£
Partner	325 – 400
Senior Manager	300
Manager	220 – 285
Senior Administrator	140 – 250
Junior Administrator and Support Staff	65 – 150

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor from 1 May 2008. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Travelling expenses are charged at the rate of 40p per mile.