

Beckett Instruments Limited – In Creditors' Voluntary Liquidation

Liquidator's Draft Final Report to Creditors and Members

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Since my last annual progress report was issued to creditors, I have dealt with all creditors' claims accordingly.

I have also filed the relevant VAT returns and Corporation Tax returns with HM Revenue and Customs.

I have conducted investigations in to the outstanding debtors of the Company and as the outstanding debtor is based in Germany, I have received no correspondence nor have I received payment. The balance due from this debtor amounts to £761.56 and I have therefore decided after sending numerous chasing letters that this balance be written off as the costs to pursue this debt would far outweigh any realisation that may not even be achieved.

I believe that all of the assets of the Company have been realised and that there are no further outstanding matters that require my attention.

I have wrote to HM Revenue and Customs to request that they provide written tax clearance in order that I can seek my release as Liquidator and my case files can be closed. No objections have been received.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of such routine work undertaken since my last progress report is as follows:

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing a final report to creditors and members.
- Convening and holding final meetings of creditors and members.
- Filing final returns at Companies House.

2. Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

3. Investigations

- Liaising with the director and director's solicitor in respect of various allegations put forward by creditors.
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- Liaising with the director and director's solicitor in regards to the outstanding debtors of the Company.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 17th November 2015 to 26th October 2016 is attached at Appendix 1.

The balance of funds held in a non-interest bearing estate bank account. There is currently no balance held as the funds realised have been used to meet the costs of the insolvency estate.

ASSETS REALISATIONS

There has been no realisation of assets in this period. Creditors should refer to my annual progress report for the year ended November 2015.

Other Assets

There has been no other realisation of assets in this period other than net bank interest of £1.30 which has been realised from Lloyds Bank.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company granted a charge to Barclays Bank Plc on the 9th February 1988.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

The floating charge was created prior to 15 September 2003 such that the prescribed part provisions do not apply.

Preferential Creditors

The statement of affairs anticipated £5,600 in preferential creditors. Claims have been submitted to the Redundancy Payments Office in respect of the employees.

Crown Creditors

The statement of affairs included £285 owed to HMRC in respect of Corporation Tax, £39,921 owed in respect of PAYE and £24,593 owed to HMRC in respect of VAT. HMRC's claim of £44,103.84 has been received in respect of PAYE and £30,170.79 has been received in respect of VAT. No claim has been received in respect of Corporation Tax.

Non-Preferential Unsecured Creditors

The statement of affairs included 47 non-preferential unsecured creditors with an estimated total liability of £181,306.64. I have received claims from 28 creditors at a total of £196,590.50. I have not received claims from 19 creditors with original estimated claims in the statement of affairs of £38,723.83.

The reason as to the large difference in liability is due to the fact that some creditors have submitted claims when no liability was expected. Non-preferential unsecured creditors also includes the claims to HMRC in respect of PAYE and VAT.

DIVIDENDS

A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to make payments to meet the expenses of the Liquidation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

I took the following action where I considered that further investigation was justified:-

I have been in correspondence with the director and the directors solicitors within this reporting period in respect of allegations received from various creditors. The director has provided his written comments to me in regards to the various request for information and I am satisfied that there is no further request for information from the director and that my investigations in to the affairs of the Company are complete.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £4,000 plus VAT for my assistance with preparing the statement of affairs and convening and holding the meeting creditors at a meeting held on 24th October 2014. The fee for preparing the statement of affairs and convening and holding the meeting of creditors was paid by the Company.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the creditors at a meeting held on 17th November 2014. My remuneration was authorised on a time cost basis.

My total time costs to 26th October 2016 amount to £39,526.50 plus VAT, representing 195 of hours work at an average charge out rate of £202.70 plus VAT per hour, of which £7,737.50 plus VAT, representing 35.6 of hours work, was charged in the period since 16th November 2015, at an average charge out rate of £217.35 plus VAT per hour. I have drawn £530.39 plus VAT in respect of time costs incurred during this period and £7,530.39 plus VAT in respect of time costs incurred during the whole period.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows DCA Business Recovery LLP's fee policy are available at the link <http://www.dcabr.co.uk/business-advice-guides>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

LIQUIDATOR'S EXPENSES

I have incurred total expenses of £498.18 plus VAT since my appointment as Liquidator of which £68.58 plus VAT was incurred in the period since my last annual progress report.

I have drawn £498.18 to date of which £68.58 plus VAT was drawn in the period since my last annual progress report.

SUMMARY

To comply with the Provision of Services Regulations, some general information about DCA Business Recovery LLP can be found in the attached summary sheet.

The winding up of the Company is now for all practical purposes complete and I am able to summon final meetings of the Company's members and creditors to receive my final report and seek my release as Liquidator. A formal notice convening the meeting of creditors is enclosed with this report.

Creditors and members should note that if I obtain my release as Liquidator at the final meeting of creditors on 12th January 2017, my case files are placed in storage thereafter. If creditors or members have any queries they are asked to contact Toni James on 01702 344558 before the meetings are held.

A handwritten signature in black ink, appearing to read 'D.A. Cockerton', written in a cursive style.

**Deborah Ann Cockerton MABRP MIPA
Liquidator**

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Analysis of Liquidator's Time Costs

In accordance with the Statement of Insolvency Practice No.9, creditors are advised that:-

- The basis of the fees to be taken by the Liquidator was approved at the Meeting of Creditors held on 17th November 2014. It was resolved that such fees be paid on a time cost basis. This firm's standard insolvency rates with effect from 15th October 2015 are as stated below. For periods prior to this date lower rates will have applied. All rates are exclusive of valued added tax.

GRADE	Hourly rate from 15 Oct 2015 £	Hourly rate from 1 April 2014 £
Partner	350	350
Senior Manager	275	275
Manager	250	250
Senior Administrator (Grade 1)	225	225
Senior Administrator (Grade 2)	-	200
Case Administrator (Grade 1)	175	175
Administrator (Grade 2)	-	150
Administrator (Grade 3)	-	110
Cashier	150	-
Support Staff	130	-

- The total hours expended by the Liquidator and all staff involved with the case during the period 17th November 2015 to 26th October 2016 is 35.6 hours and for the whole period is 195 hours. The Liquidator has ensured that during each period the appropriate member of staff has undertaken the different tasks involved taking into account the complexity of the task and the qualifications and experience of the person involved.
- The charge out value of the period 17th November 2015 to 26th October 2016 is £7,737.50 plus VAT and for the whole period is £39,526.50 plus VAT, an average of £217.35 plus VAT per hour for this period and £202.70 plus VAT per hour for the whole period. The Liquidator has been paid the sum of £530.39 plus VAT on account of time costs incurred during this period and has been paid a total of £7,530.39 plus VAT during the whole period of the liquidation. This equates to an average of £14.90 plus VAT per hour for this period and £38.62 plus VAT for the whole period of the liquidation.
- A general analysis of the time incurred during the period 17th November 2015 to 26th October 2016 confirms that work has been undertaken in the following areas:-

Classification of Work	HOURS					Time Costs Incurred	Average Hourly Rate
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and Planning	5.5	6.4	9.10	4.6	25.6	£5,605.00	£218.95
Investigations		2.6			2.6	£650.00	£250.00
Realisation of Assets	0.3	0.3			0.6	£180.00	£300.00
Trading							
Creditors		1.5	5.3		6.8	£1,302.50	£191.54
Case Specific Matters							
Total	5.8	10.8	14.4	4.6	35.6	£7,737.50	£217.35

**Re: Beckett Instruments Limited
CREDITORS VOLUNTARY LIQUIDATION**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 17/11/2015 - 26/10/2016**

Estimated Realisations per SOA		Period 17/11/2015 to 26/10/2016	Total Period Ended 26/10/2016
Receipts			
8,000.00	Sale of Engineering Equipment, Office Equipment and Stock		8,000.00
9,642.00	Debtors		2,247.40
-	Cash at Bank		489.81
-	Net Bank Interest	1.30	6.99
17,642.00		1.30	10,744.20
 Payments			
	Insolvency Bond		60.00
	Statutory Advertising		165.66
	Postage	28.08	68.87
	Stationery	40.50	93.65
	Case Management Fee		110.00
	Liquidator's Fees	530.39	7,530.39
	Refundable book debt due to Ashton		401.90
	Agent Fees		1,700.00
	Recovered VAT		613.72
		598.97	10,744.19
	 Balance at Bank		 0.01

Notes: Figures shown are net of VAT. Balance at bank is held in an interest bearing account with Lloyds Bank Plc.

Notes: The balance of £0.01 will be written off before the final meetings have been held.