

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 1 1 9 6 5 3

Company name in full VBC Instrument Engineering Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark

Surname Upton

3 Liquidator's address

Building name/number Victory House

Street Vision Park, Chivers Way

Post town Cambridge

County/Region

Postcode C B 2 4 9 Z R

Country

4 Liquidator's name ①

Full forename(s) David

Surname Scrivener

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Victory House

Street Vision Park, Chivers Way

Post town Cambridge

County/Region

Postcode C B 2 4 9 Z R

Country

② Other liquidator

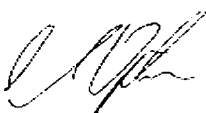
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	0	d	2	m	0	m	9	y	2	y	0	y	2	y	1
To date	d	0	d	1	m	0	m	9	y	2	y	0	y	2	y	2

7	Progress report															
<input type="checkbox"/> The progress report is attached																

8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	2	d	5	m	1	m	0	y	2	y	0	y	2	y	2

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Jill Rose**

Company name **Ensors**

Address **Victory House**

Vision Park, Chivers Way

Post town **Histon**

County/Region **Cambridge**

Postcode **C B 2 4 9 Z R**

Country

DX

Telephone **01223 420721**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Liquidators' Annual Progress Report to Creditors & Members

VBC Instrument Engineering Limited
- In Liquidation

25 October 2022

VBC INSTRUMENT ENGINEERING LIMITED - IN LIQUIDATION

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APPENDICES

- A** Receipts and Payments Account for the Period from 2 September 2021 to 1 September 2022 together with a Cumulative Receipts and Payments Account for the Period 2 September 2020 to 1 September 2022
- B** Time Analysis for the Period from the 2 September 2021 to 1 September 2022
- C** Cumulative Time Analysis for the Period 2 September 2020 to 1 September 2022
- D** Additional information in relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors

1 Introduction and Statutory Information

- 1.1 We, Mark Upton and David Scrivener of Ensors Accountants LLP, Victory House, Vision Park, Chivers Way, Cambridge CB24 9ZR, were appointed Joint Liquidators of VBC Instrument Engineering Limited (the Company) on 2 September 2020. This progress report covers the period from 2 September 2021 to 1 September 2022 (the Period) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 Information about the way that we will use and store personal data on insolvency appointments can be found at <https://www.ensors.co.uk/default/privacy.aspx>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was 16 Regent Park, Park Farm Industrial Estate, Wellingborough NN8 6GR.
- 1.4 The registered office of the Company has been changed to Victory House, Vision Park, Chivers Way, Cambridge CB24 9ZR and its registered number is 07119653.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report together with a cumulative Receipts and Payments Account for the period from the date of our appointment as Joint Liquidators to the end of the Period covered by this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.
- 2.3 Previous reports with reference to this liquidation can be downloaded from the following website: <https://www.ips-docs.com/case/VBCIE-Reports/zctoses6>. If you are unable to download a copy of any of the reports please contact the case manager whose details are provided below and a copy will be provided.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Joint Liquidators and their staff.
- 3.2 As previously reported, extensive investigations into the conduct of the directors have been carried out in order to realise further recoveries for the benefit of all creditors. Solicitors have been instructed to assist with this and updates will be provided as the matter progresses.
- 3.3 A third party is also carrying out recovery action in relation to the conduct of the directors in office at the date of insolvency. As the matter is case sensitive, I cannot provide any further information at this time. I will provide an update once the matter has progressed and as and when there is further information to provide.

Administration (including statutory compliance & reporting)

- 3.4 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors.

- 3.5 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.

- 3.6 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

VAT Refund

- 3.7 A pre-appointment VAT refund of £578.99 has been received during the Period.

Gross Bank Interest

- 3.8 Gross bank interest totalling £4.34 has been received during the period.

- 3.9 It is anticipated that the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors because it should enable a dividend to be paid to the Company's preferential and unsecured creditors.

Creditors (claims and distributions)

- 3.10 Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

- 3.11 Work undertaken by a Liquidator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

- 3.12 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

- 3.13 At this stage, I consider the following matters worth bringing to the attention of creditors:

- HSBC Bank plc holds a fixed and floating charge over the Company's assets. See section 4 below.
- Courts Trustees have been instructed to deal with the NEST pension scheme and to determine if any action is required by the Joint Liquidators
- It is anticipated that the Redundancy Payments Service ("RPS") will have a claim of circa £22,000 with reference to the preferential element of their claim. As previously advised, I have not yet received a claim from the RPS.
- There are 8 former employees and once I have received the claim from the RPS I will adjudicate on their claims to determine if there are any excess payments due from the liquidation

- There are approximately 52 unsecured creditor claims in this case with a value per the directors' statement of affairs of £341,308.54. Further information on creditors is provided in section 4 of this report.

Investigations

- 3.14 You may recall from my first progress report to creditors that some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 3.15 In the last annual report to creditors, I provided information with reference to a claim against the directors both by the Liquidators and a third party. I can confirm that these matters are still ongoing but due to the sensitive nature of the investigations I cannot provide any further detail at this time.
- 3.16 Our report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 3.17 Since our last progress report, I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

Matters still to be dealt with

- 3.18 As detailed above there are ongoing claims against the directors and it is likely that if a settlement cannot be reached court action will be considered.
- 3.19 Liaise with RPS with reference to their claim.
- 3.20 Adjudicate on preferential and unsecured claims should funds become available to make a distribution.

4 Creditors

Secured Creditors

- 4.1 The Company granted a floating charge to HSBC Bank plc ("HSBC") on 8 March 2011. The Joint Liquidators would therefore be required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part).
- 4.2 However, the Company's current account was in credit as at the date of liquidation and the only liability is in respect of the Coronavirus Business Interruption Loan ("CBIL") in the amount of £135,000. HSBC, as the secured creditor, are claiming that the CBIL is secured under the terms of their debenture.

Preferential Creditors

- 4.3 A summary of the preferential claims in the Liquidation and details of any distributions paid to date can be found below:

	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
Employee claims (Total number of claims = 8)	Nil	21,915.71	Nil	Nil
Department for Business, Energy & Industrial Strategy (BEIS)	Nil	Nil	Nil	Nil

- 4.4 I am waiting on a claim from the RPS and once received will determine if a preferential dividend should be paid.

Unsecured Creditors

- 4.5 The Company's statement of affairs indicated there were 45 creditors whose debts totalled £341,308.54. To date, I have received claims totalling £56,536.93 from 10 creditors.
- 4.6 The Company granted a floating charge to HSBC Bank plc on 8 March 2011. Assuming this is secured by the debenture (as detailed in section 4.2) I am required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part).
- 4.7 Any distribution will be determined by realisation of assets and in particular the claim against the directors. I have not spent time adjudicating on unsecured creditor claims and will only do so if it becomes apparent that there will be sufficient funds to enable a distribution to be made.

5 Joint Liquidator's Remuneration

- 5.1 The Creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation. Our original fees estimate/information of £28,516.00 was approved. This was based on estimated time costs as well as the information available to us at that time.
- 5.2 Due to the extensive additional time spent dealing with the investigation and potential further realisations it became apparent that our original fee estimate was insufficient for the time incurred for dealing with the case.
- 5.3 In March 2021 we requested an increase in our fees and this was subsequently approved on 25 March 2021. The fee increase approved was for the sum of £22,494.50 which brought the total fee estimate to £51,010.50.

5.4 Details of the estimated additional costs approved are detailed below:

Category of work	Estimated Number of Hours	Average hourly rate £	Estimated cost £
Administration (inc. statutory compliance)	12.2	237	2,888.50
Reporting	15.7	247	3,878.50
Realisation of Assets	19.3	259	5,006.50
Creditors (claims & distributions)	17.8	232	4,126.50
Employees	10.3	242	2,496.50
Investigations	15.6	263	4,098.00
Total estimated additional costs			22,494.50

5.5 Our time costs for the Period are £9,299.01. This represents 39.9 hours at an average rate of £233 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the liquidation. To date, £50,256.33 plus expenses shown in the enclosed Receipts and Payments Account has been drawn on account.

5.6 Also attached as Appendix C is a cumulative Time Analysis for the period from 2 September 2020 to 1 September 2022 which provides details of the time costs incurred since our appointment. The cumulative time costs incurred to date are £57,200.34. This represents 235.40 hours at an average rate of £243 per hour.

5.7 At the date of this report, we would confirm that our fees estimate for the liquidation is now insufficient to cover our costs to date and we will seek approval of increased fees once we are in a position to report in more detail on the outcome of the recovery action against the directors.

5.8 A copy of 'A Creditors' Guide to Joint Liquidators' Fees' is available on request or can be downloaded from <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>.

5.9 Attached as Appendix D is additional information in relation to the Joint Liquidators' fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final account.
- 7.2 If you require any further information please contact the case manager, Jill Rose on 01223 420721 or by email at jill.rose@ensors.co.uk.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M Upton', with a small flourish at the end.

Mark Upton
Joint Liquidator

Appendix A

VBC Instrument Engineering Limited - In Liquidation

Joint Liquidators' Summary of Receipts and Payments

From 2 September 2020 To 1 September 2022 Together with Cumulative

Receipts and Payments Account for the Period 2 September 2021 To 1 September 2022

RECEIPTS	Statement of Affairs (£)	From 02/09/2020 To 01/09/2021 (£)	From 02/09/2021 To 01/09/2022 (£)	Total (£)
Plant & Machinery	41,800.00	66,197.67	0.00	66,197.67
Furniture & Equipment	500.00	0.00	0.00	0.00
Motor Vehicle (Renault Van)	5,000.00	5,200.00	0.00	5,200.00
VAT Refund		0.00	578.99	578.99
Cash at Bank		904.79	0.00	904.79
Bank Interest Gross		1.33	4.34	5.67
VAT Payable		2,234.40	2,394.13	4,628.53
	<u>47,300.00</u>	<u>74,538.19</u>	<u>2977.46</u>	<u>77,515.65</u>
PAYMENTS				
Renault Financial Services		3,085.86	0.00	3,085.86
Specific Bond		162.00	0.00	162.00
Joint Liquidators' Remuneration		45,523.33	4,733.00	50,256.33
Postage		122.59	0.00	122.59
Agents Fees (W&H Peacock)		4,782.55	0.00	4,782.55
Agents Fees (W&H Peacock)		9,179.15	0.00	9,179.15
Accountancy Fees (BAC Accountancy)		280.00	0.00	280.00
Travelling		35.52	0.00	35.52
Statutory Advertising		169.50	0.00	169.50
SAGE Accounting Fees		147.88	180.00	327.88
		<u>63,488.38</u>	<u>4,913.00</u>	<u>68,401.38</u>
Balance in Hand as at 1 September 2022		<u>11,049.81</u>	<u>-1,935.54</u>	<u>9,114.27</u>

APPENDIX B

VBC INSTRUMENT ENGINEERING LIMITED - IN LIQUIDATION

TIME AND CHARGE OUT SUMMARY FROM 02 SEPTEMBER 2021 TO 01 SEPTEMBER 2022

Classification of work	Partner hours	Managers hours	Administrators & support staff hours	Total hours	Time cost £	Average hourly rate £
Realisation of assets	0.5	1.5	0.1	2.1	653.50	311
Creditors	0.3	-	0.9	1.2	235.25	205
Administration & planning	3.9	7.2	3.3	14.4	2,809.26	195
Investigations	1.6	4.7	1.3	7.6	2,178.50	287
Employees	-	1.7	0.1	1.8	514.00	286
Reporting	1.1	2.0	9.7	12.8	2,908.50	227
Total hours	<u>7.4</u>	<u>17.1</u>	<u>15.4</u>	<u>39.9</u>		
Hourly rate	£185-365	£85-310	£39-210			
Total time costs £	<u>2,377.75</u>	<u>4,151.51</u>	<u>2,769.75</u>		<u>9,299.01</u>	233

Please note that time has been recorded in units of 6 minutes

APPENDIX C

VBC INSTRUMENT ENGINEERING LIMITED - IN LIQUIDATION

CUMULATIVE TIME AND CHARGE OUT SUMMARY FROM 02 SEPTEMBER 2020 TO 01 SEPTEMBER 2022

Classification of work	Partner hours	Managers hours	Administrators & support staff hours	Total hours	Time cost £	Average hourly rate £
Realisation of assets	5.4	7.2	11.0	23.6	6,277.00	266
Creditors	3.1	4.6	5.2	12.9	3,327.08	258
Administration & planning	7.3	24.3	18.6	50.2	11,097.51	221
Investigations	13.5	39.8	59.6	112.9	28,112.00	249
Employees	-	5.2	8.7	13.9	3,293.00	237
Reporting	1.7	6.8	13.5	22.0	5,093.75	232
Total hours	<u>30.8</u>	<u>88.0</u>	<u>116.6</u>	<u>235.4</u>		
Hourly rate	£170-365	£85-310	£39-210			
Total time costs £	<u>10,093.08</u>	<u>23,527.01</u>	<u>23,580.25</u>		<u>57,200.34</u>	243

Please note that time has been recorded in units of 6 minutes

Appendix D

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

On this case we have utilised the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

Services	Provider	Work to be done	Basis of fee arrangement	Cost to date £	Anticipated total cost £
Legal advice in relation to preference claim	Birketts LLP	Provide legal advice in relation to the merits of preference claim. Liaise with director's solicitors in or to bring claim to a conclusion, obtain Counsel's advice	Time costs		20,000.00
Valuation and sale of assets	W & H Peacock	Arranging sale of the Company's chattel assets	15% of realisations	13,961.70	13,961.70
Pension advice	Courts Trustees Limited	Provision of specialist pension advice	Fixed Fee	200.00	200.00
Accountancy	BAC Accountants	Provision of pre appointment accounting documentation re director's loan account	Fixed Fee	280.00	280.00
Accountancy	SAGE	Monthly subscription fee to enable access to accounts	Fixed fee	147.88	100.00

VBC INSTRUMENT ENGINEERING LIMITED - IN LIQUIDATION

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Birketts LLP (legal advice)	Time costs
W & H Peacock (valuation and disposal advice)	15 % of realisations
Courts Trustees Limited (pension advice)	Fixed fee
BAC Accountants	Fixed fee
SAGE	Fixed fee

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of our fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses	13,961.70	13,961.70	0.00	0.00
Legal fees & expenses	20,000.00	0.00	0.00	
Statutory advertising	275.00	169.50	0.00	0.00
Specific Penalty Bond	162.00	162.00	0.00	0.00
Pension Advice	225.00	0.00	0.00	0.00
Accounting Information	280.00	280.00	0.00	0.00
Postage	250.00	122.59	0.00	0.00
SAGE Subscription	600.00	147.88	0.00	468.00
Storage – books & records	350.00	0.00	0.00	0.00

VBC INSTRUMENT ENGINEERING LIMITED - IN LIQUIDATION

Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Joint Liquidators' fees were approved by creditors.

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Business mileage	35.52	35.52	0.00	0.00

Charge-Out Rates

Ensors Accountants LLP current charge-out rates effective from 1 April 2022 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Staff	(Per hour) £
Partner/Consultant	395
Manager	310
Assistant Manager	250
Senior Administrator	225
Assistant	110