

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

02090588

Name of Company

(a) Insert full name
of company

(a) British Educational Communications and Technology Agency

Limited

(b) Insert full name(s)
and address(es)

We (b)

Mark Wilson
Baker Tilly Restructuring and
Recovery LLP
1st Floor
46 Clarendon Road
Watford WD17 1JJ

and Matthew Richard Meadley Wild
Baker Tilly Restructuring and Recovery
LLP
The Clock House
140 London Road
Guildford GU1 1UW

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 1 April 2011
to 31 March 2012

Signed 

Date 29-5-12

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

Baker Tilly Restructuring and Recovery LLP, 1st Floor, 46 Clarendon
Road, Watford WD17 1JJ
Ref MJW/KAS/LSC/TBECTA

WEDNESDAY



A1A0F7GI

A06 30/05/2012 #289
COMPANIES HOUSE

**IN THE MATTER OF
BRITISH EDUCATIONAL COMMUNICATIONS AND TECHNOLOGY AGENCY IN
MEMBERS' VOLUNTARY LIQUIDATION**

JOINT LIQUIDATORS' PROGRESS REPORT

29 MAY 2012

**MARK WILSON AND MATTHEW RICHARD MEADLEY WILD
JOINT LIQUIDATORS**

APPOINTED 1 APRIL 2011

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP
1ST FLOOR
46 CLARENDON ROAD
WATFORD WD17 1JJ**

CONTENTS

SECTIONS

1. PURPOSE OF REPORT
2. PROGRESS OF THE LIQUIDATION
3. DISTRIBUTIONS TO SHAREHOLDERS
4. MATTERS PREVENTING CLOSURE
5. RECEIPTS AND PAYMENTS SUMMARY
6. COSTS AND JOINT LIQUIDATORS' REMUNERATION
7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES
8. MEMBERS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

APPENDICES

- A. COMPANY INFORMATION
- B. SUMMARY OF RECEIPTS AND PAYMENTS
- C. CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT
- D. CURRENT CHARGE OUT AND DISBURSEMENT RATES
- E. CATEGORY 2 DISBURSEMENTS TABLE
- F. STATEMENT OF EXPENSES ANALYSIS
- G. TIME COST ANALYSIS

1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide members and the Registrar of Companies with information relating to the progress of the liquidation in the period from 1 April 2011.

This report has been prepared solely to comply with the statutory requirements of Section 92A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended) It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Neither the Liquidators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2. PROGRESS OF THE LIQUIDATION

2.1. Payments to creditors

Supplier creditor claims admitted by the liquidator totalled £721,878.08. This excludes the amount due to the LPFA under the pension scheme which is discussed further below at paragraph 2.5. All creditors have been paid in full. Statutory interest on creditor claims of £1,821.77 has also been paid.

We have recently been made aware of a further small claim which is being reviewed.

2.2. Realisation of Assets

As at the date of appointment, amounts estimated as due from debtors totalled £82,366 We have realised £72,337.

The remaining £10,029 has proved irrecoverable with the largest debtor, being Bli Education for £8,815, entering into administration. We do not anticipate any further realisation from this source.

2.3. Case Specific Matters

2.3.1. LPFA Pension Liability

At the date of our appointment, 1 April 2011, the anticipated deficit for the LPFA pension scheme was £1.7 million.

In June 2011, the LPFA advised that the deficit had increased to £4.1 million, however the amount could not be finalised as the option period for employees to move to new pension schemes had not expired This was three months and commenced from the date that the employee was contacted by LPFA.

On 28 November, we received the final report from the LPFA which detailed a final amount due of £4 39 million as at 30 November 2011 which was paid in January 2012.

2.3.2. Novation of Royalties

Following our appointment, two publications came to light which had not been novated to the Department for Education (“DfE”). Following discussions with the DfE we agreed that due to the minimal amount of the royalties, no further action should be taken and in due course, the royalty payment will revert to the Treasury Solicitor under the bona vacanta rules

2.3.3. Grant refund

It has come to our attention that one of the recipients of a grant from Becta had underspent on one of their projects. Following discussions, we requested a refund of £390,938 which was received on 2 April 2012, the subsequent period to this report.

2.3.4. Government Banking Service account (“GBS”)

At the time of the liquidation, it was agreed that the bank account held at GBS was to remain open until the last salaries were paid at the end of June. We liaised with the staff at GBS to ensure that we had the correct users and authorisations on account so that we could close the account after this date. However it transpired that the various forms that we completed at the beginning of the liquidation were not the correct forms and further forms have had to be submitted to enable the Liquidators to make payments and close the account.

The account was finally closed in January 2012 and the balance transferred to the liquidators’ local account in order to make the payment to the LPFA.

2.4. Administration and Planning

Throughout the period, we have complied with our statutory duties in respect of filing appointment documents, handling of receipts and payments, submission of pre and post appointment tax returns.

3. DISTRIBUTIONS TO MEMBERS

There will be no member distributions in the liquidation as any surplus cash is to be returned to the DfE under the Grant in Aid advanced to enable the solvent winding up of Becta.

4. MATTERS PREVENTING CLOSURE

As of 1 April 2012, there were three matters preventing the closure of the liquidation:

1. Refund of any surplus funds to DfE from the grant refund.
2. Obtaining PAYE/NI tax clearance.
3. Agreement of creditor claim received in April 2012.

5. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 1 April 2011 to 31 March 2012.

VAT Basis

The declaration of solvency figures on the left hand side of the receipts and payments reflects the position as at 16 March 2011. A number of receipts and payments were made by Becta in the period between 16 March and 1 April 2011, hence the significant differences in the cash at Bank and creditor balances.

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

6. COSTS AND JOINT LIQUIDATORS' REMUNERATION

6.1. Joint Liquidators' Remuneration and Disbursements

The Joint Liquidators' remuneration was approved on a time cost basis by the members on 1 April 2011. To date, fees of £58,281 have been agreed and £46,077 plus VAT drawn

6.2. Remuneration and Disbursements incurred in the period from 1 April 2011 to 31 March 2012

We have incurred remuneration of £67,443 plus VAT in the current period. An analysis of time incurred in the period is attached at Appendix G. As mentioned above, fees of £58,281 have been agreed

Category 2 disbursements incurred in the period are detailed in Appendix E.

7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

Detailed cost breakdown

Attached to this report are three Appendices relating to my costs on this assignment:

- Appendix C: A copy of Baker Tilly Restructuring and Recovery LLP's charging, expenses and disbursements policy statement,
- Appendix D: Joint Liquidators' charge out and disbursement rates;
- Appendix E: Category 2 disbursements table; and
- Appendix F: statement of expenses analysis.

8. MEMBERS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

In accordance with the provisions of Rules 4.49E and 4.148C of the Insolvency Rules 1986 members have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Members of the company with at least 10% of the total voting rights of all members having the right to vote at general meetings of the company, or any members with the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question

Should you have any further queries please do not hesitate to contact me.



M J Wilson
Baker Tilly Restructuring and Recovery LLP
Joint Liquidator

Mark Wilson and Matthew Richard Meadley Wild are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Appendix A

COMPANY INFORMATION

Company Name	British Educational Communications and Technology Agency
Functions:	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment</p>
Previous Company Names:	None
Company Number.	02090588
Date of Incorporation:	16/01/1987
Trading Name:	BECTA
Trading Address	Millburn Hill Road Science Park, Coventry, CV4 7JJ
Principal Activity:	General secondary education
Registered Office:	Baker Tilly Restructuring and Recovery LLP, 1st Floor, 46 Clarendon Road, Watford WD17 1JJ as from 1 April 2011

Receipts and Payments Abstract: TBECTA - British Educational Communications and Technology Agency
 Bank, Cash and Cash Investment Accounts. From: 01/04/2011 To: 31/03/2012

SOA Value £	01/04/2011 to 31/03/2012		Total to 31/03/2012	
	£	£	£	£
ASSET REALISATIONS				
0 00	Bank Interest Gross	1,899 89		1,899 89
23,057,271 00	Cash at Bank	6,090,990 00		6,090,990 00
70,061 00	Debtors (Pre-Appointment)	55,537 71		55,537 71
0 00	Other Current Assets	16,800 00		16,800 00
0 00	Pension Receipt - DFE	243,862 00		243,862 00
0 00	Refunds	882 89		882 89
0 00	Returned Dividend	654 00		654 00
			6,410,626 49	6,410,626 49
COST OF REALISATIONS				
0 00	Accounting Fees	(1,490 50)		(1,490 50)
0 00	Appointee Costs	(3,840 72)		(3,840 72)
0 00	Appointee Fees	(46,077 00)		(46,077 00)
0 00	Bank Charges	(971 78)		(971 78)
0 00	Corporation Tax	(273 65)		(273 65)
0 00	Employees Refund of NIC	(7,524 51)		(7,524.51)
0 00	LPFA cessation costs	(4,454,933 49)		(4,454,933 49)
0 00	Mail Redirection	(27 20)		(27 20)
0 00	PAYE/NI	(474,001 19)		(474,001 19)
0 00	Payroll Services	(3,675 00)		(3,675 00)
0 00	Staff expenses	(629 68)		(629 68)
0 00	Statutory Interest	(1,821.77)		(1,821 77)
0 00	Sundry Costs	(3,695 95)		(3,695 95)
0 00	TPA cessation costs	(3,778 49)		(3,778 49)
0 00	VAT Irrecoverable	(12,516 13)		(12,516.13)
0 00	VAT Paid	(7,435 34)		(7,435 34)
0 00	Wages & Salaries	(646,290 26)		(646,290 26)
			(5,668,982.66)	(5,668,982.66)
UNSECURED CREDITORS				
0 00	Trade and Expense Creditors	(466 30)		(466 30)
(21,094,708 00)	Unsecured Creditors	(721,411 78)		(721,411 78)
			(721,878.08)	(721,878.08)
<u>2,032,624 00</u>			<u>19,765 75</u>	<u>19,765 75</u>
REPRESENTED BY				
	Bank - (Clydesdale)		19,765 75	19,765 75
				<u>19,765 75</u>

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Watford are attached
- Time billed is subject to Value Added Tax at the applicable rate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to members, but do not require members' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest in, require the approval of members prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP Watford will be proposed to members' in general meeting
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of members.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.

Appendix D**BAKER TILLY RESTRUCTURING AND RECOVERY LLP – WATFORD****JOINT LIQUIDATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES**

CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner	312.50	312.50
Associate Director	200.00	200.00
Manager	156.25	156.25
Administrator	125.00	125.00
Support staff	75.00	75.00

“CATEGORY 2” DISBURSEMENT RATES (TABLE B)	
Fax	
Photocopying	
Internal room hire	
Subsistence	£23 per night
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)

Appendix E

JOINT LIQUIDATORS' CATEGORY 2 DISBURSEMENTS TABLE

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
None		
Total		

Appendix F

STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE PERIOD FROM 1 APRIL 2011

Type and Purpose	Incurred in Period
	£
Insolvency Bond	640
Company Searches	1
Courier	523 87
Storage Costs	1,994 43
Travel	193 73
Total	3,353.03

BECTA
768595/700 Members Voluntary Liquidation

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Administration and Planning						
Appointment	0.3	1.4	6.7	1.1	9.5	£1,293.75
Background information	2.9	0.0	2.6	0.5	6.0	£1,268.75
Case Management	0.9	19.1	57.5	0.8	78.3	£11,348.75
Closure	0.3	0.0	0.2	0.0	0.5	£118.75
Director(s)/Debtor/Bankrupt	0.0	0.0	0.0	0.1	0.1	£7.50
Pension Scheme	0.3	4.8	4.8	3.0	12.9	£1,878.75
Post-appointment - general	0.2	1.3	4.6	5.8	11.9	£1,332.50
Post-appointment taxation	0.1	0.6	6.4	3.1	10.2	£1,183.75
Pre-appointment matters	0.0	0.0	0.8	0.0	0.8	£100.00
Receipts and Payments	2.0	4.6	60.3	12.5	79.4	£10,020.00
Shareholders/Director/Debtor/ Bkpt	3.4	9.4	4.4	1.2	18.4	£3,582.50
Tax Matters	0.8	0.0	0.0	0.0	0.8	£250.00
Trading	0.0	0.6	0.0	0.0	0.6	£120.00
Unsecured Creditors	0.0	0.0	0.2	0.0	0.2	£25.00
Totals	11.2	41.8	148.5	28.1	229.6	£32,530.00
Realisation of Assets						
Assets - general/other	0.1	5.9	16.4	0.9	23.3	£3,328.75
Chattels	0.0	1.5	0.0	0.0	1.5	£300.00
Debtors & sales finance	0.9	2.5	15.8	1.8	21.0	£2,891.25
Land and Property	0.0	0.5	0.3	0.0	0.8	£137.50
Totals	1.0	10.4	32.5	2.7	46.6	£6,657.50
Trading						
Trading	0.0	27.1	8.6	2.1	37.8	£6,652.50
Totals	0.0	27.1	8.6	2.1	37.8	£6,652.50
Creditors						
1st creditors/shareholders meetings and reports	0.0	1.5	0.0	0.0	1.5	£300.00
Employees	0.2	4.8	15.7	1.6	22.3	£3,105.00
Pension Scheme	0.0	0.0	0.2	0.0	0.2	£25.00
Unsecured Creditors	1.3	11.5	87.2	4.4	104.4	£13,936.25
Totals	1.5	17.8	103.1	6.0	128.4	£17,366.25
Case Specific Matters - Legal Matters						
Legal Matters	0.0	7.5	0.2	0.3	8.0	£1,547.50
Major Issues - Employees	0.3	8.1	0.3	0.0	8.7	£1,751.25
Major Issues - Pension Scheme	0.0	0.0	0.4	0.0	0.4	£50.00
Totals	0.3	15.6	0.9	0.3	17.1	£3,348.75
No Activity / No Comment						
-	0.0	3.0	0.0	0.5	3.5	£637.50
Additional / Exceptional Work	0.3	0.0	0.0	0.0	0.3	£93.75
Agreed Work / Performance	0.0	0.6	0.0	0.0	0.6	£120.00
Correspondence	0.0	0.0	0.0	0.5	0.5	£37.50
Totals	0.3	3.6	0.0	1.0	4.9	£888.75
TOTAL HOURS	14.3	116.3	293.6	40.2	464.4	£67,443.75
TOTAL TIME COST	£4,468.75	£23,260.00	£36,700.00	£3,015.00		£67,443.75

NOTES TO APPENDIX G

JOINT LIQUIDATORS' TIME COST ANALYSIS

a) Administration and Planning

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and Income tax issues, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of Assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the business of the company has been traded (by the liquidator(s)) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of ongoing matters relating to this aspect of the case.

f) Case Specific Matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.