

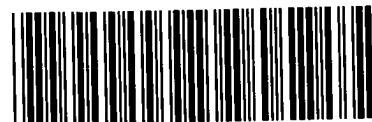
LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A99X1KGR

A25

23/07/2020

#188

COMPANIES HOUSE

1 Company details

Company number 0 5 4 0 6 9 7 2

Company name in full Cannon Automotive Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark

Surname Reynolds

3 Liquidator's address

Building name/number Glade House

Street 52-54 Carter Lane

Post town London

County/Region

Postcode E C 4 V 5 E F

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

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 2	^d 9	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9
To date	^d 2	^d 8	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X  X

Signature date	^d 2	^d 1	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

LIQ03

Notice of progress report in voluntary winding up

**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 **Izbel Mengal**Company name **Valentine & Co**Address
1st Floor Galley House
Moon LanePost town **London**

County/Region

Postcode **E N 5 5 Y L**

Country

DX

Telephone **0203 959 9595 / 0208 343 3710****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**

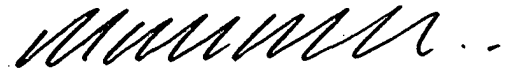
For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

Cannon Automotive Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 29/05/2019 To 28/05/2020 £	From 29/05/2018 To 28/05/2020 £
	ASSET REALISATIONS		
NIL	Associated Company Debtors	NIL	NIL
	Misc Refund	36.00	36.00
		36.00	36.00
	UNSECURED CREDITORS		
(11,090,083.00)	Associates Company Liability	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(3,557.50)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(11,093,640.50)		36.00	36.00
	REPRESENTED BY		
	Fixed Current A/c		36.00
			36.00

Note:



Mark Reynolds
Liquidator

**Liquidator's Annual Progress Report
to Creditors and Members**

**Cannon Automotive Limited
- In Liquidation**

21 July 2020

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction and Statutory Information
- 2** Receipts & Payments
- 3** Progress of the Liquidation
- 4** Creditors
- 5** Liquidator's Remuneration
- 6** Opting Out
- 7** Creditors' Rights
- 8** Next Report

APPENDICES

- A** Receipts and Payments Account for Period from 29 May 2019 to 28 May 2020
- B** Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9 (SIP 9)

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Mark Reynolds, of Valentine & Co, Glade House, 52 - 54 Carter Lane, London, EC4V 5EF, was appointed as Liquidator of Cannon Automotive Limited (the Company) on 29 May 2018. This report provides an update on the progress in the liquidation for the year ended 28 May 2020 (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.valentine-co.com/resources/>. 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 Rosemont Road, London, NW3 6NE.
- 1.4 The registered office of the Company was changed to c/o Valentine & Co, Glade House, 52-54 Carter Lane, London, EC4V 5EF and its registered number is 05406972.

2 Receipts and Payments

- 2.1 At Appendix A, I have provided an account of my Receipts and Payments for the period ended 28 May 2020 with a comparison to the Statement of Affairs values, which provides details of the remuneration charged and expenses incurred and paid by the Liquidator.

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.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details of the work I anticipated would be done in this area was outlined to creditors in my initial fees estimate/information.
- 3.3 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.

Realisation of Assets

- 3.4 A refund of £36.00 has been received from Penningtons Manches Cooper LLP in relation to over anticipated costs on a concluded matter.

Creditors (claims and distributions)

- 3.5 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is 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.

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

- 3.6 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.7 The above work will not necessarily bring any financial benefit to creditors generally, 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.
- 3.8 There were 2 unsecured creditor claims with a value of £11,090,083 as per the Director's Statement of Affairs.
- 3.9 There are no secured or preferential creditors.

Investigations

- 3.10 Some of the work the Liquidator is 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.
- 3.11 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.12 I have also carried out an appropriate level of investigation, given the funding constraints and creditors' reluctance to fund me in the process. I have prepared a report with the limited information available, which was placed before a market leading litigation funder in order to ascertain if they considered that, on the basis of the information available, the facts gave rise to a cause of action of sufficient merit that they would be prepared to fund that action or if they might seek an assignment.
- 3.13 Since the end of the reporting period the litigation funder has confirmed that they are not prepared to proceed to make an offer to fund or to take an assignment of any potential causes of action in this matter.

Matters Outstanding

- 3.14 In March 2020, I received a request from a creditor to convene a decision procedure for the appointment of replacement liquidators. A nomination for the replacement liquidators was sought by deemed consent. However, I received objections against the proposed decision and convened a virtual meeting instead where the resolution for the replacement of the Liquidator was rejected by the majority of creditors voting.
- 3.15 The creditor who made the request for the replacement of the liquidator has sought to appeal the decision made at the virtual meeting of creditors. This matter is to be heard by the Court in the ensuing months and creditors will be notified as to the outcome of the appeal.

4 Creditors

Secured Creditors

- 4.1 There are no secured creditors.

Preferential Creditors

- 4.2 There are no preferential creditors.

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

Unsecured Creditors

- 4.3 I have received claims totalling £21,531,751.70 from 4 creditors.
- 4.4 It should be noted that I received 2 claims of £10,236,650.00 during this period in relation to Directors' Loan Accounts which were not reflected within the Statement of Affairs but have been historically noted in the Company accounts. I have called for further evidence of these claims and have been provided with supporting schedules and certain bank statements.
- 4.5 I am yet to adjudicate inter-company claims totalling £11,090,083.00 which were reflected on the Director's Statement of Affairs.
- 4.6 A further creditor, also omitted from the Statement of Affairs, who benefits from a judgement granted by a US court, has submitted a claim amounting to £4,394,561.70.
- 4.7 At this stage, it appears that there is no prospect of a dividend to unsecured creditors.

5 Liquidator's Remuneration

- 5.1 The Liquidator's remuneration has not been approved by creditors.
- 5.2 A decision by correspondence procedure seeking approval of the Liquidator's remuneration was set for 20 June 2018. No response was received from the creditors.
- 5.3 A further decision date was set for 20 August 2019 where the creditors voted against the proposed basis of the Liquidator's remuneration.
- 5.4 The time spent on this case since my appointment relates to the following matters:
- Attending to correspondence and telephone calls with creditors
 - Recording and acknowledging creditors' claims
 - Investigations into the affairs of the Company
 - Obtaining bonding and completing bond reviews to enable the Liquidator to continue to act
 - Cashiering and updating insolvency computer system
 - Reviews of case
 - Statutory compliance which includes submissions to Companies House
- 5.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.valentine-co.com/resources/>.
- 5.5 Attached as Appendix B is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Opting out

- 6.1 Creditors have the right to elect to opt out of receiving further documents about the Liquidation, however where you choose to opt out, please be aware that you will continue to receive documents where:
- The Insolvency Act requires me to deliver a document to all creditors,
 - It is notification of change in the appointed Liquidator or the Liquidator's contact details,
 - It is notification about a dividend or proposed dividend, or

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

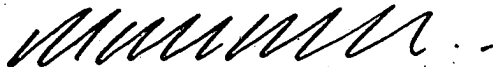
- It is a notice which the court orders to be sent to all creditors
- 6.2 Opting-out will not affect your entitlement to receive a dividend, in circumstances where a dividend is to be paid.
- 6.3 Although a creditor who has opted out is entitled to participate in the making of decisions in relation to the Liquidation (or any subsequent insolvency proceedings), please note that by opting out you will not be given notice of decisions being sought.
- 6.4 In order to opt out of receiving further documents, please make your request in writing, signed and dated by you or (if a company) someone entitled to sign on the creditor company's behalf. You will become an opted-out creditor when the notice is received by my office. You may at any time revoke your election to opt out by a further notice in writing, sent in the same way.

7 Creditors' Rights

- 7.1 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 Liquidator provide further information about their remuneration or expenses which have been itemised in this progress report.
- 7.2 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

8 Next Report

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.



Mark Reynolds

Liquidator

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

Appendix A

Receipts and Payments Account for Period from 29 May 2019 to 28 May 2020

Cannon Automotive Limited (In Liquidation) Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 29/05/2019 To 28/05/2020 £	From 29/05/2018 To 28/05/2020 £
	ASSET REALISATIONS		
NIL	Associated Company Debtors	NIL	NIL
	Misc Refund	36.00	36.00
		36.00	36.00
	UNSECURED CREDITORS		
(11,090,083.00)	Associates Company Liability	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(3,557.50)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(11,093,640.50)		36.00	36.00
	REPRESENTED BY		
	Fixed Current A/c		36.00
			36.00

Note:

Appendix B

Additional Information in Relation to Liquidator's Fees Pursuant to Statement Of Insolvency Practice 9 (SIP 9)

Policy

Detailed below is Valentine & Co's policy in relation to:

staff allocation and the use of sub-contractors;

professional advisors; and

disbursements.

Staff Allocation and the use of Sub-contractors

Our 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 team will depend on the size and complexity of the assignment and on larger, more complex cases, several staff may be allocated to meet the demands of the case.

With regard to support staff, time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, will this be charged.

We are not proposing to utilise the services of any sub-contractors in this case.

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
Mazars LLP (technical advice)	Hourly rate and disbursements
SBI (technical advice)	Monthly retainer
SBP Law (legal advice)	Hourly rate and disbursements

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.

CANNON AUTOMOTIVE LIMITED - IN LIQUIDATION

Liquidator's Expenses & Disbursements

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statutory advertising	0.00	0.00	184.89	184.89
Specific penalty bond	0.00	0.00	24.00	24.00
Technical advice	0.00	0.00	1,800.00	1,800.00

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

Category 2 disbursements 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 include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above. Valentine & Co reserve the right to alter their charge rates without notice from time to time.

Charge-out Rates

Details of the firm's current charge out rates are as follows (effective from 8 January 2015):

Please note that this firm records its time in minimum units of 6 minutes.

	Per Hour (£)
Managing Director	425
Other Directors / Consultants	325 – 375
Manager	200 – 300
Senior Administrator	150 – 200
Administrator	50 – 150
Junior / Support	50 – 100