

Liquidator's Progress Report**Pursuant to section 92A, 104A, and 192 of the
Insolvency Act 1986****S. 192**

To the Registrar of Companies

Company Number

06683619

Name of Company

(a) Insert full name
of company

(a) CANOPUS TECHNICAL SERVICES LIMITED - IN LIQUIDATION

(b) Insert full name(s)
and address(es)I ^(b)Stephen Katz of David Rubin & Partners LLP, 26 - 28 Bedford Row,
London, WC1R 4HEthe liquidator(s) of the company attach a copy of my/~~our~~ Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 9 October 2012 to 8 October
2013

Signed



Date

6/12/13

Presenter's name,
address and reference
(if any)David Rubin & Partners LLP
26 - 28 Bedford Row
London WC1R 4HE

Tel 020 7400 7900

DX Number 267 DX Exchange London/Chancery Lane

WEDNESDAY



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COMPANIES HOUSE

IN THE MATTER OF
CANOPUS TECHNICAL SERVICES LIMITED - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

THE LIQUIDATOR'S FIRST ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 8 OCTOBER 2013

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CANOPUS TECHNICAL SERVICES LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

(a) Introduction

Canopus Technical Services Limited ("the Company") was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under section 98 of the Insolvency Act 1986 on 9 October 2012. This report provides an update on the progress in the liquidation for the year ended 8 October 2013.

Rule 4.49C-CVL(5): Progress Report

(b) Statutory information

Company name	Canopus Technical Services Limited
Registered office	David Rubin & Partners LLP, 26-28 Bedford Row, London, WC1R 4HE
Company number	06683619
Trading address	Technical Service Centre, Unit C2, Crown Way, Rushden, Northamptonshire, NN10 6BS

(c) Liquidator's name and address:

Stephen Katz of David Rubin & Partners LLP, 26 - 28 Bedford Row, London, WC1R 4HE was appointed Liquidator of the Company on 9 October 2012.

(d) Basis of Liquidator's remuneration

Basis of remuneration

- 1.1 At the first meeting of Creditors a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There has not been any material increase in the rates during this appointment. Our current hourly chargeout rates, which are charged in units of 6 minutes, exclusive of VAT, are as follows -

	£
Senior / Managing Partners	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to

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indirect costs such as Professional Indemnity Insurance Time is charged in minimum units of 6 minutes

1 3 *Staff allocation and the use of subcontractors*

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, Manager, Senior Administrator and two Administrators The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case

We have not utilised the services of any subcontractors in this case

(e) Liquidator's remuneration

My time costs for the year under review are £30 838 50 This represents 168 41 hours at an average rate of £182 82 per hour I attach at Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade

To date £2,000 00 has been paid on account of these time costs

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details

USERNAME c499 can@sharesrvr com PASSWORD nac994C*

Alternatively, please contact this office to arrange for a copy to be sent to you

Included in the work undertaken by me and my staff is the following -

- i) Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims,
- ii) Carrying out all necessary investigations, including the examination of the company's statutory books and books of accounts and records in order to enable me to prepare and submit a Liquidator's report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986,
- iii) Completing VAT reclaims, including VAT Bad Debt Relief reclaims,
- iv) Dealing with all matters relating to the recovery of the VAT on the Nominees fees from B&C Associates,
- v) Quarterly case reviews to ensure all outstanding matters are dealt with,
- vi) Submitting corporation tax returns,
- vii) Dealing with all matters relating to the lease, fixtures, fittings and racking, including correspondence with the landlord, The Warren Partnership Ltd and an independent business broker

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(f) Liquidator's expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments Account

(g) Details of progress for the period under review and cumulatively:

The Company's book debts, along with the benefit of the contracts, goodwill, business name, office equipment, plant and equipment, records, IT systems, website servers stock and work-in-progress were sold on a going concern basis prior to my appointment to Canopus Solutions Limited in accordance with the Asset Purchase Agreement dated 20 September 2012. The assets were sold for £93,286.75

Prior to disposal, the assets were valued by two independent agents and valuers, The Warren Partnership Ltd ("TWP") and Philip Davies & Sons. There was a dispute as to the ownership of the heavy duty metal racking with the landlord and therefore the agents did not include this in their valuation report. Following my appointment, I instructed TWP to value the racking with a view to disposal. The landlord disputed that the racking was property of the Company and I have received independent confirmation from a third party that the landlord owns the racking. No further realisations are therefore anticipated in this regard.

A Receipts and Payments Account is attached at Appendix A, which is further explained below.

1. Receipts

1.1 Realisation of Assets

Other Debtors

The Estimated Statement of Affairs ("ESOA") disclosed other debtors with a book value of £8,204.00 and an uncertain realisable value. The Asset Purchase Agreement dated 20 September 2012, states that book debts were sold to Canopus Solutions Limited in the sum of £39,000.00. All debts have been sold to Canopus Solutions Limited prior to Liquidation and therefore the estimated to realise value on the ESOA for other debtors should have been nil.

Cash at Bank

The ESOA disclosed cash at bank with a book value of £597.47 and an estimated to realised value of £597.97. No cash at bank has been realised as following receipt of the closing bank statements it was established that both accounts were overdrawn at the date of liquidation.

VAT Refund

Prior to Liquidation, the Company was in a Company Voluntary Arrangement ("CVA") that commenced on 9 September 2011. J M Brenner of B&C Associates was appointed Supervisor of the CVA. As stated in the CVA Final Report, there was £1,200 irrecoverable VAT. The irrecoverable VAT related to Nominees fees that were billed directly to the Company. The Supervisor therefore, did not reclaim the

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VAT on the Nominees fees Following my appointment, I submitted a claim to HM Revenue and Customs ("HMRC") and £1,200 was realised

VAT Bad Debt Relief

The debtor ledger stated provisions for doubtful debts for the year 1 September 2010 to 31 August 2011 Accordingly, I submitted a claim for VAT Bad Debt Relief to HM Revenue and Customs The sum of £1,042.64 was received from HMRC in respect of VAT BAD Debt Relief as per ruling in the *Tunes Right Marketing Limited (in Liquidation) v Revenue & Customs* [2008] UKVAT V20611 (13 March 2008)

Unclaimed Dividend in the CVA

As mentioned in the Supervisors final report, dividend cheques were issued to all agreed unsecured creditors in the sum of 4 pence in the £. on their agreed unsecured claims 1st Reaction Ltd, a creditor of the Company, received a cheque for the sum of £7.05 However, 1st Reaction Ltd stated that they had already been paid in full and subsequently, returned their cheque for £7.05

1.2 Cash held on appointment

The amount of £9,000.00 was held by my firm, prior to my appointment as Liquidator specifically for the purposes of meeting the costs of the Statement of Affairs fee as detailed below

1.3 Bank interest gross

Interest earned on the funds in hand amounts to £6.70

2. Payments

2.1 Statement of affairs fee

This fee relates to the assistance given to the directors of the Company in notifying and convening the members and creditors meetings under section 98 of the Insolvency Act 1986, and the preparation of the statement of affairs and directors' report to creditors This fee was approved at the first meeting of creditors

2.2 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005

2.3 Meeting Costs

The first meetings of members and creditors were held at my offices for which my firm charged a nominal rental of £150 plus VAT for the provisions of the boardroom and ancillary facilities

2.4 Office holders fee

This is disclosed at (e), above

2.5 Other expenses incurred but yet to be paid

Carriage and Archiving

My firm uses its own personnel and vehicle for collection of books and records for which we charge £30 per hour. My firm has incurred £35 in respect of archiving costs which have not yet been paid.

Statutory costs

The amount of £3 has been incurred but has not yet been paid in respect of fees for various searches and information obtained from Companies House.

Statutory advertising

This relates to the costs for the publishing of statutory advertising in the London Gazette in respect of the first meetings of the members and creditors and the notice of the appointment of the liquidator.

(h) Details of any assets that remain to be realised and outstanding matters

I have now concluded my investigation into the Company's affairs. No further asset realisations are anticipated and there are no outstanding matters which prevent the case from being closed. The liquidation will be concluded in due course.

(i) Investigations

- 1.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.
- 1.2 Shortly after my appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations revealed the following issues -

That a number of business transactions had been processed through the director's personal bank account. A detailed analysis was undertaken and following an interview with the directors it was concluded that the transactions were legitimate and had been conducted in that manner purely to facilitate ongoing trading of the business.

The investigations have now been concluded.

(j) Creditors' rights – Rule 4.49E and Rule 4.131

- i) 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 provides further information about his remuneration or expenses which have been itemised in this progress report.

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- ii) 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 the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive

(k) Any other relevant information:

(i) (a) Secured creditors

There are no secured creditors

(ii) Preferential creditors

There are no preferential creditors as all employees were transferred as part of the sale of business

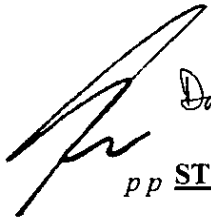
(iii) Unsecured creditors

The claims of 25 unsecured creditors totalling £254,836.89 have been received compared to 72 creditors totalling £636,425.24 disclosed on the Director's Estimated Statement of Affairs. Based on current information, it is unlikely that there will be a dividend payable to the unsecured non-preferential creditors

(l) Next report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager, Claire Buys, or her assistant, Jessica Tumath at this office



David Rubin & Partners

pp **STEPHEN KATZ - LIQUIDATOR**

DATE: 6 DECEMBER 2013

CANOPUS TECHNICAL SERVICES LIMITED - IN LIQUIDATION**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT****FROM 9 OCTOBER 2012 TO 8 OCTOBER 2013**

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £
<u>Balance brought forward</u>		
<u>Receipts</u>		
Other Debtors	Uncertain	-
Cash at Bank	597 47	-
Cash held on Appointment	9,000 00	9,000 00
VAT Refund		1,200 00
VAT Bad Debts Relief		1,042 64
Bank Interest Gross		6 70
Unclaimed Dividend in the CVA		7 05
		<u>11,256 39</u>
<u>Payments</u>		
Statement of Affairs Fee		7,500 00
Specific Bond		64 80
Meeting Costs		150 00
Office Holders Fees		2,000 00
		<u>9,714 80</u>
<u>Receipts less Payments</u>		<u>1,541 59</u>
<u>Represented by:-</u>		
- - VAT Recoverable - - - -		-439 00
Balance at bank		1,102 59
		<u>1,541 59</u>

CANOPUS TECHNICAL SERVICES LIMITED - IN LIQUIDATION							
LIQUIDATOR'S TIME COSTS FOR THE PERIOD 9 OCTOBER 2012 TO 8 OCTOBER 2013							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance admin and planning	00 54	07 36	45 18	05 00	58 48	9,283 50	157 88
Investigations	02 48	33 24	31 24	00 00	67 36	14,789 00	218 77
Realisations of assets	00 54	04 48	22 36	00 00	28 18	4,493 50	158 78
Creditors	00 06	02 42	11 11	00 00	13 59	2,272 50	162 51
Total hours and costs	04 42	48 30	110 29	05 00	168 41	30,838 50	182 82

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate

Postage and stationery circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.