

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
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1 Company details

Company number	0	6	4	5	8	9	7	6
Company name in full	Synaptix Technologies Limited							

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

2 Liquidator's name

Full forename(s)	Michael
Surname	Durkan

3 Liquidator's address

Building name/number	G2 Montpellier House
Street	
Post town	Montpellier Drive
County/Region	Cheltenham
Postcode	G L 5 0 1 T Y
Country	

4 Liquidator's name ①

Full forename(s)	
Surname	

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

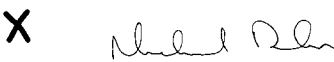
5 Liquidator's address ②

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	3	^d	0	^m	1	^m	0	^y	2	^y	0	^y	2	^y	1
To date	^d	2	^d	9	^m	1	^m	0	^y	2	^y	0	^y	2	^y	2
7	Progress report															
☒ The progress report is attached																
8	Sign and date															
Liquidator's signature	Signature 															
Signature date	^d	2	^d	2	^m	1	^m	2	^y	2	^y	0	^y	2	^y	2

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 Michael Noakes

Company name Durkan Cahill

Address Suite G2

Montpellier House

Post town Montpellier Drive

County/Region Cheltenham

Postcode G L 5 0 1 T Y

Country

DX

Telephone 01242 250 811



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

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Synaptix Technologies Limited in Creditors' Voluntary Liquidation

4th Annual Progress Report

22 December 2022

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1. Liquidator's receipts and payments account
2. Practice Fee Recovery Policy
3. Description of routine work undertaken

Liquidator's Name and Address:
Michael Durkan
Durkan Cahill, Suite G2 Montpellier House
Montpellier Drive
Cheltenham
GL50 1TY

Telephone: 01242 250811
Fax: 01242 227191
Web: www.durkancahill.com
Email: mpd@durkancahill.com

1. INTRODUCTION & BACKGROUND

- 1.1 The members' and creditors' meetings were held on 30 October 2018 when I was appointed liquidator of the company.
- 1.2 The purpose of this report is to detail my acts and dealings together with the conduct of the liquidation since those meetings and should be read in conjunction with my previous progress reports.
- 1.3 The company's registered office is Suite G2 Montpellier House, Montpellier Drive, Cheltenham, GL50 1TY. The company registration number is 06458976.
- 1.4 The Company's former registered office was previously at Unit 2 Forge Works, Northampton Road, Weston-On-The-Green, Bicester, OX25 3AB. This was also the former trading address.
- 1.5 The Company's principal activity was the installation and maintenance of IT software in the telecoms industry.
- 1.6 The directors attributed the Company's failure to two areas. They moved away from a daily involvement and suffered a significant loss of earnings following the merger of a major client.

2. ADMINISTRATION & PLANNING

- 2.1 There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 3.

3. ASSET REALISATIONS

- 3.1 My Receipts & Payments Account is attached at Appendix 1 covering the 12 month period to 29 October 2022. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.
- 3.2 As previously advised, the assets, as per the statement of affairs, have been dealt with in previous reporting periods. As such no work has been undertaken in respect the statement of affairs assets in the 12 month period covered by this report. The work undertaken in the previous reporting periods is repeated below for ease of reference and to give context to the rest of this report, in particular to the fees that have been charged to this case to date.
- 3.3 In the period since my last report, I have continued with efforts in finalising my investigations which has resulted in realisations being made. A full update in respect of this can be found under the Investigations heading at section 4.

Goodwill and Office Furniture & Equipment

Requirement of Statement of Insolvency Practice (SIP) 13 – Disposal of Assets to Connected Parties in an Insolvency Process

- 3.4 As previously reported, in accordance with SIP 13, I am obliged to provide creditors with a proportionate and sufficiently detailed justification of why a sale to a connected party was undertaken, including the alternatives considered. This disclosure must be made in the next report to creditors following the sale. The information was therefore provided in my first report to creditors, but is repeated below for ease of reference:
- 3.5 On 30 October 2018, I sold the above assets of the Company to Tele247 Limited, a Company connected with the Directors for £2,000 plus VAT. The interest shown by the connected Company, and the connection between the two, was disclosed to creditors prior to the liquidation.

- 3.6 On 24 October 2018, a valuation of the assets of the Company was prepared by James Gregory AssocRICS of MGR Appraisals Limited, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.
- 3.7 Details of the different categories of assets, their valuations and the sums realised are listed below:

Asset category	Valuation basis & amount		Sale Consideration
	Willing buyer, £	Break-up, £	£
Goodwill	Not valued	Not valued	1,000
Office equipment	3,000	900	1,000
Total	<u>3,000</u>	<u>900</u>	<u>2,000</u>

- 3.8 The 'willing buyer' or 'in-situ' value is the estimated amount for which an asset or assets should exchange between a willing buyer and a willing seller in an arm's length transaction whereby the assets will be sold as a whole and will remain in their existing place and location following sale.
- 3.9 The 'break-up value' or 'ex-situ' is the estimated amount for which an asset should exchange between a willing buyer and a willing seller in an arm's length transaction with the assumption that the assets will be removed from their existing location following sale.
- 3.10 It was reported to creditors prior to the liquidation that the Company's filed accounts do not show Goodwill as an asset but some interest had been received from a connected party in acquiring it. As a result it was not shown as an asset in the statement of affairs, nor valued due to the Company's pending insolvency, but any realisation in respect of Goodwill would be reported in full to creditors.
- 3.11 Prior to completing a sale I discussed the offer to purchase the assets with MGR Appraisals. They advised that the offer of £2,000 for the goodwill and tangible assets represented the best realisation of assets in the circumstance and far greater than they would expect to realise in a break up situation by either auction, tender or private treaty after their costs.
- 3.12 The sum of £2,400 including VAT was received at the beginning of November 2018.

Book Debts

- 3.13 As previously reported, the Company's book debts of £28,661.08 included a majority debtor in the sum of £26,577.40, who also went into insolvent liquidation. That Company is VOCA Telemarketing Limited, an associated Company by way of common director and shareholder.
- 3.14 The liquidation commenced in April 2018 and following my appointment I submitted a claim in the liquidation. The level of assets on the statement of affairs indicated a dividend would be likely and I can confirm a dividend of 6.75p in the £, equating to £1,794.33, was received in August 2019. No further dividends will be received as the company is now dissolved.
- 3.15 The remaining book debts of £2,083.68 are divided between four companies and were written down on the statement of affairs by a general provision of 25%, giving an estimated to realise value of £1,562.76.
- 3.16 Following my appointment I wrote to the book debtors and have been successful in recovering £1,843.68 in the first 12 months of my appointment. The receipts represent a 100% recovery following evidence that one book debt in the sum of £240.00 had already been paid.

- 3.17 Several letters and emails were exchanged with the three debtors before payments were received, but this was all achieved without the assistance and costs of instructing agents. No further funds will be realised.

Work in Progress

- 3.18 As previously reported, the Work in Progress related to ongoing maintenance and installations completed in September and October 2018 that were not due for payment under the terms of contract with the single customer when the Company entered liquidation.
- 3.19 Upon my appointment as liquidator, I agreed with the directors that the best approach would be for the customer to pay the liquidator direct, leaving the purchaser of the Company's goodwill and assets to make its own separate enquiries with a view to working with the customer in the future.
- 3.20 Following my appointment I asked the directors to clarify the current position with regards to invoices submitted to the customer and work undertaken prior to the liquidation. This was provided and the directors made arrangements with the former customer to make payment direct to the liquidator.
- 3.21 However, months passed and the payment had still not been received despite repeated chasing by both myself and the directors. It was clear the customer, Sky Business, had not understood the situation and was experiencing problems processing the Company's purchase orders and invoices, and this was the sole reason for the delay.
- 3.22 It was not until 4 June 2019, some 7 months after liquidation commenced, that the sum of £24,450.17 was received. No further funds will be received.

Cash at Bank

- 3.23 Prior to liquidation the Directors advised that the sum of £65,513.62 was held in the Company's bank account and it was expected to be realised in full.
- 3.24 After giving the Co-operative Bank notification of the liquidation, it confirmed the sum of £50,481.93 was being held in the Company's current accounts and there was a debit balance of £2,924.45 on the Company's visa charge card.
- 3.25 As a result, I only expected to receive the net amount of £47,557.48 after the Co-operative Bank used its right to set-off. After 3 months of chasing, a lower than anticipated sum of £46,098.90 was received. It transpired that the Company's visa charge account increased to £4,318.87 by the end of November 2018, a month after the Company entered liquidation.
- 3.26 As previously reported, I requested the Co-operative Bank to forward all credit card statements connected to the visa charge account so that I could establish whether the additional debt was incurred prior to or after commencement of the liquidation.
- 3.27 After months of chasing Co-operative Bank I eventually received the statements in January 2020. Following a review of the statements in connection with the company's charge card, I made a refund claim in the sum of £137.82 in respect of spending and charges applied after liquidation. The amount was received on 27 February 2020. No further cash at bank will be received.

Antecedent Transaction Recovery

- 3.28 Narrative within the Investigations heading at section 4 below explains the initial discovery of this recovery and the work undertaken up to the agreed settlement sum of £160,000.
- 3.29 Since the settlement was agreed, the directors have adhered to the terms of the agreement and my solicitors have registered a charge over the directors property.

- 3.30 The sum of £115,100 has been received to date, of which £87,175 has been received in the reporting period ending 29 October 2022.
- 3.31 At the time of issuing this report, I can confirm the monthly instalments for November 2022 and December 2022 have been received and £34,900 remains to be paid in 2023, with the final sum expected in July 2023.

Miscellaneous Receipts

- 3.32 Between 30 October 2021 and 20 April 2022, the balance of funds were held in an interest bearing estate bank account. Bank interest of £91.10 (gross of tax) was received during that period.
- 3.33 As the interest was received gross of tax, Corporation Tax will become payable on this income. At the time of this report, I can confirm the sum of £17.29 has been paid to HMRC in respect of CT in the 12 month period covered by this report.
- 3.34 The balance of funds since 20 April 2022 have been held in a non-interest bearing estate bank account. Due to the relatively low level of funds held, I made the decision not to open a separate interest bearing account, as the costs of processing monthly interest payments would outweigh the interest generated.
- 3.35 My Receipts & Payments Account is attached at Appendix 1 covering the 12 month period to 29 October 2022. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

4 INVESTIGATIONS

- 4.1 No investigation work has been undertaken in the 12 month period to 29 October 2022 and as previously reported I am simply monitoring the receipt of monthly contributions from the directors as a result of my successful investigations. A summary of the work done in previous periods is repeated below for reference.
- 4.2 In accordance with Statement of Insolvency Practice 2 I have undertaken 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.
- 4.3 Tasks undertaken in respect of my initial investigations included:
- Recovering, listing and reviewing the Company's accounting records
 - Obtaining and reviewing copy bank statements for the six months prior to the Company ceasing to trade to identify any antecedent transactions
 - Comparing the information in the Company's last set of accounts with that contained in the statement of affairs, and making enquiries about the reasons for any changes.
 - Receiving enquiries from and dealing with matters brought to my attention by creditors or other third parties
 - Making enquiries of and obtaining information from officers of the company
- 4.4 No matters of concern have been raised by any creditors in this case.
- 4.5 I advised in my first annual report that there were matters that justified further investigation in the circumstances of this appointment. I further advised that these related to potential actions that may lead to further recoveries being made in the liquidation, and more specifically, are in respect of a large number of transactions between the company and the directors since the last formal accounts, who showed themselves as creditors on the statement of affairs for approximately £90,000.

- 4.6 As previously reported, my solicitors and I have communicated with the directors, their solicitors who then stopped acting for them in August 2020, and subsequent to this the directors' new advisor. We held a meeting with the directors and their new advisor in September 2020 to discuss the outstanding matter.
- 4.7 As previously reported, I established that the directors did in fact have an overdrawn director's loan account ("DLA") in the sum of £193,910. The directors were made aware of this and were asked to put forward their proposals for repayment.
- 4.8 The directors put forward three offers in respect of a settlement for repayment which I deemed were all far too low. My solicitors therefore sought advice from Counsel who believed that our claim was strong and that if we were to take this matter to Court we would most likely be successful. Due to this they believed that we should not accept any offer less than £160,000.
- 4.9 In April 2021, my solicitors wrote to the directors and advised that we would accept an offer of settlement in the sum of £160,000. The directors provided documents which they believed demonstrated that some of the transactions included within the DLA were business expenditure. However on review of these documents it was established that they were not strong enough evidence for us to drop part of our claim.
- 4.10 The directors were advised of this and in June 2021 they agreed to the settlement sum of £160,000 which they would pay by way of an initial lump sum of £40,000 due immediately and the remainder of the sum would be paid in monthly instalments of £5,000. The final payment would be due in July 2023.
- 4.11 I accepted the payment proposal on the basis that I would be granted security over the directors' property and that the monthly instalments would be reviewed at month 9 to establish if the directors could pay more. The directors accepted these terms and further information can be found under the Asset Realisation heading in the report above.
- 4.12 As previously advised, within three 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 that 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 confirm that my report was submitted on 28 January 2019.

5 CREDITORS' CLAIMS

Secured Creditors

- 5.1 There are no secured creditors in this matter.

Ordinary Preferential Creditors

- 5.2 The preferential claims of employees as recorded on the Statement of Affairs amounted to £43,223.95. This did not include £2,335.63 in respect of outstanding employee pension contributions in the four months preceding the insolvency date.
- 5.3 A claim in the sum of £33,473.25 has been received from the Insolvency Service in respect of preferential elements of claims paid to employees and the company's pension provider by the Redundancy Payments Service.

Secondary Preferential Creditors

- 5.4 There no secondary preferential creditors in this matter and the liabilities owed to HM Revenue & Customs rank as an unsecured claim.

Unsecured Creditors

- 5.5 Unsecured creditors, as per the Statement of Affairs, totalled £366,351.09.
- 5.6 A total of 17 creditors have submitted claims to date with an aggregate value of £475,255.38. In anticipation of declaring a dividend in the future, claims to the value of £462,454.36 have been admitted for dividend and two claims to the value of £12,801.02 have been rejected.
- 5.7 Please be advised that I am still receiving proofs of debt from creditors and I would encourage creditors to lodge a claim in the liquidation proceedings.

6 DIVIDEND PROSPECTS

Preferential creditors

- 6.1 A 100p in the £ dividend was declared on 26 August 2022. The total amount distributed was £34,550.52.

Ordinary unsecured creditors

- 6.2 Based on current realisations, I anticipate that a dividend will be payable in 2023. I anticipate declaring an interim dividend in early 2023, followed by a second and final dividend shortly after the final payment is received from the directors in July 2023.

7 COSTS AND EXPENSES

- 7.1 Details of payments are shown on the receipts and payments account at Appendix 1.
- 7.2 A schedule of my firm's Practice Fee Recovery Policy and list of typical charge out rates for each level of staff employed in the administration of this matter is attached at Appendix 2.
- 7.3 Creditors are also advised that there has been a change in Durkan Cahill's charge out rates since approval of my fee basis by creditors. Prior to the change, which occurred on 1 April 2021, my firm's charge out rates had remained the same since 1 April 2017. The rates were therefore adjusted to take account of inflation and the firm's overheads. Details of those changes are contained within the enclosed Practice Fee Recovery Policy, which includes details of both current charge out rates and those charged immediately prior to the increase.
- 7.4 On 1 April 2021 changes were made to Statement of Insolvency Practice No. 9 which now states that the recovery of any overheads other than those absorbed in the charge out rates is not permissible. As such, the recovery of expenses listed under Category 2 would no longer be allowed. However, as these have been incurred and paid prior to 1 April 2021 these have been recovered in line with guidance at the time and with the authority given by the creditors.

Pre-appointment remuneration and expenses

- 7.5 The agreed fee payable to Durkan Cahill in the sum of £5,000 plus VAT for preparing the Statement of Affairs and for arranging the decision procedure for creditors to appoint a liquidator has not been drawn to date.
- 7.6 My approved pre-appointment expenses included the following, which have been paid in full:

	Incurred, £	Paid, £
Category 1		
Postage & Copying (3 rd Party)	98.12	98.12
Statutory Advertising	71.25	71.25

Category 2

Room Hire	70.00	70.00
Mileage	45.00	45.00

Professional Costs

Agent's fee	<u>1,200.00</u>	<u>1,200.00</u>
	<u>1,484.37</u>	<u>1,484.37</u>

7.7 The agent's fee is in respect of the valuation of assets provided by MGR Appraisals Limited ('MGR') for the purposes of preparing the Statement of Affairs, as well as advice provided on the offer received in respect of the proposed purchase of the Company's assets. This work was completed on a fixed fee basis, and the fee charged is reflective of the qualification and expertise of the agent undertaking the work.

7.8 At the meeting of creditors I estimated that the agent's costs would be £500 and in my first report to creditors reported the same, but creditors should note that this was only an estimate. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Post-appointment remuneration

7.9 Following my appointment, creditors were invited to form a committee however there were insufficient nominations and none was formed.

7.10 My remuneration was therefore authorised by the creditors on 12 December 2018 via a decision by correspondence on a combination of a fixed fee and a percentage of asset realisations basis.

7.11 I was authorised to draw a fixed fee of £20,000 plus VAT for undertaking work in respect of all statutory and regulatory obligations as described in my first report to creditors.

7.12 I was also authorised to draw an element of my remuneration on a percentage basis for undertaking work in respect of asset realisations. I am authorised to charge 20% of realisations.

7.13 On 14 October 2022 creditors will recall that I convened a further decision procedure and ask them to consider my request to increase my fixed fee entitlement to £35,000. Creditors were also invited to form a committee however there were insufficient nomination and none was formed.

7.14 Creditors voted in favour of the decision and my fees for undertaking work in respect of statutory and regulatory obligations were increased to £35,000 plus VAT.

7.15 Based on the realisations made to date, for work undertaken in respect of asset realisations I am entitled to remuneration of £38,399.30 plus VAT, which is in addition to my fixed fee of £35,000 plus VAT.

7.16 I have not drawn any remuneration to date.

7.17 Based on the value of the known assets of the Company I anticipate being able to draw my approved remuneration in full.

Expenses

7.18 Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and

- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

- 7.19 On 12 December 2018 creditors also authorised the re-charge of category 2 expenses as per the rules prior to 1 April 2021. These have been paid prior to 1 April 2021.
- 7.20 Expenses incurred in the period to 29 October 2022 total £999.68 of which £50.82 was incurred in the 12 month period to 29 October 2022. Expenses of £948.86 have been paid to date, none of which was paid in the reporting period.
- 7.21 Details of the expenses incurred and recovered from the funds held are as follows;

	Estimated, £	Incurred, £	Paid, £	Not yet paid, £
Category 1				
Land Registry Search Fee	0.00	3.00	3.00	0.00
Postage & Copying (3 rd Party)	45.90	90.18	39.36	50.82
Specific Penalty Bond	420.00	680.00	420.00	0.00
Statutory Advertising	142.50	142.50	142.50	0.00
Category 2				
Records Storage	<u>28.00</u>	<u>84.00</u>	<u>84.00</u>	<u>0.00</u>
	<u>636.40</u>	<u>999.68</u>	<u>948.86</u>	<u>50.82</u>

- 7.22 Included in this table are the expenses that I estimated would arise in addition to that which had been incurred at the time of my first report to creditors. Creditors will note that the expenses I have incurred in this matter have exceeded the total expenses that I estimated I would incur when my remuneration was authorised by creditors. This is because, as stated at the time of my first report and in my first annual report, the estimates did not take into account the administration of the liquidation taking longer than 12 months. Additional storage costs have therefore been incurred in the second year of the liquidation. In addition, due to an additional asset realisations I have had to increase the level of my bond.
- 7.23 I anticipate that the total expenses I will incur in this matter will further exceed the total expenses I estimated I would incur when my remuneration was authorised by creditors. This is because, as stated at the time of my first report, the estimates did not take into account the administration of the liquidation taking longer than 12 months. There will therefore be additional postage costs incurred when declaring dividends in 2023.
- 7.24 I have not used any agents or professional advisors in the 12 month period to 29 October 2022.
- 7.25 As previously advised, I have used and paid, where stated, the following agents or professional advisors:

Professional Advisor	Nature of Work	Fee basis	Incurred, £	Paid, £
HCR	Solicitors	Time costs	23,181.50	23,181.50
HCR	Solicitors	Disbursements	2,606.00	2,606.00
Freeths LLP	Solicitors	Time costs	<u>3,200.00</u>	<u>3,200.00</u>
			<u>28,987.50</u>	<u>25,787.50</u>

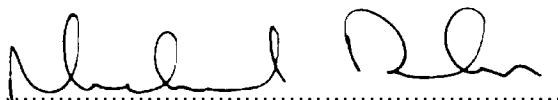
- 7.26 Full details of their costs, together with other costs incurred and paid in earlier reporting periods have been disclosed in previous annual reports.
- 7.27 Only the fees of Freeths LLP were paid in the reporting period, as shown in the enclosed Receipts & Payments account.

8 FURTHER INFORMATION

- 8.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.
- 8.2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit
- 8.3 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/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <http://durkancahill.com/helpful-information-fags/> under the heading "Guides". There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further details in the practice fee recovery sheet. A hard copy of both documents can be obtained on request from this office.
- 8.4 To comply with the Provision of Services Regulations, some general information about Durkan Cahill, including about our complaints policy and Professional Indemnity Insurance, can be accessed at <http://durkancahill.com/helpful-information-fags/> under the heading "Guides".
- 8.5 Durkan Cahill uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation. You can find more information on how Durkan Cahill uses your personal information on our website at <http://durkancahill.com/privacy-policy/>.

9 CONCLUSION

- 9.1 I shall be continuing my administration of the liquidation in order to collect in the payments due under the agreed settlement. I estimate that this will be completed in July 2023 and following a final dividend payment to non-preferential unsecured creditors, the Liquidation will be finalised and our files will be closed.
- 9.2 Progress reports will continue to be issued annually until such time as the above matters are concluded, and once resolved the Liquidation will be finalised and our files will be closed. However, I am hopeful that I can bring the administration of the liquidation to a close prior to the next anniversary.
- 9.3 If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available online, they should contact Michael Noakes on 01242 250811 or by email at mike.n@durkancahill.com.



Michael Durkan
Liquidator

APPENDIX 1

Liquidator's Receipts and Payments Account

Synaptix Technologies Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 31/10/2021 To 30/10/2022 £	From 30/10/2018 To 30/10/2022 £
	ASSET REALISATIONS	
	Antecedent Transaction recovery	115,100.00
	Bank Interest Gross	534.72
	Bank Interest Net of Tax	36.89
1,562.76	Book Debts	3,638.01
65,513.62	Cash at Bank	46,236.72
	Goodwill	1,000.00
900.00	Office Furniture & Equipment	1,000.00
21,600.00	Work in Progress	24,450.17
	87,266.10	191,996.51
	COST OF REALISATIONS	
	Corporation Tax	83.98
	Legal Disbursements	2,606.00
	Legal Fees	23,181.50
	Legal Fees (Freeths)	3,200.00
	Liquidator's Expenses	948.86
	MGR Appraisals Ltd	1,200.00
	PAYE & NI	211.27
	Petitioner's Costs	902.40
	Pre-appointment Expenses	284.37
	(3,446.99)	(32,618.38)
	PREFERENTIAL CREDITORS	
(43,223.95)	Employee Arrears/Hol Pay	34,339.25
	(34,339.25)	(34,339.25)
	UNSECURED CREDITORS	
(26,840.00)	Connected Parties	NIL
(89,987.24)	Directors	NIL
(68,028.55)	Employees	NIL
(49,293.56)	HM Revenue & Customs - PAYE	NIL
(74,953.90)	HM Revenue & Customs - VAT	NIL
(22,702.43)	HM Revenue & Customs (CT)	NIL
(2,335.63)	The People's Pension	NIL
(32,209.78)	Trade & Expense Creditors	NIL
	NIL	NIL
	DISTRIBUTIONS	
(2.00)	Ordinary Shareholders	NIL
	NIL	NIL
(320,000.66)	49,479.86	125,038.88
	REPRESENTED BY	
	Bank 1 Current	125,038.88
	Vat Control Account	(5,780.14)
	Vat Payable	(400.00)
	Vat Receivable	6,180.14
		125,038.88

A handwritten signature in black ink, appearing to read 'Michael Durkan', positioned above a horizontal line.

Michael Durkan
Liquidator

APPENDIX 2

Practice Fee Recovery Policy

PRACTICE FEE RECOVERY POLICY FOR DURKAN CAHILL

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <http://durkancahill.com/helpful-information-faqs/> under the heading "Guides". Alternatively, a hard copy may be requested from Michael Durkan of Durkan Cahill. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Realisation of Assets
- Investigations
- Creditors
- Trading
- Case specific matters

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2021	Previous charge-out rate per hour, effective from 1 April 2017
Partner – Insolvency Practitioner	£320-370	£300-350
Senior Manager	£290	£270
Manager	£230	£210
Supervisor/Senior Administrator	£200	£180
Case Administrator	£170	£150
Cashier	£200	£180
Support Staff	£100	£80

These charge-out rates charged are reviewed on 1 April each year and are adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. In these circumstances there are no direct costs included in our fee other than in respect of the Officeholder and his staff's time costs, costs of the case management system and accountancy software.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.'

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs, but only in relation to MVLs:

SmartSearch Fee	£2.53 per search
Bank Account Service Fee	£20.00 per annum

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them.

The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

* Note: where such professional advisors are instructed on a case, the office holder will not charge any remuneration to the case in respect of such work, other than in respect of supervising and monitoring their work.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

APPENDIX 3

Description of routine work undertaken

Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Convening a decision procedure to seek a decision from creditors to increase the liquidator's remuneration.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, 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 on a quarterly basis.
- 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 forms at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

Creditors

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service (RPS). The office holder is required to undertake this work as part of their statutory functions.)

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Corresponding with employees regarding their claims.
- Supervising the work of advisors instructed on the case to assist in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Liaising with the Redundancy Payments Service regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- 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.

- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.