

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



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A23

25/01/2018

#1

COMPANIES HOUSE

1 Company details

Company number 06662775

Company name in full Southern Wood Energy Limited

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

2 Court details

Court name High Court of Justice, Chancery Division, Companies Court

Court case number 0909 of 2017

3 Administrator's name

Full forename(s) Alexander

Surname Kinninmonth

4 Administrator's address

Building name/number Highfield Court
Street Tollgate
Chandlers Ford

Post town Eastleigh

County/Region

Postcode SO53 3TY

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ^①

Full forename(s) David

Surname Smithson

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

6 Administrator's address ^②

Building name/number Highfield Court

Street Tollgate
Chandlers Ford

Post town Eastleigh

County/Region

Postcode S O 5 3 3 T Y

Country

② Other administrator
Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s) The directors of Southern Wood Energy Limited

Surname

8 Proposed liquidator's name

Full forename(s) Alexander

Surname Kinninmonth

Insolvency practitioner number 9 0 1 9

9 Proposed liquidator's address

Building name/number Highfield Court

Street Tollgate
Chandlers Ford

Post town Eastleigh

County/Region

Postcode S O 5 3 3 T Y

Country

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Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name ¹

Full forename(s)	David
Surname	Smithson
Insolvency practitioner number	9 3 1 7

1 Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address ²

Building name/number	Highfield Court
Street	Tollgate Chandlers Ford
Post town	Eastleigh
County/Region	
Postcode	S O 5 3 3 T Y
Country	

2 Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date	d 0 7	m 0 8	y 2 0	y 1 7
To date	d 2 4	m 0 1	y 2 0	y 1 8

13 Final progress report☒ I have attached a copy of the final progress report.**14 Sign and date**

Administrator's signature

Signature

X

Alexander Cunningham

X

Signature date

d 2 4	m 0 1	y 2 0	y 1 8
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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	Alexander Kinninmonth
Company name	RSM Restructuring Advisory LLP
Address	Highfield Court Tollgate Chandlers Ford
Post town	Eastleigh
County/Region	
Postcode	S O 5 3 3 T Y
Country	
DX	
Telephone	02380 646 464



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 and dated 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

In the matter of

**Southern Wood Energy Limited In Administration
(‘the Company’)**

In the High Court of Justice, Chancery Division, Companies Court no 0909 of 2017

Joint Administrators’ final progress report

24 January 2018

**Alexander Kinninmonth and David Smithson
Joint Administrators**

**RSM Restructuring Advisory LLP
Highfield Court
Tollgate
Chandlers Ford
Eastleigh SO53 3TY
Tel: 02380 646 464
Email: michael.banton@rsmuk.com**

Sections

1. Conduct of the administration
2. Assets remaining to be realised
3. Creditors' claims and dividend prospects
4. Receipts and payments summary
5. Joint Administrators' remuneration and expenses
6. Creditors' right to information and ability to challenge expenses
7. Closure of the administration

Appendices

- A. Statutory and other information
- B. Dividend information
- C. Summary of receipts and payments
- D. RSM Restructuring Advisory LLP charging, expenses and disbursements policy
- E. RSM Restructuring Advisory LLP Southampton current charge out and disbursement rates
- F. Statement of expenses incurred in the period from 7 August 2017 to 24 January 2018
- G. Joint Administrators' time cost analysis for the period from 7 August 2017 to 24 January 2018

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the Registrar of Companies with information relating to the progress of the administration in the period from 7 August 2017 to 24 January 2018. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

1 Conduct of the administration

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 5.

1.1 The Administrators' proposals

The Joint Administrators' proposals in respect of the Company, as approved by creditors on 1 March 2017, were:

- To explore the possibility of selling the Company's business and assets, and otherwise realising any other assets for the benefit of the creditors;
- To distribute available funds from the realised assets to those creditors entitled to them.

As previously reported, the Company's business and assets were sold on 8 February 2017. As the Administrators have become aware of further assets which will take longer to realise than the duration of the administration, the Company will exit administration by moving to creditors' voluntary liquidation.

1.2 Realisation of assets

1.2.1 Sale of business

A pre-packaged sale of the business and assets took place on 8 February 2017. Further details in respect of this sale can be found in our previous reports.

As part of this sale, a transfer of energy installations operated by the Company was made to the purchaser, Forest Fuels Limited.

Since the issue of the last progress report, it has come to the attention of the Joint Administrators that further monies are due to the Company from the Office of Gas Electricity Markets ("Ofgem") in respect of these installations and that Ofgem require these to be paid before ownership of the installations can be officially transferred.

The Joint Administrators have complied with Ofgem's request for the ownership to be transferred and for the final payments to be made to the Company and are currently awaiting confirmation from Ofgem when this will be completed.

1.2.1 Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators have now completed their investigations and confirmed that whilst the Company was sold an IRHP, there is no evidence of mis-selling and therefore no redress due to the Company.

1.3 Administration and planning

The Joint Administrators have ensured that all statutory requirements have been adhered to and all other duties in relation to the management of the case have been completed. This includes, but is not limited to, the following activities:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Reviewing available information to determine appropriate strategy;
- Setting up and maintaining bank accounts;
- Setting up case files;
- Periodic progress review of the case.

2 Assets remaining to be realised

The remaining assets to be realised are detailed at 1.2 above.

3 Creditors' claims and dividend prospects

Details of the dividends paid to creditors, including the amount under the prescribed part, are shown in Appendix B.

No distribution (other than under the prescribed part) has been made to ordinary unsecured creditors in the administration: the intention is that a distribution will be made by any subsequently appointed Supervisor or Liquidator, who will agree creditors' claims in due course, initially by reference to the proofs of debt lodged by creditors themselves.

4 Receipts and payments summary

We attach as Appendix C a summary of our receipts and payments for the period from 24 January 2018.

4.1 VAT basis

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

5 Joint Administrators' remuneration and expenses

5.1 Authority for remuneration

The Joint Administrators' remuneration was approved on a time cost basis by the secured creditor on 1 March 2017, when the following resolution was passed:

In accordance with the fees estimate we cannot draw more than £27,264 without obtaining the further approval of the creditors

Approval was also given to the drawing of disbursements, including category 2 disbursements, the resolution stating: -

The Joint Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix E to the Joint Administrators' proposals. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.

5.2 Remuneration and expenses incurred in the period from 7 August 2017 to 24 January 2018 and since appointment

Joint Administrators are required to report remuneration 'charged' to the case in the period. This reflects the time charged to the case and is the maximum that can be taken in fees by the Joint Administrators.

Joint Administrators have incurred time costs of £5,261.50 in respect of work done in the current period, a summary of which is attached. Time costs of £34,207.50 have been incurred since appointment. Of this, a total of £19,000 (plus VAT) has been paid and £15,027.50 remains outstanding.

Details of the sum drawn in respect of remuneration for the period covered by this report and the total amount of remuneration drawn to date are set out in the receipts and payments account at Appendix C.

The remuneration anticipated to be charged by the Joint Administrators is likely to exceed the fees estimate consequently, £6,943.50 will be written off and not paid.

5.2.1 Costs to closure

It is proposed that the company will exit the administration by moving to creditors' voluntary liquidation. Alexander Kinninmonth and David Smithson anticipate that we will incur additional costs to closure of £5,000.

5.3 Expenses and disbursements

Attached are the Joint Administrators' charging, expenses and disbursement policy statement, together with current rates. Details of the expenses (which include category 1 and category 2 disbursements) incurred during the period of the report are also attached. Expenses paid in the period, along with cumulative figures, are shown in the attached receipts and payments account.

The quantum of the expenses incurred to date is in line with the estimate provided to creditors on 23 February 2017.

5.4 Pre-administration costs

As detailed in my report of 6 September 2017 unpaid pre-administration costs subject to a limit of £25,250 were approved on 1 March 2017 by the secured creditors.

6 Creditors' right to information and ability to challenge expenses

In accordance with the provisions of the relevant legislation creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses.

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

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the administrator are in all the circumstances excessive.

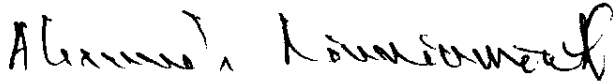
Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of Creditors' an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

7 Closure of the administration

The Joint Administrators will bring the administration to a close by moving to creditors' voluntary liquidation.

Should you require any further information please do not hesitate to contact me.



Alexander Kinninmonth
RSM Restructuring Advisory LLP
Joint Administrator

Alexander Kinninmonth is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

David Smithson is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability

Appendix A

Statutory and other information

Company information	
Company name:	Southern Wood Energy Limited
Company number:	06662775
Date of incorporation:	02/09/2017
Trading name:	None
Trading address	24 Cornwall Road, Dorchester, Dorset, DT1 1RX
Principal activity:	Manufacture of Biomass Fuels
Registered office:	RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh SO53 3TY
Previous registered office:	37, Commercial Road, Poole, Dorset, BH14 0HU

Administration information		
Joint Administrators:	Alexander Kinninmonth and David Smithson	
Date of appointment:	7 February 2017	
Appointor:	Daniel Upton (Director) of 37 Commercial Road, Poole, Dorset, BH14 0HU	
Date and details of extension	None	
Exit route:	Creditors' Voluntary Liquidation	
Correspondence address & contact details of case manager	Marcus Tout 023 80646436 RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh SO53 3TY	
Name, address & contact details of Joint Administrators	Primary Office Holder Alexander Kinninmonth RSM Restructuring Advisory LLP Highfield Court Tollgate Chandlers Ford Eastleigh SO53 3TY 02380 646 408 IP Number: 9019	Joint Office Holder: David Smithson RSM Restructuring Advisory LLP Highfield Court Tollgate Chandlers Ford Eastleigh SO53 3TY 02380 646464 IP Number: 9317

Appendix B**Dividend information**

Dividend	Owed	Paid to date	Estimated future prospects
Secured creditor (1)	£225,000	£27,599	Nil
Secured creditor (2)	Nil	n/a	n/a
Secured creditor (3)	£1,850,000	£1	2.5p in £
Secured creditor (4)	Nil	n/a	n/a
Preferential creditors	Nil	n/a	n/a
Unsecured creditors	£3,005,480	NIL	1p in £
Estimated net property	£169,785		
Estimated prescribed part available for unsecured creditors	£36,957		

Appendix C

Summary of receipts and payments

SOA Value £	07/08/2017 to 24/01/2018		Total to 24/01/2018	
	£	£	£	£
	SECURED ASSETS			
27,599.00	Goodwill	0.00	27,599.00	
1.00	Leasehold Land and Property	0.00	1.00	
			0.00	27,600.00
	SECURED CREDITORS			
(2,075,000.00)	Fixed Charge Claims	0.00	(27,600.00)	
			0.00	(27,600.00)
	ASSET REALISATIONS			
0.00	Bank Interest Gross	9.53	12.63	
0.00	Cash at Bank	0.00	24,819.14	
73,039.00	Debtors (Pre-Appointment)	0.00	94,034.79	
6,500.00	Equity in Financed Motor Vehicles	0.00	6,500.00	
51,000.00	Equity in Financed Plant and	0.00	51,000.00	
0.00	Furniture and Equipment	0.00	1,200.00	
0.00	Insurance Refund	0.00	601.81	
1,200.00	Office Furniture and Equipment	0.00	0.00	
0.00	Tax Refund	0.00	38.33	
13,700.00	Unencumbered Plant and Machinery	0.00	13,700.00	
		9.53		191,906.70
	COST OF REALISATIONS			
0.00	Agents / Valuers Fees	0.00	(4,750.00)	
0.00	Appointee Disbursements	0.00	(6.39)	
0.00	Appointee Fees	0.00	(19,000.00)	
0.00	Debt Collection Fees	0.00	(13,284.23)	
0.00	Insurance	0.00	(1,247.40)	
0.00	Legal Fees	0.00	(20,131.49)	
0.00	Other Property Expenses	0.00	(5,328.88)	
0.00	Pre Appointment Disbursements	0.00	(187.60)	
0.00	Pre Appointment Fees	0.00	(22,478.70)	
0.00	Specific Bond	0.00	(85.00)	
0.00	Statutory Advertising	0.00	(82.00)	
			0.00	(86,581.69)
	FLOATING CHARGE CREDITORS			
(2,047,400.00)	Floating Charge Claims	0.00	0.00	
			0.00	0.00
	UNSECURED CREDITORS			
(225,000.00)	Associated Creditors	0.00	0.00	
(100,000.00)	Banks/Institutions	0.00	0.00	
(1,934,048.80)	Deficiency In Security	0.00	0.00	
(34,392.00)	HM Revenue and Customs	0.00	0.00	
(160,483.75)	Trade and Expense Creditors	0.00	0.00	
			0.00	0.00
	EQUITY			
(150.00)	Ordinary	0.00	0.00	
			0.00	0.00
(6,403,435.55)		9.53		105,325.01
	REPRESENTED BY			
	Lloyds		92,071.16	
	VAT Receivable (Payable)		13,253.85	
				105,325.01
				105,325.01

Appendix D

RSM Restructuring Advisory LLP charging, expenses and disbursements policy

Charging policy

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

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Southampton will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix E

RSM Restructuring Advisory LLP Southampton current charge out and disbursement rates

Hourly charge out rates	Rates at commencement	Current rates
	£	£
Partner	435 to 620	435 to 620
Directors / Associate Directors	335 to 460	335 to 460
Assistant Managers	250	250
Administrators	165 to 210	165 to 210
Support staff	135	135

Category 2 disbursement rates	
Internal room hire	£100 per hour
Subsistence	£25 per night
Travel (car)	42.5p per mile
'Tracker' searches	£10 per case

Appendix F

Statement of expenses incurred in the period from 7 August 2017 to 24 January 2018

Expenses (excluding category 2 disbursements) Type and purpose	Incurred in period	
	Paid £	Unpaid £
Appointee disbursements:	0.00	0.00
Bond	0.00	0.00
Statutory advertising	0.00	0.00
Website fee	0.00	0.00
Storage agent (collection/storage of records)	0.00	0.00
Chattel asset agent valuation	0.00	0.00
Legal fees	0.00	0.00
Debt collection fees	0.00	0.00
Sub Total	0.00	0.00
Category 2 disbursements		
Recipient, type and purpose		
Appointee disbursements:		
RSM Restructuring Advisory LLP - Mileage	0.00	0.00
RSM Restructuring Advisory LLP - Tracker search	0.00	0.00
Sub Total	0.00	0.00
Total	0.00	0.00

NOTE: The amounts paid in the period are shown in the attached receipts and payments account. Invoices may have been paid in a period after that in which they were incurred.

Appendix G

Joint Administrators' time cost analysis for the period from 7 August 2017 to 24 January 2018

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning										
Case Management		0.2	0.3	0.5	0.0	2.4	0.6	4.0	£ 1,115.50	278.88
Director(s)/debtor/bankrupt		0.0	0.1	0.0	0.0	0.0	0.0	0.1	£ 34.00	340.00
Receipts and Payments		0.0	0.0	0.0	0.0	0.7	0.0	0.7	£ 147.00	210.00
Tax Matters		0.0	0.1	0.0	0.0	0.5	0.0	0.6	£ 171.00	285.00
Total		0.2	0.5	0.5	0.0	3.6	0.6	5.4	£ 1,467.50	271.76
Realisation of Assets										
Debtors & sales finance		0.1	0.2	0.0	0.0	3.4	0.0	3.7	£ 971.00	262.43
Total		0.1	0.2	0.0	0.0	3.4	0.0	3.7	£ 971.00	262.43
Creditors										
Other Creditor Meetings and Reports		0.3	0.0	0.5	0.0	8.4	0.0	9.2	£ 2,456.50	267.01
Unsecured Creditors		0.0	0.3	0.1	0.0	0.9	0.0	1.3	£ 366.50	281.92
Total		0.3	0.3	0.6	0.0	9.3	0.0	10.5	£ 2,823.00	268.86
Total Hours		0.6	1.0	1.1	0.0	16.3	0.6	19.6	£ 5,261.50	268.44
Total Time Cost		£ 318.00	£ 388.00	£ 434.50	£ 0.00	£ 4,022.00	£ 99.00	£ 5,261.50		
Total Hours		0.6	1.0	1.1	0.0	16.3	0.6	19.6	£ 5,261.50	268.44
Total Time Cost		£ 318.00	£ 388.00	£ 434.50	£ 0.00	£ 4,022.00	£ 99.00	£ 5,261.50		
Average Rates		530.00	388.00	395.00	0.00	246.75	165.00	268.44		