

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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15/04/2020

#172

COMPANIES HOUSE

1 Company details

Company number 0 6 6 6 2 7 7 5
Company name in full Southern Wood Energy Limited

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

2 Liquidator's name

Full forename(s) Alexander
Surname Kinninmonth

3 Liquidator's address

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

4 Liquidator's name ①

Full forename(s) Richard
Surname Brewer

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

5 Liquidator's address ②

Building name/number 25 Farringdon Street
Street
Post town London
County/Region
Postcode E C 4 A 4 A B
Country

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

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6 Period of progress report

| | | | | | | | | |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| From date | ^d 0 | ^d 1 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 1 | ^y 9 |
| To date | ^d 3 | ^d 1 | ^m 0 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 0 |

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X Alexander Kinniburgh X

Signature date

| | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ^d 1 | ^d 5 | ^m 0 | ^m 4 | ^y 2 | ^y 0 | ^y 2 | ^y 0 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

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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

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 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 Liquidation
(‘the Company’)**

Joint Liquidators' progress report

15 April 2020

**Alexander Kinninmonth and Richard Brewer
Joint Liquidators**

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

Sections

1. Progress of the liquidation
2. Details of what remains to be done and matters preventing closure
3. Creditors' claims and dividend prospects
4. Receipts and payments summary
5. Joint Liquidators' remuneration and expenses
6. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory information
- B. Dividend prospects
- C. Summary of receipts and payments
- D. RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement
- E. RSM Restructuring Advisory LLP Southampton current charge out and disbursement rates
- F. Statement of expenses incurred in the period from 1 February 2019 to 31 January 2020
- G. Joint Liquidators' time cost analysis for the period from 1 February 2019 to 31 January 2020

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 liquidation in the period from 1 February 2019 to 31 January 2020. 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 requirements of 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 Joint Liquidators 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 report.

This report has been produced during the Covid-19 restrictions. Due to limited access to the physical case files, the information has been obtained from electronic records, which may not be as complete as the physical records. Every effort has been made to ensure the information is as accurate as possible. However, any omissions or inaccuracies will be rectified in the next progress report issued after the current restrictions have been lifted.

1 Progress of the liquidation

1.1 Realisation of assets

The Joint Liquidators are obliged to collect in and distribute the Company's assets. In some cases, this does not result in sufficient realisations to enable a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

1.1.1 Sale of business

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

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

As detailed in the Joint Administrators' final progress report, 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 Liquidators have complied with Ofgem's request for the ownership to be transferred and for the final payments to be made to the Company. The sum of £5,565 has now been received from Ofgem. No further recoveries are anticipated.

1.2 Administration and planning

Certain aspects of the work that the Joint Liquidators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Liquidators are complying with their legislative and best practice responsibilities. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy
- Maintaining and updating computerised case management records
- Dealing with routine correspondence not attributable to other categories of work
- Ongoing consideration of ethical and anti-money laundering regulations
- General taxation matters, including seeking tax clearance from HMRC
- Preparation of receipts and payments accounts, maintenance of cashing records
- Preparing, reviewing and issuing final report to creditors and other parties
- Filing of final documentation at Companies House, Court and other relevant parties
- General administrative matters in relation to closing the case

2 Details of what remains to be done and matters preventing closure

2.1 Assets remaining to be realised

There are no assets remaining to be realised.

2.2 Other outstanding matters

The only outstanding matter is to pay a dividend to creditors.

3 Creditors' claims and dividend prospects

Dividend prospects and projected returns to creditors, where known, are attached, including any amount under the prescribed part, if any.

The Joint Liquidators are obliged to deal with a number of matters in relation to creditors to comply with legislative and best practice requirements and to ensure creditors are kept informed. Creditors would only derive an indirect financial return from this work on cases where a dividend is payable. These matters include:

- Preparation and issue of progress reports and associated documentation;
- Maintenance of schedules of preferential and unsecured creditors' claims;

- Dealing with correspondence and telephone calls;
- Where necessary, consideration of creditors' claims; acceptance or rejection of claims and complying with legislative obligations in relation to adjudication of creditors' claims generally for voting and dividend purposes.

3.1 Prescribed Part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

The amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 is currently estimated at £36,957.

4 Receipts and payments summary

We attach a summary of our receipts and payments for the period from 1 February 2019 to 31 January 2020, along with cumulative figures where applicable.

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 Liquidators' remuneration and expenses

5.1 Authority

The Joint Liquidators' remuneration was approved in the preceding administration on 1 March 2017 by the secured creditor on the following on the basis of time costs limited to the sum of £27,264 (plus VAT).

5.2 Remuneration and expenses incurred in the period from 1 February 2019 to 31 January 2020 and since appointment

Sums drawn, both in respect of the current period of the report, and since appointment, in accordance with the approval set out above, are detailed in the attached receipts and payments account.

The Joint Liquidators are required to report remuneration 'charged' in the period. This reflects the time charged to the case for any category of work where remuneration has been approved on a time cost basis. The Joint Liquidators can only draw remuneration based on time costs, that has been approved in accordance the fee estimate(s), as set out above.

The Joint Liquidators have incurred time costs of £5,057 in the current period. An analysis of time incurred in the period is attached.

Since the date of appointment, the Joint Liquidators have incurred time costs totalling £10,929. Of this, a total of £8,264 (plus VAT) has been paid and £2,665 remains outstanding. The Joint Liquidators have exceeded the fee estimate initially provided due to delays in finalising matters, although due to the current Covid-19 restrictions, we have been unable to review the case files in full at this stage.

Fees drawn are within the estimated amount approved by the relevant approving body.

5.3 Expenses and disbursements

Attached are the Joint Liquidators' charging, expenses and disbursement policy statement, together with the current rates. Details of the expenses (including category 1 and category 2 disbursements) that the Joint Liquidators have incurred in the period of the report are also attached, along with cumulative figures.

5.3.1 Other professional costs

Whilst professional costs are not subject to approval by the relevant approving body, all professional costs are subject to review before being paid.

Inspire Professional Services Limited, accountants, have been retained to complete the Company's post appointment corporation tax returns. We have agreed their remuneration based on their standard hourly charge-out rates, plus VAT, and their agreed fees of £195 plus VAT have been paid.

6 Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of legislation creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made within 21 days of receipt of this report in writing by any secured creditor or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors.

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 on the grounds that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

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

A Creditors' Guide to Liquidators' Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <https://rsmuk.ips-docs.com/case/1087384/kdGEF7r4> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

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



Richard Brewer
Restructuring Advisory Director
RSM Restructuring Advisory LLP
Joint Liquidator

Alexander Kinninmonth and Richard Brewer are licensed to act as Insolvency Practitioners 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.

Appendix A

Statutory and other information

| Company information | |
|-----------------------------|---|
| Company name: | Southern Wood Energy Limited |
| Company number: | 06662775 |
| Date of incorporation: | 4 August 2008 |
| 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 |

| Liquidation information | | |
|---|---|---|
| Joint Liquidators: | Alexander Kinninmonth and Richard Brewer (appointed 21 February 2018) David Smithson (resigned 21 February 2018) | |
| Date of appointment: | 1 February 2018 | |
| Correspondence address & contact details of case manager: | Glen Carter RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY Email: glen.carter@rsmuk.com | |
| Name, address & contact details of Joint Liquidators | Primary Office Holder Alexander Kinninmonth RSM Restructuring Advisory LLP Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY 02380 646 431 IP Number: 9019 | Joint Office Holder: Richard Brewer RSM Restructuring Advisory LLP Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY 02380 646 431 IP Number: 9038 |

Appendix B

Dividend prospects

| | Owed | Paid to date | Estimated future prospects |
|---|------------|--------------|----------------------------|
| Secured creditor (1): Lloyds Bank plc | £225,000 | £27,599 | Uncertain |
| Secured creditor (2): Ideal Solar Energy Limited | NIL | N/A | N/A |
| Secured creditor (3): Robin Tarrant-Willis | £1,850,000 | £1 | Uncertain |
| Secured creditor (4): Toby and Robin Tarrant-Willis | NIL | N/A | N/A |
| Preferential creditors | NIL | N/A | N/A |
| Unsecured creditors | £3,005,480 | NIL | 0.5 – 1.5p in £ |
| Estimated net property | £169,785 | | |
| Estimated prescribed part available for unsecured creditors | £36,957 | | |

Any estimated outcome for creditors is illustrative and may be subject to change.

Appendix C

Summary of receipts and payments

Southern Wood Energy Limited In Liquidation Joint Liquidators' Summary of Receipts & Payments

| Statement of Affairs £ | From 01/02/2019 To 31/01/2020 £ | From 01/02/2018 To 31/01/2020 £ |
|-----------------------------------|---------------------------------------|---------------------------------------|
| SECURED ASSETS | | |
| Leasehold Land and Property | NIL | NIL |
| | NIL | NIL |
| SECURED CREDITORS | | |
| (226,131.46) Chargeholder (1) | NIL | NIL |
| | NIL | NIL |
| TRANSFERS FROM ADMIN | | |
| Current Account | NIL | 92,071.16 |
| VAT Receivable (Payable) | NIL | 13,253.85 |
| | NIL | 105,325.01 |
| ASSET REALISATIONS | | |
| Bank Interest Gross | 543.69 | 1,039.18 |
| Debtors (Pre-Appointment) | NIL | NIL |
| Equity in Financed Motor Vehicles | NIL | NIL |
| Furniture & Equipment | NIL | NIL |
| Goodwill | NIL | NIL |
| Ofgem refund | 5,564.86 | 5,564.86 |
| Plant & Machinery | NIL | NIL |
| | 6,108.55 | 6,604.04 |
| COST OF REALISATIONS | | |
| Accountancy Fees | 195.00 | 195.00 |
| Appointee Fees | 8,264.00 | 8,264.00 |
| Bank Charges | 0.20 | 0.20 |
| Corporation Tax | 93.10 | 2,955.86 |
| Office Holders Expenses | 20.00 | 20.00 |
| | (8,572.30) | (11,435.06) |
| (226,131.46) | (2,463.75) | 100,493.99 |
| REPRESENTED BY | | |
| Lloyds | | 85,544.34 |
| VAT Inputs (Outputs) | | 13,253.85 |
| Vat Receivable | | 1,695.80 |
| | | 100,493.99 |

Appendix D

RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for 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 category 2 disbursement rates

| Hourly charge out rates | | Current rates £ |
|--|--|--------------------|
| Partner | | 460 to 595 |
| Directors / Associate Directors | | 395 to 495 |
| Managers / Assistant Managers | | 205 to 325 |
| Senior Administrators / Administrators | | 150 to 195 |
| Support Staff | | 85 |

| Category 2 disbursement rates | |
|-------------------------------|----------------|
| Internal room hire | £100 per room |
| 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 1 February 2019 to 31 January 2020

| Expenses (excluding category 2 disbursements) Type and purpose | Incurred in period | |
|---|---------------------------|---------------------------|
| | Paid £ | Unpaid £ |
| Accountancy Fees | 195.00 | 0.00 |
| | | |
| Sub Total | 195.00 | 0.00 |
| | | |
| Category 2 disbursements | | |
| Recipient, type and purpose | | |
| None incurred in this reporting period | | |
| Sub Total | 0.00 | 0.00 |
| | | |
| Total | 195.00 | 0.00 |

NOTE: This Appendix may include estimated amounts where actual invoices have not been received. 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 Liquidators' time cost analysis for the period from 1 February 2019 to 31 January 2020

SIP9 Time Report - Level 2

Southern Wood Energy Limited

1087384-710 CVL post appointment

For the period 01/02/2019 to 31/01/2020

| 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 | 0.6 | 0.5 | 1.4 | 0.5 | 3.2 | 0.4 | 6.6 | £ 1,868.00 | 283.03 |
| | Director(s)/debtor/bankrupt | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.2 | £ 45.00 | 225.00 |
| | Receipts and Payments | 0.0 | 0.1 | 0.1 | 0.2 | 4.2 | 0.0 | 4.6 | £ 999.50 | 217.28 |
| | Tax Matters | 0.1 | 0.1 | 0.0 | 0.0 | 1.0 | 0.0 | 1.2 | £ 344.00 | 286.67 |
| | Total | 0.7 | 0.7 | 1.5 | 0.9 | 8.4 | 0.4 | 12.6 | £ 3,256.50 | 258.45 |
| Realisation of Assets | | | | | | | | | | |
| | Assets - general/other | 0.0 | 0.0 | 0.6 | 0.0 | 1.0 | 0.0 | 1.6 | £ 445.00 | 278.13 |
| | Chattels | 0.0 | 0.2 | 0.0 | 0.1 | 0.2 | 0.0 | 0.5 | £ 124.50 | 249.00 |
| | Debtors & sales finance | 0.0 | 0.3 | 0.0 | 0.0 | 1.1 | 0.0 | 1.4 | £ 307.50 | 219.64 |
| | Sale of business | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 0.0 | 0.7 | £ 105.00 | 150.00 |
| | Total | 0.0 | 0.5 | 0.6 | 0.1 | 3.0 | 0.0 | 4.2 | £ 982.00 | 233.81 |
| Creditors | | | | | | | | | | |
| | Other Creditor Meetings and Reports | 0.1 | 0.0 | 0.3 | 0.0 | 2.0 | 0.0 | 2.4 | £ 710.50 | 296.04 |
| | Unsecured Creditors | 0.0 | 0.1 | 0.0 | 0.2 | 0.1 | 0.0 | 0.4 | £ 108.00 | 270.00 |
| | Total | 0.1 | 0.1 | 0.3 | 0.2 | 2.1 | 0.0 | 2.8 | £ 818.50 | 292.32 |
| | Total Hours | 0.8 | 1.3 | 2.4 | 1.2 | 13.5 | 0.4 | 19.6 | £ 5,057.00 | 258.01 |
| | Total Time Cost | £ 448.00 | £ 602.50 | £ 942.00 | £ 236.00 | £ 2,788.50 | £ 40.00 | £ 5,057.00 | | |
| Total Hours | | 0.8 | 1.3 | 2.4 | 1.2 | 13.5 | 0.4 | 19.6 | £ 5,057.00 | 258.01 |
| Total Time Cost | | £ 448.00 | £ 602.50 | £ 942.00 | £ 236.00 | £ 2,788.50 | £ 40.00 | £ 5,057.00 | | |
| Average Rates | | 560.00 | 463.46 | 392.50 | 196.67 | 206.56 | 100.00 | 258.01 | | |