

# WU07

## Notice of progress report in a winding-up by the court



Companies House

THURSDAY



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A31

21/12/2017

#24

COMPANIES HOUSE

### 1 Company details

Company number 0 8 5 2 1 2 1 4

Company name in full Dragon Energy Solutions Limited

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

### 2 Liquidator's name

Full forename(s) John Dean

Surname Cullen

### 3 Liquidator's address

Building name/number 2 Sovereign Quay

Street Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

Country

### 4 Liquidator's name

Full forename(s) Bethan Louise

Surname Evans

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

### 5 Liquidator's address

Building name/number 2 Sovereign Quay

Street Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

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	1	d	0	m	1	m	1	y	2	y	0	y	1	y	6
To date	d	0	d	9	m	1	m	1	y	2	y	0	y	1	y	7

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	d	0	m	1	m	2	y	2	y	0	y	1	y	7
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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	Eloise Davies
Company name	Menzies LLP
Address	2 Sovereign Quay
	Havannah Street
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 S F
Country	
DX	
Telephone	02920 674990



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

JDC/BLE/EGD/32813  
20 December 2017

**To All Members and Creditors**

Please ask for  
Eloise Davies  
T: +44 (0)2920 674 990  
edavies@menzies.co.uk

Dear Sirs

**Dragon Energy Solutions Limited – In Compulsory Liquidation  
In The Matter Of the High Court Of Justice No. 005064 Of 2016**

This is the Joint Liquidators' annual progress report ("the report") for the year ended 9 November 2017.

**1. Statutory information**

The company was wound-up in the High Court of Justice on 17 October 2016 following a petition presented to the Court on 22 August 2016.

The company's registered name is Dragon Energy Solutions Limited and traded as an installer of solar panels.

The company was incorporated on 9 May 2013 under company number 08521214.

The registered office of the company was formerly Unit 3 Heol Aur, Dafen Industrial Estate, Dafen, Llanelli, Carmarthenshire, SA14 8QN and was changed on 29 November 2016 to 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF for the purposes of the Liquidation.

Bethan Louise Evans FCCA MABRP MIPA and I, of Menzies LLP, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF were appointed Joint Liquidators of the above-named company by the Secretary of State on 10 November 2016.

There have been no changes of Liquidator in the period to which this report relates.

**2. Joint Liquidators' progress during the period of this report**

From the information provided to the Official Receiver the company's assets appeared to be book debts of £11,000 and outstanding Directors Loan Accounts totalling £332,000.

**Administrative matters**

As indicated above, there were outstanding Directors Loan Accounts ('DLAs') listed in the information provided by the Official Receiver. There were three directors and each had an outstanding DLA with the balances extracted from the company's Sage accounting software as follows:

Director	Amount outstanding
Mr James Davies	£154,032.32
Mr Jason Oakley	£182,140.48
Mr Robert Gammon	£37,542.25

I contacted the directors to seek repayment of these outstanding amounts, which are evidenced in the company records including the company's Sage accounting software. The directors disputed the repayment of the amounts owed, claiming that the DLAs were in fact their respective salaries from the company. I did not receive any acceptable offers for repayment from two of the directors so I instructed my solicitors to

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issue statutory demands. I did receive a proposal from one of the directors, Mr Oakley, however, despite multiple requests, the director was unable to substantiate his offer.

Following the issuing of the demands, no repayment was forthcoming. Mr Oakley applied to have the statutory demand served on him set aside however ultimately this was not successful. I was then left with no choice but to commence bankruptcy proceedings against the directors in order to secure any possible recoveries for the benefit of creditors.

All three directors have subsequently been declared bankrupt, and I have been in correspondence with their Trustee in Bankruptcy. I have lodged the company's claim in each bankruptcy estate and will continue to liaise with the Trustee as appropriate. I do expect the Trustee's administration of each estate to take some time but would hope to be able to provide an update to creditors in my next report.

I have also spent time liaising with the company's majority creditor, including holding meetings for the purpose of information gathering.

Please advise me as soon as possible if you are aware of any other assets of the company that have not been referred to above or previously.

### **Investigative matters**

The company's books and records have been recovered, listed and analysed and I have identified a number of matters which may require further investigation. I am sure you will appreciate that I am unable to provide any specific information with regard to these matters, as to do so may prejudice a successful outcome.

If you are aware of any matters which you believe require my investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters. Any such contact will, of course, be kept confidential.

### **General matters**

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of creditors and noted creditor claims.

The costs of the petition have been agreed in the sum of £2,270.00. These costs will be paid once there have been sufficient realisations to do so, and these costs will be paid in priority to our own costs and expenses.

Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashiering, statutory returns and insurance, have been allocated to team members who have specialist knowledge in the relevant areas.

Additionally, I have complied with obligations imposed by statute and my regulatory body which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs, insuring assets and specific penalty bonding.

### **3. Abstract of the Joint Liquidators' receipts and payments**

I attach at Appendix 3 an abstract of my receipts and payments for the period of this report.

Please note that all items detailed on the receipts and payments account are shown net of VAT as the company was registered for VAT and the VAT can therefore be recovered for the benefit of the insolvent estate.

### **4. Assets which remain to be realised**

As detailed in section 2 above, my investigations are still ongoing into potential recoveries for the benefit of the estate. I trust that creditors will understand the sensitive nature of my investigations and that I am currently unable to provide any further details in this regard so as not to hinder any potential recoveries.

### **5. Joint Liquidators' remuneration**

At a general meeting of creditors, held on 12 April 2017, my remuneration was fixed by reference to time properly spent by myself and my staff in attending to matters arising in the Liquidation as subject to my fee estimate of £42,478.00.

For creditor's information, the charge out value of time costs incurred during the period to which this report relates presently amounts to £31,989.54 made up of 184.00 hours at an average charge out rate of £173.86 per hour. This cost has primarily been incurred in the administration of the estate and the investigation into the location and nature of the company's assets, details of which are covered in section 2 above.

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to the this case, which includes details of the current charge out rates of myself and my team who have been and will be dealing with the Liquidation.

I have recovered £15,000 plus VAT in respect of my time costs to date. This amount has been paid by Baywa R.E who are the company's largest creditor. This contribution to my costs was paid on 25 October 2017.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at:

<http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>

You should then choose the appropriate creditor guide for the type of appointment on or after 6 April 2010.

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide.

#### **6. Joint Liquidators' expenses**

The payments made from the estate during the period of this progress report are largely self-explanatory.

The following agents or professional advisors have been utilised in this matter:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
Aaron & Partners LLP	Solicitors	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

Below is a table which details what disbursements have been incurred, paid and which remain outstanding in the Liquidation:

<b>Nature of Expense</b>	<b>Paid (£)</b>	<b>Remains Outstanding (£)</b>	<b>Total Paid by the Liquidation (£)</b>
Specific Penalty Bond	320.00	320.00	Nil
Statutory Advertising	91.80	91.80	Nil

It is expected that these costs will remain unpaid and will be borne by my firm.

A statement with regard to my disbursements recovery policy is attached at Appendix 2.

#### **7. Return to creditors pursuant to Section 176A**

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003.

In dealing with realisations under the prescribed part, I am entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part.

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part.

The prescribed part is calculated as 50% of the first £10,000 of floating charge realisations plus 20% of all other floating charge realisations, subject to a maximum prescribed part of £600,000.

As there are no relevant floating charges, the provisions of Section 176A do not apply in this matter.

**8. Outcome for creditors**

I have received claims in respect of PAYE, NI, Corporation Tax and VAT totalling £464,392.32 to rank for dividend.

Trade and Expense creditor claims received to date total £796,118.93.

Unfortunately, there are presently insufficient funds to enable a dividend to be paid to any class of creditor.

The amount and timing of any dividend will ultimately depend on the outcome of our investigation into the affairs of the company. As such I am unable at present to provide an estimate of any dividend the unsecured creditors may receive.

**9. Creditors' right to information**

A creditor may make a request for further information regarding my remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court.

If the information requested is either prejudicial to my conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, I may not be obliged to provide it.

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or my failure to provide same, after 14 days of my receipt of that request.

Additionally, creditors may make an application to Court to challenge the amount or basis of my remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicant's claim. The application must be made with 8 weeks of receipt of this report. The costs of the application must also be paid by the creditors making the application.

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously.

**10. Next report**

I am required to provide a further progress report within two months of the end of the next anniversary of the Liquidation.

I regret that, in the present circumstances, I am unable to provide an indication as to when we expect to conclude the administration of this liquidation. I hope to be able to give a better indication in my next report.

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact me.

Yours faithfully



**John Dean Cullen**  
**Joint Liquidator**

# **DRAGON ENERGY SOLUTIONS LIMITED - IN LIQUIDATION**

## **APPENDIX 1**

## **TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 10 NOVEMBER 2016 - 9 NOVEMBER 2017**

### **HOURS**

Classification of work function	Partner/ Director	Manager	Senior	Administrator	Support	Total Hours	Time Costs	Average Hourly Rate
							£	£
<b>Admin and Planning</b>	24.20	0.80	0.40	74.80	6.40	106.60	18,271.54	171.40
<b>Investigations</b>	11.80	0.60	0.00	28.80	0.00	41.20	7,703.00	186.97
<b>Realisation of Assets</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Creditors</b>	4.40	4.30	2.00	25.50	0.00	36.20	6,015.00	166.16
<b>Support</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	40.40	5.70	2.40	129.10	6.40	184.00		
<b>Total Costs</b>	16,093.00	1,564.50	435.00	13,444.50	452.54		31,989.54	

### **CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS**

	From 1 Oct 2017	1 Oct 2016 - 30 Sept 2017
	£ per hour	£ per hour
Partner/Director	365-505	315-505
Manager	225-295	225-345
Senior	195	185-230
Administrator	75-195	85-180
Support Staff	80-95	55.60-105

**Note 1** There may have been a number of promotions through the various grades during the period of the administration.

**Note 2** Overhead costs are reflected in the charge out rates detailed.

**Note 3** The charge-out rate of the Insolvency Practitioners for this assignment are currently £435 per hour, and the administrator is £115 per hour.

**Note 4** Time is recorded in minimum units of 6 minutes.



## **APPENDIX 2**

### **DISBURSEMENTS RECOVERY POLICY**

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature. Solicitors have been instructed on a time costs basis, and the agents have been instructed on the basis that they receive a percentage of realisations plus disbursements.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

#### **Category 1 Disbursements**

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

As there have been no realisations in this matter to date, all such disbursements such as statutory advertising, insurance of assets, search fees and specific penalty bonding have been paid by Menzies LLP and will be recharged through the estate as and when funds are available.

**Appendix 3**  
**Dragon Energy Solutions Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 10/11/2016 To 09/11/2017	From 10/11/2016 To 09/11/2017
	ASSET REALISATIONS		
11,000.00	Book Debts	NIL	NIL
332,000.00	Directors Loan Accounts	NIL	NIL
	Petitioner's Deposit	1,600.00	1,600.00
		1,600.00	1,600.00
	COST OF REALISATIONS		
	O.R. Remuneration	11,000.00	11,000.00
	Bank Charges	88.00	88.00
		(11,088.00)	(11,088.00)
	UNSECURED CREDITORS		
(1,237,253.00)	Trade & Expense Creditors	NIL	NIL
(80,870.00)	Banks/Institutions	NIL	NIL
(322,506.53)	HM Revenue and Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,018.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,307,647.53)		(9,488.00)	(9,488.00)
	REPRESENTED BY		
	ISA main account IB		(9,488.00)
			(9,488.00)