

# AM03

## Notice of administrator's proposals



Companies House

MONDAY



A07 \*A8A7KIW9\* 22/07/2019 #222  
COMPANIES HOUSE

### 1 Company details

Company number 0 9 3 9 5 1 6 8

Company name in full Amicus Renewables Limited

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

### 2 Administrator's name

Full forename(s) Alan Brian

Surname Coleman

### 3 Administrator's address

Building name/number The Copper Room

Street Deva Centre

Trinity Way

Post town Manchester

County/Region

Postcode M 3 7 B G

Country

### 4 Administrator's name ①

Full forename(s) James

Surname Fish

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

### 5 Administrator's address ②

Building name/number The Copper Room

Street Deva Centre

Trinity Way

Post town Manchester

County/Region

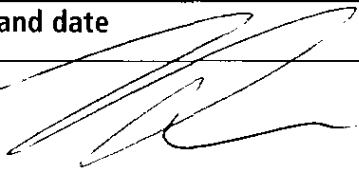
Postcode M 3 7 B G

Country

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

AM03

## Notice of Administrator's Proposals

6	<b>Statement of proposals</b>		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	<b>Sign and date</b>		
Administrator's Signature	<div>Signature</div> <div>✕ </div> <div>✕</div>		
Signature date	<div><div><sup>d</sup>1<sup>d</sup>8</div><div><sup>m</sup>0<sup>m</sup>7</div><div><sup>y</sup>2<sup>y</sup>0<sup>y</sup>1<sup>y</sup>9</div></div>		

# AM03

## Notice of Administrator's Proposals



### 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	John Fitzgerald
Company name	Royce Peeling Green Limited
Address	The Copper Room
	Deva Centre
	Trinity Way
Post town	Manchester
County/Region	
Postcode	M 3 7 B G
Country	
DX	
Telephone	0161 608 0000



### 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](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)

# **Joint Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1**

**Amicus Renewables Limited  
In Administration**

**18 June 2019**

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03/07/2019  
COMPANIES HOUSE

#48

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

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## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### 1 Introduction and Background

- 1.1 Amicus Renewables Limited (**'the Company'**) was incorporated on 19 January 2015.
- 1.2 The Company operated a biogas plant in Dumfries and Galloway. The plant was purchased from Biogest Energie-und Wassertechnik GmbH (**'Biogest'**), an Austrian based company.
- 1.3 The plant had not been operating at optimum level and as a result the Company took legal action against Biogest. The claim, which is still ongoing, is in relation to:
- A loss of earnings as a result of the plant underperforming; and
  - The cost of repairing the plant to allow it to run at its optimal level.
- 1.4 Costs of the legal action are estimated at approximately £1,500,000.
- 1.5 The legal case has gone to arbitration and as at the date of this report, the Arbitrator has not yet handed down its decision. We understand that the Arbitrator is unable to provide a date when the decision will be handed down. According to the Directors the Arbitrator had indicated that the decisions should have been handed down at the beginning of 2019.
- 1.6 As a result of the delay in the settlement of the claim, the Company had considerable aged trade creditors that it was unable to pay.
- 1.7 At 31 January 2019, the Company had been financed as follows:
- Ordinary share capital       £3,538,504
  - Downing LLP loans       £5,075,860
- 1.8 Given the considerable investments made into the business, together with the underperforming plant and lack of profit generation, no additional funding could be provided from these parties.
- 1.9 The Board experienced considerable issues over the last nine months with one of their revenue streams (**'RHI'**) following an audit from OFGEM. The RHI income made the difference between the Company being broadly cash neutral (subject to when the RHI income recommences and if/when the historic RHI debtor is paid) and a net cash outflow position without the benefit of the RHI income.
- 1.10 This revenue was forecast to be approximately £250,000 per annum and, whilst the Board were confident that the issues could be resolved with OFGEM, the matter became protracted causing a negative impact on the Company's cash flow and ultimately the value of the business.
- 1.11 In light of this issue there was no immediate prospect of the Company being able to start paying the historic creditor liabilities from the future cash flow of the Company.
- 1.12 Due to the ongoing legal action and the RHI issue, the Board became increasingly concerned regarding the financial position of the Company and concluded that they required an Independent Business Review (**'IBR'**) and for advice to be provided to the Board on their options.
- 1.13 Accordingly, Royce Peeling Green Limited (**'RPG'**) were introduced to the board of directors by Downing LLP, a secured creditor of the Company, and two prior engagements have been undertaken. The first engagement on 19 December 2018 was to review the financials of the Company and a fee of £3,500 plus VAT was charged and paid. The second engagement on 13 February 2019 was to undertake the IBR and provide the options available to the Board, which was key to the Administration strategy being explored and implemented. A fee of £10,000 plus VAT (£12,000) was charged for this assignment, of which £6,000 was paid leaving a balance of £6,000 which is to be recovered as an expense of the Administration (see Section 7).

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

- 1.14 After reviewing the IBR, including the options and recommendations contained therein, the Directors engaged RPG on 11 March 2019 to commence marketing the business and assets for sale and to assist them in placing the Company into Administration, with a view to concluding a pre-packaged sale of the business and assets immediately upon appointment as Administrators.
- 1.15 As a result, Alan Brian Coleman and James Fish of RPG, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG were appointed Joint Administrators of the Company by the the directors on 12 June 2019. Alan Brian Coleman and James Fish are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.16 For the purposes of paragraph 100(2) of Schedule B1 the administrators may exercise any of the powers conferred on them by the IA 1986 jointly or individually.
- 1.17 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.18 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 19 June 2019.
- 1.19 This firm's Privacy Notice about the way that we will use, and store personal data can be found at <https://www.rpg.co.uk/insolvency/privacy.pdf>. If you are unable to download this, please contact us and a hard copy will be provided to you.

## **2 Administration Strategy and Objective**

- 2.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:
- Rescuing the Company as a going concern; or
  - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
  - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 In this case, the Administrator has pursued the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first.
- 2.3 It should be noted that it was not possible to achieve the first objective (rescuing the Company as a going concern) due to the significant level of both secured and unsecured liabilities of the Company. There was no additional funding available from the existing lenders, which was required in order to facilitate ongoing trading and to resolve the issues with the underperforming plant and OFGEM. Even if these issues were resolved, this would not guarantee that all loans and liabilities would be capable of being repaid.
- 2.4 The Administrators consider that the pre-packaged sale enables a statutory purpose of Administration to be achieved and that the outcome achieved was the best available for creditors as a whole in all the circumstances.
- 2.5 Accordingly, the Administrators' functions are being carried out with the objective of achieving a better realisation for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in liquidation). The Administrators believe this will result in realisations being available to the secured creditors of the Company which also fulfils a purpose of the Administration under Paragraph 3 of Schedule B1 of the Insolvency Act 1986.

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

### **Pre-Packaged Sale**

- 2.6 A pre-packaged sale of the Company's business and assets was concluded on 12 June 2019 to Tinwald Power Limited ("TPL"). Full information on the sale pursuant to the requirements of Statement of Insolvency Practice 16 can be found at Appendix G and should be read in conjunction with the remainder of this report.

### **Consideration of Proposals by Creditors**

- 2.7 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:
- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
  - (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
  - (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved
- 2.8 Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.
- 2.9 In this case, we consider that the Company has insufficient property to enable a distribution to be made to the unsecured creditors other than by virtue of the Prescribed Part. Therefore, I am not required to seek a decision from creditors to approve my Proposals unless the requisite number of creditors request such a decision within the prescribed period. Please see the covering letter which accompanies this Report for further information about this.

### **Progress Since Appointment**

- 2.10 Immediately upon appointment the Administrators concluded a sale of the business and assets of the Company to Tinwald Power Limited.

### **Administration (including statutory compliance and reporting)**

- 2.11 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3<sup>rd</sup> party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.12 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette.
- 2.13 Where a pre-packaged sale of the Company's assets and business has taken place, I have prepared and issued the report on the transaction as required by Statement of Insolvency Practice 16 and I have also prepared and issued these proposals to creditors outlining how the purpose of the Administration may be achieved.
- 2.14 Other statutory duties performed are outlined in further detail in the fees information which can be found at Appendix F. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvency estate.



## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### Trading

- 2.15 The business and assets of the Company were sold as a pre-packaged sale on 12 June 2019. Accordingly, there was no Administration trading period.

### Realisation of assets

- 2.16 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made.
- 2.17 Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.18 Further information on the estimated outcome of the Administration can be found in section 9 below.

### Creditors

- 2.19 The Administrators have notified creditors of the appointment and issued their proposals to creditors.
- 2.20 Claims of creditors will be dealt with as the case progresses, together with any potential prescribed part distribution.

### Investigations

- 2.21 Some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ('CDDA 1986') and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations ('SIP2') and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Administrators can pursue for the benefit of creditors.
- 2.22 The Administrators are required to submit a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. This is a confidential report and the contents will not be disclosed to creditors.
- 2.23 The Administrators will make an initial assessment to decide whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment will take into account information provided by creditors and as a response to our request for the Directors to complete an investigation questionnaire. These investigations may reveal issues requiring further report or any further potential recoveries, which could be pursued for the benefit of creditors.

### Sale of Assets to Connected Parties

- 2.24 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a party connected with the Company:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to
12 June 2019	Business & Assets	£100,000, 12 June 2019	Tinwald Power Limited Company registration number SC463193
<b>Relationship</b> Tinwald Power Limited is a shareholder of the Company and both companies share a common director, namely, John Cunningham-Jardine.			

- 2.25 Full information on the sale, pursuant to the requirements of Statement of Insolvency Practice 16, can be found at Appendix G.

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### 3 Joint Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 18 June 2019 is attached at Appendix B.

### 4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been received due to the short period of time that the Company has been in Administration. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 18 June 2019, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them).
- 4.2 Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.
- 4.3 Our comments on the material items appearing in the estimated financial position are as follows: -

#### Plant & Machinery

- 4.4 This represents the assets in which the secured lenders and shareholders have invested in order to set up the biogas plant.
- 4.5 As detailed above, the business and assets were sold on 12 June 2019 for £100,000.

#### Arbitration Claim

- 4.6 The Company has an ongoing arbitration claim against the manufacturer of the plant, Biogest.
- 4.7 This claim relates to the plant not operating at its optimum level.
- 4.8 The Administrators will work with the Company's Solicitors, Ashfords LLP, in order to continue to pursue this matter.

#### Cash at Bank

- 4.9 The balance of the Company's Royal Bank of Scotland bank accounts, totalling £44,152, has now been secured by the Joint Administrators.

#### Debtors

- 4.10 The Company has debtors in relation to contracts and revenue streams.
- 4.11 The Joint Administrators will pursue payment of the outstanding sums from these parties.
- 4.12 As part of the sale to TPL we have agreed that a 25% collection fee will be paid to TPL in respect of the RHI debt due to the Company at the date of Administration. This will be calculated based on the physical cash recovered by the Administrators in respect of the RHI debt and is being paid to TPL in exchange for their ongoing assistance in order to recover the same.
- 4.13 For the avoidance of doubt, the assistance of TPL is considered crucial to achieving a successful resolution of the RHI debt as it will require TPL resolving all outstanding issues with RHI in order to secure the release of the RHI debt due to the Company.

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### 5 Proposals

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that: -

#### Purpose

- 5.2 The Administrators will pursue the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first.

- 5.3 The pre-packaged sale of the Company's business and assets as a going concern enables the statutory purpose of Administration to be achieved and has ensured that the outcome achieved was the best available for creditors as a whole in all the circumstances.

- 5.4 The benefits to creditors of the pre-packaged sale include the following: -

- Realisations achieved for the tangible assets
- Assistance in recovering the RHI debtor
- Better prospect of novation of contracts (income streams) and securing payment of debts
- Less disruption to ongoing legal claim (Administrators can continue the action)
- New tenant for the landlord (minimising any claim against the Company)
- Ongoing customer for both feed supplier and site operator

Our agents LSH advised that in a shutdown scenario, the costs of disposal and managing an environmentally compliant closedown process would be substantial and would likely exceed the realisations achieved in this matter, resulting in a net liability.

In light of the above, it is considered that the purpose of administration has been achieved.

Attached at Appendix G is further information containing a summary of the circumstances relevant to the pre-packaged sale of the Company's business and assets to Tinwald Power Ltd ("TPL"), in accordance with the provisions of Statement of Insolvency Practice 16 (**SIP16**).

#### Exit route(s)

- 5.5 If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 5.6 If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.7 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.8 The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

- 5.9 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of the creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.

### Creditors Committee

- 5.10 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and disbursements and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.

### Remuneration and disbursements (inc. pre-appointment costs)

- 5.11 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:

- As a percentage of the value of the assets they have to deal with, or
- By reference to time properly spent by the Administrators and their staff managing the Administration, or
- As a set amount

- 5.12 In this case, the Administrators are seeking to approve the basis of their remuneration as follows:

- By reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration

Further details about the proposed fee basis can be found in Section 8 below and Appendix F.

- 5.13 Where no Creditors' Committee is appointed, as the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.

- 5.14 Where no Creditors' Committee is appointed, in accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrators will also seek approval from the secured creditors to draw Category 2 disbursements as and when funds are available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix F.

### Discharge from liability

- 5.15 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

## **6 Exit Routes**

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

- 6.2 At the time of drafting these Proposals we do not believe that an extension to the period of Administration will be necessary, however, we will confirm the position to creditors in a subsequent progress report in due course.

Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

### Dissolution of the Company

- 6.3 Based on present information, the Administrators think that a distribution will be available to the unsecured creditors from the Prescribed Part by virtue of section 176A(2)(a). This will be distributed in due course within the Administration and a notice will thereafter be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.
- 6.4 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

### Compulsory Liquidation

- 6.5 If the Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead.
- 6.6 If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent liquidation.

## **7 Pre-administration Costs**

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 Below is information on the pre-administration costs incurred in this case.
- 7.3 Pre-administration costs have had to be incurred by various professionals to enable the sale of the business and assets to be concluded.
- 7.4 The pre-administration costs can be summarised as follows: -

<b><u>Professional</u></b>	<b><u>Cost</u></b>
RPG (Advisory)	£6,000.00
RPG (Administrators)	£38,967.50
Knights Plc (Solicitors)	£33,587.00
Lambert Smith Hampton (agents/valuers)	£9,250.00
<b>Total</b>	<b>£81,804.50</b>

- 7.1 Further details of these costs, which were critical in achieving a going concern sale of the business and assets, are as follows: -

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### Royce Peeling Green Limited

- 7.2 The sum of £6,000 remains unpaid in respect of our engagement dated 13 February 2019 for undertaking the IBR and providing the options available to the Board, which was key to the Administration strategy being explored and implemented.
- 7.3 Additional work was then undertaken in line with our engagement with the Company dated 14 March 2019, relating to the marketing and sale of the business and assets.
- 7.4 A summary of the Administrators pre-appointment time costs is attached at Appendix D. Time costs of £38,967.50 represent 172.2 hours at a cost of £226.29 per hour.
- 7.5 It should be noted that, given the nature of the business, this assignment was complex and considerable time was incurred in dealing with the following main issues: -
- Marketing of the business including issuing NDAs, providing information to interested parties and negotiating with interested parties;
  - Exclusivity and aborted sale to TFC Investment Management Ltd ("TFC");
  - Attendance at regular conference call/board meetings;
  - Liaising with secured creditors;
  - Lease assignation and surrender;
  - Considerations of environmental and clean up issues (in a shutdown scenario);
  - Negotiating and concluding sale to Tinwald Power Limited ("TPL").

In light of the above, we are seeking approval to pre-appointment costs in the sum of £44,967.50 (£6,000 + £38,967.50).

### Knights Plc

- 7.6 Legal costs of £33,587 were incurred in the following main areas: -
- Security review;
  - Appointment documentation;
  - Exclusivity agreement;
  - Sale and Purchase Agreements (inc. aborted sale to TFC);
  - Lease assignation and surrender.
- 7.7 These costs can broadly be broken down by reference to the relevant tasks as follows: -
- Security Review (three debentures and the deed of priority) = £3,500
  - Appointment advice, drafting NOI documentation, liaising with board and secured creditors, filing and serving the same = £5,000
  - Drafting Exclusivity Agreement, Drafting None Disclosure Agreement. Carrying out limited Due Diligence. Transaction 1; drafting agreement, reviewing offer letter, drafting SPA, deeds of release, considering revisions to SPA, liaising with proposed office Holders = £14,893

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

- Transaction 2 Drafting second sale agreement, dealing with 8 versions of the SPA, finalising the Deeds of Releases, attending on Secured Creditors once doc agreed, final revisions, agreeing final revisions and dealing with completion formalities, etc. = £8,444
- Lease assignment & Surrender; a surrender was agreed, but prior to completion a sub tenant was revealed meaning had to assign lease rather than surrender with the surrender to take place post appointment = £1,750

### **LSH**

7.8 Our agents costs of £9,250 were incurred in respect of the following work: -

- Property/Leasehold – investigation into lease and title and valuation / assignment advice;
- Plant & Machinery – inventory and valuation (including site visit)
- Marketing & Sale - assistance with marketing and management of business sale process
- Professional advice and recommendation of offers

### **Disbursements**

- 7.9 Disbursements of £195 were incurred by RPG in connection with the online marketing of the business and assets via [www.IP-bid.com](http://www.IP-bid.com).
- 7.10 Disbursements of £150 were incurred by Knights in relation to Court fees for filing notice of intention to appoint Administrators and ultimate appointment documentation.
- 7.11 Disbursements of £375 were incurred by Lambert Smith Hampton in relation to mileage claims and digital marketing expenses.

### **Approval of pre-appointment costs**

- 7.12 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrators' proposals.

## **8 Joint Administrators' Remuneration**

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. My fees estimate and details of the work we propose to undertake in the Administration can be found at Appendix F and further information on the work done since my appointment to the date of this report can be found in section 2.
- 8.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the Administration, we are obliged to seek further approval for any increase in our remuneration.

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

- 8.5 The fees estimate provides details of these matters where relevant and appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 8.6 For information, attached at Appendix E is a time matrix outlining the time spent by us and our staff since the date of my appointment as Administrators. This time is included within the overall fees estimate provided with this report.
- 8.7 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from [www.rpg.co.uk/downloads/fees/post20151001/Administrators.pdf](http://www.rpg.co.uk/downloads/fees/post20151001/Administrators.pdf).
- 8.8 If you would prefer this to be sent to you in hard copy please contact John Fitzgerald of this office on 0161 608 0000 or [jfitzgerald@rpg.co.uk](mailto:jfitzgerald@rpg.co.uk).

### 9 Estimated Outcome

- 9.1 An Estimated Financial Position of the Company as at 18 June 2019 is attached as Appendix C.
- 9.2 Based on the Estimated Financial Position of the Company, the sums owed to creditors at the date of appointment are as follows: -

#### **Secured Creditors**

- 9.3 Per the latest management accounts at 31 January 2019, secured creditors totalled £5.076m. However, a further £230k is recorded in trade creditors, which is due to Ashfords LLP (see below) and, therefore, considered to represent a secured debt.

Downing LLP/Bridging Trading LLP = £5,488,245

- 9.4 These sums are due in respect of venture capital, invested by way of loans and secured via a fixed and floating charge debenture (Downing) and a floating charge (Bridging).
- 9.5 We understand that Bridging is part of Downing LLP.
- 9.6 The indebtedness is split as follows: -

- Downing = £868,137
- Bridging = £4,620,108

#### Ashfords LLP

- 9.7 The sum of £230k is believed to be due to Ashfords for legal services provided in relation to the ongoing arbitration claim. Security by way of fixed and floating charge was created on 24 September 2018.
- 9.8 The Administrators will review this security in due course to establish if all sums due to Ashfords fall within this security.
- 9.9 The outcome to secured creditors in general will be wholly dependent upon any successful award from the ongoing arbitration claim.
- 9.10 The Company entered into a CFA Agreement with Ashfords last year based on success and such fee will be paid from the funds they recover from the arbitration, subject to our legal advice.

#### Preferential Creditors

- 9.11 Preferential claims relate to employees for arrears of wages, salary and holiday pay.
- 9.12 There are no preferential claims in this matter.



## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### Unsecured Creditors

- 9.13 Claims of unsecured creditors are estimated at £2.069m per the latest management accounts.
- 9.14 This includes sums due to the landlord, feed supplier and the external management company responsible for the ongoing operation of the site.
- 9.15 Given the level of secured creditors, we do not envisage any funds being available for distribution to the Company's unsecured creditors, other than by virtue of the Prescribed Part.
- 9.16 As the Company granted floating charges post 15 September 2003, we are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part).
- 9.17 Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 12 June 2019, together with a list of creditors names and addresses along with details of their debts.
- 9.18 We estimate the value of the Company's net floating charge property to be £471,264. Arising from this, the value of the unsecured creditors' fund is estimated to be £97,253.
- 9.19 Creditors should note that the Estimated Financial Position is before the costs of the Administration procedure are considered and, therefore, should be aware that the value of the fund is likely to fluctuate during the course of the Administration. Further updates will be provided in our progress reports in due course.
- 9.20 The Administrators will review and agree the claims of unsecured creditors should a prescribed part distribution become available.
- 9.21 Neither the Administrators or the Directors are able at this stage to provide an estimated outcome figure for the Arbitration Claim, given that a decision has yet to be handed down by the Arbitrator.

### **10 Proposals approval and next report**

- 10.1 As I think the Company has insufficient property to enable it to make a distribution to its unsecured creditors (other than a potential distribution of the prescribed part fund of any net floating charge property), I am not required to seek a decision from the unsecured creditors on the approval of my Proposals. Approval will be sought from the secured creditors.
- 10.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of  
Amicus Renewables Limited

  
**A B Coleman**  
Joint Administrator

Enc

# AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

## Appendix A

### Statutory Information

#### 1 Company information

Company name	Amicus Renewables Limited
Trading name(s)	None
Registered number	09395168
Registered office address	The Copper Room Deva Centre Trinity Way Manchester M3 7BG
Former registered office address	Beeston Lodge Beeston Lane Spixworth Norwich NR10 3TN
Trading address(es)	West Roucan Farm Low Road Tinwald Dumfries & Galloway DK1 3QG
Court details	High Court of Justice, Business & Property Courts in Manchester, Insolvency and Companies List (ChD)
Court reference number	CR – 2019 – MAN – 000460

#### 2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
<b>Directors</b>			
Jonathan Robin Boss	30/11/2018	-	-
John Charles Cunningham-Jardine	08/04/2015	-	-
Michael Kennedy	19/01/2015	-	100 ordinary B shares
Nicholas Vasiliou-Salter	08/04/2015	-	-
David Benjamin Freeder	08/04/2015	09/10/2017	-
Martin Gordon	10/08/2018	28/08/2018	-
Edward Barnaby Russell	08/04/2015	30/11/2018	-
<b>Secretary</b>			
External Officer Limited (Company registration number 15526532)	30/01/2018		-
<b>Shareholding</b>	<b>Share capital</b>		
AWS Power Ltd	17,517		
Michael Kennedy	100		
Tinwald Power Ltd	17,517		
TT Nominees Ltd	3,503,468		

#### 3 Joint Administrators' Details

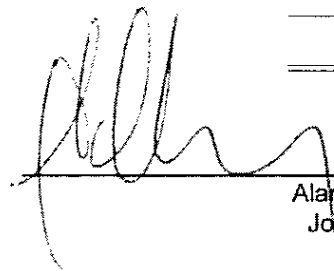
Name of Administrators	Alan Brian Coleman	James Fish
Address	The Copper Room Deva Centre Trinity Way Manchester M3 7BG	The Copper Room Deva Centre Trinity Way Manchester M3 7BG
Telephone Number	0161 608 0000	0161 608 0000
Fax Number	0161 608 0001	0161 608 0001
Administrator's IP Number	009402	021390
Authorising Body	Institute of Chartered Accountants in England and Wales	Institute of Chartered Accountants in England and Wales
Date of Appointment	12 June 2019	12 June 2019

**AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

**Appendix B**

**Receipts and Payments Account for the Period from 12 June 2019 to 18 June 2019**

**Amicus Renewables Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 18/06/2019**

<b>S of A £</b>	<b>£</b>	<b>£</b>
ASSET REALISATIONS		
Cash at Bank	42,651.89	42,651.89
		<b>42,651.89</b>
REPRESENTED BY		
Client		42,651.89
		<b>42,651.89</b>
		
	Alan Brian Coleman	
	Joint Administrator	

**AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

**Appendix C**

**Summary of the Estimated Financial Position of the Company as at 18 June 2019**

## A – Summary of Assets

### Assets

#### Assets subject to fixed charge:

Plant & Machinery

Less: Fixed Charge Holder

Surplus / (Shortfall) to floating charge

#### Assets subject to floating charge:

Arbitration claim

Cash at Bank

Debtors - FIT

Debtors - RHI

Debtors - others

Stock

**Estimated total assets available for preferential creditors**

Book Value £	Estimated to Realise £
4,457,000	100,000
(5,488,245)	(5,488,245)
(1,031,245)	(5,338,245)
6,000,000	Unknown
220,000	50,000
172,864	172,864
248,400	248,400
292,000	Unknown
0	Nil
7,433,264	471,264

Signature \_\_\_\_\_ Date \_\_\_\_\_

## A1 – Summary of Liabilities

	Estimated to realise £
<b>Estimated total assets available for preferential creditors (carried from page A)</b>	<b>£ 471,264</b>
<b>Liabilities</b>	
Preferential creditors:- N/a	£ 0
<b>Estimated deficiency/surplus as regards preferential creditors</b>	<b>£ 471,264</b>
Estimated prescribed part of net property where applicable (to carry forward)	£ (97,253)
<b>Estimated total assets available for floating charge holders</b>	<b>£ 374,011</b>
Debts secured by floating charges – shortfall from fixed charge	£ (5,338,245)
<b>Estimated deficiency/surplus of assets after floating charges</b>	<b>£(4,964,234)</b>
Estimated prescribed part of net property where applicable (brought down)	£ 97,253
<b>Total assets available to unsecured creditors</b>	<b>£97,253</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(£2,074,473)
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	<b>(£1,977,220)</b>
Shortfall to floating charge holders (brought down)	(£4,964,234)
<b>Estimated deficiency/surplus as regards creditors</b>	<b>(£6,941,454)</b>
Issued and called up capital	(£3,538,603)
<b>Estimated total deficiency/surplus as regards members</b>	<b>(£10,480,057)</b>

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Royce Peeling Green Limited**  
**Amicus Renewables Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	All Clear Pest Control Specialists	Farries Kirk & Mcvean, Dumfries Enterprise Park, Heathall, Dumfries, Dumfries & Galloway, DG1 3SJ	1.00
CA01	Ashfords LLP	Ashford House, Grenadier Road, Ezeter, EX1 3LH	230,122.71
CA02	AWS Power Limited	11-17 Market Place, Cirencester, Gloucestershire, GL7 2PB	619,275.99
CB00	Brodies LLP	15 Antholl Crescent, Edinburgh, EH3 8HA	2,244.00
CB01	BT	Correspondance Centre, Providence Row, Durham, CO Durham, DH98 1BT	1.00
CB02	Bridging Trading LLP	C/o Downing LLP, 6th Floor, St Magnus House, 3 Lower Thames Street, London, EC3R 6HD	4,620,107.93
CC00	CooperOstland Limited	Unit 1 Britannia Trade Centre, Ryehill Close, Lodge Farm Industrial Estate, Northampton, NN5 7UA	8,468.04
CD00	D Watson & Co	Byeloch Farm, Mouswald, Dumfries, DG1 4JU	158,941.25
CD01	Downing LLP	Ergon House, Horseferry Road, London, SW1P 2AL	868,136.99
CD02	Dumfries & Galloway Council	Rating Section, Carruthers House, English Street, Dumfries, DG12 2HP	30,960.00
CE00	External Services Limited	Beeston Lodge, Beeston Lane, Spixworth, Norwich, Norfolk, NR10 3TN	4,320.00
CG00	Good Energy	Monkton Reach, Monkton Hill, Chippenham Wiltshire, SN15 1EE	1.00
CL00	Locogen Ltd	5 Mitchell Street, Edinburgh, W4 4DT	14,729.05
CM00	MAN Rollo B.V	Koraalrood, 2718 SB, Zoetermeer	2,399.00
CO00	Omex Environmental Ltd	Estuary Road, King's Lynn, Norfolk, PR30 2HH	4,770.00
CP00	PIB Insurance Brokers Ltd	70 Gracechurch Street, London, EC2V 0HR	1,540.00
CP01	PM Projen Limited	Projen House, Wellfield, Preston Brook Runcorn, WA7 3AZ	115,771.20
CT00	Mrs Tuer	C/O Royce Peeling Green Ltd, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG	180.00
CT01	Thomas Armstrong (Construction) Ltd	Workington Road, Filmbay, Maryport, Cumbria, CA15 8RY	16,103.86
CT02	Tin 80	19 Church Lane, Strathern, Melton Mowbary, Leicestershire, LE14 4HB	4,500.00
CT03	Tinwald Power Ltd	Tinwald House, Tinwald, Dumfries, DG1 3PW	709,472.99
CT04	Turnbull & Scott (Engineers) Limited	Unit 1A, Burnfoot Industrial Estate, Hawick, Roxburghshire, TD9 8SL	4,881.60
CW00	William Tuer	C/O Royce Peeling Green Ltd, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG	41.98

Signature \_\_\_\_\_



Royce Peeling Green Limited  
 Amicus Renewables Limited  
 B - Company Creditors

Key	Name	Address	£
23 Entries Totalling			7,416,969.59

Signature \_\_\_\_\_

**Royce Peeling Green Limited  
Amicus Renewables Limited  
C - Shareholders**

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HA00	AWS Power Limited	11-17 Market Place, Cinderford, Gloucestershire, GL7 2PB	Ordinary	17,517.34	17,517.34	1.00	17,517.34
HK00	Mr Michael Kennedy	C/O Royce Peeling Green Ltd, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG	Ordinary	100.00	100	1.00	100.00
HT00	Tinwald Power Ltd	Tinwald House, Tinwald, Dumfries, DG1 3PW	Ordinary	17,517.34	17,517.34	1.00	17,517.34
HT01	TT Nominees Limited	C/O Thomson Taraz LLP, 4th Floor, Stanhope House, 47 Park Lane, London, W1K 1PR	Ordinary	3,503,488.00	3,503,468	1.00	3,503,468.00
<b>4 Ordinary Entries Totalling</b>					<b>3,538,602.68</b>		

Signature \_\_\_\_\_

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**AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

**Appendix D**

**Pre-appointment Time Analysis**

APPENDIX D

AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

Time spent by grade in the period from 11 March 2019 to 11 June 2019

	Office Holder £	Manager £	Admin £	Cashier £	Total Hours	Total Cost £	Average Rate £
Statutory & Compliance	15.60	46.25	27.60	0.30	89.75	22,426.50	249.88
Creditor Communications		9.00			9.00	2,700.00	300.00
Realisation of Assets	4.00	11.00	58.45		73.45	13,841.00	188.44
<b>Total hours/Cost</b>	<b>19.60</b>	<b>66.25</b>	<b>86.05</b>	<b>0.30</b>	<b>172.20</b>	<b>38,967.50</b>	<b>226.29</b>

**AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

**Appendix E**

**Time Analysis for the Period from 12 June 2019 to 14 June 2019**

APPENDIX E

AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

Time spent by grade in the period from 12 June 2019 to 18 June 2019

	Office Holder £	Manager £	Admin £	Cashier £	Total Hours	Total Cost £	Average Rate £
Statutory & Compliance	-	5.00	9.75	-	14.75	2,963.75	200.93
<b>Total hours/Cost</b>	<b>-</b>	<b>5.00</b>	<b>9.75</b>	<b>-</b>	<b>14.75</b>	<b>2,963.75</b>	<b>200.93</b>

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### Appendix F

#### Additional Information in Relation to Joint Administrators' Fees

##### 1 Fee Basis

- 1.1 The Administrators are seeking to agree the basis of their remuneration in this case as time properly spent by him and his staff in dealing with the affairs of the Company. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 2.
- 1.2 Where a time cost basis is being sought, the Administrators' fees estimate will be included in this information, which also provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Administrators' estimate of fees.
- 1.4 In this case, we do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

##### 2 Expenses

- 2.1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £
Agents Fees	Lambert Smith Hampton	Engagement Letter	9,250
Agents Disbursements	Lambert Smith Hampton	Engagement Letter	375
Legal Fees	Knights Plc	Engagement Letter	33,587
Legal Disbursements	Knights Plc	Engagement Letter	150
Advice Fees	Royce Peeling Green Limited	Engagement Letter	6,000
Pre-Appointment Fees	Royce Peeling Green Limited	Engagement Letter	38,967.50
Marketing Expenses	IP-Bid.com	Fixed Fee	195
Specific Bond	Marsh Ltd	Fixed Fee	240
Statutory Advertising	Courts Advertising Ltd	£84.60 per advert	169.20
Bank Charge	Royal Bank of Scotland	Fixed Fee	75
Collection and storage of company records	JPS Chartered Surveyors	Fixed Fee	2,000

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### 3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 We are not proposing to utilise the services of any sub-contractors in this case.

### 4 Joint Administrators' Disbursements

- 4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.
- 4.3 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors.

### 5 Charge-out Rates

- 5.1 Royce Peeling Green Limited's current charge-out rates effective from 1 January 2019 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Insolvency Practitioner	300
Senior Administrator	160
Support/Cashier	105



**AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

**Appendix G**

**Joint Administrators' Statement on Pre-Packaged Sale**

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

### **Amicus Renewables Limited - In Administration (the Company)**

#### **Overview**

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after appointment, this is known as a pre-packaged sale.

Prior to the appointment of an Administrator, an insolvency practitioner may act in an advisory capacity to the Company. During this time the insolvency practitioner's role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's business or assets. It is also possible that a different insolvency practitioner may be the eventual Administrator and not the insolvency practitioner who provided the advice to the Company before any formal appointment was made.

The role of an Administrator once the Company has entered Administration is to perform their functions with the objective of either rescuing the Company as a going concern or achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up rather than being placed into Administration first.

If neither of these objectives is reasonably practicable, the third objective of realising property in order to make a distribution to one or more secured or preferential creditors of the Company may be pursued, providing the Administrator avoids unnecessarily harming the interests of the creditors as a whole.

In this case, the Administrators' have pursued the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up. Accordingly, we consider that the pre-packaged sale enables the statutory purpose of Administration to be achieved and that the outcome achieved was the best available for creditors as a whole in all the circumstances.

The benefits to creditors include the following: -

- Realisations achieved for the tangible assets
- Assistance in recovering the RHI debtor
- Better prospect of novation of contracts (income streams) and securing payment of debts
- Less disruption to ongoing legal claim (Administrators can continue the action)
- New tenant for the landlord (minimising any claim against the Company)
- Ongoing customer for both feed supplier and site operator

Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of all or part of the Company's business and assets to Tinwald Power Ltd ("TPL"), in accordance with the provisions of Statement of Insolvency Practice 16 (**SIP16**).

#### **Background**

Amicus Renewables Limited ("ARL") operates a biogas plant. The plant was supplied by Biogest Energie-und Wassertechnik GmbH ("Biogest") an Austrian based company.

#### Legal claim

The biogas plant has not been operating at its optimal level and, as a result, ARL have taken legal action against the supplier of the plant.

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

The level of the claim is circa £4.5m plus costs and is in relation to:

- A loss of earnings as a result of the plant underperforming; and
- The cost of repairing the plant to allow it to run at its optimal level.

Costs of the legal action are estimated to be circa £1.5m.

The legal case has gone to arbitration and as at the date of this report, the Arbitrator has not yet handed down its decision. We understand that the Arbitrator is unable to provide a date when the decision will be handed down.

As a result of the delay in the settlement of the claim, ARL has considerable aged trade creditors that they are unable to pay.

### Financing

At 31 January 2019, ARL has been financed as follows:

- |                          |            |
|--------------------------|------------|
| ○ Ordinary share capital | £3,538,504 |
| ○ Downing LLP loans      | £5,075,860 |

Given the considerable investments made into the business to date, together with the underperforming plant and lack of profit generation, no additional funding could be provided from these parties.

### Revenue

The Board have been experiencing issues over the last nine months with one of their revenue streams ("RHI") following an audit from OFGEM. The RHI income makes the difference between the Company being broadly cash neutral (subject to when the RHI income recommences and if/when the historic RHI debtor is paid) and a net cash outflow position without the benefit of the RHI income.

This matter has become protracted and the Board understood that this matter would have been resolved by now. This revenue was forecast to be c£250k per annum and, whilst the Board were confident that these issues could be resolved with OFGEM, this ongoing issue has caused a negative impact on the Company's cash flow and ultimately the value of the business.

As a result of the uncertainty of this income going forward the Board concluded that they were unable to wait any longer for the outcome of the Arbitration.

In light of this issue there was no immediate prospect of the Company being able to start paying the historic creditor liabilities from the future cash flow of the Company.

### **Initial introduction**

In light of the legal action and the RHI issue, the Board became increasingly concerned regarding the financial position of the Company and concluded that they required an Independent Business Review ('IBR') and for advice to be provided to the Board on their options.

Accordingly, the Administrators were introduced to the client by Downing LLP, a secured creditor of the Company, and two prior engagements have been undertaken. The first on 19 December 2018 was to review the financials of the Company and the second on 13 February 2019 was to undertake the Independent Business Review (IBR) and provide the options available to the Board.

## **AMICUS RENEWABLES LIMITED - IN ADMINISTRATION**

After reviewing the IBR, including the options and recommendations contained therein, the Directors engaged RPG on 11 March 2019 to commence marketing the business and assets for sale and to assist them in placing the Company into Administration, with a view to concluding a pre-packaged sale of the business and assets immediately upon appointment as Administrators.

The Administrators do not believe that the work undertaken prior to their formal appointment represents a significant personal or professional relationship between the Company or its directors and Royce Peeling Green Limited and have carried out the appropriate conflict review procedures prior to accepting this appointment.

### **Pre-appointment considerations**

The following courses of alternative action were considered with management prior to the Administrator's appointment and the pre-packaged sale:

#### CVA

Based upon the work performed by RPG as part of the IBR, it was apparent that the Company would need to generate substantial cash from future trading (and/or a loan from the Shareholders) in order to provide unsecured creditors with a better outcome compared to Liquidation.

Based upon the cash flow forecasts reviewed by RPG, it was uncertain whether the Company could achieve sufficient surplus cash from future trading to pay into any CVA given the uncertainty on the RHI income and the RHI debtor.

Even if the RHI issues were resolved and a CVA was approved, the balance due to Bridging Trading LLP/Downing LLP and the Shareholders investment would remain in place. The Company would also need to raise circa £1m to invest in having the plant repaired and fund the ongoing working capital requirements.

Accordingly, there was no proposal to be made to creditors to repay debts over time in order to rescue the Company as a going concern.

#### Liquidation

The value of the main asset being the Plant & Machinery is likely to have a higher selling value as a going concern if:

- The RHI future income issues are resolved; and
- The three main contracts with customers are able to be novated.

It was concluded that Administration would be preferable to a Liquidation as it would aid with the novation of contracts. The Board made initial enquiries with OFGEM and obtained comfort that the contracts should be transferable.

Accordingly, Liquidation was immediately dismissed as an option as this would result in a shut down and forced sale of the Company's assets.

### **Trading the business**

It was not possible for the Administrators to trade the business and seek a purchaser due to a lack of funding to trade post appointment, together with the additional level of professional costs that Administration would bring. These costs would be enhanced given the nature of the business and the environmental issues surrounding any period of trading in Administration.

By selling the business and assets as a going concern immediately upon appointment, this has minimised costs and maximised asset realisations.

## AMICUS RENEWABLES LIMITED - IN ADMINISTRATION

### Other alternative courses of action

The directors, shareholders and largest secured lenders were asked whether they were willing to inject further cash into the business to facilitate ongoing trading.

Given the funds already invested, no additional funding could be provided.

### Comparative outcome

The following table provides a comparative outcome with a sale of the Company's assets in liquidation or through a restricted marketing period post Administration as against the outcome obtained via the pre-packaged sale:

Details of Assets	Sale in Liquidation/under Restricted Marketing conditions £	Pre-packaged sale in Administration £
Plant & Machinery	200,000	99,994
Goodwill	0	1
Intellectual Property	0	1
Business information	0	1
Sellers records	0	1
Stock	0	1
Less: environmental clear up costs	(200,000)	0
<b>Total</b>	<b>0</b>	<b>100,000</b>

It is understood that the plant has not been operating to its optimal level and requires an investment of £500,000 to £1,000,000 to work at full capacity.

It should be noted that the main assets are the engines which are piped and connected. In a shutdown scenario, any attempt to uplift these assets would require the disconnection of the digestate and the toxic waste to be tankered out and disposed of off-site.

Our agents LSH have advised that in a shutdown scenario, the costs of disposal and managing an environmentally compliant closedown process would be substantial and would likely exceed the realisations achieved in this matter, resulting in a net liability.

Accordingly, the Directors and largest secured creditors were in full support of the strategy.

The following charges are registered at Companies House: -

Charge in favour of	Date of Creation
Bridging Trading LLP	08/04/15
Downing LLP	25/06/18
Ashfords LLP	24/09/18

### Marketing of the business and assets

Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the Company's creditors as a whole. The Administrator advised the Company prior to his appointment, that any marketing should conform to the marketing essentials set out in SIP16 which includes the following key considerations:

- The business should be marketed as widely as possible, proportionate to its nature and size in the time available using whatever media or other sources that are likely to achieve this outcome;

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- Previous marketing of the business prior to the Administrator's involvement may not provide justification to avoid further marketing. The Administrator must be satisfied as to the adequacy and independence of any prior marketing undertaken by the Company;
- Marketing should have been undertaken for an appropriate length of time to satisfy the Administrator that the best outcome for creditors as a whole has been achieved;
- Any marketing attempts must by default, include the use of the internet.

Immediately following our engagement to market the business and assets for sale and to assist the Directors in placing the Company into Administration, we began to collate information in order for us to market the business and assets for sale.

We prepared a project teaser document which was circulated on a number of business sale websites ([www.lshmachinerysales.co.uk](http://www.lshmachinerysales.co.uk) and [www.ip-bid.com](http://www.ip-bid.com)) on 1 April 2019, whilst also being circulated amongst LSH database of over 1,000 acquisitive contacts. We also targeted a number of potential purchasers based upon knowledge and market research undertaken of the industry, including some contacts provided by the Board.

The above led to expressions of interest from 18 interested parties, 14 of which signed and returned Non-Disclosure Agreements (NDAs) and were sent a sales pack containing all available information regarding this opportunity.

Due to the financial position of the Company, offers were originally required by close of business on 12 April 2019. Given the level of interest and additional due diligence required by the interested parties, the deadline was ultimately extended until 23 April 2019.

At 23 April 2019, 3 offers were received in the sums of £50k, £350k and £500k.

The £50k offer was dismissed as the offer did not meet our agents valuation of the assets.

The £350k offer was received from TFC Investment Management Ltd ("TFC"), who were independent from the Board and Shareholders of the Company, and this offer was supported by evidence of funding. This offer was considered worthy of acceptance, however, given that there was a substantially higher offer on the table, additional time was required to see if the higher bid was capable of completion.

The £500k offer was not supported by proof of funding and, despite giving until noon on 25 April 2019, no proof of funding was ultimately provided.

The Administrators remained in dialogue with TFC throughout and, whilst it may have been possible to provide further time for the £500k offer to be supported, it was agreed with Downing/Bridging that if the offer from TFC could be increased to somewhere between £350k and £500k then exclusivity could be provided and contract issued in order to complete the transaction immediately.

TFC increased their offer to £400k on 25 April 2019 and this offer was accepted upon the recommendation of LSH and Downing/Bridging.

Knights Plc (Solicitors engaged by RPG) were instructed to draft an Exclusivity Agreement and a Sale and Purchase Agreement ("SPA").

The offer from TFC was progressed and the draft SPA was issued to them on 29 April 2019.

Throughout May 2019, the Administrators and their Solicitors responded to significant requests for information from TFC and their lawyers in order to progress this transaction.

TFC raised a number of key issues at this stage, including: -

- Difficulties in reaching agreement with landlord ;
- Difficulties in reaching agreement with the feed supplier and future costs;

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- Concerns regarding the novation of contracts;
- Level of investment required to make the business profitable;
- Reaching a resolution with RHI;

There was an additional concern in relation to the RHI issue, that RHI may seek to deduct any overpayment that RHI had previously made to the Company against the future supply of the Purchaser. Accordingly, TFC were concerned that they may inherit an additional liability.

In light of the above factors, on 20 May 2019, TFC sought a considerable price reduction and proposed a new offer of a lump sum payment in the sum of £100,000.

The Administrators obtained evidence of all RHI income received by the Company in order to provide a level of comfort to TFC regarding the potential liability being inherited. Accordingly, a compromise surrounding this issue was proposed, with the deal being restructured at a maximum of £350k, split as follows: -

- Purchase price of £100k upon completion;
- Further amounts of £122k and £128k being potentially payable by way of additional consideration, subject to recoveries being made from the RHI debt due to the Company and the Purchaser obtaining the benefit of the RHI income stream going forward.

After much deliberation, TFC could not get comfortable with this transaction and on 28 May 2019 they reluctantly came to the conclusion that they were unable to proceed. The overriding factor in this decision was the environmental and clear up costs associated with any shut down of the site if they were unable to make their acquisition successful.

At this point in time the Administrators' reported back to the Board and the secured creditors and began to explore a shutdown/liquidation strategy as there were no further interested parties.

In order to avoid any clean up costs and environment issues caused by a shutdown, which may have involved the assets being removed from site for sale and the leasehold title and any associated environmental issues being disclaimed by the liquidators, the Landlord of the site, Tinwald Power Ltd ("TPL"), expressed an interest in acquiring the business and assets from Administrators.

In addition to being the Landlord of the site, TPL were also a major creditor for both unpaid rent and in their capacity as the feedstock supplier. Furthermore, TPL are a shareholder of the Company and John Cunningham-Jardine, the Director of TPL, is also a Director of the Company.

Further negotiations were held and an offer in the sum of £100,000 was ultimately received from TPL.

Attempts were made in order to drive up this offer, however, it became clear that this was a take it or leave it deal. Following discussions with the secured creditors, this offer was accepted and the Company was placed into Administration on 12 June 2019, with the sale of the business and assets completed immediately following the appointment of Administrators.

### **Valuation of the business and assets**

The Company's assets were valued on 2 April 2019 by Lambert Smith Hampton ("LSH"), RICS Registered Valuers. Lambert Smith Hampton have confirmed their independence and that they carry adequate professional indemnity insurance.

As we believed we would be able to sell the business, we sought a market value to compare offers. In the event that offers may have been lower than these values, we also sought individual valuations so that we could assess whether any offer merited acceptance, or if we should sell the assets on a piecemeal basis.

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A summary of the assets and LSH's valuation is presented in the table below, together with a comparison of the realisations achieved via the pre-packaged sale.

Details of Assets	Forced Sale Value	Going Concern Value	Pre-packaged sale
	£	£	£
Plant & Machinery	0	200,000	99,994
IPR/Goodwill/Stock/Info	0	0	6
Total	0	200,000	100,000

The sale has ensured that significant realisations have been received for the assets, whilst avoiding costs of a piecemeal disposal including the costs of collection of the assets, storage of the assets and associated selling costs. The costs that have been avoided would have reduced the net realisations of assets considerably.

Furthermore, as stated above, our agents LSH advised that in a forced sale scenario, the costs of disposal and managing an environmentally compliant closedown process would be substantial and would likely exceed any realisations achieved in this matter, resulting in a net liability.

Accordingly, the offer for the business and assets from TPL was recommended for acceptance by LSH.

### Details of the assets sold and the nature of the transaction

The SPA was negotiated and agreed and a sale of the business and assets was concluded immediately upon the appointment of Administrators on 12 June 2019.

The sale was to Tinwald Power Limited (Company Number: SC463193). The sale is not part of any wider transaction and there are no options, buy-back arrangements or similar conditions attached to the contract of sale.

We are not aware of any personal guarantees being provided to creditors by the Directors.

The sale has been treated as a connected party transaction as the purchaser was connected to the Company (as defined in section 249 of the Insolvency Act 1986). As stated above, in addition to being the Landlord and feedstock supplier (and a major creditor in this matter), TPL are also a shareholder of the Company. John Cunningham-Jardine, the Director of TPL, is also a Director of the Company.

### Assets

The assets sold per the Sale and Purchase Agreement comprised of Plant & Machinery, together with Intellectual Property Rights, Goodwill, Seller Records, Contracts, Business Information and Stock. The sale of the business and assets is considered to be a transfer as a going concern.

### Sale consideration

The total consideration for the sale was £100,000 and was paid in full on completion.

Our agents recommended that the offer be accepted, given that this was the only remaining offer and exceeded their forced sale valuation as it avoided the considerable costs and issues associated with an environmentally compliant shutdown process and the costs associated with any disposals, providing certainty of the realisations achieved in the Administration.

The sale as a going concern provides greater prospects of the Administrators recovering any debts due under contracts that may now be novated. As part of the sale to TPL we have agreed that a 25% collection fee will be paid to TPL in respect of the RHI debt due to the Company at the date of Administration.

The transaction has also ensured an ongoing tenant for the Company's landlord, mitigating any claim for the unexpired portion of lease.



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### Pre-administration costs

Pre-administration costs have had to be incurred by various professionals to enable this transaction to be completed, which as can be seen from the information presented in this report, has resulted in the best possible outcome for creditors.

Payment of unpaid pre-administration costs as an expense of the Administration is subject to the approval of creditors. The pre-administration costs can be summarised as follows: -

Professional	Cost
RPG (Advisory)	£6,000.00
RPG (Administrators)	£38,967.50
Knights Plc (Solicitors)	£33,587.00
Lambert Smith Hampton (agents/valuers)	£9,250.00
Total	£81,804.50

Administrators time costs were incurred in marketing the business and assets, negotiating and completing the aborted and eventual sale. Disbursements of £195 were incurred by RPG in connection with the online marketing of the business and assets via [www.IP-bid.com](http://www.IP-bid.com).

Solicitors have had to review the security of the secured creditors, prepare the appointment documentation, draft, negotiate and agree the Sale and Purchase Agreement, together with dealing with the lease assignment and surrender. Disbursements of £150 were incurred by Knights in relation to Court fees for filing notice of intention to appoint Administrators and ultimate appointment documentation.

Agents attended site and prepared an inventory and valuation of the assets and provided marketing advice and recommendations on sale. Disbursements of £375 were incurred by Lambert Smith Hampton in relation to mileage claims and digital marketing expenses.

### **Connected Party transactions**

Where there are connections between an insolvent company and the purchasing entity, the purchaser meets the definition of a "connected party" and following recommendations made to the Department for Business, Energy & Industrial Strategy about pre-packaged sales to connected parties, it was felt that some of the concerns expressed about such transactions in the context of insolvency, may be overcome by having an independent party review the proposed sale and offer an opinion on the appropriateness of the grounds for the sale. This may provide reassurance to creditors that an independent person has considered the reasonableness of the proposed transaction.

As the transaction meets the definition of a connected party sale, the transaction is eligible for review by the Pre-Pack Pool (**the Pool**). The pool is an independent body of experienced business people and has been set up in response to a series of recommendations contained in an independent review of pre-packaged sales in administrations. A Pool member will offer an opinion on the purchase of a business and/or its assets by a party connected to a company where a pre-packaged sale is proposed by an Administrator. The Pool, through its members, operates only to review and opine on applications made voluntarily by connected parties. Further information on the work of the Pool can be found in the 'Questions and Answers about the Pre-Pack Pool' document on the Pool's website at [www.prepackpool.co.uk](http://www.prepackpool.co.uk).

At the beginning of our marketing, the Board of Directors were made aware that if they expressed an interest in acquiring the business and assets then they had the ability to approach the Pool and the potential for enhanced stakeholder confidence from the connected party approaching the Pool and preparing a viability statement for the purchasing entity.

Given that considerable time and delay was caused by the aborted sale to an unconnected party, with TPL coming in with an offer at the very last moment, the Pool has not been approached by the connected party and a viability statement has not been provided to the Administrators.