

**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

05637514

Name of Company

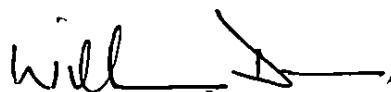
Neptune Renewable Energy Limited

I / We

William Duncan
Two Humber Quays
Wellington Street West
Hull
HU1 2BNKeith Allan Marshall
Two Humber Quays
Wellington Street West
Hull
HU1 2BNthe liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 05/03/2013 to 04/03/2014

Signed



Date

2/5/14

Baker Tilly Business Services Limited
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Ref 5526282/WD/KAM/AG/HW/CHH

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COMPANIES HOUSE

Neptune Renewable Energy Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 05/03/2013 To 04/03/2014
	SECURED ASSETS	
30,980 00	Demonstrator	NIL
54,000 00	Bond held with Crown Estates	NIL
		<u>NIL</u>
	SECURED CREDITORS	
(109,700 00)	Crown Estates	NIL
		<u>NIL</u>
	ASSET REALISATIONS	
Uncertain	Uncalled Share Capital	NIL
NIL	Intangible Assets	NIL
9,656 69	Cash at Bank	9,669 50
	Portokabin	3,250 00
250 00	Unpaid Share Capital	2,000 00
NIL	Computer Equipment	NIL
2,500 00	Bank Interest Gross	0 15
		<u>14,919 65</u>
	COST OF REALISATIONS	
	Pre-Appointment Advisory Fee	960 00
	Statement of Affairs Fees	7,000 00
	Liquidators disbursements	85 00
	Agents Fees	2,500 00
	Agents Disbursements	84 30
	Solicitor's Fees	1,000 00
	Consultant's Fees	381 00
		<u>(12,010 30)</u>
	UNSECURED CREDITORS	
(92,000 00)	Yorkshire Forward Grant	NIL
(165,100 00)	Director's Loan	NIL
(100,000 00)	Mr Hass	NIL
(111,756 22)	Trade & Expense Creditors	NIL
(3,454 00)	Landlord - The Deep	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(2,988,574 00)	Share Premium	NIL
(2,796 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
(3,475,993.53)		<u>2,909.35</u>
	REPRESENTED BY	
	Floating Current A/c	2,909 35
		<u>2,909.35</u>



William Duncan
Joint Liquidator



Private and Confidential

To all known members and creditors

Baker Tilly Business Services Limited
Two Humber Quays, Wellington Street West,
Hull, HU1 2BN
T: 01482 607200
F: 01482 607201
www.bakertilly.co.uk

Our Ref
KAM/WD/AG/JP/CHH/5526282/CVL0802dd1/
Your Ref
9 April 2014

When telephoning or emailing please contact Holly Wray on 01482 607200 or holly.wray@bakertilly.co.uk

Dear Sirs

Neptune Renewable Energy Limited ("the Company") – In Liquidation

I enclose a copy of the Joint Liquidators' first progress report in relation to the above liquidation.

Please note that RSM Tenon Limited (which has changed its name to Baker Tilly Business Services Limited) has been acquired by Baker Tilly UK Holdings Ltd and all future communications will be conducted under the Baker Tilly name.

On 13 December 2013 the High Court of Justice, Chancery Division, Leeds District Registry Ordered that Sarah Louise Burge be removed from office as Joint Liquidator and be replaced by Keith Allan Marshall (the "Court Order").

The effect of the Court Order is that Keith Allan Marshall and I will now continue as Joint Liquidators and Sarah Louise Burge was granted her release as Joint Liquidator 21 days after notice of the Court Order be published in the London Gazette.

The Court Order provides that the costs of the Application shall be aggregated and apportioned equally amongst the various estates which are the subject of the Court Order, with such costs to be drawn by the liquidators as disbursements where sufficient funds are available.

Each creditor has liberty to apply to the Court for an Order varying or discharging the Court Order within 28 days of receipt of this report

It is open to any creditor to apply to Court for an Order that the Joint Liquidators provide information in relation to the administration of the estate, including a progress report, a summary of receipts and payments and a Statement that the liquidators have reconciled their accounts with that held by the Secretary of State, in so far as this information is not included within this report.

Baker Tilly Tax and Advisory Services LLP, Baker Tilly UK Audit LLP, Baker Tilly Corporate Finance LLP and Baker Tilly Restructuring and Recovery LLP are limited liability partnerships registered in England and Wales, with registered numbers OC325348, OC325350, OC325347 and OC325349 respectively. Baker Tilly Tax and Accounting Limited, Baker Tilly Rivas Limited, Baker Tilly Management Limited, Baker Tilly Business Services Limited, Baker Tilly Audit Limited and Baker Tilly CF Limited are registered in England and Wales with numbers 6677561, 6463594, 3077999, 04066924, 04045321, 06555639 respectively. All limited companies and limited liability partnerships are registered at 25 Farringdon Street, London, EC4A 4AB. For Baker Tilly Business Services Limited, Baker Tilly CF Limited, Baker Tilly Audit Limited, the term 'Partner' refers to the title of senior employees, none of whom provide services on their own behalf.

Where the liquidators are requested to provide the above information, the liquidators' costs of complying with such request shall, unless good reasons to the contrary are demonstrated, be paid as a cost of the liquidation

Notwithstanding the above, any creditor may request a statement of the liquidators' receipts and payments from the liquidator free of charge

A copy of the Court Order is available to creditors on request

Should you require any further information relating to this report, please do not hesitate to contact this office on the number above

Yours faithfully

A handwritten signature in black ink, appearing to be 'William Duncan', with a long horizontal line extending to the right.

William Duncan
Baker Tilly Business Services Limited
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in Scotland

Enclosures

- > Joint Liquidators' Report
- > Appendix I: Statutory Information
- > Appendix II Receipts and Payments Account
- > Appendix III Information relating to Joint Liquidators' Fees and Expenses

**Neptune Renewable Energy Limited (“the Company”) – In
Liquidation**

**Joint Liquidators’ First Progress Report
for the Year from Appointment on 5 March 2013 to 4 March 2014**

Issued on: 9 April 2014

NEPTUNE RENEWABLE ENERGY LIMITED ("THE COMPANY") – IN LIQUIDATION

JOINT LIQUIDATORS' FIRST PROGRESS REPORT AS AT 4 MARCH 2014

1. Introduction

Keith Allan Marshall and William Duncan are the Joint Liquidators of the Company and this is their first progress report to the creditors and members of the Company, showing how the liquidation has been conducted. The report covers the period from 5 March 2013 to 4 March 2014.

2. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**.

3. Joint Liquidators' Receipts and Payments Account

A summary of the Joint Liquidators' receipts and payments account relating to the Company from commencement to date is attached at **Appendix II**.

4. Action taken by the Joint Liquidators since Appointment

The Company was wound up on 5 March 2013 and Joint Liquidators were appointed at meetings of members and creditors held on 5 March 2013.

Assets

Cash at Bank

The Company's cash at bank balance as shown in the statement of affairs was £9,657, a slightly higher amount of £9,670 was realised.

Unpaid Share Capital

The debt of £139,548 due from Professor Hardisty for unpaid share capital had an uncertain realisable value as per the statement of affairs. The Joint Liquidators received an offer of £8,000 payable in two instalments from Professor Hardisty, accompanied by a sworn statement of means, confirming Professor Hardisty's financial position. This was subsequently accepted in settlement of his liability to the Company as it represented the best return to creditors.

Professor Hardisty's first contribution of £2,000 was paid in January 2014, with the balance of £6,000 payable in June 2014.

Demonstrator & Security held by Crown Estates

Creditors will recall that the Company operated an experimental tidal wave electricity generator that was located off Victoria Dock, Hull, in the waters of the River Humber ("the Demonstrator"). The Demonstrator was connected to The Deep aquarium and was designed to provide surplus electricity generated to The Deep. The Demonstrator was not successful. A bond was placed with Crown Estates as part of the lease agreement entered into to moor the Demonstrator in the Humber. As detailed in the statement of affairs, the costs of removing the Demonstrator

were far greater than the realisable value of the item, being its scrap value, and the bond held by the Crown Estates combined. Therefore in accordance with agent's advice, the Demonstrator was disclaimed on 5 March 2013 as it was not readily saleable.

Demonstrator Control Room Assets

The Demonstrator contained certain bespoke electronic equipment that the directors had estimated to realise circa £15,000, however as detailed in the statement of affairs, despite efforts to find a purchaser for this equipment no purchaser was found. Accordingly these assets were disclaimed on 5 March 2013 as part of the Demonstrator.

Fixtures Fittings & Computer Equipment

The Company had a number of fixtures, fittings and computer equipment located in The Deep. The Deep as landlord took control of some of the fixtures and fittings and offset their realisable value against outstanding debt. The remaining fixtures and fittings and computer equipment were valued at £250 on an ex-situ basis by our agent. These assets have since been disclaimed as the costs of removing the assets outweighed the realisable value, this was in accordance with agent's advice.

Portacabin

The Portacabin was valued at £2,500 by our agent Robert Wilkinson of Sanderson Weatherall LLP. This has now been sold to a third party for £3,250.

Intangible Assets – IP Demonstrator Designs, Patents etc

As per the statement of affairs a number of parties expressed an interest in the Company's intangible assets but no offers have been received. No realisation is expected from this asset.

Bank Interest

Nominal bank interest of £0.15 has been received in the period.

Investigations

The Joint Liquidators' have a duty to submit a confidential report or return to the Government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the liquidation. These have been completed. There are no outstanding lines of enquiry.

5. Future Actions of the Joint Liquidators

There is still a payment due from Professor Hardisty in relation to the unpaid share capital which the joint liquidators are expecting to receive in June 2014.

6. Liabilities and Dividends

Secured Creditors

There are no known secured creditors

Preferential Creditors

There are no known preferential creditors

Ordinary Unsecured Creditors

Claims totalling £221,875 were received from 12 creditors. There are a further 15 potential creditors with potential claims totalling £275,146 who have not yet lodged their claims.

7. Joint Liquidators' Remuneration, Disbursements and Expenses

Basis of Remuneration and Disbursements

At the initial meeting of creditors held on 5 March 2013 it was resolved that the Joint Liquidators would be remunerated by reference to the time properly spent in dealing with matters in the liquidation and that their disbursements would be drawn in accordance with the tariff outlined at **Appendix III**.

Remuneration Charged and Drawn in the Period

The Joint Liquidators' time costs were charged (exc VAT) as follows:

	Incurred	Paid
For this period from appointment on 5 March 2013 to 4 March 2014	£18,994	£0.00

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs.

Disbursements Incurred and Drawn

The Joint Liquidators' disbursements incurred and reimbursed are summarised below. Details are in the attached **Appendix III**.

	Incurred	Paid
Category 1 disbursements for this period from appointment on 5 March 2013 to 4 March 2014	£602.08	£0.00
Category 2 disbursements for this period from appointment on 5 March 2013 to 4 March 2014	£147.00	£0.00
Total	£749.08	£0.00

Expenses (Professional Advisors) Charged and Drawn in the Period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Sanderson Weatherall LLP	Asset agents Valuation and Disposal of Company assets	Valuation fee plus a commission based upon sale price
Rollits LLP	Solicitors legal advice	Time costs
BSB Consultancy	Consultant Engineer Practical Assistance in relation to the Demonstrator	Time cost

The choice of professionals and the Joint Liquidators' fee arrangement with them was based on perception of their experience and ability to perform this type of work, together with the complexity and nature of the assignment

Details of the costs incurred and paid by the Joint Liquidators' in relation to liquidation expenses for the period are also attached at **Appendix III**

Pre Appointment Costs

At the initial meeting of creditors held on 5 March 2013, it was resolved that the fees of Baker Tilly Business Services Limited (then called RSM Tenon Limited) for assisting the Directors in convening the statutory meetings to place the Company into liquidation, and for assistance in preparing the Statement of Affairs, would be a set fee of £12,000 plus VAT and disbursements to be paid out of the assets of the Company

£7,000 of these fees have been drawn to date and pre-appointment disbursements of £85 have been drawn. The remaining £5,000 will be drawn once sufficient assets have been realised

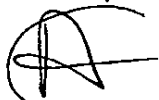
Creditors should also note that RSM Tenon Restructuring received fees of £800 plus VAT for advisory work to the Company in relation to its solvency prior to formal engagement

Creditors' Guide to Fees and Statement of Creditors' Rights

Creditors have a right to request further information from the Liquidators and additionally have a right to challenge the Liquidators' remuneration and expenses time limits apply. Details can be found in the document 'A Creditor's Guide to Liquidators' Fees' which can be accessed at the website of the Insolvency Practitioners' Association (www.insolvency-practitioners.org.uk > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales (www.icaew.com > Technical Resources > Insolvency > Creditors' Guides). Alternatively a copy is available free of charge upon request from the address above

8. Conclusion of the Liquidation

I anticipate being in a position to conclude my administration of the Liquidation within the next 6 to 9 months.



William Duncan
Baker Tilly Business Services Limited
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in Scotland

Statutory Information

Appendix I

Company Information

Company Name	Neptune Renewable Energy Limited
Previous Name	N/a
Company Number	05637514
Date of Incorporation	28 November 2005
Trading Address	Neptune Renewable Energy Limited, 18 High Street, North Ferriby, East Yorkshire, HU14 3JP
Current Registered Office	Two Humber Quays, Wellington Street West, Hull, HU1 2BN
Former Registered Office	18 High Street, North Ferriby, East Yorkshire, HU14 3JP
Principal Trading Activity	Renewable Energy

Appointment Details

Joint Liquidators' name and address	Keith Allan Marshall of Baker Tilly Business Services Limited, Two Humber Quays, Wellington Street West, Hull, HU1 2BN and William Duncan of Baker Tilly Business Services Limited, Two Humber Quays, Wellington Street West, Hull, HU1 2BN
Commencement of liquidation	5 March 2013
Date of appointment	5 March 2013
Appointment made by	Members and Creditors

The Joint Liquidators act jointly and severally

Please note that RSM Tenon Limited (which has changed its name to Baker Tilly Business Services Limited) has been acquired by Baker Tilly UK Holdings Ltd and all future communications will be conducted under the Baker Tilly name

Additionally, on 13 December 2013 the High Court of Justice, Chancery Division, Leeds District Registry Ordered that Sarah Louise Burge be removed from office as Joint Liquidator and be replaced by Keith Allan Marshall.

The effect of the Court Order is that Keith Allan Marshall and I will now continue as Joint Liquidators and Sarah Louise Burge was granted her release as Joint Liquidator 21 days after notice of the Court Order be published in the London Gazette

Appendix II

Receipts and Payments Account

Neptune Renewable Energy Limited - In Liquidation

Appendix II

Joint Liquidators' Receipts and Payments account
Since appointment on 5 March 2013 to 4 March 2014

Statement of Affairs		5 March 2013 to 4 March 2014 £	Total £
	Receipts		
9,656 69	Cash at Bank	9,669 50	9,669 50
uncertain	Unpaid Share Capital	2,000 00	2,000 00
Nil	Demonstrator & Security Held by Crown Estates	-	
Nil	Demonstrator Control Room Assets	-	
250 00	Fixtures and Fittings & Computer Equipment	-	
2,500 00	Portacabin	3,250 00	3,250 00
Nil	Intangible Assets	-	
-	Bank Interest	0 15	0 15
	Total	14,919.65	14,919 65
	Payments		
	Pre-Appointment Advisory Fee	960 00	960 00
	Preparation of Statement of Affairs	7,000 00	7,000 00
	Pre-Appointment Expenses	85 00	85 00
	Agents Fees	2,500 00	2,500 00
	Agents Expenses	84 30	84 30
	Solicitors Fees	1,000 00	1,000 00
	Consultant's Fees	381 00	381 00
		12,010.30	12,010 30
	Total		
	Balance in hand	2,909 35	2,909 35

Appendix III

Information relating to the Joint Liquidators' Fees and Expenses

Neptune Renewable Energy Limited

Information relating to the Joint Liquidators' Fees and Expenses

1. Explanation of Liquidators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

Grade	Rate per hour £
Directors / Associate Directors	355 – 395
Managers	260 – 300
Technical Staff	155 – 220
Assistants and Support Staff	130 – 155

1.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements

External supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Baker Tilly Business Services Limited and then recharged to the estate, approval from creditors is not required.

Examples of category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, external room hire, storage, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011).

Category 2 disbursements

These include elements of shared or allocated costs incurred by Baker Tilly Business Services Limited and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements charged by Baker Tilly Business Services Limited are as follows:

Disbursement charge	Rate
Company searches (Tracker)	£10 per case
File set up	£7 per file
Photocopying, scanning and faxes	10p per side of paper

Mileage	45p per mile
Room hire (internal) - London	£150 per hour
Room hire (internal) - outside London	£100 per hour
Reports to creditors and members - posted	50p per report
Reports to creditors and members - published on line	25p per report

2. Description of work carried out in the current period

Section 3 of this Appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows:

2.1. Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment
- > Notification of the appointment to creditors and other interested parties
- > Setting up case files
- > Reviewing available information to determine appropriate strategy
- > Setting up and maintaining bank accounts
- > Progress reviews of the case

Staff of different levels were involved in the above activities depending upon the experience required.

2.2. Investigations

The time spent includes:

- > Corresponding with the former directors and management
- > Review of questionnaires and comments provided by interested parties
- > Review of company documentation
- > Completion of statutory returns to the Insolvency Service

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

2.3. Realisation of assets

Please refer to the main body of the report but in summary the time spent includes:

- > Extensive correspondence with agents and solicitors
- > Identifying of assets
- > Correspondence and meetings with various interested parties, both international and national
- > Review of agents valuations and their estimated costs of removal of assets
- > Disclaiming assets uneconomical to pursue

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

2.4. Creditors and distributions

The time spent includes the following matters.

- > Recording and maintaining the list of creditors
- > Recording creditor claims
- > Reporting to creditors
- > Meetings of creditors
- > Dealing with creditor queries
- > Reviewing and evaluating creditor claims

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

3. Time and charge out summary

For the period of this report from appointment on 5 March 2013 to 4 March 2014, a total of 84.2 hours have been spent at an average charge out rate of £225.58 bringing the total cost to £18,994.00

The table below shows details of the time costs charged (exc VAT) in the current period

Classification of work function	Insolvency Practitioner/ Partner/ Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	7.6	9.2	8.5	9.7	35.0	8,404.00	240.11
Investigations	1.3	0.4	7.0	0.0	8.7	1,706.50	196.15
Realisation of assets	5.9	10.6	16.2	0.7	33.4	7,829.00	234.40
Creditors	0.0	0.1	5.9	1.1	7.1	1,054.50	148.52
Total hours/costs	14.8	20.3	37.6	11.6	84.2	18,994.00	225.58

Creditors should note that the directors of the Company have personally guaranteed the Joint Liquidators post appointment liquidation fees up to the total of £20,000 plus disbursements and VAT

4. Disbursements

Disbursements incurred and reimbursed from commencement of the liquidation to 4 March 2014 are detailed below

Disbursements	Incurred £	Paid £
Category 1		
Statutory advertising	169.20	0.00

Land Registry fees	18 00	0 00
Bond premium	230 00	0 00
Postage	45 08	0 00
Storage	139 80	0 00
Total	602.08	0.00
Category 2		
Reporting Costs	24 50	0 00
Photocopying/Printing	122 50	0 00
Total	147.00	0.00

The above costs exclude VAT

5. Professional advisors and expenses

The Joint Liquidators have incurred liquidation expenses in connection with the instruction of the following parties, covering the current period,

Name & Activity	This period	
	Incurred	Paid
	£	£
Sanderson Weatherall LLP	2,584.30	2,584 30
Rollits LLP	1,000 00	1,000 00
BSB Consulting	381 00	381 00
Total	3,965.30	3,965.30

The above costs exclude VAT.