

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

To the Registrar of Companies

Company Number

05637514

Name of Company

(a) Insert full name
of company

(a) Neptune Renewable Energy Limited

Limited

(b) Insert full name(s)
and address(es)

We (b)

William Duncan
Baker Tilly Restructuring and
Recovery LLP
Two Humber Quays
Wellington Street West
Hull HU1 2BNand Alec Pillmoor
Baker Tilly Restructuring and Recovery
LLP
Two Humber Quays
Wellington Street West
Hull HU1 2BNThe Joint Liquidators of the company attach a copy of their Progress
Report under section 192 of the Insolvency Act 1986The Progress Report covers the period from 05 March 2014
to 04 March 2015Signed Will [Signature] Date 29/4/15Presenter's name,
address and
reference
(if any)Baker Tilly Restructuring and Recovery LLP, Two Humber Quays,
Wellington Street West, Hull HU1 2BN
Ref WD/ADP/AG/JP/CHH/1045087

**IN THE MATTER OF
NEPTUNE RENEWABLE ENERGY LIMITED - IN LIQUIDATION
("THE COMPANY")**

JOINT LIQUIDATORS' PROGRESS REPORT

29 APRIL 2015

**WILLIAM DUNCAN AND ALEC PILLMOOR
JOINT LIQUIDATORS
("THE LIQUIDATORS")**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP
TWO HUMBER QUAYS
WELLINGTON STREET WEST
HULL HU1 2BN**

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1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the Registrar of Companies with information relating to the progress of the liquidation in the period from 5 March 2014 to 4 March 2015. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

RSM Tenon Limited was acquired by Baker Tilly UK Holdings Limited in September 2013 and, following an internal restructuring, insolvency appointments such as this are now conducted on behalf of Baker Tilly Restructuring and Recovery LLP.

Neither the Liquidators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2. PROGRESS OF THE LIQUIDATION IN THE PREVIOUS TWELVE MONTHS

2.1. Realisation of Assets in the period

Unpaid Share Capital

As previously reported, the debt due of £139,548 from Professor Hardisty in respect of unpaid share capital was compromised at £8,000. This sum has now been paid in full.

Outstanding Asset Realisations

The only remaining matter in the liquidation is the realisation of monies pledged by a number of the Company's shareholders to cover the costs of the liquidation.

2.2. Potential Claim for Compensation for Mis-selling of Interest Rate Hedging Product

As you may be aware, a settlement agreement was recently reached between the Financial Conduct Authority ("FCA") and certain major banks in relation to the sale of interest rate hedging products. The Liquidators have investigated whether or not the Company was sold a relevant Interest Rate Hedging Product and in this instance, such a product does not appear to have been sold to the Company.

2.3. Investigations

In accordance with our statutory obligations, we have filed the appropriate

documentation with the Department for Business, Innovation and Skills in relation to the conduct of the directors

2.4. Change in Joint Liquidator

On 16 May 2014 the High Court of Justice, Chancery Division, Leeds District Registry Ordered that Keith Allan Marshall be removed from office as Joint Liquidator and be replaced by Alec Pillmoor (the "Court Order").

The effect of the Court Order is that William Duncan and Alec Pillmoor will now continue as Joint Liquidators until the conclusion of the liquidation and Keith Allan Marshall was granted his release as Joint Liquidator 21 days after notice of the Court Order was published in the London Gazette on 11 June 2014

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.

2.5. Administration and Planning

In the period 5 March 2014 to 4 March 2015, the Liquidators and their staff have also undertaken the following

- Case planning and strategy,
- Handling of receipts and payments and maintaining a bank account,
- Post appointment taxation matters,
- File reviews; and
- Other statutory and regulatory compliance matters

3. ASSETS REMAINING TO BE REALISED

As noted at section 2.1 above, the only matter outstanding in the liquidation is the realisation of monies pledged by a number of the Company's shareholders to cover the costs of the liquidation.

4. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

4.1. Secured Creditors

There are no known secured creditors

4.2. Preferential Creditors

There are no known preferential creditors

4.3. Unsecured Creditors

The value of unsecured creditor claims included in the Directors' Estimated Statement of Affairs totalled £497,032, comprising 27 creditors

To date, the Liquidators have received 12 claims totalling £221,874

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

4.4. Prescribed Part

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

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended)

5. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 5 March 2014 to 4 March 2015.

VAT Basis

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

6. COSTS AND JOINT LIQUIDATORS' REMUNERATION

6.1. Joint Liquidators' Remuneration and Disbursements

The Liquidators' remuneration was approved on a time cost basis by creditors at the Section 98 meeting of creditors on 5 March 2013. We have incurred time costs of £31,051 since the date of our appointment. Of this, a total of £800 (plus VAT) has been paid and £30,251 remains outstanding

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D

6.2. Remuneration and Disbursements incurred in the period from 5 March 2014 to 4 March 2015

We have incurred time costs of £11,728 in the current period. An analysis of time incurred in the period is attached at Appendix G. Details of the sums drawn in respect of remuneration in the period covered by the report are shown on the receipts and payments account (Appendix B)

Category 2 disbursements incurred in the period are detailed in Appendix E

7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period, together with cumulative figures.

At the Section 98 meeting on 5 March 2013, creditors approved the Statement of Affairs fee and the meeting of creditors fee in the sum of £12,000 to be paid to Baker Tilly Business Services Limited (then called RSM Tenon Limited). These fees have been paid.

Detailed cost breakdown

Attached to this report are four Appendices relating to my costs on this assignment:

- Appendix C: A copy of Baker Tilly Restructuring and Recovery LLP's charging, expenses and disbursements policy statement;
- Appendix D: Liquidators' charge out and disbursement rates;
- Appendix E: Category 2 disbursements table, and
- Appendix G: Liquidators' time costs analysis.

The work that we do as Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity and accordingly no extraordinary responsibility has to date fallen upon us as Liquidators. The underlying basis of charging proposed to and approved by the creditors has been Baker Tilly Restructuring and Recovery LLP standard charge out rates. Baker Tilly Restructuring and Recovery LLP charge out rates have been reviewed periodically.

Other professional costs

Rollitts LLP, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees of £3,000 plus VAT have been paid.

Sanderson Weatherall LLP were retained as agents to dispose of the Company's tangible assets. I have agreed that they be remunerated on the basis of their standard commission rates, plus disbursements and VAT. They have submitted invoices totalling £2,584 which have been paid.

BRB Consultancy were retained to provide practical assistance in relation to the demonstrator and have been paid £381. For further details please see the last progress report.

8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

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

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

A Creditors' Guide to Liquidators' Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed by following the links within our website. Please note that a hard copy of any document uploaded to our website can be requested.

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

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



William Duncan
Baker Tilly Restructuring and Recovery LLP
Joint Liquidator

William Duncan is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants of Scotland

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

Appendix A**STATUTORY INFORMATION**

| | | | |
|-----------------------|---|------------------|-----------------|
| Company Name | Neptune Renewable Energy Limited | | |
| Joint Liquidators: | | <u>Appointed</u> | <u>Resigned</u> |
| | Sarah Burge | 5 Mar 2013 | 6 Dec 2013 |
| | Keith Marshall | 13 Dec 2013 | 16 May 2014 |
| | William Duncan | 5 Mar 2013 | |
| | Alec Pillmoor | 16 May 2014 | |
| Date of Liquidation | 5 March 2013 | | |
| Company Number | 05637514 | | |
| Date of Incorporation | 28 November 2005 | | |
| Trading Name | Not Applicable | | |
| Trading Address | Neptune Renewable Energy Limited, 18 High Street, North Ferriby, East Yorkshire HU14 3JP | | |
| Principal Activity | Renewable Energy | | |
| Registered Office | Baker Tilly Restructuring and Recovery LLP, Two Humber Quays, Wellington Street West, Hull HU1 2BN | | |

Receipts and Payments Abstract 1045087 - Neptune Renewable Energy Limited In Liquidation

Bank, Cash and Cash Investment Accounts From 05/03/2014 To 04/03/2015

| SOA Value £ | | 05/03/2014 to 04/03/2015 | | Total to 04/03/2015 | |
|----------------|------------------------------|--------------------------|------------|---------------------|-------------|
| | | £ | £ | £ | £ |
| | SECURED ASSETS | | | | |
| 54,000 00 | Bond held with Crown Estates | 0 00 | | 0 00 | |
| 30,980 00 | Demonstrator | 0 00 | | 0 00 | |
| | | | 0 00 | | 0 00 |
| | SECURED CREDITORS | | | | |
| (109,700 00) | Claims | 0 00 | | 0 00 | |
| | | | 0 00 | | 0 00 |
| | ASSET REALISATIONS | | | | |
| 2,500 00 | Bank Interest Gross | 1 18 | | 1 33 | |
| 9,656 69 | Cash at Bank | 0 00 | | 9,669 50 | |
| 0 00 | Portokabin | 0 00 | | 3,250 00 | |
| 250 00 | Unpaid Share Capital | 6,000 00 | | 8,000 00 | |
| | | | 6,001 18 | | 20,920 83 |
| | COST OF REALISATIONS | | | | |
| 0 00 | Agents Disbursements | 0 00 | | (84 30) | |
| 0 00 | Agents Fees | 0 00 | | (2,500 00) | |
| 0 00 | Consultant's Fees | 0 00 | | (381 00) | |
| 0 00 | Liquidators disbursements | (153 58) | | (238 58) | |
| 0 00 | Liquidator's Remuneration | 0 00 | | (800 00) | |
| 0 00 | Solicitor's Fees | (2,000 00) | | (3,000 00) | |
| 0 00 | Statement of Affairs Fees | (5,000 00) | | (12,000 00) | |
| | | | (7,153 58) | | (19,003 88) |
| | UNSECURED CREDITORS | | | | |
| (165,100 00) | Director's Loan | 0 00 | | 0 00 | |
| (3,454 00) | Landlord - The Deep | 0 00 | | 0 00 | |
| (100,000 00) | Mr Hass | 0 00 | | 0 00 | |
| (111,756 22) | Trade & Expense Creditors | 0 00 | | 0 00 | |
| (92,000 00) | Yorkshire Forward Grant | 0 00 | | 0 00 | |
| | | | 0 00 | | 0 00 |
| | EQUITY | | | | |
| (2,796 00) | Ordinary Shareholders | 0 00 | | 0 00 | |
| (2,988,574 00) | Share Premium | 0 00 | | 0 00 | |
| | | | 0 00 | | 0 00 |
| (3,475,993 53) | | | (1,152 40) | | 1,916 95 |
| | REPRESENTED BY | | | | |
| | Floating Current A/c | | | 1,756 95 | |
| | VAT Receivable (Payable) | | | 160 00 | |
| | | | | | 1,916 95 |
| | | | | | 1,916 95 |

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

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

Expenses and disbursements policy

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

Appendix D

BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT LIQUIDATORS' CURRENT CHARGE OUT AND CATEGORY 2 DISBURSEMENT RATES

| HOURLY CHARGE OUT RATES | | |
|-------------------------|----------------------------|--------------------|
| | Rates at commencement £ | Current rates £ |
| Partner/Director | 355 to 395 | 355 to 395 |
| Manager | 260 to 300 | 225 to 300 |
| Technical Staff | 155 to 220 | 155 to 220 |
| Support Staff | 100 to 155 | 130 to 155 |

| "CATEGORY 2" DISBURSEMENT RATES | |
|---------------------------------|--|
| Internal room hire | £100 |
| Subsistence | £25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013) |
| Travel (car) | 38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011) |
| "Tracker" searches | £10 per case |

Appendix E**JOINT LIQUIDATORS' CATEGORY 2 DISBURSEMENTS TABLE INCURRED IN
THE PERIOD 5 MARCH 2014 TO 4 MARCH 2015**

| Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest | | |
|--|-------------|---------------|
| Recipient, Type and Purpose | Paid | Unpaid |
| | £ | £ |
| None | Nil | Nil |
| | | |
| | | |
| | | |
| | | |
| Total | Nil | Nil |

Appendix F

STATEMENT OF EXPENSES INCURRED BY THE LIQUIDATORS' IN THE PERIOD FROM 5 MARCH 2014 TO 4 MARCH 2015

| Type and Purpose | Incurring Period £ |
|----------------------------|-----------------------|
| Liquidators' Disbursements | |
| - Storage | 126.00 |
| - Website hosting | 8.00 |
| - Bond | 7.00 |
| Solicitors' Fees | 2,000.00 |
| | |
| | |
| | |
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| | |
| | |
| | |
| | |
| | |
| Total | 2,141.00 |

Appendix G

JOINT LIQUIDATORS' TIME COSTS ANALYSIS

FOR THE PERIOD FROM 5 MARCH 2014 TO 4 MARCH 2015

Neptune Renewable Energy Limited
Joint Liquidators' Tim Costs Analysis

For the period 5 March 2014 to 4 March 2015

| Period | Hours Spent | Partners | Directors / Associate Directors | Managers | Assistant Managers | Administrators | Assistants & Support Staff | Total Hours | Total Time Costs | Average Rates |
|--|---|-----------------|---------------------------------|-----------------|--------------------|-------------------|----------------------------|--------------------|--------------------|---------------|
| Administration and Planning | | | | | | | | | | |
| | Case Management | 1.0 | 10.5 | 0.0 | 0.0 | 6.1 | 0.6 | 18.2 | £ 3,996 00 | 219 56 |
| | Director(s)/debtor/bankrupt | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 0.0 | 1.4 | £ 176 50 | 126 07 |
| | Receipts and Payments | 0.1 | 1.5 | 0.0 | 0.0 | 6.7 | 0.0 | 8.3 | £ 1,628 50 | 196 20 |
| | Tax Matters | 0.1 | 0.7 | 0.0 | 0.0 | 3.2 | 0.0 | 4.0 | £ 673 50 | 168 38 |
| | Total | 1.2 | 12.7 | 0.0 | 0.0 | 17.4 | 0.6 | 31.9 | £ 6,474 50 | 202 96 |
| Realisation of Assets | | | | | | | | | | |
| | Assets - general/other | 0.2 | 0.3 | 0.1 | 0.0 | 1.5 | 0.0 | 2.1 | £ 415 50 | 197 86 |
| | Debtors & sales finance | 0.2 | 0.0 | 0.3 | 0.0 | 3.9 | 0.0 | 4.4 | £ 761 50 | 173 07 |
| | Land and Property | 0.0 | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 | £ 416 00 | 260 00 |
| | Total | 0.4 | 1.9 | 0.4 | 0.0 | 5.4 | 0.0 | 8.1 | £ 1,593 00 | 196 67 |
| Creditors | | | | | | | | | | |
| | 1st creditors/shareholders meetings and reports | 0.0 | 2.1 | 0.0 | 0.0 | 3.2 | 0.0 | 5.3 | £ 1,042 00 | 196 60 |
| | Other Creditor Meetings and Reports | 0.3 | 1.0 | 0.0 | 0.0 | 12.2 | 0.0 | 13.5 | £ 1,810 50 | 134 11 |
| | Unsecured Creditors | 0.0 | 0.4 | 0.0 | 0.0 | 0.8 | 0.0 | 1.2 | £ 211 50 | 176 25 |
| | Total | 0.3 | 3.5 | 0.0 | 0.0 | 16.2 | 0.0 | 20.0 | £ 3,064 00 | 153 20 |
| Case Specific Matters - Shareholders | | | | | | | | | | |
| | Shareholders / Members | 0.0 | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 | £ 546 00 | 260 00 |
| | Total | 0.0 | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 | £ 546 00 | 260 00 |
| Case Specific Matters - Legal Matters | | | | | | | | | | |
| | Legal Matters | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.0 | 0.5 | £ 50 00 | 100 00 |
| | Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.0 | 0.5 | £ 50 00 | 100 00 |
| Total Hours | | 1.9 | 20.2 | 0.4 | 0.0 | 39.5 | 0.6 | 62.6 | £ 11,727 50 | 187 34 |
| Total Time Cost | | £ 750 50 | £ 5,252 00 | £ 104 00 | £ 0 00 | £ 5,579 00 | £ 42 00 | £ 11,727 50 | | |
| Average Rates | | 395 00 | 260 00 | 260 00 | 0 00 | 141 24 | 70 00 | 187 34 | | |