

AM03

Notice of administrator's proposals



Companies House

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1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 5 9 8 7 7 1 4		
Company name in full	LIGNIA Wood Company Limited		
2	Administrator's name		
Full forename(s)	Chris		
Surname	Farrington		
3	Administrator's address		
Building name/number	22 York Buildings		
Street	John Adam Street		
Post town			
County/Region	London		
Postcode	W C 2 N 6 J U		
Country	United Kingdom		
4	Administrator's name ❶		❶ Other administrator Use this section to tell us about another administrator.
Full forename(s)	Simon		
Surname	Jagger		
5	Administrator's address ❷		❷ Other administrator Use this section to tell us about another administrator.
Building name/number	22 York Buildings		
Street	John Adam Street		
Post town			
County/Region	London		
Postcode	W C 2 N 6 J U		
Country	United Kingdom		

AM03

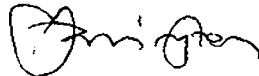
Notice of Administrator's Proposals

6**Statement of proposals**☒ I attach a copy of the statement of proposals**7****Qualifying report and administrator's statement ^①**☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8**Sign and date**Administrator's
Signature

Signature

X**X**

Signature date

^d1^d0^m0^m6^y2^y0^y2^y1

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	Shanice Austin									
Company name	ReSolve Advisory Limited									
Address	22 York Buildings									
John Adam Street										
Post town										
County/Region	London									
Postcode	W	C	2	N		6	J	U		
Country	United Kingdom									
DX										
Telephone	020 7702 9775									



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 or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



LIGNIA Wood Company Limited - in Administration

High Court of Justice Business and Property Courts, Chancery Division, London

Court no: CR-2021-000716

Joint Administrators' proposals for achieving the purpose of Administration

Date: 10 June 2021

Deemed date of delivery to creditors: 10 June 2021

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1. Abbreviations and definitions

Abbreviations and terms that may be used in these proposals:

Abbreviation	Definition
Administrators/we/us/our	Christopher Farrington and Simon Jagger
BEIS	Department for Business, Energy and Industrial Strategy
Category 1 expenses	Please see appendix II for a full explanation
Category 2 expenses	Please see appendix II for a full explanation
Company	LIGNIA Wood Company Limited
HMRC	HM Revenue & Customs
IA86	The Insolvency Act 1986 (e.g. s248 IA86: section 248 Insolvency Act 1986)
ICAEW	Institute of Chartered Accountants in England & Wales, regulatory authority
IR16	The Insolvency (England and Wales) Rules 2016 (e.g. r3.30 IR16: rule 3.30 Insolvency (England and Wales) Rules 2016)
Preferential creditor(s)	Employee claims for unpaid wages earned in the 4 months preceding the Administration, up to £800, holiday pay and in certain circumstances, unpaid pension contributions Sums owed to HMRC in respect of certain unpaid taxes, including PAYE and VAT
Prescribed part	The amount set aside for creditors from floating charge funds in accordance with s176A IA86 and the IA86 Prescribed Part Order 2003
ReSolve / Firm	Resolve Advisory Limited
RoT	Retention of title: Claims made by suppliers that title of goods supplied to the Company remains with them after delivery to the Company but before payment made
RPS	Redundancy Payments Service, part of the Insolvency Service, an executive agency of BEIS. Authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured creditor(s)	Creditors with security in respect of their debt, in accordance with s248 IA86
Schroder	Schroder UK Public Private Trust Plc
SIP	Statement of Insolvency Practice. Issued to insolvency practitioners by regulatory authorities. SIPs set out the principles and key compliance standards by which insolvency practitioners are required to operate
SIP 9	This SIP deals specifically with payments to insolvency office holders and their associates
SoA	Statement of Affairs
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditor(s)	Creditors that are neither secured nor preferential

2. The purpose of this document

We previously notified you that Chris Farrington and Simon Jagger were appointed as Joint Administrators of the Company on 20 April 2021.

In this document we provide:

- a brief history of the Company;
- reasons why we were appointed; and
- our proposals for achieving the purpose of Administration.

We also provide details of the Company's assets and liabilities and the likely outcome for each class of creditor.

The IA86 states the purpose of an Administration is to achieve one of these three hierarchical objectives:

- (a) rescue the Company as a going concern; or
- (b) achieve 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
- (c) realise the Company's assets to pay a dividend to secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company nor any investor to lend rescue capital into the business and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

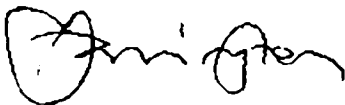
As a result, we are seeking to achieve objective (b) for the Company, and will do this by continuing to trade and seek a sale of the business and assets as a going concern, thus maximising realisations available for the general body of creditors.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or hold a decision procedure of creditors, in order to seek approval to extending the duration of the Administration.

We will manage the affairs of the Company until our proposals for achieving the objective of this Administration have been implemented as far as possible, after which the Administration will end.

Because we are pursuing objective (b), we are seeking a decision from creditors to approve our proposals and separate decisions to approve our pre-appointment costs and remuneration. Both of these decisions will be finalised on 25 June 2021. Further details, including the decision forms to be returned to us are at Appendices IV and V. A Notice of Invitation to form a Creditors' Committee is at Appendix VI.

If you have any questions regarding the contents of this document, please contact Shanice Austin on 020 7702 9775 or by email to shanice.austin@resolvegroupuk.com.



Chris Farrington
Joint Administrator
For and on behalf of LIGNIA Wood Company Limited

The affairs, business and property of the Company are being managed by the Joint Administrators.
Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability
Cameron Gunn, Mark Supperstone, Lee Manning, Chris Farrington, Ben Woodthorpe, Myles Jacobson and Simon Jagger are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales
Please refer to the firm's privacy notice setting out your rights and explaining how your data will be used. The notice can be found on our website here www.resolvegroupuk.com/policies2/.

3. Summary of estimated recoveries for creditors

Estimated outcome for secured creditors

The Company does not have any secured creditors.

Estimated dividend prospects for other creditors

Creditors	Claims £	Recovery %	Forecast timing for repayment
Preferential	238,891	100	Six months
Unsecured	2,077,808	15 to 60	Nine months

This summary of the estimated recoveries for creditors is based on information available as at the date of this report.

We estimate that the preferential creditors will be fully repaid from asset realisations already made or now expected with a high degree of certainty. The outcome for the non-preferential, unsecured creditors is currently estimated at between 15% and 60%, dependent upon the actual outcome from the Administration trading and the ongoing sale of the Company's business and assets, about which further information is provided later in this report.

The 15% estimate is based upon the estimated realisable value of the assets and the value of all known liabilities as shown in the Company's Statement of Affairs. The 60% estimated return for unsecured creditors is our "best-case" estimate at the time of drafting this report, which assumes that:

- Administration trading results in a small profit of circa £35k;
- All employees' redundancy claims against the Company are extinguished by the employees transferring to a new owner of the business under TUPE;
- Claims for future rent and dilapidations relating to the Company's leasehold premises are substantially mitigated by an assignment of the lease to a new occupier; and
- The overall value of agreed claims from unsecured creditors is not materially different from that shown in the Company's Statement of Affairs.

The range of outcomes above are stated net of the estimated costs of the Administration.

In order to distribute any funds to unsecured creditors, insolvency legislation requires the Company first be placed into Liquidation or for the incumbent Administrator to make an application to court to distribute the funds in place of a Liquidator. The timing of the unsecured distribution is therefore dependent upon the timing of any subsequent Liquidation appointment or alternative court application.

Preferential Creditors

Employees claims are made up of accrued holiday pay, a small arrears of wages position and outstanding pension contributions as follows:

	Claims £
Holiday pay	29,391
Arrears of wages	1,103
Pension arrears	7,886
Total	38,380

In the event a sale of the business and assets of the Company completes, resulting in a transfer of all remaining employees to a purchaser, it is anticipated that these claims will also transfer to a purchaser.

As of 1 December 2020, HMRC was reinstated as a secondary preferential creditor in respect of PAYE and VAT. The liability position is £200,511 which relates to unpaid PAYE.

Unsecured Creditors

Unsecured creditor claims are made up of trade creditors, balancing employee claims for redundancy and notice pay, and other creditors including accruals, contingent claims for future rent on the leasehold premises and potential product-recall claims.

A summary is provided below:

	Claims £
Trade creditors	290,449
Employee claims	243,603
Other creditors	1,543,756
Total	2,077,807

In the event a sale of the business and assets of the Company is achieved, resulting in a transfer of all remaining employees to a purchaser, it is anticipated that the majority of the employee claims will not crystallise and the contingent claim for future rent will also be mitigated in whole or part.

Based on this information and the likely recovery out of a sale of business, we currently estimate unsecured creditors will receive a return of 15% to 60%.

4. Brief history of the Company and events leading to its Administration

Background

The Company was formed in 2006 and initially operated in New Zealand as a university-backed research vehicle investigating future uses for Radiata pine, until 2015 when it relocated to the UK. The extensive research and development programme led by the Company resulted in the formation of the following product lines used in two core markets (collectively referred to as the 'LIGNIA Products'):

Construction sector

- **LIGNIA Wood**
Manufactured from sustainable, fast growing softwoods sourced from FSC certified managed plantations, to be used for multiple applications including cladding, flooring, window frames and doors, providing a sustainable alternative to hardwoods.
- **LIGNIA Fire**
A flame retardant wood, which eliminates the need for additional processing, where building and safety regulations require higher fire safety standards.

Marine sector

- **LIGNIA Yacht**
Designed for use on yacht and boat decks replacing Burmese Teak.

In 2016 one of the Company's principal shareholders provided a substantial equity investment into the Company based upon a rapid upscale of the business on a global basis. The funds were utilised to pay accrued liabilities and focus on commercialising the LIGNIA Products to become a revenue generating business. The Company's product development and scale up was well underway by 2018, having successfully built a research and development facility and office space in Barry, Wales, as well as having started construction on the commercial production facility.

Although follow up funding was promised as part of earlier discussions, an agreement over the quantum needed during the second funding round conducted in 2018 could not be reached and the Company sourced the shortfall from two other investment funds.

The Company became a revenue generating business in 2019 after successfully commissioning the first phase of its commercial production facility. Within a short period the Company had established strong relationships with key distribution partners, both domestically and across the globe, a strong brand, and become a trade member of recognised professional bodies in each region.

A new Chief Executive was appointed in January 2020 to focus on operational issues, create a turnaround plan for the business and to prepare for future growth. However, this was hindered in summer 2020 due to unforeseen quality issues on the early shipments of the LIGNIA Yacht, causing an estimated £1m in losses. Together with the impact of the Covid-19 pandemic, this severely impeded the ability to secure new investment from existing investors during the third funding round undertaken later in that year.

Becoming aware of the urgency to identify a funder or buyer for the business, in October 2020 the Company reached out to known connections/clients. Whilst this attracted initial interest, none were willing to commit the funds required. In January 2021, the Company engaged external advisers to undertake an extensive further fund raising exercise from new investors, but again whilst there was initial interest in the Company, the funds required could not be raised.

The tables below shows the Company's recent financial performance:

Profit and Loss	Management Accounts 2 months ended 28-Feb-21 £	Management Accounts Year ended 31-Dec-20 £	Audited Financial Statements Year ended 31-Dec-19 £
Turnover	211,133	1,405,622	1,126,456
Cost of sales	(154,112)	(1,027,195)	(677,758)
Gross Profit	57,021	378,427	448,698
Administrative expenses	(480,846)	(4,450,402)	(4,696,328)
Other operating income	-	-	100,450
Operating Profit/(Loss)	(423,825)	(4,071,975)	(4,147,180)
Interest receivable and similar income	39,323	290,216	10,395
Interest payable and similar charges	-	-	(3,343)
Profit/(Loss) before tax	(384,502)	(3,781,759)	(4,140,128)
Tax on Profit/(Loss)	-	631,353	366,193
Loss for the financial year/period	(384,502)	(3,150,406)	(3,773,935)

Source: Audited Financial Statements & Management Accounts

Balance sheet	Management Accounts As at 28-Feb-21 £	Management Accounts As at 31-Dec-20 £	Financial Statements As at 31-Dec-19 £
Fixed assets			
Tangible assets	3,885,387	3,971,735	4,291,177
	3,885,387	3,971,735	4,291,177
Current assets			
Stocks	1,603,670	1,666,298	2,039,572
Debtors: amounts falling due within one year	95,648	82,676	374,889
Cash at bank and in hand	601,647	1,006,800	2,385,861
	2,300,965	2,755,774	4,800,322
Creditors: amounts falling due within one year	(1,057,662)	(1,211,317)	(426,767)
Net current Assets/(Liabilities)	1,243,303	1,544,457	4,373,555
Total assets less current liabilities	5,128,690	5,516,192	8,664,732
Creditors: amounts falling due after more than one year	(611,400)	(614,399)	(612,534)
Net Assets/(Liabilities)	4,517,290	4,901,793	8,052,198
Capital and reserves			
Called up share capital	11,298,559	11,298,559	11,298,559
Share premium account	8,264,396	8,264,396	8,264,396
Profit and loss account	(15,045,665)	(14,661,164)	(11,510,757)
	4,517,290	4,901,793	8,052,198

Source: Audited Financial Statements & Management Accounts

Please note that the management accounts have not been verified for accuracy by the Administrators or Resolve.

The circumstances leading to our appointment

By Q1 2021, the cashflow position of the Company was declining rapidly and the Board of Directors recognised it needed to move quickly as the Company required further investment of in excess of £12m over the next two years and would soon become unable to pay its debts as and when they fell due.

The Company engaged ReSolve on 30 March 2021 to initiate an accelerated marketing campaign to identify a potential investor for the business to rescue it on a solvent basis or, if a solvent rescue was not possible, to acquire the Company's business and assets as a going concern.

On 6 April 2021, a 'Teaser' document providing a high-level overview on the investment opportunity and NDA were circulated to a selection of ReSolve's database of financial investors, venture capitalists and private equity houses known to have an interest in the distressed business sector. The opportunity was also shared on LinkedIn and circulated to additional industry specific parties identified by ReSolve, as well as the Company's shareholders and list of parties it had contacted during its initial rounds of in-house marketing. In total 321 parties were contacted to make them aware of the opportunity.

Additionally, an advert was placed on IP-bid.com, an online portal for businesses in distress. The advert attracted interest from a further 24 parties. This website is the primary website in the UK for advertising distressed businesses, and we are satisfied it is the most appropriate online forum to advertise such an investment opportunity to garner maximum exposure.

As a result of the above marketing activity, signed NDAs were received from 17 interested parties who were then provided with an Information Memorandum ('IM') disclosing the identity and nature of the Company's business, and setting out in detail the opportunity and extent of the investment required. A deadline for expressions of interest was set for 14 April 2021.

Unfortunately, whilst several parties expressed an initial interest in the opportunity, this did not lead to any offers of investment in, or for the shares of, the Company, or for its business and assets.

In view of the above, on 15 April 2021 the Board engaged ReSolve to advise the Company on its options and assist with planning for an insolvency process. Following this engagement, the Board concluded there was no realistic alternative but to appoint Administrators to the Company.

The Company does not have any secured creditor, thus it was not necessary to file a Notice of Intention to Appoint Administrators. At a meeting of the Board on 19 April 2021 it resolved to place the Company into Administration.

The Company was subsequently placed into Administration by the Board on 20 April 2021 and Chris Farrington and Simon Jagger of Resolve were appointed as Joint Administrators.

Prior professional relationships

Prior to our appointment as Administrators, ReSolve undertook the following work for the Company:

- engaged on 30 March 2021 to assist the directors in undertaking an accelerated marketing process to seek urgent investment into the Company.

As part of our routine pre-appointment procedures, we gave careful consideration as to whether this prior work would result in any ethical threats, including conflicts of interest, as set out in the ICAEW's Code of Ethics for Insolvency Practitioners. Our prior work had not been linked to any of the causes of the Company's failure, accordingly we are not precluded from acting as the Company's Administrators. Details of the Code and internal policies relevant to this appointment can be found here www.resolvegroupuk.com/policies2/.

Pre-administration costs

These are costs incurred prior to the Company entering Administration but with a view to it doing so. For all of our professional work performed for the Company, both prior to our appointment as Administrators and during the subsequent Administration, we offered and agreed with the Company that we would apply a 20 per cent discount to our normal hourly charge out rates and we are pleased to honour this commitment. Our pre-

Administration costs net of the agreed 20 per cent discount total £7,494, which remain outstanding. Full details of these costs are provided at Appendix I.

The payment of unpaid pre-administration costs as an expense of the Administration is a matter requiring a decision of creditors by a decision procedure under r3.52 IR16 and is not part of the proposals subject to approval under paragraph 53 of Sch B1 IA86. This request is therefore separately included at Appendix V.

If creditors elect a committee, that committee will have authority to approve the payment of these costs under r3.52 IR16.

5. Conduct of the Administration to date and next steps if our proposals are approved

As objective (a) could not be achieved we are seeking to adopt objective (b) by maximising the value of the Company's assets and minimising costs and claims by continuing trade while actively seeking a sale of the whole business, fixed assets, stock and other tangible assets and its intellectual property assets on a going concern basis.

Our principal actions immediately following our appointment as Administrators included the following matters:

- Correspond with the Company's pre-appointment insurance brokers and specialist insolvency insurance brokers to ensure adequate ongoing insurance cover remained in place during the Administration;
- Instruct specialist advisors to review the Health and Safety aspects of the Company's operation in order to conclude whether it is possible for the business to continue whilst in Administration;
- Notify the Company's creditors and professional advisors of the Administrators' appointment;
- Notify the Company and its shareholders of the Administrators' appointment;
- Arrange the opening of an Administration bank account;
- Notify the Company's pre-appointment bankers, NatWest, of our appointment and requested the transfer of any credit balances held to be transferred to the administration bank account;
- Meet with and write to all directors and other employees of the Company, advising them of the Administration and setting out the administration process and the Administrators' role;
- Prepare financial plans to demonstrate whether it would be possible to allow the Company's business to continue operating in the short-term, albeit on a limited basis, in order to complete the Work in Progress to enhance recoveries from this asset and to showcase the business as a going concern to prospective investors;
- Identify those employees to be retained for the purpose of trading and completing work in progress, the remaining workforce being placed on furlough in the interim whilst a buyer for the business was sought;
- Monitor and supervise the ongoing business operations and trading during the period of Administration to ensure realisations are maximised for the benefit of the Company's creditors;
- Engage independent professional valuation agents, Hilco Global and Hilco Streambank, to perform a valuation of the Company's fixed assets on an in-situ and ex-situ scenario, and to provide expert advice on the realisable value of the Company's intellectual property assets;
- Engage independent specialist real estate valuation agents, Sanderson Weatherall, to provide a valuation of the Company's leasehold interest in its premises in Barry, South Wales;
- Liaise with the directors in relation to the submission of the Statement of Affairs and questionnaires;
- Plan and implement a marketing campaign for the sale of the Company's business and assets and co-ordinate access to information for interested parties and meetings/attendance at the trading premises with the Company's directors and other members of the management team as required;
- Prepare payments to certain staff and third parties as required to fulfil trading requirements post appointment;
- Arrange collection of all outstanding book debts owed to the Company;
- Instruct independent external consultants, CAPA, to perform an audit of the Company's supplier records in order to identify and recover any overpayments or pre-payments, working on a commission-only basis;

- Write to the landlord advising of the Administration and the landlord's rights and obligations and hold discussions with the landlord;
- Take independent legal advice upon the Company's rights and obligations to continue in occupation of the leasehold premises and upon the ongoing right of occupation by a purchaser of the business if necessary for the successful outcome of the Administration;
- Hold numerous calls and teleconferences and facilitate the flow of information with parties interested in acquiring the Company's business and conduct negotiations with those parties who made offers to seek the maximum price and best outcome for the Company's creditors and employees;
- Draft these Administrators' proposals; and
- Address statutory duties associated with the Administration.

Trading

We consider the best outcome for creditors will be achieved by allowing the business to trade under our supervision, to preserve value in the business and assets of the Company, rather than effecting an immediate shut down of the site. This will also maximise the value to be realised from the raw timber and work in progress on site at the point of Administration as it allows for a more orderly sale of these assets.

Continuing to trade the business also mitigates costs that would otherwise have been incurred by an immediate cessation of trade and subsequent wind down of the site, such as rent, rates and wages, as well as any costs that would have been incurred in safely disposing of treated, but unfinished goods. We currently estimate a small trading profit or break-even position will be generated from the ongoing trading during Administration, although this is dependent upon finalisation of the remaining sales and costs incurred.

Notwithstanding the possibility of a small trading loss being incurred (subject to the prices achieved on sale of the final items of completed Work in Progress, which are uncertain at the time of drafting these Proposals), we consider the net cost to the Administration process is likely to remain significantly less than if the Company had ceased to trade immediately following our appointment.

Upon the Administrators' appointment, appropriate steps were taken to assess the trading position of the Company and review internal processes to assist with the ongoing trading operations. Where deemed appropriate, employees have been retained either full-time or on partial furlough to support the trading activity (further details with regards to employees is covered in the Employee section).

The primary trading activity during the Administration period is the conversion of raw timber (purchased prior to Administration) and work in progress to finished LIGNIA Products for sale into the construction industry. Steps have been taken to agree new terms of business with customers to secure ongoing sales in the Administration.

On appointment, the Company also held a significant amount of non-core stock of raw timber and finished goods. Due to its size and/or condition, this stock was not of an appropriate specification for sale as finished LIGNIA Products. In continuing to trade the business, sales are being made of this non-core stock to alternative customers.

Suppliers have been advised that any trading costs incurred during the Administration period necessary to trade the business, and that have been agreed in advance by the Administrators, will be paid as an expense of the Administration.

The costs of trading have initially been funded from cash at bank upon appointment and trading revenue generated. As at the date of this report, sales income is currently forecast to total £331,285 resulting in a modest anticipated trading profit of £35,705, although this includes £102,698 of sales which have not yet been secured and therefore these numbers are subject to change.

Please refer to the Administrators' trading receipts and payments, at Section 7.

Sale of business and assets

The Company's principal assets comprise:

- Capital plant and machinery used in the production process, including pressurisation chambers, kilns and reaction chambers;

- IT equipment used to monitor the impregnation, drying and reacting processes;
- Purpose-built leasehold premises, allowing for a smooth operation, raw timber entering the site at one end and leaving as treated timber at the other;
- Raw timber stock used in the production process;
- Intellectual property; and
- Technical know-how and experienced research and development, production and commercial teams.

There is also a stock of treated timber left over from previous production runs, various office furniture and equipment and a small fleet of vehicles.

As far as we are aware, all assets (with the exception of the leased vehicles and the premises, which are held on a normal commercial landlord and tenant lease) are wholly owned by the Company.

On appointment, Hilco was engaged to undertake a review of the Company's assets and provide a valuation on both an in-situ and ex-situ basis for comparative purposes. Hilco has confirmed its independence and that it holds adequate professional indemnity insurance.

In view of the higher level of realisations that could be achieved from a going concern sale, together with the opportunity to preserve some or all of the employees' jobs and avoid the extensive site wind-down and closure costs by doing so, an accelerated marketing campaign was commenced by the Joint Administrators on 21 April 2021, whereby a Teaser document was circulated to ReSolve's contact list, the shareholders of the Company, 17 parties who had contacted ReSolve via IP-Bid.com during the initial marketing undertaken on 6 April 2021 and a new advert placed on IP-Bid.com. A press release was also distributed to several trade magazines in the Timber, Architecture, and Construction sectors on 23 April 2021.

An overview of the marketing exercise conducted during the Administration to date is summarised below:

Initial marketing

To assess interest in the business and assets of the Company, either as an investor or a potential buyer for the business and assets, a deadline for indications of interest was set for 29 April 2021. A summary of the response to our initial circular is provided below:

- 40 parties responded to our advertisement for the sale of business and sale of assets and all received an NDA
- 31 parties returned the NDAs and all received the IM:
 - 23 advised they were not interested/would not be able to pursue the opportunity further;
 - Three did not respond to our requests for their indication of interest/feedback; and
 - Five expressed further interest in pursuing a prospective transaction.

Process letter and indicative offers

Following an assessment of the interest received the next stage of the process was initiated and a process letter was sent to all parties who returned NDAs and had not withdrawn from the process. This set out the next steps in the process, including a deadline for indicative offers set for 10 May 2021, with full and final offers to be made by 13 May 2021.

- During this stage of the process further parties came forward with an interest in the business. In total 20 parties received the process letter, were given access to a data room containing a suite of documents such as financial accounts etc, and invited to attend site and meet with senior management;
- Several of the parties who had not responded or expressed interest during the initial marketing stage had fallen away during the first phase of the transaction process; and
- Five parties submitted indicative offers for certain assets/operations of the business of which four offers were capable of being progressed. The Board spent considerable time and resources to allow parties to undertake further due diligence with a view to completing a transaction as soon as possible.

Exchange and completion

The Joint Administrators are progressing an offer received from one party and it is anticipated that contracts will be exchanged in June 2021 and the transaction ultimately completed in July 2021. Due to the confidential nature and delicate stage of the intended transaction we are unable to provide extensive further information at this stage but an update will be provided to creditors in our next progress report. However, if we are able to

successfully complete the intended transaction as intended it will achieve the highest value offer received for the Company's business and assets as well as providing an ongoing tenant for the premises, thereby mitigating the landlord's otherwise significant contingent claim for future rent, as well as securing ongoing employment for a number (yet to be ascertained) of the Company's employees.

Property

The Company operated from the following leasehold premises:

Property	Leaseholder	Status at the date of these proposals
Unit 10, Atlantic Trading Estate, Barry, Wales	Greenhill Estates	The proposed purchaser is in negotiation with the landlord to agree terms of occupation

The Administrators have obtained legal advice in relation to the current status of the lease and the Company's obligations pursuant to the lease held for the premises.

As part of the offer being progressed for the sale of the business and assets of the Company, the prospective purchaser intends to continue to operate from this site. Negotiations with the landlord are ongoing however, as the transaction and any assignment (or otherwise) of the lease is yet to complete, and therefore remains uncertain, we are unable to provide any further information at this time.

Stock on water

At the time of the Administration the Company had various orders of raw timber in transit "on water", which had not been paid for. This stock was not required for the Administration trading and therefore it was not certain whether this stock could be bought and sold for the benefit of the Administration. The suppliers were informed of the Administration and elected (as was their legal right) to re-route the stock to other customers, thereby eliminating a financial claim against the Company that would otherwise have been created.

Debtors

The Company's records indicated a balance of £85,121 owed to the Company at the date of Administration in respect of two third-party trade debtors. Both debts were collected in full shortly after our appointment and accordingly no further realisations are anticipated from debtors.

Cash at Bank, petty cash

The Company operated a GBP and USD bank account with NatWest, holding a combined balance of £310,853 at the date of appointment. The funds held in each of these accounts were duly transferred to the Administration bank account following our appointment.

Fixtures, fittings, plant, machinery and stock

Hilco carried out an appraisal of the Company's fixed assets, that include capital production plant, research and development equipment, office equipment, furniture and IT equipment.

The valuation of these assets are not disclosed in this report, being confidential as they form part of the proposed transaction discussed above. Details of the asset valuations will be provided to creditors in our next update report, by when the intended sale of the Company's business and assets should have been completed.

At this stage we are able to confirm that, if it proceeds to completion, the intended transaction includes consideration at a level in excess of the ex-situ valuation placed on these assets by Hilco.

Deposits

The Company had paid a partial deposit of £11,751 for the purchase of raw timber stock. However, owing to the onset of insolvency the Company did not complete the order and the supplier allocated the order to a different customer.

A refund of the deposit was agreed, less the supplier's costs, in the sum of £10,321 which is expected to be remitted to the Administration account shortly.

VAT refund

The Administrators will seek to ascertain the recoverability of pre-Administration VAT of approximately £23,801 shown by the Company's records as being owed to the Company and submit the relevant returns in due course. However, it is anticipated HMRC may seek to offset sums owed for unpaid PAYE, which totals £200,511, against any pre-Administration VAT reclaim.

Furlough claim

A claim covering the employees' wages accrued in the month of April has been submitted and we expect to be in receipt of the furlough monies from HMRC in due course. HMRC assessed this claim as £10,709, which is greater than sum estimated in the SoA. These funds are in respect of wages already paid to employees.

Furlough claims during the Administration period continue to be submitted and processed as normal.

Employees

At the time of the Administration the Company employed 26 people. This number included the Company's five executive directors who had all voluntarily been placed on notice of redundancy towards the end of 2020, in order to wind-down their notice periods and thereby minimise the value of any subsequent notice pay claims that would otherwise crystallize in the event of the Company's insolvency. The executive directors had also proactively and voluntarily accepted pay-cuts of up to approximately 50 per cent in April 2020 to save costs and help try to preserve the Company's solvency.

The notice period for two of these directors ended on 30 April 2021 and they are therefore no longer employees of the Company. The Company's non-executive Chairman has volunteered his resignation and complete waiver of any claims against the Company in respect of amounts owed to him to reduce the overall level of the Company's creditors, and his resignation on this basis have been formally accepted with thanks. In addition, one further employee also resigned shortly after the Administration.

The Administration trading period does not require normal levels of activity from all the remaining employees as the business is being run at a reduced level. However, as there is a reasonable prospect that some or all employees will potentially transfer to a purchaser of the business, those eight employees not required for either trading or to assist with the sale of business were placed on furlough until further notice.

No employees have been made redundant during the Administration as at the date of this report.

Connected party transactions

Following the expiry of their employment notice periods on 30 April 2021 as described above, the Chief Executive Officer, Mr Neil Ryan, and Sales Director, Mr Stephen Rogers, were no longer employed by the Company.

However, we considered their ongoing input to the running of the business and the business sale process to be important to a successful outcome for the Administration and we have therefore arranged for the Company to enter into short-term consultancy contracts with Mr Ryan and Mr Rogers.

The consultancy contracts are on a daily (or part-daily) rate that is approximately equivalent to their previous basic salaries after the 50 per cent voluntary reduction. To date costs incurred total £15,313.

There have been no other transactions with connected parties during the Administration to date and we are not aware of any such transactions prior to our appointment.

Directors' conduct and investigations

We have a duty to investigate the conduct of those people who have been directors of the Company at any time in the three years before the Administration. We are required to submit our findings to BEIS within three months of our appointment.

We will also investigate the affairs of the Company and decide whether any civil proceedings should be taken against anyone to recover or contribute to the Company's assets.

We should be pleased to receive from you any information you consider will assist us in these investigations. This is part of our normal work as Administrators and does not imply criticism of the directors' conduct. At the date of these Proposals we are not aware of any matters requiring an adverse report be submitted to BEIS nor of any potential civil claims or contributions as described above.

Objectives of the Administration

We are pursuing objective 3(1)(b) of Schedule B1 IA86.

Outcome for creditors

- Preferential creditors

Employees

The directors' Statement of Affairs has been prepared on the basis that all employees are made redundant and submit a claim in the Administration. This would result in employee preferential claims of £38,380 for accrued holiday pay, arrears of wages and pension arrears.

In the event a sale completes to the proposed purchaser it is expected that some or all remaining employees will transfer to the purchaser in accordance with TUPE. This is likely to significantly reduce employees' preferential claims as certain liabilities will transfer to the proposed purchaser, however we are unable to confirm the position on whether any claims will arise nor estimate the quantum of such claims at this time.

HMRC

HMRC are secondary preferential creditors under the reinstatement of crown preference in respect of PAYE and NIC liabilities, under which they have a preferential claim in the Administration for £200,511. This may be reduced by the net VAT reclaim of £23,801 on the basis that this claim is accurate, remains outstanding and HMRC enforce Crown offset.

At this stage we estimate there will be sufficient funds available to enable a 100p in the pound distribution to the preferential creditors.

- Unsecured creditors

As at 20 April 2021, the Directors' Statement of Affairs shows that the Company had 93 unsecured, non-preferential creditors with amounts owed to them totalling £2,077,807. However, of this sum £243,603 relates to potential employee claims in the event all employees are made redundant. As already noted, it is anticipated that some or all remaining staff will transfer to the prospective purchaser which is likely to significantly reduce the overall level of unsecured claims against the Company.

Moreover, the Statement of affairs shows within unsecured creditors amounts owed to the landlord of the Company's premises, including a contingent claim in respect of future rent of £763,520 and an estimated amount of £100,000 for dilapidations, both of which may be mitigated or even extinguished entirely in the event that the proposed transaction proceeds to completion.

To date we have received claims from six unsecured creditors totalling £507,364, all but one of which are in line with the amounts shown as owed to them in the Statement of Affairs.

However, one of the six claims received to date is approximately £200,000 higher than the value shown in the Statement of Affairs, which relates to a product recall claim arising from historic product quality issues with the Company's LIGNIA Yacht line. This claim will be assessed alongside all other unsecured creditors' claims in due course once the business sale and asset realisations are complete.

Where a company gave a floating charge over its assets to a lender on or after 15 September 2003, there are provisions in the insolvency legislation that require the Administrators to set aside a percentage of a Company's assets for the benefit of the unsecured creditors. This is known as the prescribed part of a company's net property.

A company's net property is the amount left after paying the preferential creditors, but before paying the lender who holds the floating charge. Administrators are required to set aside 50 per cent of the first £10,000 of the net property and 20 per cent of the remaining net property up to a maximum of £600,000 if the charge was created between 15 September 2003 and 5 April 2020, and £800,000 if created on or after 6 April 2020.

However, because there is no secured debt or charge holder of the Company, the prescribed part provisions do not apply.

At this stage we estimate there will be sufficient funds available to enable a distribution to the unsecured creditors of between 15p and 30p in the pound. This is subject to the successful sale of the Company's business and assets and resultant extent of the remaining unsecured creditor claims, as described above.

If we do agree unsecured claims as set out in our formal proposals to creditors, we may then ask the Court for permission to allow us to pay dividends to unsecured creditors. If we do not request permission from the Court, a subsequent liquidator will formally adjudicate on claims and pay any dividends to unsecured creditors.

Fees and expenses

According to insolvency legislation, our fees can be calculated in the following ways:

1. As a percentage of the value of the property that we deal with ("percentage basis"); or
2. By reference to the time properly given by us and our staff attending to matters arising ("time cost basis"); or
3. A set amount ("fixed fee").

In this case we are proposing our fees for the Administration be charged on a time costs basis. To this end we have also agreed to apply a 20 per cent discount to our prevailing charge out rates, as agreed in principle with the Company at the outset of our involvement.

Details of our time costs and expenses to date are provided at Appendices II and III. In the period from 20 April 2021 to 10 June 2021 we have spent 601 hours which equates to a discounted cost of £174,181 dealing with the Administration to date including all of the matters described in this report.

If a Creditors' Committee is appointed, it will be for the committee to approve the basis of our fees and category 2 expenses. The invitation to form a Creditors Committee is at Appendix VI.

If a Creditors Committee is not appointed, we will require a decision from creditors to approve the basis our fees and category 2 expenses.

Notice of the decision required of creditors in respect of our proposals is at Appendix IV and the separate notice of the decision required of creditors to approve our remuneration is at Appendix V.

If neither the creditors nor the committee fix the basis of our fees and category 2 expenses, we may apply to Court to fix them, no later than 18 months after the date of our appointment.

When we seek time cost approval we are required to provide a fee estimate, which acts as a cap on time costs so we cannot draw fees of more than the estimate without further approval. The fee estimate can be found at Appendix II.

This shows the estimated time costs, hours charged and average hourly rates split into various categories and by grade of staff. We estimate the total time costs we will incur in undertaking these tasks in the Administration and any subsequent liquidation will be £398,511.

This estimate has been provided at an early stage in the Administration and before we have full knowledge of the case, in particular the eventual outcome of the sale of business process. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on our current knowledge of the case and our knowledge and experience of acting as Administrators in respect of cases of a similar size and apparent complexity. As a result, the estimate does not account for any currently unknown complexities or difficulties that may arise during the Administration.

If the time costs incurred by us exceed the estimate, or are likely to exceed the estimate, we will provide an explanation as to why in the future progress reports to creditors. Since we cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where we consider it appropriate in the context of the case, we will seek a resolution to increase the fee estimate so that we will then be able to draw additional remuneration over and above this estimate.

Further information regarding Administrators' fees can be found here:

<http://www.resolvegroupuk.com/resources>

There are different versions of the guide so please ensure that you refer to the latest version. A hard copy can be obtained on request, free of charge, from this office.

6. Statement of affairs

We received the directors' SoA on 28 May 2021 and a copy is attached at Appendix VIII.

As required by law, the names and addresses of employees have been omitted, along with the personal email addresses of the shareholders.

Please note that:

- The SoA does not make provisions for the costs of realising Company's assets nor the other costs of the Administration.
- The information in the SoA has not been audited.
- The SoA is prepared by the directors and signed by Mr Chris Hanson, who was until recently the Company's Chief Financial Officer.
- We make no comment on realisable values contained in the SoA, to protect commercially sensitive information whilst the sale of business process is ongoing.

7. Receipts and payments account

SUMMARY OF ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 20 APRIL 2021 TO 10 JUNE 2021		
	Estimated to realise - Estimated financial position £	For the period 20 April 2021 to 10 June 2021 £
RECEIPTS		
Bank Interest	-	3
Cash at bank	306,883	311,210
Debtors	85,121	85,121
Deposit for stock	10,414	-
Furlough claim	7,811	-
Stock	189,073	-
Tangible assets	503,000	-
Trading Profit	-	8,929
VAT claim	23,801	-
	<u>1,126,103</u>	<u>405,263</u>
PAYMENTS		
Insurance H&S inspection		900
Agents/Valuers Fees		<u>3,000</u>
		<u>3,900</u>
TOTAL (receipts less payments)		<u>401,363</u>
REPRESENTED BY		
VAT receivable		11,181
LIGNIA Wood Company Limited - in Administration current account, non-interest bearing		389,825
LIGNIA Wood Company Limited - USD Account, NatWest		<u>357</u>
TOTAL		<u><u>401,363</u></u>

Note

The trading profit is the trading result as at 10 June 2021 only. Please refer to the trading receipts and payments for the final estimated trading profit for the trading period, currently anticipated to cease 30 June 2021.

SUMMARY OF THE ADMINISTRATORS' TRADING ACCOUNT
FOR THE PERIOD 20 APRIL 2021 TO 10 JUNE 2021

		For the period 20 April 2021 to 10 June 2021 £	Estimated Future to 30 June 2021 £	Estimated Outcome £
	Notes			
RECEIPTS				
Sales	1	111,323	219,962	331,285
TOTAL RECEIPTS		111,323	219,962	331,285
PAYMENTS				
Direct Expenses		10,313	10,000	20,313
Freight and Transport		24,680	6,463	31,143
Indirect Labour		8,448	29,768	38,216
Insurance		1,243	14,647	15,890
Leases/Hire Purchase		1,987	2,651	4,637
Repairs & Maintenance		108	-	108
IT Costs		1,034	5,592	6,626
Other Operation Costs		4,776	3,996	8,772
Employee Related Costs		960	-	960
Wages & Salaries and Associated Costs		48,847	83,756	132,603
Rent and Rates		-	15,915	15,915
Utilities		-	19,913	19,913
Bookkeeping		-	486	486
TOTAL PAYMENTS	2	102,394	193,186	295,580
ESTIMATED TRADING PROFIT/(LOSS)		8,929	26,776	35,705

Notes

1. Sales include forecasted sales of finished LIGNIA timber product, plus confirmed sales of any non-core stock of raw timber and finished goods.

2. As explained in the report, the above payments include a number of costs that would have been incurred in the event that the Administrators ceased to trade and implemented a site closure and realisation of assets e.g. rent, rates, certain wages and salaries (non-exhaustive). Such costs have been mitigated by continuing to trade, but are included in the trading receipts and payments for reporting purposes.

8. Administrators' proposals

In order to achieve the objective set out at section 3 above, the Joint Administrators formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) sell the Company's assets at such time(s) on such terms as we consider appropriate;
 - (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iii) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) the Administration will end by placing the Company into Creditors' Voluntary Liquidation, and that Simon Jagger and Christopher Farrington are appointed as Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidators. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved.

Approval of proposals

We are seeking a decision from the creditors to approve our proposals using the deemed consent procedure.

If a creditor agrees with the proposed decision to approve my proposals, then they do not need to do anything. Unless 10 per cent by value of creditors, who would be entitled to vote at a qualifying decision procedure, object to the decision to approve my proposals they will automatically be approved on 25 June 2021.

If a creditor wishes to object to the decision, they must complete and return the enclosed notice of objection at Appendix IV so that it is received by me by no later than 23.59 hours on 25 June 2021. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me. Objections by a creditor will not count unless they have lodged a proof of debt by no later than 23.59 on 25 June 2021.

It is our responsibility to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without a decision being made. If sufficient objections are received, then we will write to creditors to seek approval for this decision using a qualifying decision process.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within five business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. We will convene a meeting if creditors requesting a meeting represent a minimum of 10 per cent in value or 10 per cent in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

However, a creditor, or creditors, whose debts amount to at least 10 per cent of the total debts of the Company can require us to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by us within eight business days from the date these proposals are delivered to the creditors. If creditors do not require us to hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that we need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides the Administrators with such amount of money that we reasonably request from them to meet the expenses of the requisitioned decision procedure.

Extending the Administration

We may seek the consent of the appropriate class(es) of creditors, or an order of the Court, to extend the period of the Administration beyond the statutory period of 12 months, if we believe it is required to achieve the objective of the Administration and to finish our work.

Discharge from liability

We will be discharged from liability in respect of our actions as Administrators at a time set by the creditors or the Court.

9. Statutory and other information

Statutory and other information	
Court details:	High Court of Justice Business and Property Courts, Chancery Division, London Court no: CR-2021-000716
Full name:	LIGNIA Wood Company Limited
Trading name(s):	N/A
Registered number:	05987714
Registered office:	22 York Buildings, John Adam Street, London, WC2N 6JU Formerly: Unit 10, Atlantic Trading Estate, Barry, Wales CF63 3RF
Appointors:	Board of Directors
Company directors:	Neil Ryan Chris Hanson Justin Els Dr Andrew Pitman Stephen Rogers Russell Cummings (non-executive)
Company secretary:	-
Shares held by directors:	Chris Hanson – less than 5% Russell Cummings – less than 5%
Date of the Administrators' appointment	20 April 2021
Division of the Administrators' responsibilities:	For the purpose of paragraph 100(2) of Schedule B1, the Administrators may exercise any of the powers conferred on them by IA86 jointly or individually
Objective being pursued by the Administrators:	(b)
Regulation (EU) on Insolvency Proceedings:	We consider that these are "COMI proceedings" since the Company's registered office and trading address is in the United Kingdom, such that its centre of main interest is in the United Kingdom.

If you have any queries regarding the proposals or the conduct of the Administration in general, please contact Shanice Austin by telephone on 020 7702 9775 or by email at shanice.austin@resolvegroupuk.com.

Should you have any comments or complaints regarding the Administration, please contact Chris Farrington in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Advisory Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU or by email to mark.supperstone@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Details of this procedure and other regulatory policies can be found on ReSolve's website at www.resolvegroupuk.com/policies2/.

Pre-appointment time costs and expenses

The Board of the Company instructed ReSolve to assist in placing the Company in Administration on 16 April 2021. They authorised our pre-appointment fees on a discounted time-cost basis (20 per cent discount against our standard hourly charge out rates) plus disbursements plus VAT. We provide below a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Pre Appointment	1.60	824.00	12.90	5,611.50	9.60	2,931.50	24.10	9,367.00	388.67
	1.60	824.00	12.90	5,611.50	9.60	2,931.50	24.10	9,367.00	388.67

The following work was undertaken:

- Liaised with the Company's directors to inform them about the Administration appointment and process;
- Discussed the employee position and ability to continue to trade during Administration;
- Corresponded with the Company's directors regarding appointment documentation;
- Instructed solicitors to prepare Administration appointment documentation; and
- Planned internally for the appointment, including drawing up plans for staffing, Day 1 priority actions and areas of subsequent responsibilities.

The following statement sets out the time costs and expenses that were incurred prior to the Administration and where approval is being sought to pay them from administration funds.

Description	Amount £	Paid pre- appointment £	To be paid £
Pre-appointment time-costs (discounted at 20%)	7,494	-	7,494
Pre-appointment expenses	2,350	-	2,350

Pre-appointment expenses relate to costs incurred by Squire Patton Boggs, solicitors, who prepared the appointment documentation.

Approval of pre-appointment fees and expenses

The Administrators are seeking approval of the outstanding pre-appointment fees and expenses by way of a decision procedure. Further details are provided at Appendix V.

Administrators' charge out rates, expenses policy, narrative and fee estimate

Our charge out rates

We are seeking to be remunerated on a time cost basis.

Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

This document provides an estimate as to how much time the Administrators and their staff will spend undertaking specific tasks, and the costs of undertaking such work. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work.

The hourly charge-out rates used on this case are outlined below. Please note that the rates increased on 1 May 2021:

Staff grade	Rate per hour from 1 May 2021 (£)	Discounted Rate per hour from 1 May 2021 (£)	Rate per hour from 1 January 2020 (£)	Discounted Rate per hour from 1 January 2020 (£)
Partner	625 - 755	500	625 - 755	500
Director	515 - 535	412-428	515	412
Senior Manager	435	348	435	348
Manager	375	300	375	300
Assistant Manager	305	244	305	244
Senior Administrator	255	204	255	204
Administrator	220	176	220	176
Junior Administrator	175	140	175	140

Note 1. Work performed by the Joint Administrator of the Company, Chris Farrington, who is a Partner, is being charged to the case at ReSolve's lowest Partner charge out rate which is then further discounted by 20%.

Note 2. Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Advisory Limited.

Expenses policy

In accordance with Statement of Insolvency Practice 9, the basis of expense allocation must be fully disclosed to creditors. Expenses are categorised as either Category 1 or Category 2 expenses:

Category 1

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without creditor approval. Examples of Category 1 expenses are statutory advertising, external meeting room hire, external storage, specific bond insurance, external information hosting charges, and Company search fees.

Category 2

These are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement. Category 2 expenses that are likely to be incurred, and require specific approval include:

Mileage	45 pence per mile paid to staff working on the insolvency appointment
Photocopying	20 pence per sheet of paper for reporting purposes (correspondence will be digital where at all possible to minimise this expense)

A schedule of Category 1 and 2 expenses incurred, amounts paid to date and the future expected amounts to be incurred is shown below:

Post-appointment	Category 1	Category 2	Total	Paid to date	Estimated future
£					
Bonding	-	-	-	-	250
Insurance advice	900	-	900	900	-
My Insolvency Report	25	-	25	-	-
Printing & Stationary	-	16	16	-	250
Travel / Subsistence	-	360	360	-	-
Total	925	376	1,301	900	500

Narrative of expenses

- Aon – Insurance advice throughout the duration of the Administration (and any subsequent liquidation), including attendance onsite to conduct a comprehensive health and safety report.
- Travel / Subsistence – For travel to and from the Company's facility in Barry, Wales.
- Printing & Stationary – Printing of initial notification of Administration letters to all employees.
- My Insolvency Report – this is a third-party platform widely used in the industry by insolvency practitioners to host reports and correspondence to stakeholders.

Professional costs

These are charged at cost based upon the charge made by the professional instructed. The term professional commonly includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

The following professionals have been utilised in this matter and the costs of these also comprise Administration expenses:

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date /£	Paid	Estimated future fees
Hilco	Valuation	Fixed	2,395	-	-
Hilco Streambank	Valuation	Fixed	3,000	3,000	-
Sanderson Weatherall	Valuation	Fixed	750	-	-
Squire Patton Boggs	Legal	Time costs	16,370	-	8,000

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

Narrative for each of the above

Hilco / Hilco Streambank

Hilco have been engaged to undertake a review of the Company's tangible assets, such as its plant, machinery, stock and equipment both on an in situ and ex situ basis and have confirmed their independence and that it holds adequate professional indemnity insurance.

Hilco Streambank specialises in the valuation and disposition of all forms of intangible assets and were instructed on this matter to ascertain the value of the Company's intellectual property.

Sanderson Weatherall

Sanderson Weatherall have been engaged to provide a valuation of the Company's leasehold premises.

Squire Patton Boggs

Squire Patton Boggs have been engaged to provide us with advice relating to:

- The Administrators' appointment;
- The Company's lease with Greenhill Estates and the implications of the terms of lease;
- Preparing the sale and purchase agreement; and
- Ad-hoc advice as and when required.

Whilst not requiring approval, when reporting to creditors during the course of the Administration the actual expenses incurred by these professionals will be compared with the original estimates provided and we will explain any material differences.

Narrative of work carried out:

Administration and Planning

This represents the routine administrative work that is required of the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their staff. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the SIP, which set out required practices that office holders must follow:

Case planning

- Preparing the documentation and dealing with the formalities of appointment.
- Review and storage of Company records.
- Considering the employee position of the Company.
- Case planning and administration.

Cashiering

- Dealing with the day-to-day management of the internal cash book.
- Making payments and dealing with receipts.
- Reconciling the Company's bank account.

General administration

- Statutory notifications and advertising.
- Case bordereau.
- Preparing the documentation required.
- Dealing with all routine correspondence.
- Liaising with insurers regarding initial cover.
- Maintaining physical case files and electronic case details.
- Liaising with the Company's directors regarding provision of information.

Creditors

Work involved in dealing with all classes of creditors.

The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. The office holders are required to undertake this work as part of his statutory functions.

The office holders need maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory obligations.

Unsecured

- Dealing with creditor correspondence, emails and telephone conversations.
- Maintaining up to date creditor information on the case management system.

Employees

- Liaising with employees either in respect to continuation of employment post Administration or being placed on furlough.
- Obtaining information from the case records to ascertain the anticipated level of employee claims.

Investigations

Insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holders are required by the SIP to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors and any time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors. Any approval for an increase in fees will be sought as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

The office holders are also required by legislation to report to the BEIS on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

- General investigation into the Company's affairs.
- Statutory investigation into the directors' conduct, including preparation and submission of required reports.

Trading

- Attending to meetings with insurers and providing the requisite information.
- Liaising with management of the Company regarding general trading matters and parameters of the terms and conditions to be agreed upon with customers in respect of stock sales.
- Liaised with the customers directly.
- Prepared payments to certain staff and third parties to fulfil trading activities post appointment.

Realisation of Assets

This is the work that needs to be undertaken to protect and then realise the known assets, which should directly benefit creditors.

Sale of business / assets

- Liaising with Hilco regarding the securing, valuation and sale of Company assets.
- Providing information to the interested parties; and
- Internal correspondence and meetings regarding the sale of business/assets process.

Leasehold property

- Liaising with the landlord in respect of the terms of lease and seeking external legal advice.

Retention of title and third-party assets

- Dealing with retention of title claims and third-party assets and where appropriate, coordinating the return of such assets.

Other assets

- Dealing with the sale of the residual stock.
- Reviewing offers in respect of intangible assets, goodwill and intellectual property.

Statutory

These activities involve complying with legislation including but not limited to; The IA86, The IR16, The Companies Act 2006, The Bribery Act 2010, the Money Laundering Regulations 2017, SIPs and Pension Regulations. These activities do not add any direct benefit to creditors and they form part of the statutory obligations of the Administration.

- Preparation and delivery of all statutory documentation.
- Informing Companies House of the Administration.
- Liaising with solicitors regarding appointment documentation.
- Internal discussions in relation to the timings of the appointment and preparing for the appointment.
- Dealing with statutory issues required under IA86, IR 2016 and the Statements of Insolvency Practice.

Administrators' fee estimate

	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work (£)	Average charge out rate (£)
ADMINISTRATION AND PLANNING (Note 2)			
Description of the tasks to be undertaken in this category of work			
Case planning and monitoring			
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	44.00	17,344.00	
Setting up physical/electronic case files (as applicable).	25.00	4,188.00	
Setting up the case on the practice's electronic case management system and entering data.	40.00	8,056.00	
Undertaking periodic reviews of the progress of the case.	51.00	11,328.00	
Overseeing and controlling the work done on the case by case administrators.	45.00	14,420.00	
Compliance matters			
Obtaining a specific penalty bond.	1.90	532.40	
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	10.00	2,728.00	
Correspondence with creditors			
Dealing with all routine correspondence and emails relating to the case.	55.00	10,048.00	
Cashiering			
Opening, maintaining and managing the office holder's estate bank account.	10.50	3,186.00	
Creating, maintaining and managing the office holder's cashbook.	10.50	2,560.00	
Undertaking regular bank reconciliations of the bank account containing estate funds.	13.00	3,628.00	
General administration			
Arranging suitable insurance over assets.	23.50	6,086.00	
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	5.00	1,684.00	
Preparing and filing VAT returns.	8.00	1,504.00	
Preparing and filing Corporation Tax returns.	8.00	1,504.00	
Seeking closure clearance from HMRC and other relevant parties.	7.00	1,364.00	
Total	357.40	90,160.40	252.27
INVESTIGATIONS (Note 3)			
Description of the tasks to be undertaken in this category of work			
D return preparation			
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.	25.50	5,758.00	
General investigation			
Recovering the books and records for the case.	12.00	2,600.00	
Listing the books and records recovered.	3.50	658.00	
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	14.00	3,744.00	
Other investigation			
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	14.00	3,744.00	
Total	69.00	16,504.00	239.19

REALISATION OF ASSETS (Note 4)

Description of the tasks to be undertaken in this category of work

Book debt recoveries			
Corresponding with debtors and attempting to collect outstanding book debts.	15.50	3,918.00	
Liaising with the bank regarding the closure of the account.	5.50	1,298.00	
Sale of business / assets			
Instructing agents to value business assets.	6.00	1,952.00	
Instructing solicitors to assist in the realisation of assets.	30.00	12,056.00	
Liaising with interested parties	122.00	43,308.00	
Property - freehold and leasehold			
Assignment of contracts, liaising with all parties concerned	10.00	3,784.00	
Total	189.00	66,316.00	350.88

TRADING (note 5)

Description of the tasks to be undertaken in this category of work

Day one matters			
Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.	84.00	24,808.00	
Arranging suitable insurance for the business	19.00	6,036.00	
Setting up suitable systems and controls in respect of purchases and sales for the business	50.00	11,200.00	
Liaising with staff and trade unions	46.00	11,852.00	
Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid	11.00	5,236.00	
Ongoing trading administration			
Monitoring and controlling the day to day trading of the business	225.00	65,160.00	
Monitoring compliance with Health and Safety obligations in respect of the business	45.00	13,784.00	
Total	480.00	138,076.00	

CREDITORS (note 6)

Description of the tasks to be undertaken in this category of work

Employees			
Obtaining information from the case records about employee claims.	27.00	6,216.00	
Completing documentation for submission to the Redundancy Payments Office.	27.00	5,868.00	
Corresponding with employees regarding their claims.	38.00	6,768.00	
Liaising with the Redundancy Payments Office regarding employee claims.	11.00	1,776.00	
Unsecured creditors			
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.	6.40	1,263.20	
Maintaining up to date creditor information on the case management system.	2.00	352.00	
Claim agreement and distributions			
Issuing a notice of intended dividend and placing an appropriate gazette notice.	21.00	4,384.00	
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.	18.00	3,816.00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.	7.00	1,188.00	
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.	17.00	3,684.00	
Total	174.40	35,315.20	202.50

STATUTORY (Note 7)

Description of the tasks to be undertaken in this category of work

Reporting to creditors			
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).	9.75	2,619.00	
Preparation of proposals	92.00	20,952.00	
Preparing, reviewing and issuing annual progress reports to creditors and members (as applicable).	60.00	13,912.00	
Preparing, reviewing and issuing final reports to creditors and members (as applicable).	47.00	10,852.00	
Filing documents with Companies House / Court			
Filing returns at Companies House and/or Court (as applicable).	9.70	1,902.00	
Filing final returns at Companies House and/or Court (as applicable).	9.70	1,902.00	
Total	228.15	52,139.00	£228.53
Total time costs and hours	1,497.95	398,510.60	£266.04

Notes to the **Administrators' fees** estimate

Note 1

This estimate has been provided to creditors at an early stage in the Administration of the case and before the office holder has full knowledge of the case, in particular the eventual outcome of the sale of business process. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the Administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

Note 2 – Administration and planning

This represents the work that is involved in the routine administrative functions of the case by the Administrators and their staff.

Note 3 – Investigations

The insolvency legislation gives us powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure. An initial investigation determines whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation.

If potential recoveries or matters for further investigation are identified then we will incur additional time costs to investigate them in detail and to bring recovery actions where necessary. We are unable to quantify the benefit to creditors of these investigations at present but will include such information in our statutory report to creditors once the position is clear. We are also required by legislation to report to BEIS on the conduct of the directors and the work to enable us to comply with these statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

Note 4 – Realisation of assets

This is the work that needs to be undertaken to realise the known assets in the case.

Note 5 – Trading

The office holders have decided to trade the business of the company in order to achieve a sale of the business as a going concern / work with customers to provide a better outcome for the creditors of the Company, which it is anticipated will maximise the recoveries on behalf of creditors. The particular tasks scheduled in this category of

work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business, and include statutory functions that are required to be undertaken when running any business.

Note 6 – Creditors

Employees: We need to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. We are required to undertake this work as part of their statutory functions.

Creditors: We need to maintain records of the names and addresses of creditors, together with the amounts of their claims to ensure notices and reports can be issued to the creditors. We will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. We are required to undertake this work as part of their statutory functions.

Dividends: We have to undertake certain statutory formalities in order to enable us to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

Note 7 – Statutory

Statutory - preparation of reports and compliance with statutory matters pertaining to the IA86, IR16, together with compliance with SIPs.

Appendix III

Schedule of post appointment time costs for the period from 20 April 2021 to 10 June 2021

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	26.50	13,178.00	19.00	6,612.00	34.10	6,210.80	79.60	26,000.80	326.64
Cashiering	1.00	425.60	0.10	34.80	37.00	7,981.20	38.10	8,441.60	221.56
General administration	-	-	11.70	4,071.60	3.70	928.00	15.40	4,999.60	324.65
	27.50	13,603.60	30.80	10,718.40	74.80	15,120.00	133.10	39,442.00	296.33
Creditors									
Secured	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Unsecured	-	-	0.60	208.80	11.20	2,298.80	11.80	2,507.60	212.51
Employees	-	-	0.60	208.80	8.20	1,470.40	8.80	1,679.20	190.82
Creditors committee	-	-	-	-	-	-	-	-	-
	-	-	1.20	417.60	19.40	3,769.20	20.60	4,186.80	203.24
Investigations									
General investigation	-	-	-	-	1.20	211.20	1.20	211.20	176.00
D returns	-	-	-	-	-	-	-	-	-
Other investigation	-	-	-	-	0.40	70.40	0.40	70.40	176.00
	-	-	-	-	1.60	281.60	1.60	281.60	176.00
Realisation of Assets									
Book debts	-	-	-	-	1.20	292.80	1.20	292.80	244.00
Sale of business / assets	33.60	16,747.20	7.00	2,436.00	7.60	1,677.20	48.20	20,860.40	432.79
Property - freehold and leasehold	-	-	-	-	7.40	2,575.20	7.40	2,575.20	348.00
Other assets	-	-	17.80	6,194.40	21.80	4,163.60	39.60	10,358.00	261.57
	33.60	16,747.20	24.80	8,630.40	38.00	8,708.80	96.40	34,086.40	353.59
Statutory									
Statutory paperwork / form completion	-	-	1.70	591.60	9.10	1,642.40	10.80	2,234.00	206.85
Filing documents with CH / Court	-	-	-	-	0.80	163.20	0.80	163.20	204.00
Reporting to creditors	-	-	3.70	1,287.60	16.00	3,801.60	19.70	5,089.20	258.34
	-	-	5.40	1,879.20	25.90	5,607.20	31.30	7,486.40	239.18
Trading									
Day one matters	-	-	0.70	243.60	18.70	4,042.80	19.40	4,286.40	220.95
Ongoing trading administration	1.50	750.00	11.70	4,071.60	268.21	74,165.88	281.41	78,987.48	280.68
Close down	6.80	2,910.40	-	-	10.30	2,513.20	17.10	5,423.60	317.17
	8.30	3,660.40	12.40	4,315.20	297.21	80,721.88	317.91	88,697.48	279.00
Total hours and cost	69.40	34,011.20	74.60	25,960.80	456.91	114,208.68	600.91	174,180.68	289.86

Form only to be completed and returned if creditors object

Decision seeking approval of proposals by deemed consent

LIGNIA Wood Company Limited – in Administration
Company Number 05987714

NOTICE IS GIVEN by Chris Farrington and Simon Jagger to the creditors of LIGNIA Wood Company Limited that set out below are decisions for your consideration under paragraph 51 of Schedule B1 of the Insolvency Act 1986 by way of a Deemed Consent Procedure.

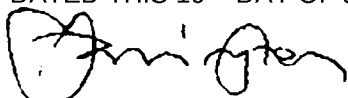
1. That the Administrators' proposals be approved.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 25 June 2021, the Decision Date.

1. To object to this decision, creditors must deliver to us at our offices at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU a duly completed notice of objection by no later than 23.59 hours on 25 June 2021, the Decision Date, together with proof of their debt, (if not already lodged) without which objections will be invalid.
2. Creditors must lodge proof of their debt (if not already lodged), by no later than 23.59 hours on 25 June 2021, without which, objections will be invalid.
3. Creditors should note that it is our responsibility to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without a decision being made. If sufficient objections are received, then we will write to creditors to seek approval for this decision using a qualifying decision process.
4. Creditors with small debts, that is claims of £1,000 or less, must have lodged proof of their debt for their vote to be valid.
5. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
6. Creditors may, within five business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
7. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of 25 June 2021 the Decision Date.

Creditors requiring further information regarding the above, should either contact me at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU, or contact Shanice Austin by telephone on 020 7702 9775 or by email at shanice.austin@resolvegroupuk.com.

DATED THIS 10TH DAY OF JUNE 2021



Chris Farrington
Joint Administrator

LIGNIA Wood Company Limited – in Administration
Company Number 05987714

NOTICE OF OBJECTION TO DEEMED CONSENT

If you agree with the proposed decisions, then you do not need to do anything, and can disregard this form.

Please note that if you object to the decision then you are saying that you do not approve the **Administrators' proposals**.

The following decision is sought from the creditors of the Company by way of a Deemed Consent Procedure;

1. That the Administrators' proposals be approved

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

THIS DECISION IS OBJECTED TO BY

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Date: _____

Note: The completed form should be delivered to Chris Farrington and Simon Jagger, either by posting it to ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU, or by emailing it to shanice.austin@resolvegroupuk.com, so that it is delivered by 23.59 hours on 25 June 2021 in order to be counted as an objection. It must be accompanied by proof of the debt, unless one has already been submitted. Failure to do so will lead to this objection being invalid. In light of the current coronavirus outbreak, the **Administrators' office** is closed, and our colleagues are working from home. Accordingly you are encouraged to return any forms or correspondence in respect of this matter by email to shanice.austin@resolvegroupuk.com rather than by post to ensure it is received ahead of the deadline.

Please note that unless 10% by value the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 25 June 2021, the Decision Date.

Form to be completed and returned by creditors

Decision procedure for approval of Remuneration by correspondence

LIGNIA Wood Company Limited – in Administration
Company Number 05987714

Notice is given by Chris Farrington and Simon Jagger to the creditors of LIGNIA Wood Company Limited that set out below are decisions for your consideration under paragraph 51 of Schedule B1 of the Insolvency Act 1986. Please complete the voting section below indicating whether you are in favour or against the following decisions:

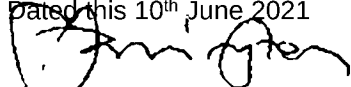
1. The Administrators be remunerated by reference to time costs for different categories of work, the details of which are set out in these proposals.
2. That the Administrators be permitted to recover category 2 expenses.
3. **That the Administrators' pre-appointment costs and expenses be approved and that they be drawn from the Company's estate.**
4. The Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.

The final date for votes is 25 June 2021, the decision date.

1. In order for their votes to be counted creditors must submit to us their completed voting form so that it is received at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU by no later than 23.59 hours on 25 June 2021. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU by no later than 23.59 on 25 June 2021, without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.
5. Creditors may, within five business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10 per cent in value or 10 per cent in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal the decision made by applying to Court under Rule 15.35 within 21 days of 25 June 2021, the decision date.

Please note that the Administrators must receive at least one vote by the decision date or the decisions will not be made. The Administrators would therefore urge creditors to respond promptly. Creditors requiring further information regarding the above, should either contact me at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU or contact Shanice Austin by telephone on 020 7702 9775, or by email at shanice.austin@resolvegroupuk.com.

Dated this 10th June 2021



Chris Farrington
Joint Administrator

Decisions

LIGNIA Wood Company Limited – in Administration Company Number 05987714

1. The Administrators be remunerated on a time cost basis.

FOR / AGAINST

2. That the Administrators be permitted to recover category 2 expenses.

FOR / AGAINST

3. That the Administrators' pre-appointment costs and expenses be approved and that they be drawn from the Company's estate.

FOR / AGAINST

4. The Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.

FOR / AGAINST

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Dated _____

Form only to be completed and returned if creditors object

Notice of invitation NOT to form a **Creditors'** Committee

LIGNIA Wood Company Limited – in Administration
Company Number 05987714

NOTICE IS GIVEN by Chris Farrington and Simon Jagger to the creditors of LIGNIA Wood Company Limited of an invitation NOT to form a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine, at the same time, whether a Creditors' Committee should be established. The deemed consent procedure is being used and the decision being sought is that a Creditors' Committee is NOT established.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 25 June 2021, the Decision Date, in other words a Creditors Committee will NOT be established unless creditors object.

1. A Committee may be formed if a minimum of three and a maximum of five creditors are willing to become members.
2. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
3. The specified date for receipts of nominations for creditors to act as a member of the Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016 is 25 June 2021, the Decision Date.
4. If you object to the decision being sought, i.e. if you want a Creditors' Committee to be established, please complete the form sent with this notice. The completed document should be returned to ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU so that it is received by no later than 23.59 hours on 25 June 2021, the decision date. In light of the current coronavirus outbreak, the Administrators' **office is closed, and** our colleagues are working from home. Accordingly you are encouraged to return any forms or correspondence in respect of this matter by email to shanice.austin@resolvegroupuk.com rather than by post to ensure it is received ahead of the deadline.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>. If you require a hard copy of the booklet please contact Shanice Austin of this office by email at shanice.austin@resolvegroupuk.com, or by phone on 020 3468 4339.

The final date for votes to establish a committee is 25 June 2021, the decision date.

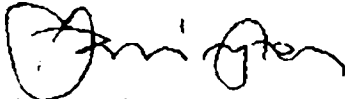
5. To object to this decision, creditors must deliver to us at our offices at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU a duly completed notice of objection by no later than 23.59 hours on 25 June 2021, the Decision Date, together with proof of their debt, (if not already lodged) without which objections will be invalid.
6. Creditors must lodge proof of their debt (if not already lodged), by no later than 23.59 hours on 25 June 2021, without which, objections will be invalid.
7. Creditors should note that it is our responsibility to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without a decision being made. If sufficient

objections are received, then we will write to creditors to seek approval for this decision using a qualifying decision process.

8. Creditors with small debts, that is claims of £1,000 or less, must have lodged proof of their debt for their vote to be valid.
9. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
10. Creditors may, within five business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
11. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of 25 June 2021 the Decision Date.

Creditors requiring further information regarding the above, should either contact me at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU, or contact Shanice Austin by telephone on 020 7702 9775 or by email at shanice.austin@resolvegroupuk.com.

DATED THIS 10TH DAY OF JUNE 2021



Chris Farrington
Joint Administrator

LIGNIA Wood Company Limited – in Administration
Company Number 05987714

NOTICE OF OBJECTION TO DEEMED CONSENT

If you agree with the proposed decisions, then you do not need to do anything, and can disregard this form.

Please note that if you object to the decision then you are saying that you want to establish a Committee. That will incur additional costs, so please only object if you are prepared to act as a Committee member or can nominate another creditor who is willing to act.

The following decision is sought from the creditors of the Company by way of a Deemed Consent Procedure;

1. That a Creditors' Committee should NOT be established.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

THIS DECISION IS OBJECTED TO BY

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Date: _____

Note: The completed form should be delivered to Chris Farrington and Simon Jagger, either by posting it to ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU, or by emailing it to shanice.austin@resolvegroupuk.com, so that it is delivered by 23.59 hours on 25 June 2021 in order to be counted as an objection. It must be accompanied by proof of the debt, unless one has already been submitted. Failure to do so will lead to this objection being invalid. In light of the current coronavirus outbreak, the **Liquidators' office is closed, and** our colleagues are working from home. Accordingly you are encouraged to return any forms or correspondence in respect of this matter by email to shanice.austin@resolvegroupuk.com rather than by post to ensure it is received ahead of the deadline.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 25 June 2021, the Decision Date.

Proof of debt

LIGNIA Wood Company Limited – in Administration	
Date of Administration: 20 April 2021	
1.	Name of creditor (If a company please also give company registration number).
2.	Address of creditor for correspondence.
3.	Total amount of claim, including any Value Added Tax and outstanding un-capitalised interest as at the date the company went into Administration.
4.	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Administrators may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting or decision procedure).
5.	If amount in 3 above includes outstanding un-capitalised interest please state amount. £
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).
7.	Particulars of any security held, the value of the security, and the date it was given.
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
9.	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	Position with or in relation to creditor Address of person signing (if different from 2 above)
For Administrators' Use only	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Joint Administrator	Joint Administrator

Summary of the Statement of Affairs

	Book Value	Estimated to Realise
	£	£
Assets		
Fixed Assets	3,794,183	500,000
Office Equipment	19,080	3,000
Stock	1,489,940	189,073
Stock on water - in stock valuation	-	-
Stock on water - other	-	-
Trade debtors	85,121	85,121
Recoverable VAT	23,801	23,801
Furlough claim	7,811	7,811
Stock on water - deposit	11,571	10,414
Cash at bank and in hand	306,883	306,883
Estimated total assets available to preferential creditors	<u>5,738,390</u>	<u>1,126,103</u>
Preferential creditors		
Employees arrears of wages and holiday pay / HMRC		(238,891)
Estimated surplus/(deficit) as regards preferential creditors		<u>887,212</u>
Unsecured claims		
Trade and expense creditors		(290,449)
Employee claims - redundancy and notice pay		(243,603)
Other creditors		(1,543,756)
Total unsecured claims		<u>(2,077,808)</u>
Estimated surplus/(deficit) as regards non-preferential creditors		<u>(1,190,596)</u>
Issued and called up capital		
Ordinary shares		11,298,559
Share premium		8,264,396
Total shareholding		<u>19,562,955</u>
Estimated total (deficit)/surplus as regards members		<u>(20,753,551)</u>

Creditor Name	Address					Amount of Claim (£)
3 Business Services (DD)	Hutchinson 3G UK Ltd, PO Box 333	Glasgow G2 9AG				1.00
A&R Cleaning	Unit 49 Tondur Enterprise Centre	Bridgend	Mid Glamorgan	CF32 9BS		845.96
Air Products (DD)	2 Millennium Gate	Westmere Drive	Crewe	Cheshire	CW1 6AP	93.00
America Training Solutions LLC	8612 Royton CIR	Raleigh, NC 27613	USA			2,027.30
Bagaro Maderas	AV.Providencia 1308 Piso 4 Ofic.B	Santiago	Chile			1.00
Bangor University (1)	Finance Office	Cae Derwen	College Road	Bangor, Gwynedd	LL57 2DG	10,934.77
Barry training services	Sully Moors Road	Sully	Vale of Glamorgan	CF64 5RP		558.00
Blue Media LDN Limited	Hill View House	Blindwell Hill	Torpoint	PL10 1BG		15,000.00
Carrick Business Services Ltd	Quest House	St Mellons Business Park	Cardiff	CF3 0EY		752.40
Cathedral Hygiene	300 Relay Point	Relay Drive	Tamworth	Staffordshire	B77 5PA	140.40
CNG Energy Limited	2 Victoria Avenue	Harrogate	North Yorkshire	HG1 1EL		8,007.48
Collons Communications Llc	5205 NE 18th Court	Renton, WA 98059	USA			1,504.50
D.A Watts & sons Limited	Unit 1	Cosy Nook Industrial Estate	Cottingham Way	Kettering, Northamptonshire	NN14 4PL	14,260.57
De Keyser Wood Industry	Kasteleinsstraat 15	9150 Kruibeke	Belgium			2,200.10
Door Maintenance Co Ltd	Unit 8	Curran Industrial Estate	Curran Road	Cardiff	CF10 5DDF	1.00
Dwr Cymru Welsh Water	Billing Customer Services	Dwr Cymru Welsh Water	PO Box 690	Cardiff	CF3 5WL	1,827.39
ECL	Unit G1, The Willowford	Main Avenue	Treforest Industrial Estate	Pontypridd	CF37 5BF	1,524.00
EE & T MOBILE (DD)	EE Customer Services	6 Camberwell Way	Sunderland	Tyne and Wear	SR3 3XN	165.26
EIP Europe LLP	Fairfax House	15 Fulwood Place	London WC1V 6HU			25,320.60
Eurgent Ecspres 60	Unit 1b Charnwood Park	Bridgend	CF31 3PL			13,180.81
EZT Mouldings	Letton Court	Letton	Herefordshire	HR3 6DH		2,683.80
Fernleigh Design Limited	Unit 5, Parc-Ty-Glas	Llanishen	Cardiff	CF14 5DU		144.00
Flocon Valves and Fittings Ltd	Unit D8.3	Main Avenue	Treforest Industrial Estate	Pontypridd	CF37 SUR	145.20
Foothold America	303 Wyman Street, Suite 325	Waltham, MA 02451-1208				3,557.65
Forestry Commission	620 Bristol Business Park	Coldharbour Lane	Bristol	BS16 1EJ		60.00
Forklift Specialist	25 Teifi Drive	Cwm Talwg	South Glamorgan	CF62 7TL		513.60
G Jones Boiler Services Limited	Stoke Leigh	Naas Lane	Quedgeley	Gloucestershire	GL2 2SA	352.80
Greenhill Estates	Unit 8	Curran Industrial Estate	Curran Road	Cardiff	CF10 5DDF	10,148.20
HRA Accounting Limited	Cardiff House	Cardiff Road	Barry	CF63 2AW		459.00
JMS Consulting	11 Greenlands	Lacey Green	Princess Risborough	HP27 0QJ		1,120.00
Liscombe	Mariner Way	Felnext Trading Estate	Newport	South Wales	NP19 4PQ	303.30
Lyreco	Deer Park Court - Donnington Wood	Telford	Shropshire	TF2 7NB		141.74
MARSH COMMERCIAL	43 Lambourne Crescent	Cardiff Business Park	Cardiff	CF14 5GG		8,172.15
Materials Technology	Unit 5	Rushington Court	Chapel Lane	Southampton	SO40 9NA	1,224.00
Mighty Oaks Consulting	1905 Gladstone Avenue	Louisville	Kentucky	40205 USA		480.96
Montgomery Exhibitions Ltd	9 Manchester Square	London	W1U 3PL			2,188.80
NEPCon UK Ltd	The Old Tannery	Hensington Road	Woodstock	OX20 1JL		1,878.72
Nu-Staff Limited	18a Moor Street	Chepstow	Monmouthshire	NP16 5DB		2,637.03
Pan Pac Forest Products Ltd	Private Bag 6203	Hawkes Bay Mail Centre 4142	Napier	New Zealand		1.00
Patent and Trademark Office	2200 Pennsylvania Avenue, NW	4th Floor East	Washington, DC 20037	USA		796.17
Preferre Resins UK Limited	Aycliffe Industrial Park	Newton Aycliffe	Co. Durham	DL5 6UE		67,641.50
Proctor and Stevenson Limited	The Old Printworks	178 Easton Road	Easton	Bristol	BS5 0ES	783.60
Richmond Scientific Ltd	Unit 9	Edward Street	Chorley	Lancashire	PR6 0RE	1.00
RS Components	PO Box 99	Corby	Nothamptonshire	NN17 9RS		203.50
RS Components Ltd (C/C)	PO Box 99	Corby	Nothamptonshire	NN17 9RS		42.00
S&K Haulage (Glamorgan) Ltd	David Davies Rd	Port of Barry	Vale of Glamorgan	CF63 4AB		7,300.00
Salesforce UK Limited	Floor 26 Salesforce Tower	110 Bishopsgate	London	EC2N 4AY		5,065.66
Screwfix	Barry U14	Lds House	Tyverlon Ind estate	Cardiff Road, Barry	CF63 2BE	275.90
Share Registrars	The Courtyard	17 West Street	Farnham	Surrey	GU9 7DR	480.00
Smith's (Gloucester) Limited	Alkerton Court	Eastington	Gloucestershire	GL10 3AQ		193.20
Teakdecking Systems USA	7061 15th Street East	Sarasota, FL 34243	USA			11,517.40
Tether	E3 CentrePoint Business Park	Dublin 12	D12R2V3	Republic of Ireland		500.00
The Technology Group (DD)	The Tannery	91 Kirkstall Road	Leeds	LS3 1HS		548.08
Toyota & Lexus Fleet	PO Box 557	Portsmouth	PO6 4WL			15.00
United Worldwide Logistics	BIBBY Factors Bristol	3rd Floor	8 Princes Parade	Princes Dock	Liverpool L3 1DL	2,615.00
Vale of Glamorgan	PO Box 49	Barry	CF63 4YN			35,463.62
Water for Life	Unit 22, Crosshalls Business Workshops	Llanelli	Cardmarthenshire	SA14 6RE		82.20
WS Logistics	12 Summit Business Park	Langer Road	Felixstowe	IP11 2JB		12,728.79
Wurth UK Ltd	1 Centurion Way	Erith	Kent	DA18 4AE		444.32
Alphabet	Alphabet House, Summit Avenue	Farnborough	Hampshire	GU14 0FB		15,208.42
Investec Asset Finance plc	Reading International Buisness Park	Reading	Berkshire	RG2 6AA		37,119.20
BNP Paribas Leasing solutions	Northern Cross	Basing View	Basingstoke	Hampshire	RG21 4HL	516.28
Greenhill Estates	Unit 8	Curran Industrial Estate	Curran Road	Cardiff	CF10 5DDF	763,520.83
Greenhill Estates	Unit 8	Curran Industrial Estate	Curran Road	Cardiff	CF10 5DDF	100,000.00
Innovate UK	UK Research and Innovation	Polaris House	North Star Avenue	Swindon	SN2 1FL	8,169.00
Bangor University	Director of Finance and Research Services	Cae Derwen, College Road	Bangor	Gwynedd	LL57 2DG	19,000.00
Bangor University	Director of Research and Enterprise office	College Road	Bangor	Gwynedd	LL57 2DG	7,791.67
Swansea University	Research Engagement and Innovation Services	2nd Floor Talbot Building	Singleton Park	Swansea	SA2 8PP	23,750.00
Welsh government	Viwen Collins - Economic Resilience Fund	Welsh Government	Cathays Park	Cardiff	CF10 3NQ	85,000.00
Sunseeker	Sunseeker House	West Quay Road	Poole	Dorset	BH15 1JD	164,000.00
Y Yachts	Nordstrasse 1	17493 Greifswald	Germany			59,091.00
East Teak	Thompson Mahogany	225 Lincoln Highway	Fairless Hills	PA19030	USA	42,529.00
Global timber	Michael Drewsens Vej 1	8270 Hojbjerg	Aarhus	Denmark		54,255.00
Teak Decking Systems	7061	15th East Street	Sarasota	FL34243	USA	68,794.33
Timber Connection	Crane Mead Business Park	Ware	Hertfordshire	SG12 9PZ		2,308.00
W S Logistics	12 Summit Business Park	Langer Road	Felixstowe	IP11 2JB		4,212.00
East Teak	Thompson Mahogany	225 Lincoln Highway	Fairless Hills	PA19030	USA	9,598.24
Hout-Bois Van Steenberge NV	Steenweg op Aalst 27	B-9620 Zottegem	BE 0440.690.893	Belgium		2,334.77
Timber Connection	Crane Mead Business Park	Ware	Hertfordshire	SG12 9PZ		636.66
Salesforce UK Limited	Floor 26 Salesforce Tower,	110 Bishopsgate	London	EC2N 4AY		23,210.00
HRA Accounting Limited	Cardiff House	Cardiff Road	Barry	CF63 2AW		500.00
Tenon Clearwood Limited	Taupo 3378	New Zealand				1.00
Buildpro Limited	33 Iversen Terrace	PO Box 13017	Christchurch 8141	New Zealand		1.00
Paul Leach	36 Evenlode Drive	Didcot	Oxon	OX11 7XQ		530.25
Lisa Ayala	2209 Milan Drive	Forney	TX 75126	USA		201.33
HMRC	Insolvency Claims Handling Unit	Benton Park View	Longbenton	Newcastle	NE98 1ZZ	70,935.22
HMRC	Insolvency Claims Handling Unit	Benton Park View	Longbenton	Newcastle	NE98 1ZZ	3,144.19
HMRC	Insolvency Claims Handling Unit	Benton Park View	Longbenton	Newcastle	NE98 1ZZ	126,431.81
						1,974,043.63