

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 5 9 8 7 7 1 4

Company name in full LIGNIA Wood Company Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name High Court of Justice

Court case number C R - 2 0 2 1 - 0 0 0 7 1 6

### 3 Administrator's name

Full forename(s) Chris

Surname Farrington

### 4 Administrator's address

Building name/number 22 York Buildings

Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

# AM22

Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name ①</b>	
Full forename(s)	Simon	
Surname	Jagger	
		<b>① Other administrator</b> Use this section to tell us about another administrator.

<b>6</b>	<b>Administrator's address ②</b>	
Building name/number	22 York Buildings	
Street		
Post town	London	
County/Region		
Postcode	W C 2 N 6 J U	
Country		
		<b>② Other administrator</b> Use this section to tell us about another administrator.

<b>7</b>	<b>Appointor/applicant's name</b>	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)		
Surname		

<b>8</b>	<b>Proposed liquidator's name</b>	
Full forename(s)	Chris	
Surname	Farrington	
Insolvency practitioner number	8 7 5 1	

<b>9</b>	<b>Proposed liquidator's address</b>	
Building name/number	22 York Buildings	
Street		
Post town	London	
County/Region		
Postcode	W C 2 N 6 J U	
Country		

AM22

Notice of move from administration to creditors' voluntary liquidation

**10 Proposed liquidator's name<sup>①</sup>**

Full forename(s)

Simon

Surname

Jagger

Insolvency practitioner  
number

2 2 8 3 8

**① Other liquidator**Use this section to tell us about  
another liquidator.**11 Proposed liquidator's address<sup>②</sup>**

Building name/number

22 York Buildings

Street

Post town

London

County/Region

Postcode

W C 2 N 6 J U

Country

**② Other liquidator**Use this section to tell us about  
another liquidator.**12 Period of progress report**

From date

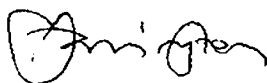
<sup>d</sup>2 <sup>d</sup>0 <sup>m</sup>1 <sup>m</sup>0 <sup>y</sup>2 <sup>y</sup>0 <sup>y</sup>2 <sup>y</sup>1

To date

<sup>d</sup>1 <sup>d</sup>3 <sup>m</sup>0 <sup>m</sup>4 <sup>y</sup>2 <sup>y</sup>0 <sup>y</sup>2 <sup>y</sup>2**13 Final progress report**☒ I have attached a copy of the final progress report.**14 Sign and date**Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup>1 <sup>d</sup>3 <sup>m</sup>0 <sup>m</sup>4 <sup>y</sup>2 <sup>y</sup>0 <sup>y</sup>2 <sup>y</sup>2

**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**

Post town **London**

County/Region

Postcode **W C 2 N 6 J U**

Country

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

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

Our ref: ADMLIGNIA/CF/SJ/JT/SA/NS/040

T 020 7702 9775

F 0845 094 1160

13 April 2022

[www.resolvegroupuk.com](http://www.resolvegroupuk.com)

TO ALL KNOWN CREDITORS

Dear Sirs

LIGNIA Wood Company **Limited** (“the Company”) – In Administration

Please find enclosed my final report on the progress of the Administration of the Company for the period from 20 October 2021 to 13 April 2022, which should be read in conjunction with my previous reports to creditors dated 18 November 2021.

It appears likely that a dividend will be declared to preferential and non-preferential unsecured creditors and accordingly the Company will be placed into creditors’ voluntary liquidation to facilitate the distribution.

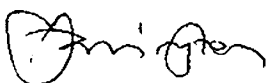
Rights of creditors

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators’ remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators’ fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any queries in relation to this matter please do not hesitate to contact Shanice Austin of this office.

Yours faithfully  
For and on behalf of  
LIGNIA Wood Company Limited



Chris Farrington  
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name: Shanice Austin  
Phone number: 020 7702 9775  
Email: [shanice.austin@resolvegroupuk.com](mailto:shanice.austin@resolvegroupuk.com)

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/](http://www.resolvegroupuk.com/policies2/).

LIGNIA Wood Company Limited  
In Administration (the Company)

**Joint Administrators'** final progress report  
covering the period 19 October 2022 to 13 April 2022

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## 1. INTRODUCTION

As you may be aware, Simon Jagger and I, were appointed as Joint Administrators of the Company on 20 April 2021.

This report is my second report on the progress of the Administration to date and should be read in conjunction with our Proposals dated 10 June 2021 and progress report dated 18 November 2021.

Please find attached the statutory information relating to the Company at Appendix I.

## 2. SUMMARY OF THE ADMINISTRATORS' PROPOSALS

The following proposals were approved by creditors by way of a Deemed Consent Procedure convened on 25 June 2021.

- (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.

## 3. STEPS TAKEN DURING THE ADMINISTRATION

### 20 April 2021 to 19 October 2021

- Notified and maintained contact 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;
- Met with and wrote to all directors and employees of the Company, advising them of the Administration and setting out the administration process and the Administrators' role;
- Wrote to the landlord advising of the Administration and the landlord's rights and obligations and held discussions with the landlord;
- Identified 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;
- Liaised with the directors in relation to the submission of the Statement of Affairs and director's questionnaire;
- Opened an Administration bank account;
- Notified company's pre-appointment bank NatWest of the appointment and collated and submitted the



necessary paperwork to permit the release of the funds

- Notified the Company and its shareholders, creditors and professional advisors of the Administrators' appointment;
- Monitored and supervised the ongoing business operations and trading during the period of Administration to ensure realisations were maximised for the benefit of the Company's creditors;
- Prepared 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;
- Obtained 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;
- Engaged independent professional valuation agents, Hilco Global ("Hilco") 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;
- Engaged 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;
- Planned and implemented a marketing campaign for the sale of the Company's business and assets and co-ordinated 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;
- Held numerous calls and teleconferences and facilitate the flow of information with parties interested in acquiring the Company's business and conducted negotiations with those parties who made offers to seek the maximum price and best outcome for the Company's creditors and its employees;
- Arranged collection of all outstanding book debts owed to the Company; and
- Instructed 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;
- Dealt with matters in relation to the sale of the business, reviewed sale agreement, lease agreements and other pertinent matters forming part of the purchase, including the general mechanics of the sale process and site clean-up;
- Completed a sale of the business and assets of the Company to Accoya on 4 August 2021 in the sum of €1,235,750;
- Considered the position of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") and wrote to all employees to provide notification of the proposed sale to Accoya;
- Filed the Statement of Affairs at Companies House;
- Drafted the Administrators' Proposals and circulated to creditors on 10 June 2021;
- Attended to general ad-hoc queries from creditors and filed all proof of debts received and updated the electronic system as required;
- Regularly carried out an evaluation of the Company's Administration trading cash flow and reconciliation of the insolvency estate account;
- Held regular team meetings to discuss strategy as regards the residual assets and completion of general statutory tasks arising in the Administration;
- Conducted investigations into the conduct of the directors and submitted a confidential report to the Secretary of State, including an analysis of the Company records and general enquiries to ascertain the failure of the company as required by Statement of Insolvency Practice 2; and
- Dealt with and submitted employee claims to the Redundancy Payments Service ("RPS") and notified the pension authorities and pension provider; and

#### 20 October 2021 to 13 April 2022 ("the Reporting Period")

- Held regular meetings to discuss strategy as regards remaining tasks in the Administration and to ensure progression of those tasks;

- Dealt with creditor queries and correspondence;
- Liaised with HMRC regarding furlough funds;
- Maintained and regularly reconciled the estate account;
- Processed ad-hoc payments as required, i.e professional costs and utility costs to bring the account to a closure; and
- Drafted and issued our first progress report dated 18 November 2021.

#### 4. OUTCOME OF THE ADMINISTRATION

The Insolvency Act 1986 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 such, we sought to achieve objective (b) for the Company, and have achieved this by trading the business post appointment in order to finish the work in progress and selling the business and assets, maximising realisations available for the general body of creditors. Had the Company been placed into Liquidation within first being in Administration, it is likely the business would have ceased to trade and the value of its assets would have been much less.

#### 5. RECEIPTS AND PAYMENTS

I have now completed the Administration of the Company. My receipts and payments account for the Reporting Period is attached at Appendix II.

The payments from the account in the period are primarily in respect of the officeholders' remuneration and expenses of the Administration. The only other payment during the Reporting Period being £1,022 to cover the utility costs incurred during the trading period in the Administration.

#### 6. ASSETS

##### Sale of the business and assets

The assets comprised capital production plant, research and development equipment, office equipment, furniture and IT equipment.

Hilco, third party specialist valuers, was engaged to carry out an appraisal of the Company's tangible assets on an in-situ and ex-situ basis.

Item	In-situ £	Ex-situ £
Plant and machinery	1,728,000	346,000
Office furniture and equipment	10,000	4,000
Total	1,738,000	350,000

Immediately preceding and on the appointment of the Administrators, an accelerated marketing campaign was conducted to attract interest in the business and assets of the Company.

A comprehensive overview of the marketing undertaken and parties involved in that process is set out in the Administrators Proposals, but laid out below is a brief summary of the transaction, with reference to the asset categories, completed to the Purchaser, Accoya, on 4 August 2021.

Item	€	£
Stock	485,749.00	412,044.44
Plant and machinery	670,000.00	568,339.50
Intellectual Property	54,996.00	46,652.19
Records	1.00	0.85
Goodwill	1.00	0.85
Name	1.00	0.85
Vehicles	25,000.00	21,206.70
Licences	1.00	0.85
Software	1.00	0.85
Total	1,235,750.00	1,048,247.08

Please note the transaction was undertaken in Euros and accordingly a comparison of the conversion to GBP has been provided for illustrative purposes.

Given the valuations attributed to the plant and machinery, we considered that the consideration paid as part of the transaction represented fair value in the circumstances.

Under the Transfer of Undertakings (Protection of Employment) Regulations 2006, the employees of the Company transferred to Accoya. A settlement for the rent arrears was also reached between the Joint Administrators and the landlord, as was paramount to enable Accoya to occupy the premises, which in the absence of such agreement would not have been feasible. As a result, this reduced the overall liabilities in the Administration, enabling a better return to the general body of creditors as a whole.

In addition to the payment of the rent arrears to the landlord, there were other costs associated to the facilitation of the sale that were met as an expenses of the Administration, including the costs of site clean up for the purposes of insurance and to negate the risk of any dilapidation claims arising subsequent to the sale.

These costs, and our obligation to pay them, would not been dissimilar in the event of an orderly wind-down of the business, i.e the business immediately closed and no sale having taken place.

A payment was also covered to secure title to certain stock held offsite that was included in sale to Accoya.

A full breakdown of the costs incurred are shown below:

	£
Site clean up	51,787
Stock	44,331
Creditor settlement	57,640
Total	153,758

## Property

Ongoing rent for the use of the leasehold premises to enable us to complete work in progress and honour existing agreements with customers was paid as a trading expense of the Administration.

## Trading

We considered the best outcome for creditors would 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 also maximised the value to be realised from the raw timber and work in progress on site at the point of Administration as it allowed for a more orderly sale of these assets.

The costs of trading were initially funded from cash at bank on appointment and subsequently trading revenue.

The primary trading activity during the Administration period was the conversion of raw timber (purchased prior to Administration) and work in progress to finished LIGNIA products for sale into the construction industry. The Company also held a significant amount of non-core stock, which was not subject to the offer from Accoya.

This stock was disposed of during the trading period at a higher value than would otherwise have been achieved in a forced sale/non-trading disposal scenario.

Whilst it was initially anticipated that the conclusion of the trading period would coincide with the sale of the Company's business and assets, due to Accoya's extended negotiations with the landlord, completion was delayed by approximately one month. This led to the Company incurring an additional month of trading expenses, whilst the sale of trading stock had already concluded.

At closure of the trading period, sales income totalled £331,426 resulting in an anticipated trading loss of £18,382. This remains an estimated position as it has been calculated on the basis that the outstanding furlough claim will be received (referred to further below). The position, i.e. in respect of costs incurred and paid, is a trading loss of £33,434.

Although the Administration trading period ultimately resulted in a small loss, the Administrators consider it was necessary and provided a substantial benefit to creditor overall as it allowed the Administrators to extract the highest value from the Company's stock that was purchased prior to Administration by converting the stock into finished LIGNIA product, which is of much higher value than the untreated timber.

#### Deposits

Under the terms and conditions of the operating agreement, a refund of £10,309 relating to a partial upfront deposit paid for a batch order of raw timber stock was subsequently voided upon entering Administration and returned to the Company.

#### VAT refund

The pre-appointment VAT return of £23,801 will be submitted in the subsequent Liquidation.

As previously mentioned, in light of the Company's accrued unpaid PAYE liabilities of £200,511, we expect HM Revenue and Customs ('HMRC') will offset the two amounts, resulting in a reduction to HMRC's preferential claim in the Administration.

#### Furlough monies

We made claims under the Government's COVID job retention scheme during the trading period totalling £72,851, however to date only £50,299 has been received. We continue to chase HMRC for payment of the remaining balance.

### 7. DIVIDENDS

#### Secured creditors

The records held at Companies House show that the Company has no current charges over its assets.

#### Preferential creditors

#### Employees

The overall liability to employees was reduced from £33,380 to £8,572 on completion of the sale to Accoya.

#### HMRC

In HMRC's capacity as a secondary preferential creditor as of 1 December 2020 for its element of unpaid VAT, on review of its submitted claim of £198,129, it appears that £125,679 constitutes part of its preferential claim and the remaining £72,450 as an unsecured claim. We anticipate the preferential part of its debt will be further reduced by £23,801 on filing the pre-appointment VAT return.

A dividend of 100 pence in the pound will be paid to the preferential creditors in the ensuing Liquidation.

#### Non-preferential unsecured creditors

The Statement of Affairs included 93 unsecured creditors with an estimated total liability of £2,077,807. I have received claims from 20 creditors at a total of £695,002. This includes two claims which are approximately £225k

higher than the value shown in the Statement of Affairs, which relate to product recall claims.

Two of these claims received to date are approximately £225k higher than the value shown in the Statement of Affairs, which relates to product recall claims arising from historic product quality issues with the Company's LIGNIA Yacht line. These claims will be assessed, alongside all other unsecured creditors' claims, following conversion to Liquidation and commencement of the unsecured distribution process. We anticipate that additional claims may arise as a result of the same issue.

There is no secured debt or charge holder of the Company and as such the prescribed part provisions do not apply.

Given the uncertainty of the extent of any further product recall claims, we are only able to forecast an estimated dividend to the unsecured creditors in the region of between 35p and 55p in the £.

## **8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. I took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. There were no matters that justified further investigation in the circumstances of this appointment.

Within three months of my appointment as Joint Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I confirm that my report has been submitted.

## **9. PRE-ADMINISTRATION COSTS**

On 25 June 2021 my pre-appointment fees totalling £7,494 and pre-appointment expenses incurred of £2,350 were approved by creditors.

We confirm that our pre-appointment costs and expenses have been paid in full.

## **10. ADMINISTRATORS' REMUNERATION**

My remuneration was authorised by the Company's creditors on 25 June 2021, to be charged on a time cost basis, subject to a 20 per cent discount against my firm's prevailing hourly charge out rates, capped at £398,511.

My discounted time costs to 13 April 2022 amount to £341,359, representing 1,184 of hours work at an average charge out rate of £288 per hour, of which £17,364 was charged in the period between 20 October 2021 and 13 April 2022, representing 72 hours work at an average charge out rate of £291 per hour.

I have drawn £340,506 to date of which £98,000 was drawn in the Reporting Period.

Our future time costs (up to the fees cap) will be paid out of the funds in hand in the subsequent Liquidation. We estimate the costs we will incur in the Liquidation will be £58,000.

A schedule of my charge out rates, expense policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as Appendices III and IV.

In respect of the costs incurred in the trading period, we would advise that time paid is not normally allocated between the various time charge categories but in this case, I estimate that as I have so far drawn 100 percent of my total discounted time costs, then 100 percent of my discounted trading costs of £141,051 have been paid.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the latest version. A hard copy can be obtained on request, free of charge, from this office.

## 11. ADMINISTRATORS' EXPENSES

My expenses to 13 April 2022 amount to £3,000, all of which was incurred in the period prior to 20 October 2021. Of the total, £584, was incurred in respect to category 2 expenses. I confirm the basis of charging category 2 expenses was approved by creditors on 25 June 2021.

I have drawn £2,899 to date, which was drawn in the period prior to 20 October 2021.

The following expenses have been incurred:

Post-appointment	Category 1	Category 2	Total	Paid to date	Estimated future
£					
Bonding	775	-	775	775	-
Insurance advice (Aon)	900	-	900	900	-
My Insolvency Report	25	-	25	-	-
Printing & Postage	79	22	101	-	150
Travel / Subsistence	-	562	562	562	-
Statutory advertising	87	-	87	87	90
Sundry expenses	550	-	550	550	-
Total	2,416	584	3,000	2,899	240

\*The above costs exclude VAT.

### Narrative of expenses

- Bonding – Statutory insurance required in respect of the assets of the Company
- Aon – Insurance advice throughout the duration of the administration (and any subsequent Liquidation), including attendance onsite to conduct a comprehensive health and safety report.
- My Insolvency Report – this is a third-party platform widely used in the industry by insolvency practitioners to host reports and correspondence to stakeholders.
- Printing and postage – Printing of initial notification of Administration letters to all employees and sending hard copy correspondence to Creditors and Members to notify of our appointment, as required in the Administration.
- Travel / Subsistence – For travel to and from the Company's facility in Barry, Wales.
- Sundry expenses – For advertising the sale of the business and assets of the Company on IP-Bid.com and a subscription to the Company's accounting software.

The following professional advisors have been utilised in this matter:

Professional Advisor	Fee Arrangement	Incurred in period	Fees incurred to date /£	Paid	Estimated future fees
Hilco	Fixed	-	2,395	2,395	-
Hilco Streambank	Fixed	-	3,000	3,000	-
Squire Patton Boggs	Time costs	-	62,136	62,136	-
Knight Frank	Fixed	-	1,425	1,425	-
Sanderson Weatherall LLP	Fixed	-	750	750	-
Total		-	69,706	69,706	-

\*The above costs exclude VAT.

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

#### Hilco / Hilco Streambank

Hilco are professional valuation experts and were 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 they hold 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.

#### Squire Patton Boggs

Squire Patton Boggs provide legal services and were engaged to provide us with advice relating to:

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

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

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

#### Knight Frank

Knight Frank is a property agent and was engaged to inspect the premises and prepare a report on its condition in advance of the sale of the business and assets to Accoya.

The costs for carrying out the above work were split 50/50 with Accoya and payment of these costs was necessary in order to complete the sale and act as a safeguard against potential dilapidations claims from the landlord after completion.

#### Sanderson Weatherall LLP

Sanderson Weatherall LLP is a property leasing agent and was instructed to undertake a review of the leasehold premises. These costs were essential to ensure there were no potential ramifications associated to the clauses of the lease that could have a detrimental effect on the sale of the business and assets.

As at the date of this report the expenses anticipated to be charged by the Joint Administrators are likely to exceed the previous estimate provided to creditors. The reason for the excess are detailed below:

#### 12. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this 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 [complaints@resolvegroupuk.com](mailto:complaints@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. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email [ip.complaints@insolvency.gsi.gov.uk](mailto:ip.complaints@insolvency.gsi.gov.uk), or you may phone 0300 6780015. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Farrington's and Mr Jagger's regulatory body. Details of the relevant call charges and opening hours can be found here: <http://www.resolvegroupuk.com/policies2/>.

### 13. SUMMARY

The Administration is now complete in accordance with my proposals and following the conversion to Liquidation we will complete the following matters:

- Submission of the pre-appointment VAT return to HMRC;
- Declaration of a dividend to the preferential and unsecured creditors respectively; and
- Undertake final closure matters, including the preparation of a final report and filing to Companies House, when the Company will be formally dissolved.

Should you have any queries in relation to this matter please do not hesitate to contact Shanice Austin of this office.

Yours faithfully  
For and on behalf of  
LIGNIA Wood Company Limited



Chris Farrington  
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name: Shanice Austin  
Phone number: 020 7702 9775  
Email: [shanice.austin@resolvegroupuk.com](mailto:shanice.austin@resolvegroupuk.com)

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/](http://www.resolvegroupuk.com/policies2/).



APPENDIX I

STATUTORY INFORMATION

Company name:	LIGNIA Wood Company Limited
Previous company name:	Fibre 7 UK Limited
Registered office:	C/O Resolve Advisory Limited, 22 York Buildings, London, WC2N 6JU
Former registered office:	Unit 10, Atlantic Trading Estate, Barry, CF63 3RF, Wales
Registered number:	05987714
Date of incorporation:	3 November 2006
Trading address:	N/A
Principal trading activity:	Manufacturers of sustainable modified timber products
Joint Administrators' name:	Chris Farrington, Simon Jagger
Joint Administrators' address:	C/O Resolve Advisory Limited, 22 York Buildings, London, WC2N 6JU
Joint Administrators' date of appointment:	20 April 2021
Court name and reference:	High Court of Justice, Business and Property Courts, Chancery Division, London CR-2021-000716
Appointment made by:	Board of directors
Name, address and appointment details of the former Administrators:	N/A
Joint Administrators' actions:	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone.

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

SUMMARY OF ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 20 APRIL 2021 TO 13 APRIL 2022			
	Estimated to realise - Estimated financial position £	For the period 20 October 2021 to 13 April 2022 £	Total Receipts/ Payments £
<b>RECEIPTS</b>			
Bank Interest	-	83	86
Cash at bank and in hand	306,883	-	314,276
Debtors	85,121	-	85,121
Deposit for stock	10,414	-	10,850
Furlough claim	7,811	-	-
Stock	189,073	-	412,044
Intangible assets	-	-	46,656
Tangible assets	503,000	-	568,340
Motor vehicles	-	-	21,207
Trading loss	-	(1,022)	(33,434)
Insurance refund	-	-	453
VAT claim	23,801	-	-
	<u>1,126,103</u>	<u>(939)</u>	<u>1,425,598</u>
<b>PAYMENTS</b>			
Insurance H&S inspection	-	-	900
Agents/Valuers Fees	-	-	7,570
Legal fees	-	32,060	62,136
Site clean up costs	-	-	51,787
Stock	-	-	44,331
Sundry expenses	-	-	490
Statutory Advertising	-	-	87
Officeholders' fees (pre-appointment)	-	-	7,494
Officeholders' fees (post appointment)	-	98,000	340,506
Officeholders' expenses	-	-	1,422
Bank charges	-	-	25
Creditor settlement	-	-	57,640
		<u>130,060</u>	<u>574,387</u>
<b>TOTAL (receipts less payments)</b>		<u>(130,999)</u>	<u>851,211</u>
<b>REPRESENTED BY</b>			
VAT receivable			122,551
VAT payable			(23,005)
LIGNIA Wood Company Limited - in Administration current account, non-interest bearing			751,665
<b>TOTAL</b>			<u>851,211</u>

SUMMARY OF THE ADMINISTRATORS' TRADING ACCOUNT FOR THE PERIOD 20 APRIL 2021 TO 13 APRIL 2022				
	Notes	For the period 20 April 2021 to 19 October 2021 £	Incurred but not yet paid £	Total Receipts/ Payments £
RECEIPTS				
Sales	1	331,426	-	331,426
TOTAL RECEIPTS		331,426	-	331,426
PAYMENTS				
Direct Expenses		10,313	-	10,313
Freight and Transport		30,067	-	30,067
Indirect Labour		51,855	-	51,855
Insurance		18,232	-	18,232
Leases/Hire Purchase		5,417	-	5,417
Repairs & Maintenance		108	-	108
IT Costs		3,293	-	3,293
Other Operation Costs		6,859	-	6,859
Employee Related Costs		960	-	960
Wages & Salaries and Associated Costs		195,155	(15,052)	180,104
Rent and Rates		26,507	-	26,507
Utilities		15,741	-	15,741
Bookkeeping		353	-	353
TOTAL PAYMENTS	2	364,860	(15,052)	349,808
ESTIMATED TRADING PROFIT/(LOSS)		(33,434)	15,052	(18,382)

Notes

1. Sales include sales of both finished LIGNIA timber product and 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.

## APPENDIX III

### ADMINISTRATORS' REMUNERATION POLICY, CHARGE OUT RATES, EXPENSE POLICY AND NARRATIVE

#### Joint Administrators' charge out rates

The Joint Administrators are 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. The hourly charge out rates to be used on this case are as follows:

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 of £625 which is then further discounted by 20 per cent.

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

#### Expense 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)

Category 1 and Category 2 expenses are subject to the rights of creditors to seek further information about them or challenge them.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors,
- Auctioneers/Valuers,
- Accountants,
- Quantity Surveyors,
- Estate Agents,
- Pension specialists,
- Employment Claims specialists, and
- GDPR/Cyber Security specialists.

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 Act 1986 ('IA86'), Insolvency Rules 2016 ('IR16') and the Statements of Insolvency Practice ('SIPs'), which set out required practices that office holders must follow:

##### Case planning

- 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

- Case bordereau.
- Preparing the documentation required.
- Dealing with all routine correspondence.
- Maintaining electronic case details.

##### 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.

##### 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.
- Dealing with statutory issues required under IA86, IR 2016 and the SIPs.
- Drafted and issued our first progress report dated 18 November 2021.

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

Cumulative Time Costs Summary for the period from 20 April 2021 to 13 April 2022

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
<b>Administration &amp; Planning</b>									
Case planning / monitoring	26.87	16,703.75	31.70	13,789.50	51.20	11,613.50	109.77	42,106.75	383.59
Cashiering	6.10	3,217.50	4.40	1,914.00	130.00	35,259.00	140.50	40,390.50	287.48
General administration	-	-	18.20	7,917.00	23.30	6,318.50	41.50	14,235.50	343.02
	<b>32.97</b>	<b>19,921.25</b>	<b>54.30</b>	<b>23,620.50</b>	<b>204.50</b>	<b>53,191.00</b>	<b>291.77</b>	<b>96,732.75</b>	<b>331.54</b>
<b>Creditors</b>									
Secured	-	-	-	-	0.20	51.00	0.20	51.00	255.00
Preferential	-	-	-	-	-	-	-	-	-
Unsecured	8.75	5,468.75	3.40	1,479.00	49.10	12,785.50	61.25	19,733.25	322.18
Employees	-	-	1.40	609.00	16.20	3,903.50	17.60	4,512.50	256.39
Creditors committee	-	-	-	-	-	-	-	-	-
	<b>8.75</b>	<b>5,468.75</b>	<b>4.80</b>	<b>2,088.00</b>	<b>65.50</b>	<b>16,740.00</b>	<b>79.05</b>	<b>24,296.75</b>	<b>307.36</b>
<b>Investigations</b>									
General investigation	-	-	-	-	2.20	543.00	2.20	543.00	246.82
Other investigation	-	-	-	-	0.40	88.00	0.40	88.00	220.00
	<b>0.80</b>	<b>473.00</b>	<b>1.50</b>	<b>652.50</b>	<b>18.50</b>	<b>4,472.00</b>	<b>20.80</b>	<b>5,597.50</b>	<b>269.11</b>
<b>Realisation of Assets</b>									
Book debts	-	-	-	-	1.20	366.00	1.20	366.00	305.00
Sale of business / assets	53.60	33,434.00	31.80	13,833.00	20.40	7,610.50	105.80	54,877.50	518.69
Property - freehold and leasehold	-	-	-	-	14.70	6,388.50	14.70	6,388.50	434.59
Other assets	-	-	47.30	20,575.50	19.90	5,034.50	67.20	25,610.00	381.10
	<b>53.60</b>	<b>33,434.00</b>	<b>79.10</b>	<b>34,408.50</b>	<b>56.20</b>	<b>19,399.50</b>	<b>188.90</b>	<b>87,242.00</b>	<b>461.84</b>
<b>Statutory</b>									
Statutory paperwork / form completion	-	-	1.90	826.50	32.60	7,289.50	34.50	8,116.00	235.25
Filing documents with CH / Court	-	-	-	-	1.50	375.50	1.50	375.50	250.33
Reporting to creditors	0.30	160.50	24.50	10,657.50	59.40	17,206.50	84.20	28,024.50	332.83
	<b>0.30</b>	<b>160.50</b>	<b>26.40</b>	<b>11,484.00</b>	<b>93.50</b>	<b>24,871.50</b>	<b>120.20</b>	<b>36,516.00</b>	<b>303.79</b>
<b>Trading</b>									
Day one matters	-	-	0.70	304.50	18.70	5,053.50	19.40	5,358.00	276.19
Ongoing trading administration	2.25	1,361.25	11.90	5,176.50	387.81	138,641.35	401.96	145,179.10	361.18
Close down	20.60	11,102.00	0.90	391.50	40.30	14,283.50	61.80	25,777.00	417.10
	<b>22.85</b>	<b>12,463.25</b>	<b>13.50</b>	<b>5,872.50</b>	<b>446.81</b>	<b>157,978.35</b>	<b>483.16</b>	<b>176,314.10</b>	<b>364.92</b>
<b>Total hours and cost</b>	<b>119.27</b>	<b>71,920.75</b>	<b>179.60</b>	<b>78,126.00</b>	<b>885.01</b>	<b>276,652.35</b>	<b>1,183.88</b>	<b>426,699.10</b>	<b>360.42</b>
<b>Total hours and cost (discount)</b>	<b>119.27</b>	<b>57,536.60</b>	<b>179.60</b>	<b>62,500.80</b>	<b>885.01</b>	<b>221,321.88</b>	<b>1,183.88</b>	<b>341,359.28</b>	<b>288.34</b>

Time Costs Summary for the period from 20 October 2021 to 13 April 2022

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
<b>Administration &amp; Planning</b>									
Case planning / monitoring	-	-	1.40	609.00	1.80	416.50	3.20	1,025.50	320.47
Cashiering	0.70	374.50	1.50	652.50	8.00	1,912.50	10.20	2,939.50	288.19
General administration	-	-	-	-	3.60	919.00	3.60	919.00	255.28
	<b>0.70</b>	<b>374.50</b>	<b>2.90</b>	<b>1,261.50</b>	<b>13.40</b>	<b>3,248.00</b>	<b>17.00</b>	<b>4,884.00</b>	<b>287.29</b>
<b>Creditors</b>									
Secured	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Unsecured	2.00	1,250.00	0.40	174.00	8.80	2,178.00	11.20	3,602.00	321.61
Employees	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-
	<b>2.00</b>	<b>1,250.00</b>	<b>0.40</b>	<b>174.00</b>	<b>8.80</b>	<b>2,178.00</b>	<b>11.20</b>	<b>3,602.00</b>	<b>321.61</b>
<b>Statutory</b>									
Statutory paperwork / form completion	-	-	4.70	2,044.50	13.50	2,970.00	18.20	5,014.50	275.52
Filing documents with CH / Court	-	-	-	-	0.20	51.00	0.20	51.00	255.00
Reporting to creditors	-	-	3.50	1,522.50	20.10	5,709.50	23.60	7,232.00	306.44
	-	-	<b>8.20</b>	<b>3,567.00</b>	<b>33.80</b>	<b>8,730.50</b>	<b>42.00</b>	<b>12,297.50</b>	<b>292.80</b>
<b>Trading</b>									
Day one matters	-	-	-	-	-	-	-	-	-
Ongoing trading administration	-	-	-	-	1.30	487.50	1.30	487.50	375.00
Close down	0.60	321.00	-	-	0.30	112.50	0.90	433.50	481.67
	<b>0.60</b>	<b>321.00</b>	<b>23.00</b>	<b>-</b>	<b>1.60</b>	<b>600.00</b>	<b>2.20</b>	<b>921.00</b>	<b>418.64</b>
<b>Total hours and cost</b>	<b>3.30</b>	<b>1,945.50</b>	<b>34.50</b>	<b>5,002.50</b>	<b>57.60</b>	<b>14,756.50</b>	<b>72.40</b>	<b>21,704.50</b>	<b>299.79</b>
<b>Total hours and cost (discount)</b>	<b>3.30</b>	<b>1,556.40</b>	<b>34.50</b>	<b>4,002.00</b>	<b>57.60</b>	<b>11,805.20</b>	<b>72.40</b>	<b>17,363.60</b>	<b>291.37</b>