

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

THURSDAY



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22/10/2020

#175

COMPANIES HOUSE

1 Company details

Company number 06701882
Company name in full Cogent Environmental Limited

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

2 Liquidator's name

Full forename(s) Nicholas
Surname Myers

3 Liquidator's address

Building name/number 25 Moorgate
Street London
Post town EC2R 6AY
County/Region
Postcode
Country

4 Liquidator's name ①

Full forename(s) Henry Anthony
Surname Shinnars

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

5 Liquidator's address ②

Building name/number 25 Moorgate
Street London
Post town EC2R 6AY
County/Region
Postcode
Country

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

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6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7 Final account

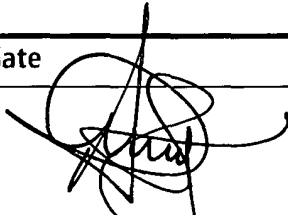
☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d 20

m 10

y 20

y 20

LIQ14

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**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 Sarah Lazarou

Company name Smith & Williamson LLP

Address 25 Moorgate

London

Post town EC2R 6AY

County/Region

Postcode

Country

DX 119507 Finsbury Square EC2

Telephone 020 7131 4000

**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 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



Cogent Environmental Limited (in creditors' voluntary liquidation)

Joint liquidators' final account

18 August 2020



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1. Glossary

Abbreviation	Description
the Company	Cogent Environmental Limited
the liquidators/joint liquidators	Nicholas Myers and Henry Shinnars
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 of the IA86 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of affairs
HMRC	HM Revenue & Customs
RPS	Redundancy Payment Service
MWS	Modern Water Services Limited

2. Notice under Section 106 IA 86

This report is the final account that the joint liquidators are required to produce and they give notice that:

- a) The Company's affairs are fully wound up;
- b) Creditors have the right to request information from the joint liquidators;
- c) Creditors have the right to challenge the joint liquidators' remuneration and expenses;
- d) A creditor may object to the joint liquidators' release by giving notice in writing to them before the end of the prescribed period;
- e) The prescribed period is the later of 14 October 2020 eight weeks from delivery of this notice and final account or a date to be determined in the event that b) or c) above applies;
- f) The joint liquidators will vacate office on delivering to the Registrar of Companies this notice and final account together with a notice whether any creditor has objected to their release (if applicable); and
- g) The joint liquidators will be released at the same time as vacating office unless any of the Company's creditors objected.

3. Introduction and statutory information

This report provides a summary of the outcome of the liquidation of the Company. It should be read in conjunction with any previous reports. By way of reminder, we, Nicholas Myers and Henry Shinnars, both of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 29 August 2019.

Please note that this report has been produced during the period of the Covid-19 lockdown restrictions. As a result, we had limited access to our physical case files and had to produce this from incomplete records on our IT system. We have taken every reasonable step to ensure that the information is accurate.

The principal trading address of the Company was Unit 22 South Cambridge Business Park, Babraham Road, Sawston, Cambridge, CB22 3JH.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 06701882. Prior to the liquidation, the Company's registered office was Bramley House, The Guildway, Old Portsmouth Road, Guildford, Surrey, GU3 1LR.

The liquidation commenced on 29 August 2019 with estimated asset values of £980 and anticipated liabilities of £4,363,500 which accounting for the cost of liquidation, gave an expected nil return to creditors. As anticipated, there has been no dividend to any class of creditors.

4. Realisation of assets

Attached at appendix I is our receipts & payments account for the period from 29 August 2019 to 18 August 2020. The receipts & payments account also includes a comparison with the directors' SOA values.

4.1 Cash at bank

The Company's bank account reflected a credit balance of £980 as at 9 August 2019. Following their appointment, the liquidators entered into correspondence with the Company's bank, in order to arrange for the credit balance to be transferred to the liquidation estate. The sum of £2,110.31 has been received in this respect.

4.2 Book debts

The sum of £3,029.43 was received directly into the Company's bank account after the date of liquidation and is therefore reflected as a book debt receipt on the receipts & payments account attached at appendix I.

4.3 Bank interest

Gross bank interest totalling £8.66 has been received.

5. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding the liquidation.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. Our investigations have not revealed any issues requiring further reporting.

6. Creditors

6.1 Secured creditors

The Company granted a fixed and floating charges to Barclays Bank Plc ("Barclays") on 23 March 2018 as part of a cross-guarantee for a loan obtained by the parent company, Modern Water Plc. This charge was also granted over all other UK subsidiaries of Modern Water Plc.

The directors' SOA reflects an estimated liability to Barclays in the sum of £500,000. The Company's assets were insufficient to enable a distribution to be made to Barclays.

6.2 Prescribed part

As mentioned above, the Company granted a floating charge to Barclays on 23 March 2018. Accordingly, we were required to create a prescribed part fund for unsecured creditors out of the Company's net floating charge property.

We confirm that the value of the Company's net floating charge property was nil after accounting for the costs of the liquidation. Accordingly, there was no prescribed part fund available for a distribution to unsecured creditors.

6.3 Notice under Rule 14.36 of IR16

The joint liquidators hereby give notice that they will not be in a position to declare any dividend to any class of creditor, as the funds realised have been used to discharge the costs of winding up, as disclosed in the receipts & payments account. Consequently, no steps were taken to agree claims in this case.

6.4 Preferential creditors

The preferential liability reflects in the directors' estimated SOA relate to arrears of wages and outstanding holiday pay and were estimated at £3,635.28 in respect of one employee.

It was established that this employee was included in the payroll and PAYE scheme of the subsidiary company, MWS, which also entered into creditors' voluntary liquidation on 29 August 2019. Accordingly, the liquidators considered it appropriate to include this sole employee in the liquidation of MWS, for the purpose of the employee submitting a claim via the RPS.

The RPS included amounts paid to this employee in their claim submitted in the liquidation of MWS.

Accordingly, no preferential claims have been received in this case.

6.5 Unsecured creditors

The directors' SOA estimated unsecured liabilities at £3,859,865, of which £3,841,164 relates to the parent company. The liquidators have received unsecured claims totalling £3,841,164 from the parent company only.

7. Liquidators' remuneration

The creditors approved that the basis of the liquidators' remuneration be fixed as a set amount of £8,000 plus VAT. The requisite majority of creditors granted approval by way of a decision procedure by correspondence on 11 October 2019.

The liquidators have drawn £5,146.48 plus VAT against the total fixed fee approved by creditors. The sum of £1,029.30 remains outstanding in this respect and will be settled from the final VAT reclaim submitted, the rights to which have been assigned to Smith & Williamson LLP. Accordingly, the receipts & payments account reflect the balance as paid.

A copy of "A Creditor's Guide to Liquidator's Fees" can be downloaded free of charge from the ICAEW's website at the following address:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

Alternatively, a hard copy is available on request, free of charge.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at appendix III. On a general note, please be aware that the charge out rates are subject to an annual review.

8. Liquidation expenses

8.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

8.2 Professional advisers

We have not utilised the services of any professional advisors in this case.

SIA provided professional services rendered include the removal, marketing and sale of the Company's assets.

8.3 Liquidators' disbursements

We have paid and/or incurred the following disbursements during the liquidation:

Description	Costs incurred £
Statutory advertising	169.00
Specific insolvency bond	140.00
Total	309.00

These costs have been paid directly by the liquidators' firm and subsequently reimbursed by Modern Water Plc. Further information in this respect is provided in the notes to appendix I of this report.

8.4 Category 2 disbursements

No Category 2 disbursements have been incurred.

8.5 Policies regarding use of third parties and disbursement recovery

Appendix III provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

9. Privacy and data protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rrsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Sarah Lazarou of our office if you believe this applies.

10. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors including their own claim or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

Any creditor may object to the release of the joint liquidators by giving notice in writing before the later of 14 October 2020 or the date of any court application to challenge the joint liquidators' remuneration. In these circumstances, the joint liquidators will be obliged to seek their release from the Secretary of State.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Nicholas Myers or Henry Shinnars in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

11. Conclusion

This report will conclude the liquidators' administration of the winding up of the Company.

Following the expiry of the eight week notice period referred to in the Notice within this report, we are required to submit this final account of the administration of the winding up to the Registrar of Companies, together with a notice stating whether any creditor has objected. The Company will then be dissolved. We are permitted to destroy, or otherwise dispose of, the Company's books, papers and other records at any time after the expiration of a period of one year from the date of dissolution.

Nicholas Myers

Nicholas Myers (Aug 18, 2020 13:06 GMT+1)

Nicholas Myers
Joint Liquidator

Date: 18 August 2020

Appendices

I Receipts & payments account

From 29 August 2019 to 18 August 2020

**Cogent Environmental Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments**

29/08/2019 To 18/08/2020

S of A £		£	£
(500,000.00)	GENERAL SECURED GROUP Barclays Bank Plc	NIL	NIL
NIL	ASSET REALISATIONS Furniture, Equipment, Plant, Machinery	NIL	
	Book Debts	3,029.43	
980.00	Cash at Bank	2,110.31	
	Bank Interest Gross	8.66	5,148.40
	COST OF REALISATIONS Liquidator's Fees	5,146.48	
	Corporation Tax	1.52	
	Bank Charges	0.40	(5,148.40)
(3,635.28)	PREFERENTIAL CREDITORS Employee Wage Arrears & Holiday Pay	NIL	NIL
(6,726.09)	UNSECURED CREDITORS Trade & Expense Creditors	NIL	
(11,974.95)	Employees	NIL	
(3,841,164.00)	Inter-company: Modern Water Plc	NIL	NIL
(1,678.00)	SHAREHOLDERS Ordinary Shareholders	NIL	
(510,549.00)	Share Premium	NIL	NIL
(4,874,747.32)			0.00
	REPRESENTED BY		NIL

Notes and further information required by SIP 7

- For the purposes of transparency, under the terms of engagement with the parent company, Modern Water Plc, our pre-appointment costs of £35,458 have been paid by Modern Water Plc. These costs also include pre-appointment costs incurred relation to the liquidation of MWS.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in the body of our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT.

II Explanation of major work activities undertaken

In addition to the information provided in this report, a summary of general work activities undertaken is set out below.

Administration and planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and tax matters. Whilst the majority of this work is not considered to have added financial benefit for creditors, this work was required for compliance, case progression and maintenance purposes. The work undertaken in this category includes the following:

- Set-up and maintenance of both physical case files, electronic case file and case details on IPS (case management software), with ongoing case filing and maintenance.
- Case insolvency bordereau set up and ongoing monitoring.
- Set up, maintaining and managing the administration estate's cash book and bank accounts.
- Processing the liquidators' remuneration invoice as an expense of the liquidation, issuing payment, preparing journal forms and deposit forms in respect of funds received.
- Preparing immediate post-appointment documentation and dealing with the formalities of appointment.
- Statutory notifications, filings at Companies House and advertising.
- Preparing and issuing correspondence to creditors relating to the liquidators' appointment.
- Dealing with routine correspondence.
- Completion of case checklists and diary lines to ensure compliance and case progression.
- Case planning, administration and general case progression.
- Conducting and recording case reviews to ensure compliance and case progression.
- Case strategy planning and general case progression.
- Preparing estimated outcome statements.
- Correspondence with the directors not relating to investigation or other matters which fall within other categories listed below.
- All other general administrative tasks which may not specifically fall within one of the categories specified below.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. Whilst this work is not considered to have added financial benefit for creditors, the work undertaken in this category is required for compliance purposes. The work undertaken in this category is as follows:

- Preparing and issuing correspondence to the directors, including a questionnaire for their completion.
- Investigating the reasons for the failure of the Company.
- Review of the Company's accounting records.
- Scheduling and review of the Company's bank statements for a period of two years prior to the date of liquidation.
- Completing investigation checklists in accordance with SIP 2 and the Company Directors Disqualification Act.
- Preparing and submitting a return/report to the Insolvency Service, pursuant to the Company Directors' Disqualification Act.

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of this report. This work has added financial benefit to the estate by way of financial recoveries. This work generally included the following:

- Correspondence with the Company's bank to close the account and obtain the credit balance held.
- Reviewing the bank account closing statement and allocating the credit balance accordingly with regards to a post-liquidation receipt.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. Whilst this work has not added financial benefit to for creditors as a whole, the work forms part of the liquidators' duties. The work undertaken within this category includes the following:

- Inputting and maintaining creditors' information on the case database.
- Processing and responding to unsecured creditor correspondence and enquiries via telephone, email and post.
- Receipt of and issuing correspondence in respect of a Court Summons relating to unpaid business rates at the trading premises.
- Receipt and processing the creditor's proof of debt form received.
- Dealing with pension matters including completion of online searches via the Pension Protection Fund.
- Correspondence with the former employee on various matters in relation to their claim and unpaid pension contributions.

III Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised during the liquidation are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of category 2 disbursements.

Details of any category 2 disbursements incurred and/or recovered in the liquidation are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the liquidation were applied with effect from 1 July 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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