

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

07901973

Name of Company

Affinitus Renewable Energy Limited

~~++~~We

Vincent John Green, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE

Mark Newman, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE

the liquidator(s) of the company attach a copy of ~~my~~our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 18/06/2013 to 17/06/2014

Signed

Date

CCW Recovery Solutions LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

Ref AFF00002/VJG/MN/SE/CL

FRIDAY



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COMPANIES HOUSE

**Affinitus Renewable Energy Limited (in Liquidation)
("the Company")**

**Joint Liquidators' Annual Progress Report to Members and Creditors for
the year ending 17 June 2014**

Statutory Information

Company Name	Affinitus Renewable Energy Limited
Registered Number	07901973
Registered Office	4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Former Registered Office(s)	Unit C7 Spectrum Business Centre, Anthony's Way, Rochester, ME2 4NP
Joint Liquidators	Vincent John Green and Mark Newman
Liquidators' Address	4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Date of Appointment	18 June 2013

Period of the Report

This report covers the period from 18 June 2013, the date on which the liquidation of the Company commenced, to 17 June 2014

Receipts and Payments Account

Our receipts and payments account for the period 18 June 2013 to 17 June 2014 is attached at **Appendix I**. We would provide additional comments as follows

Receipts

Plant & Machinery

The plant and machinery of the Company comprised warehouse equipment, including a fork-lift truck and a bio-mass boiler as well as other equipment, such as racking. The Company also had an exhibition trailer that had been specifically customised.

On Friday 24 May 2013, Key Appraisal Limited (valuation agents registered by the Royal Institute of Chartered Surveyors) ("the Agent") attended the Company's leasehold premises in Rainham, Kent to value the Company's assets. The Agent advised that the plant and machinery was worth £11,500 in situ but that it would be worth less in a break-up situation.

In the period following our appointment, the Agent negotiated the sale of the plant and machinery to a non-connected purchaser and the sum of £9,000 was realised.

Office Furniture & IT Equipment

The office furniture and IT equipment comprised a small quantity of standard equipment which included PCs, a server and printers.

As the market was saturated with such equipment at the time of the liquidation, these assets were valued at £700.00. Ownership of these items was subsequently disputed by a former director and it was decided to abandon these items as the costs of confirming title to the goods would have exceeded the assets' worth.

Stock

The stock included a quantity of used inverters, roof hooks and another bio-mass boiler and was valued at £3,500.

The sum of £3,400 was realised from this source following negotiations between the Agent and a non-connected purchaser

Book Debts

According to the director's Statement of Affairs, the Company's debtor ledger totalled £24,455. These assets were estimated to realise £12,227.00. To date, the sum, of £2,128.68 has been realised.

The remaining outstanding debtor is in dispute. The dispute relates to a heating system installed by the Company under which a counterclaim has arisen for problems with the system. We remain in correspondence with the debtor to reach a settlement.

Intercompany Debts

Affinitus Energy Limited (In Members' Voluntary Liquidation) ("AEL") is an associated Company by virtue of common shareholders and directors. AEL entered into solvent liquidation on 8 May 2013 and Mark Newman and I were appointed Joint Liquidators.

A first and final dividend was declared by AEL on 7 May 2014. The sum of the distribution received from AEL amounted to £2,128.68, being 100 pence in the pound on the agreed claim of £1,971.00 plus statutory interest at a rate of 8% per annum.

Other Loan Accounts

The management accounts reflected outstanding loan accounts but it is understood that a number of the directors' loan repayments were made prior to the Liquidation. The Joint Liquidators are continuing to investigate these transactions.

VAT Refund

According to the director's Statement of Affairs, a VAT refund in the sum of £8,906 was due payable to the Company.

We have not been provided with accounting information to facilitate submission of the outstanding returns and therefore have been unable to recover the sum shown as due to the Company.

Unless the outstanding accounting information is made available, it is unlikely that there will be a realisation from this source.

It is of note that HM Revenue & Customs have submitted a claim for VAT, based on assessments, in the sum of £36,537.

Cash in Hand

At the time of my appointment the sum of £1,000 was shown in the Statement of Affairs as being held on site as petty cash. The directors have since advised that there was no cash on site. Accordingly, no realisations have been forthcoming from this source.

Cash at Bank

The sum of £2,611.89 was realised following closure of the Company's bank account with Barclays Bank PLC.

Payments

Specific Bond

The Joint Liquidators are required to bond for the assets under their control and the amount of £80 00 has been paid in this period

Statement of Affairs Fee

At the initial meeting of creditors held on 18 June 2013 the following resolution was passed

"That the costs of CCW Recovery Solutions LLP in connection with convening the meetings of shareholders and creditors, and assisting the directors with the preparation of their report and statement of affairs, approved by the directors in the sum of £5,000 plus VAT and disbursements be approved and paid as an expense of the Liquidation from the first available assets"

We confirm that these fees were paid in full following our appointment and are shown on the enclosed receipts and payments account

Joint Liquidators' Fees

At the initial meeting of creditors held on 18 June 2013, the following resolution was passed in relation to the Joint Liquidators' on-going fees

"That the Joint Liquidators' remuneration be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the winding up, and that the Joint Liquidators may draw remuneration on account from time to time"

Our time costs for the period to which this report relates, being 18 June 2013 to 17 June 2014, amount to £17,723 70 In the period to which this report relates, we have drawn fees of £4,000 00 plus VAT

In the period from 18 June 2014 to 22 July 2014 our time costs amount to £2,125 00 Since the anniversary date, we have drawn £3,000 00 plus VAT

A schedule of our time costs incurred for the period to which this report relates, being 18 June 2013 to 17 June 2014 is attached as **Appendix II** and a schedule of our time costs incurred from 18 June 2014 to 22 July 2014 as **Appendix III**

Some of the charge-out rates of CCW Recovery Solutions' staff have changed over the course of this matter, as set out below

	From 18/06/12 to 31/12/2013	From 01/01/2014 to date
Partner (office holder)	£300	£300
Senior Manager	£200	£200
Manager	-	£175
Assistant Manager	£150	£150
Insolvency Senior	£140	£140
Insolvency Semi-Senior	£100	£100
Insolvency Cashier	£100	£100
Trainee/Support staff	£50	£50

A further summary of the current charge-out rates and disbursements is attached to this report, together with details of how to obtain guides to insolvency practitioners' fees and best practice information

Matters preventing the closure of the liquidation

Assets still to be realised

As referred to above, the assets still to be realised comprise a disputed book debt and possible directors' loans

Recovery actions remain ongoing in respect of each of these assets and further information regarding recovery prospects will be given in our next report to creditors

Liabilities

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies confirms that no mortgages have been registered

Preferential Creditors

The director's Statement of Affairs stated that the Company had no preferential creditors. I can confirm that no claims have been received

Unsecured Creditors

The director's Statement of Affairs listed 43 unsecured creditors with an estimated total liability of £106,720.23. We have received claims from 25 unsecured creditors totalling £97,119.22 to date. This sum includes claims from 6 creditors not included on the Statement of Affairs whom we have become aware of since our appointment.

Prescribed Part

The legislation requires that if a company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. There is no floating charge in this matter and accordingly the prescribed part provisions do not apply.

Dividend Prospects

Crown Creditors / Unsecured Creditors

Any distribution will be dependent on realisations from the book debt and directors' loans

Investigation

We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

At the date of this report we have not identified any other potential asset recoveries that can be made.

Within six months of our appointment, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our 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. We confirm this obligation has been complied with.

Should you require hard copies of any of these documents, please contact this office

A description of the work undertaken in the Liquidation is as follows -

- 1 Administration and Planning
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details on IPS
 - Case bordereau
- 2 Statutory Matters
 - Preparing the documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Preparing reports to members and creditors
- 3 Case Accounting
 - Maintaining and managing the liquidators' cashbook and bank account
 - Ensuring statutory lodgements and tax lodgement obligations are met
- 4 Strategy/Case Review
 - Case planning
 - Periodic case reviews
- 5 Tax & VAT
 - Dealing with HM Revenue & Customs correspondence
 - Submission of VAT forms to HM Revenue & Customs for the Liquidation period
- 6 Investigations
 - Reviewing and storage of books and records as delivered up
 - Preparing a return pursuant to the Company Directors Disqualification Act
- 7 Realisation of Assets
 - Liaising with Key Appraisal Limited regarding the valuation and disposal of assets
 - Pursuing outstanding debtors
 - Dealing with directors' loan accounts
- 8 Unsecured Creditors
 - Dealing with creditor correspondence and telephone conversations
 - Preparing reports to creditors
 - Maintaining creditor information on IPS

Joint Liquidators' Disbursements

The following disbursements have been incurred and paid for the period 18 June 2013 to 17 June 2014, and relate to the following -

Disbursement type	Description	Amount incurred £	Amount paid £
Category 1 disbursements	Specific Bond	80 00	80 00
	Redirection of Mail	360 00	360 00
	Postage	260 23	20 23
	Creditor upload	7 00	7 00
Category 2 disbursements	Company Searches	15 00	15 00
	Internal Meeting Room	50 00	50 00
TOTAL		772.23	532.23

Further Information

The following agents have been utilised in this matter

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
Key Appraisal Limited	Agents / Valuers	Fixed Fee

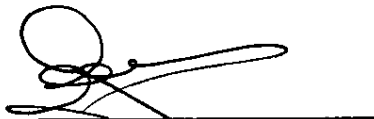
The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances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

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidators' 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 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Summary

We will continue to seek the repayment of the remaining debtors and the directors' loans and will report again after the end of the second anniversary of the liquidation or sooner, if matters are concluded more expeditiously.



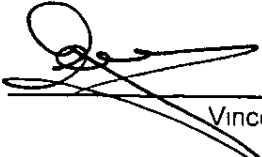
Vincent John Green
Joint Liquidator

Dated 22 July 2014

Vincent John Green and Mark Newman are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association

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

Statement of affairs		From 18/06/2013 To 17/06/2014
	ASSET REALISATIONS	
11,500 00	Plant & Machinery	9,000 00
700 00	Office Furniture & IT Equipment	NIL
3,500 00	Stock	3,400 00
12,227 00	Book Debts	NIL
2,711 26	Inter-Company debts	2,128 68
1,733 66	Other Loan Account	NIL
8,906 00	VAT Refund	NIL
1,000 00	Cash in Hand	NIL
NIL	Cash at Bank	2,611 89
		<u>17,140 57</u>
	COST OF REALISATIONS	
	Specific Bond	(80 00)
	Preparation of S of A	(5,000 00)
	Joint Liquidators' Fees	(4,000 00)
	Category 1 Disbursements	(27 23)
	Category 2 Disbursements	(65 00)
	Agents/Valuers Fees (1)	(1,750 00)
	Agents/Valuers Disbursements	(646 00)
	Re-Direction of Mail	(360 00)
	Statutory Advertising	(253 80)
	Insurance of Assets	(185 50)
		<u>(12,367 53)</u>
	UNSECURED CREDITORS	
(96,104 23)	Trade & Expense Creditors	NIL
(1,980 00)	Directors	NIL
(8,636 00)	HM Revenue & Customs	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(3 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(64,445.31)</u>		<u><u>4,773.04</u></u>
	REPRESENTED BY	
	Vat Receivable	882 45
	Bank 1 Current - Svenska Handelsban	3,890 59
		<u><u>4,773 04</u></u>


 Vincent John Green
 Joint Liquidator

- Notes
- 1 All sums exclude VAT
 - 2 This report should be read in conjunction with the Joint Liquidators' report dated 22 July 2014

Time Cost Summary for the year from 18 June 2013 to 17 June 2014

	Partner	Manager	Case Administrator	Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
General Administration							
Administration and Planning		1 25	10 95	0 80	13 00	1,373 00	105 62
Tax & VAT			1 35		1 35	189 00	140 00
Legal / Litigations		3 20	1 90		5 10	906 00	177 65
Statutory Matters	4 50	2 20	5 80		12 50	2,602 00	208 16
Case Accounting		1 00	1 40	0 80	3 20	375 50	117 34
Strategy / Case Review	3 50	3 10	19 55	2 60	28 75	4,451 50	154 83
Property Related			0 65		0 65	91 00	140 00
Investigations							
SIP2 / CDDA		1 00	14 65		15 65	1,736 00	110 93
Antecedent Transactions		0 30			0 30	52 50	175 00
Realisation of Assets							
Book Debts		1 80	4 00		5 80	912 50	157 33
Furniture & Equipment / Plant & Machinery			3 45		3 45	483 00	140 00
Motor Vehicles			5 25		5 25	735 00	140 00
Other		1 20	2 90		4 10	636 00	155 12
Creditors							
Unsecured Creditors		2 00	12 38		14 38	2,095 70	145 74
Employees			1 40		1 40	196 00	140 00
Retention of Title			0 90		0 90	126 00	140 00
Secured			0 20		0 20	28 00	140 00
Case Specific Matters							
Shareholders - Communication			5 25		5 25	735 00	140 00
Total Hours	8 00	17 05	91 98	4 20	121 23		
Total Cost	2,400 00	3 227 50	11,881 20	215 00		17,723 70	
Average Hourly Rate	300 00	189 30	129 17	51 19			146 20

Joint Liquidators' fees drawn from estate funds in accordance with time cost resolution approved at the meeting of creditors on 18 June 2013

(4,000 00)

Time Cost Summary for the year from 18 June 2014 to 22 July 2014

	Partner	Manager	Case Administrator	Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
General Administration							
Case General Administration			0 60		0 60	84 00	140 00
Tax & VAT			0 75		0 75	105 00	140 00
Statutory Matters		0 70	5 50		6 20	892 50	143 95
Case Accounting		0 20	0 70		0 90	130 00	144 44
Strategy / Case Review			3 00		3 00	420 00	140 00
Investigations							
SIP2 / CDDA		0 30			0 30	52 50	175 00
Realisation of Assets							
Stock			0 50		0 50	70 00	140 00
Creditors							
Unsecured Creditors			2 65		2 65	371 00	140 00
Total Hours		1 20	13 70		14 92		
Total Cost		215 00	1,910 00			2,125 00	
Average Hourly Rate		179 17	139 42				142 62

Joint Liquidators' fees drawn from estate funds in accordance with time cost resolution approved at the meeting of creditors on 18 June 2013

CCW RECOVERY SOLUTIONS LLP

CHARGE-OUT RATES AND DISBURSEMENTS

The table below sets out the charge-out rates utilised by CCW Recovery Solutions LLP for charging staff time -

Partner	£300 per hour
Senior Manager	£200 per hour
Manager	£175 per hour
Assistant Manager	£150 per hour
Insolvency Senior	£140 per hour
Insolvency Semi-Senior	£100 per hour
Insolvency Cashier	£100 per hour
Trainee/support staff	£50 per hour

It should be noted that the above rates may increase from time to time over the period of the administration of each insolvency case, but this information will be included in periodic statutory reports to creditors. Time is charged in six minute units.

Category 1 disbursements will be charged at the actual cost at which they are incurred, for example statutory advertising and records storage.

Category 2 disbursements, that is those which are paid to CCW Recovery Solutions LLP, will be on the following basis, once the appropriate approval has been obtained -

Photocopying	Re-charged at 10p per sheet
Internal room hire	Charged at £50 per meeting held at CCW offices
Company searches	£15 per corporate case
Mileage	Charged at 45 pence per mile

Effective from 1 January 2014

Further information relating to insolvency practitioners' fees and their required practice published by the Association of Business Recovery Professionals can be found on the Insolvency Practitioners Association website www.insolvency-practitioners.org.uk

Hover over Regulation and Guidance located to the right of the option ribbon on the home page and select Creditors Guides to Fees. This information is also relevant to members of companies in both solvent liquidations and insolvency procedures.

The option of Regulation and Guidance will display the following information, and the relevant links in this case are highlighted to assist you.

The Creditors' Guides to Fees provide explanations of creditors' rights with regard to insolvency practitioners' fees. They explain how an insolvency practitioner seeks approval of his fees, what information a creditor can expect to receive, and what a creditor can do if he is dissatisfied with the level of a practitioner's fees.

The Guides form appendices to Statement of Insolvency Practice 9, which sets out required practice for insolvency practitioners. The full text of SIP9 can be found by clicking onto the link to SIPs on the left hand side of this page

Guides for England & Wales

- Administration
- Administration (Pre 6 April 2010)
- Bankruptcy
- Bankruptcy (Pre 6 April 2010)
- Liquidation
- Liquidation (Pre 6 April 2010)
- Voluntary Arrangement
- Voluntary Arrangement (Pre 6 April 2010)
- Administrators Fees (November 2011)
- Liquidators Fees (November 2011)
- Trustee in Bankruptcy Fees (November 2011)
- Voluntary Arrangement Fees (November 2011)