

# CVA3

## Notice of supervisor's progress report in voluntary arrangement



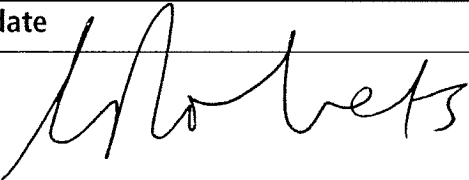
Companies House

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

<b>1</b>	<b>Company details</b>	
Company number	0 8 1 6 3 5 5 4	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Tidal Lagoon Power Limited	
<b>2</b>	<b>Supervisor's name</b>	
Full forename(s)	Paul	
Surname	Ellison	
<b>3</b>	<b>Supervisor's address</b>	
Building name/number	1st Floor	
Street	Hedrich House	
Post town	14-16 Cross Street	
County/Region	Reading	
Postcode	R G 1 1 S N	
Country		
<b>4</b>	<b>Supervisor's name <sup>①</sup></b>	
Full forename(s)	Gareth	<b>① Other supervisor</b> Use this section to tell us about another supervisor.
Surname	Roberts	
<b>5</b>	<b>Supervisor's address <sup>②</sup></b>	
Building name/number	1st Floor	<b>② Other supervisor</b> Use this section to tell us about another supervisor.
Street	Hedrich House	
Post town	14-16 Cross Street	
County/Region	Reading	
Postcode	R G 1 1 S N	
Country		

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<b>6</b>	<b>Date of voluntary arrangement</b>																
Date	<sup>d</sup>	0	<sup>d</sup>	4	<sup>m</sup>	0	<sup>m</sup>	9	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	8	
<b>7</b>	<b>Period of progress report</b>																
Date from	<sup>d</sup>	0	<sup>d</sup>	4	<sup>m</sup>	0	<sup>m</sup>	9	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9	
Date to	<sup>d</sup>	0	<sup>d</sup>	3	<sup>m</sup>	0	<sup>m</sup>	9	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	
<b>8</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
<b>9</b>	<b>Sign and date</b>																
Supervisor's signature	<div>Signature</div> <div>X  X</div>																
Signature date	<sup>d</sup>	1	<sup>d</sup>	6	<sup>m</sup>	0	<sup>m</sup>	9	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	

# CVA3

## Notice of supervisor's progress report in voluntary arrangement



### 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 **Chris Errington**

Company name **KRE Corporate Recovery LLP**

Address **Unit 8, The Aquarium**

**King Street**

Post town **Reading**

County/Region **Berkshire**

Postcode **R G 1 2 A N**

Country

DX

Telephone **01189 479090**



### 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

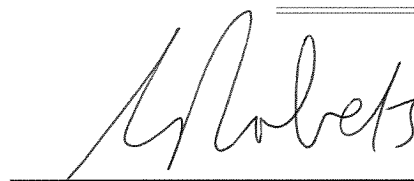
For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

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)

**Voluntary Arrangement of  
Tidal Lagoon Power Limited  
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £	From 04/09/2019 To 03/09/2020 £	From 04/09/2018 To 03/09/2020 £
ASSET REALISATIONS		
Bank Interest Net of Tax	NIL	0.94
Voluntary Contributions	6,000.00	37,500.00
	<u>6,000.00</u>	<u>37,500.94</u>
COST OF REALISATIONS		
Legal Fees (1)	NIL	4,016.62
Office Holders Expenses	NIL	286.68
Office Holders Fees	15,000.00	15,000.00
Printers Fees	NIL	261.53
Specific Bond	NIL	272.00
Website Fees	5.00	5.00
	<u>(15,005.00)</u>	<u>(19,841.83)</u>
	<u><b>(9,005.00)</b></u>	<u><b>17,659.11</b></u>
REPRESENTED BY		
Bank 1 Current		16,757.89
Vat Receivable		901.22
		<u><b>17,659.11</b></u>

Note:



Gareth Roberts  
Joint Supervisor

**Tidal Lagoon Power Limited  
(Company Voluntary Arrangement)**

**Progress Report**

**Paul Ellison**

**Gareth Roberts**

**Tidal Lagoon Power Limited**

**c/o KRE Corporate Recovery Limited, Unit 8, the Aquarium, 1-7 King Street, Reading, RG1 2AN**

## **Contents**

- 1. Executive Summary**
- 2. Receipts and Payments**
- 3. Ethics**
- 4. The Joint Supervisors' Fees and Expenses**
- 5. Creditors' Claims**
- 6. Conclusion**

## **Appendices**

- I. Statutory Information**
- II. The Joint Supervisors' Receipts and Payments Account**
- III. Breakdown of the Joint Supervisors' Time Costs**
- IV. Charge-out Rates and Bases of Disbursements**
- V. Full Details of Work Undertaken**

## 1. Executive Summary

1.1 This report describes the progress since the last progress report dated 3 September 2019 ("the Review Period") and the prospects for the full implementation of the CVA.

1.2 A summary of key information in this report is detailed below.

### Contributions and assets

Contribution / asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Voluntary Contribution	37,500	37,500	15,000	52,500
Bank Interest	-	0.94	-	0.94
Financial Close of Swansea Bay	2,214,000	-	2,214,000	2,214,000

### Expenses

Expense	Estimated per CVA Proposal	Expense paid to date	Anticipated further expense to closure	Total anticipated expense
Joint Supervisors' fees	50,000	15,000	35,000	50,000
Solicitors' fees	-	4,017	-	4,017
All other expenses	-	825	200	1,025

### Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Preferential creditors	N/A	N/A
Unsecured creditors	-	100p in the £

### Summary of key issues outstanding

1.3 Details of the current position of the CVA and the proposal going forward are contained in the Company's variation report that was issued to creditors on 24 August 2020.

1.4 On 11 September 2020, creditors approved an extension of the CVA for a period of 2 years to 4 September 2022.

### Prospects for implementation

1.5 Based on performance to date, it is anticipated that the CVA may be successfully implemented, as set out in the amended CVA Proposal dated 20 August 2020. The CVA has a further two years to run, following the extension of the CVA. If the Company is able to deal with the legal issues surrounding the project and complete its proposed funding raise, it is anticipated that creditors will be paid in full.

## **2. Receipts and Payments**

- 2.1** Attached at Appendix II is the Joint Supervisors' Receipts and Payments Account for the Review Period and for the CVA as a whole. The contents are in the main self explanatory.
- 2.2** Under the terms of the CVA Proposal, the Company was required to contribute £37,500 into the CVA, which have been paid in full. Under the terms of the variation approved by creditors, further contributions of £15,000 are to be paid and these funds have been requested from the Company.
- 2.3** There have been no other receipts into the CVA to date, which is in line with the CVA terms.

## **3. Ethics**

Please also be advised that Joint Supervisor is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

### **General ethical considerations**

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

### **Specialist Advice and Services**

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Supervisor is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

## **4. The Joint Supervisors' Fees and Expenses**

- 4.1** The CVA terms provide that the Joint Supervisors are remunerated on the basis of time properly incurred by them and their staff in the administration of the CVA at the Joint Supervisors' standard charge-out rates applicable at the time. Appendix III provides a breakdown of the time costs between the grades of staff allocated to the administration of this matter and the charge out rates of the Joint Supervisors and their staff are detailed in Appendix IV. During the Review Period, time costs totalling £8,375.50 have been incurred.
- 4.2** These time costs were incurred in carrying out the tasks listed in Appendix V of which the following were the most material:
  - 4.2.1** Administration and Planning: complying with the statutory and regulatory duties as regards filing, maintaining records, managing a cash book and



bank account, conducting periodic case reviews and drafting this progress report;

- 4.2.2** Administration and Planning: liaising with the Company as regards the variations described above and seeking creditors' approval of the proposed variations;
- 4.2.3** Administration and Planning: monitoring and processing the Company's payment of voluntary contributions;
- 4.2.4** Administration and Planning: monitoring and processing the Company's payment of voluntary contributions;
- 4.2.5** Creditors: responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims; and

**4.3** The attached breakdown shows that a significant proportion of the time costs incurred relate to Administration and Planning, which in the main relates to undertaking statutory duties. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Supervisors and their staff have carried out their work to high professional standards. In addition, the time spent supervising the Company's compliance with the CVA terms has increased the likelihood that the CVA will be implemented successfully.

**4.4** The CVA Proposal disclosed that the Joint Supervisors' fees for administering and completing the CVA were estimated to be £50,000. In view of the time costs incurred to date, which amount to £25,943 and the anticipated work to conclude the CVA, it is estimated that the final time costs of the Joint Supervisors and their staff will be larger than this estimate due to the difficulties encountered and the additional work carried out, as described above. This is not expected to have an impact on the return to creditors, if the CVA is implemented successfully.

**4.5** Creditors may access a Guide to Voluntary Arrangement Fees at [www.krecr.co.uk/creditors](http://www.krecr.co.uk/creditors) or a hard copy will be provided on request.

**4.6** The CVA terms also entitle the Joint Supervisors to draw, from the funds held in the CVA, their firm's disbursements calculated on the bases described in Appendix IV. Any payments made in relation to these Category 2 disbursements are detailed in the Receipts and Payments Account at Appendix II.

## **5. Creditors' Claims**

**5.1** The creditors' claims received are summarised as follows:

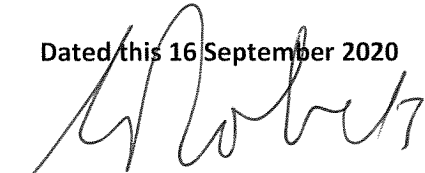
<b>Creditor</b>	<b>Claims received £</b>
Employee/RPO non-preferential claims	200,000
Trade and Expense	2,002,833
<b>TOTAL</b>	<b>2,202,833</b>

- 5.2 The dividend prospects as set out in the CVA Proposal were based on the creditors' claims estimated at that time totalling £2,294,000. Although the total claims received to date are less than the total listed in the CVA Proposal, it should be noted that additional claims may be received in response to the Notice of Intended Dividend.

## **6. Conclusion**

- 6.1 The CVA is progressing as anticipated and the Joint Supervisors will continue to monitor the Company's adherence to its terms, taking appropriate steps in line with the CVA terms where necessary.
- 6.2 Provided that the CVA continues to progress as planned, the Joint Supervisors will issue a further progress report shortly after the next anniversary of the CVA.
- 6.3 Should you have any questions or queries regarding this report, please contact the manager dealing with this matter, Chris Errington, by email on [info@kreocr.co.uk](mailto:info@kreocr.co.uk).

**Dated this 16 September 2020**



**Gareth Roberts**  
**Joint Supervisor**

**APPENDIX I****Tidal Lagoon Power Limited (COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	Tidal Lagoon Power Limited
Previous Names	
Proceedings	Company Voluntary Arrangement
Court	High Court
Court Reference	2018-6800
Date of Appointment	04 September 2018
Joint Supervisors	Paul Ellison and Gareth Roberts KRE Corporate Recovery Limited Unit 8 The Aquarium, 1-7 King Street, Reading, RG1 2AN
Registered office Address	Fourth Floor, Pillar & Lucy House Merchants Road, The Docks, Gloucester, Gloucestershire, England, GL2 5RG
Company Number	08163554

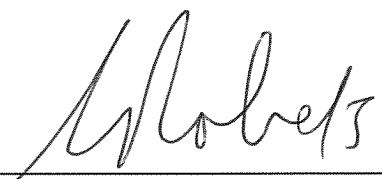
## APPENDIX II

### The Joint Supervisors' Receipts and Payments Account

**Tidal Lagoon Power Limited**  
**(Under a Voluntary Arrangement)**  
**Joint Supervisors' Summary of Receipts and Payments**

	Statement of affairs £	From 04/09/2019 To 03/09/2020 £	From 04/09/2018 To 03/09/2020 £
<b>RECEIPTS</b>			
Voluntary Contributions		6,000.00	37,500.00
Bank Interest Net of Tax		0.00	0.94
		<u>6,000.00</u>	<u>37,500.94</u>
<b>PAYMENTS</b>			
Specific Bond		0.00	272.00
Office Holders Fees		15,000.00	15,000.00
Office Holders Expenses		0.00	286.68
Legal Fees (1)		0.00	4,016.62
Website Fees		5.00	5.00
Printers Fees		0.00	261.53
Vat Receivable		1.00	901.22
		<u>15,006.00</u>	<u>20,743.05</u>
<b>BALANCE - 03 September 2020</b>		<u><b>(9,006.00)</b></u>	<u><b>16,757.89</b></u>
<b>MADE UP AS FOLLOWS</b>			
Bank 1 Current		(9,006.00)	16,757.89
		<u>(9,006.00)</u>	<u>16,757.89</u>

Note:

  
 \_\_\_\_\_  
 Gareth Roberts  
 Joint Supervisor

## APPENDIX III

### Breakdown of the Joint Supervisors' Time Costs

## Time Entry - SIP9 Time & Cost Summary

TIDAL - Tidal Lagoon Power Limited  
All Post Appointment Project Codes  
From: 04/09/2019 To: 03/09/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	6.00	8.40	0.00	0.00	14.40	5,058.00	351.25
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	4.95	2.50	0.00	0.00	7.45	2,866.00	384.70
Investigations	1.05	0.00	0.00	0.00	1.05	451.50	430.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>12.00</b>	<b>10.90</b>	<b>0.00</b>	<b>0.00</b>	<b>22.90</b>	<b>8,375.50</b>	<b>365.74</b>
<b>Total Fees Claimed</b>						<b>15,000.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

## Time Entry - SIP9 Time & Cost Summary

TIDAL - Tidal Lagoon Power Limited  
All Post Appointment Project Codes  
From: 04/09/2018 To: 03/09/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	20.00	17.90	2.30	0.00	40.20	13,824.00	343.88
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	15.40	14.60	0.40	0.00	30.40	10,616.50	349.23
Investigations	1.05	0.00	0.00	0.00	1.05	451.50	430.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	1.60	0.00	0.00	0.00	1.60	664.00	415.00
Trading	0.90	0.00	0.00	0.00	0.90	387.00	430.00
Total Hours	38.95	32.50	2.70	0.00	74.15	25,943.00	349.87
Total Fees Claimed						15,000.00	
Total Disbursements Claimed						0.00	



## Charge-out Rates and Bases of Disbursements

### PRACTICE FEE RECOVERY POLICY FOR KRE CORPORATE RECOVERY LIMITED

#### Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://kreocr.co.uk/creditors/>. Alternatively a hard copy may be requested from KRE Corporate Recovery Limited, Unit 8, The Aquarium, 1-7 King Street, Reading, Berkshire, RG1 2AN.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

#### Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

#### Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2019 £	Current charge-out rate per hour, effective from 1 April 2017 £
Director – appointment taker	430	390
Senior Manager	320	290
Manager	295	270
Case Administrator and Assistant Manager	260	240
Support Staff	80	80

These charge-out rates charged are reviewed annually and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading.

### **Percentage basis**

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### **Fixed fee**

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### **All bases**

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

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

### **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or KRE Corporate Recovery Limited in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Mileage	45p per mile
Storage	£50 per box for the life of the case
Photocopying	5p per sheet
Postage	50p per small envelope
Postage	70p per large envelope

## APPENDIX V

### Full Details of Work Undertaken

General Description	Includes
<b>Administration and Planning</b>	
Statutory	Filing of documents to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Creditor reports	Preparing annual progress reports to creditors and other parties
Communication with creditors if variation of proposal required	Preparation of notices, proxies/voting forms, report and proposed variations to all creditors Collate and examine proofs and proxies/votes to conclude proposed variations Where relevant, preparation of meeting file and draft minutes of meeting Responding to queries and questions regarding proposed variations Issuing notice of result
<b>Realisation of Assets</b>	
Contributions	Monitoring the Company's compliance with the terms of the CVA and taking necessary steps in the event of any delayed compliance with, or breaches of, the terms Periodic review of amount of contribution
<b>Creditors</b>	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator Finalising pre appointment tax position