

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 8 9 6 1 4 8 1

Company name in full Locus Energy Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Matthew James

Surname Cowlshaw

3 Liquidator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

4 Liquidator's name ①

Full forename(s) Paul James

Surname Meadows

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

② Other liquidator

Use this section to tell us about
another liquidator.

**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 **Vinay Mistry**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street**

Queensway

Post town **Birmingham**

County/Region

Postcode **B 3 3 H N**

Country

DX

Telephone **+44 121 619 0120**

**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

Locus Energy Ltd (in liquidation) ("the Company")






Progress report to creditors for the 12 month period to 4 November 2022 pursuant to Section 104A of the Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

22 December 2022

Matthew James Cowlishaw and Paul James Meadows ("the Joint Liquidators") were appointed Joint Liquidators of Locus Energy Ltd by the members and creditors of the Company on 5 November 2020. The affairs, business and property of the Company are managed by the Joint Liquidators. The Joint Liquidators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Restructuring Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

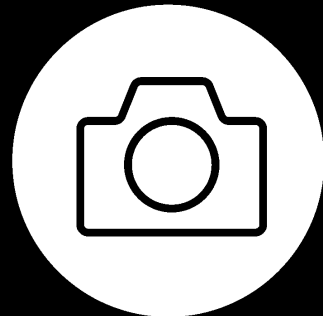
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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Key messages



Key messages

Joint Liquidators of the Company

Matthew James Cowlshaw
Paul Meadows
Teneo Financial Advisory Limited
156 Great Charles Street
Queensway
Birmingham
B3 3HN

Contact details

Email: vinay.mistry@teneo.com
www.ips-docs.com
Tel: 0121 619 0149

Progress of the liquidation during the report period
Costs
Outstanding matters
Dividend prospects

- The Joint Liquidators have continued to monitor the progress of the liquidation of an associated company, Tonik Energy Limited (“Tonik”), from which a dividend is expected on the Company’s unsecured claim of c.£10m against Tonik.
- Our fees have been fixed as a set amount of £50k.
- We have not incurred any category 1 expenses third party costs in the report period. Please refer to page 6 for further details.
- No Category 1 expenses categorised as disbursements have been incurred in the report period. Please refer to page 6 for further details.
- We have incurred category 2 expenses of £676 plus VAT in the report period. As detailed on page 12 these costs are included in our set fee and are not additional costs to the liquidation.
- Receipt of the unsecured dividend from the liquidation of Tonik.
- Finalise our adjudication on unsecured claims of the Company for dividend purposes.
- Finalise the costs of the liquidation.
- Statutory closing procedures.
- Secured creditors – There are no secured creditors in this case.
- Preferential creditors - There are no preferential creditors in this case.
- Secondary Preferential creditors – There is no Secondary Preferential Creditor due to the date of appointment.
- Unsecured creditors – It is likely that there will be a distribution to unsecured creditors, however the quantum is dependent on the level of future realisations and the costs and expenses of the liquidation. Please see page 9 for further details.





Progress of the liquidation

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Progress of the liquidation

Progress of the liquidation

Estimated future asset realisations

VAT Refund

The Directors' Statement of Affairs ("SoA") included a balance totalling c.£12.3k due from His Majesty's Revenue and Customs ("HMRC") as at the date of our appointment.

A VAT return for the relevant pre appointment period was submitted to HMRC reclaiming this amount, and we have requested HMRC to expedite the repayment.

Intercompany Claim

The Company has an unsecured claim in respect of an intercompany balance totalling c.£10m in the liquidation of Tonik.

The progress of the Tonik liquidation has been delayed by court proceedings in other Energy Supply Company insolvencies to decide whether Ofgem and Suppliers of Last Resort are entitled to claim as unsecured creditors. Although a first decision has now been handed down by the Court the appeal window remains open. The outcome of the decision will have an impact on the Tonik liquidation although it is not directly involved in the proceedings.

We expect to receive a dividend from the liquidation however the quantum and timing are uncertain at this stage for the reasons outlined above. Updates will be provided in future progress reports.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management
- Statutory reporting
- Appointment notifications
- Correspondence
- Cashiering functions

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.



Progress of the
administration
Summary

Third party costs incurred during the report period

Joint Liquidators’ – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

No third party expenses have been incurred during the report period.

Expenses – Category 1

Category 1 disbursements are payments made by us direct to third parties and for which no approval is required and which are summarised in the table below:

Category 1 Expenses			
£ (net)	Incurred in report period	Total cost for the period of the appointment	Unpaid
Specific Penalty Bond	-	230	230
Postage/Couriers	-	17	17
Total expenses	-	247	247

Payment of Category 1 Expenses

None of these costs have been paid and will be settled when we draw our remuneration.

Category 2 Expenses

These are payments:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; and also
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited (“Teneo” and “the Transaction”) on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 12.



Progress of the liquidation

Receipts and payments

Locus Energy Ltd
Joint Liquidators' receipts and payments account
05 November 2021 to 04 November 2022

£	SoA values	Notes	Period	To date
Receipts				
Cash at Bank	35,905		-	36,159
Pre-Appointment VAT Refund	12,344	A	-	-
Intercompany Debt with Tonik	75,000	B	-	-
Bank Interest Gross		C	16	20
Total receipts	123,249		16	36,179
Payments				
Statutory Advertising			-	95
Bank Charges			-	-
Total payments			-	95
Balance				36,084
Made up of:				
Interest Bearing Bank Account		C		36,065
Vat Control Account		D		19
Balance in hand				36,084

A receipts and payments account is provided opposite detailing the transactions in the liquidation to 4 November 2022.

Notes to receipts and payments account

A - Pre-Appointment VAT Refund

A claim has been submitted to HMRC to recover the input VAT balance of c.£12.3k.

B - Intercompany Claim in Tonik

A claim of c.£10m has been made in the liquidation of Tonik. Please refer to page 5 for further details. The value of the claim is not yet known and no distribution has been received in respect of this claim to date.

C - Bank interest

All funds were held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HMRC in due course.

D - VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HMRC.

Rounding note

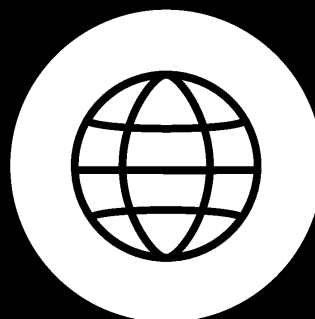
In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Information for creditors

Outcome for creditors

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Information for
creditors

Secured creditors

There are no Secured Creditors in the Liquidation.

Preferential creditors

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

The Company had no employees at the date of liquidation. No preferential claims have been received, nor are any expected.

Secondary Preferential Debts due to HMRC

As this appointment pre dates 1 December 2020, the Secondary Preferential Debt provisions do not apply.

Unsecured creditors

We have received 8 claims to date for a total of c.£10.3m. A further 15 claims listed in the Director's statement of affairs have not yet been submitted.

The rate of the unsecured creditors' dividend which may be paid to creditors is dependent on the amount recovered from Tonik as detailed on page 5. This amount is currently uncertain.

We anticipate providing an update in our next report or sooner should dividend prospects become more certain.

Claims process – creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less, unless you wish to vote in this decision, or any other, decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com or by downloading and completing a proof of debt form from the case website and which should be sent to the address on the cover page. Alternatively, a hard copy proof of debt form will be provided free of charge on request to Vinay Mistry.

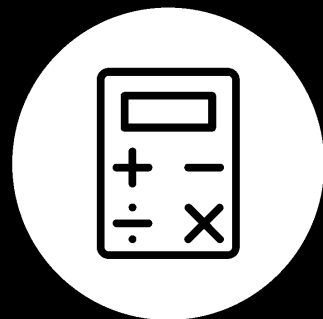




Remuneration and expenses

Joint Liquidators' remuneration

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Remuneration and expenses

Joint Liquidators' remuneration

Joint Liquidators' remuneration

"A Creditors' Guide to Remuneration" is available for download at <https://www.ips-docs.com>

Should you require a paper copy, please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 8 February 2021 by the creditors as a set amount of £50k plus VAT.

Fees drawn to date

We have not yet drawn any remuneration against this agreed set fee to date.

Expenses of statement of affairs and decision sought from creditors

The Company's shareholders resolved on 5 December 2020 that the Joint Liquidators be paid a fee of £10k plus VAT for assisting the directors in discharging their duties under Sections 99 and 100 of the Act including:

- preparation by the directors of a statement of the Company's affairs;
- delivering the statement of affairs to creditors together with Notice of the decision to be taken by deemed consent in accordance with the Rules to seek a decision from creditors on their nomination of a liquidator; and
- in the event that the requisite threshold for objection to the decision is met, to assist the directors in convening a physical meeting of creditors together with the preparation of any notices and information to be presented at such meeting.

Such fee may not be made to the Joint Liquidator, without the approval of the liquidation committee, the creditors, or the court. Approval has not been sought to date however, should we decide to do so, such approval will be sought from the unsecured creditors.



Remuneration and expenses
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Liquidators' Category 2 Expenses (including disbursements)

As described on page 6, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Our estimate of Category 2 expenses is given below, all figures are shown exclusive of VAT. :

Specific approval is required before these costs and expenses can to be drawn from the liquidation estate and was given by the unsecured creditors on 8 February 2021.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Teneo at the time when the mileage is incurred.

We have not incurred any Category 2 expenses during the report period or during the period of the liquidation.

Additional note regarding category 2 expenses

As discussed on page 6 prior to the Transaction, the work delivered by other Deloitte service lines was charged to the estate to be recovered as part of the Joint Liquidators' remuneration (from which an internal recharge would have then been made). We have thus included the anticipated costs for the services being delivered by Deloitte LLP in our set fee as approved by creditors earlier in the liquidation.

Following the Transaction, we will separately disclose the basis of any costs incurred by Deloitte LLP. For avoidance of doubt however, all such costs will be paid out of our approved remuneration, i.e. will not be an additional cost.

Details regarding the Deloitte LLP services and charge out rates are provided below:

Deloitte LLP Charge out Rate Bands (£/hour)	
Grade	Rate (£/hour)
Partners	1502 - 1549
Directors	1265 - 1302
Associate Directors	1150 - 1187
Managers/Assistant Managers	99 - 420
Consultants	593 - 887
Associates	142 - 357
Administrators/Analysts	95 - 389
Agent	36

Deloitte LLP – Services being provided

We have detailed below the services which have been or continue to be provided by Deloitte LLP, the costs of which are included in our work estimate and will thus be paid out of our approved remuneration:

Deloitte Global Financial Advisory India (“DJFV”) – are engaged to assist with general case management and administration. Their work, which is no longer ongoing, was charged on a time costs basis. The charge out rates for which are set out opposite. Their total costs are £676 plus VAT and which will be paid out of our approved remuneration.

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.





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