

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.

LIQ03

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Period of progress report

From date

^d0^d5^m1^m1^y2^y0^y2^y0

To date

^d0^d4^m1^m1^y2^y0^y2^y1

7

Progress report

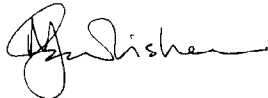
☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d2^d3^m1^m2^y2^y0^y2^y1

**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 Restructuring 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 pursuant to 4 November 2021 Section 104A Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

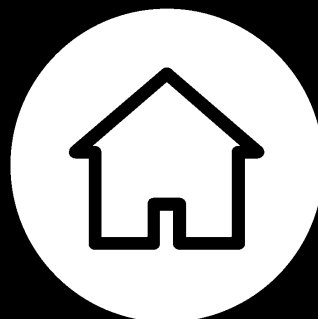
23 December 2021

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.

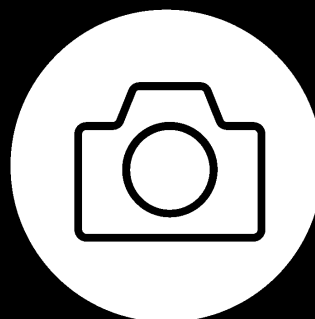
For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

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 Restructuring Limited

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email: vinay.mistry@teneo.com

www.ips-docs.com

Tel: 0121 619 0149



Important Notice re: Liquidators

- On 29 May 2021 the UK Restructuring Practice of Deloitte LLP was sold to Teneo Restructuring Limited (the "Transaction"). The majority of live insolvency appointments, including this liquidation appointment, were transferred to Teneo Restructuring Limited ("Teneo"), with their respective officeholders and case teams, as part of the Transaction. Please also note that our Teneo contact details are provided on the left hand column of this page.

Progress of the liquidation during the report period

- Funds totalling c.£36.1k have been received in the period in respect of cash held in the Company's bank account.
- A VAT return has been submitted to HM Revenue & Customs ("HMRC") reclaiming c.£12.3k.
- The Joint Liquidators ("we/our") have liaised with the landlord of the Company's former trading premises in order to vacate and mitigate any liability in the liquidation.
- Unsecured creditor claims are being adjudicated at present to enable a distribution to be made when funds allow.
- The Joint Liquidators have submitted an unsecured claim in respect of an intercompany balance totaling c.£10m in the Liquidation of Tonik, from which a dividend is expected.
- Our confidential report as regards the conduct of the Company's directors has been submitted to the Insolvency Service.
- We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors. Having completed this review no further avenues of recovery have been identified. Please see page 5 for further details.

Costs

- Our fees have been fixed as a set amount of £50k.
- Category 1 expenses categorised as disbursements of c.£247 have been incurred in the report period. Please refer to page 6 for further details.
- We have not incurred any category 1 expenses categorised as third party costs in the report period. Please refer to page 6 for further details.
- We have not incurred any category 2 expenses in the report period. Please refer to page 12 for further details.

Outstanding matters

- Await confirmation as regards prospects of a recovery from the liquidation of Tonik.
- Continue to adjudicate unsecured claims received in the liquidation.
- Finalise all costs of the liquidation, including settling our fees, expenses and disbursements as Joint Liquidators.
- Statutory closing procedures.

Dividend prospects

- 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 – Presently it is likely that there will be a distribution to unsecured creditors, however this 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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Receipts and payments	7



Progress of the liquidation

Progress of the liquidation

Work done during the report period

Plant and machinery

The Company owned Plant and Machinery with a book value of £1,800 and an estimated to realise value of £Nil in the Directors' Statement of Affairs.

We have not taken any steps to realise these assets and they have subsequently been written off.

Leasehold property

The Company traded from one floor of the leasehold premises at Lombard House, 145 Great Charles Street, Birmingham. The leasehold interest had no value for the Company and was therefore handed back to the landlord, and the property vacated, on 23 October 2020 prior to our appointment.

Asset realisations

Cash at Bank

Funds totalling c.£36k were received in respect of amounts held in the Company's pre appointment bank accounts. No further funds are expected.

Dividend distributions

There is likely to be a distribution to unsecured creditors during the next report period, however this will be dependent on the distribution to unsecured from liquidation of Tonik Energy Limited ("Tonik").

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.

Estimated future asset realisations

VAT Debtor

The Directors' Statement of Affairs included a balance totalling c.£12.3k due from HMRC as at the date of our appointment. A VAT return for the relevant pre appointment has been submitted to HMRC reclaiming this amount and we expect to receive the balance shortly.

Intercompany Claim

The Company has an unsecured claim in respect of an intercompany balance totalling c.£10m in the Liquidation of Tonik. We expect to receive a dividend from the liquidation however the quantum and timing are uncertain at this point.

We anticipate the prospects to become clearer when Tonik's final position is confirmed in the next reporting period.

Investigations

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to the Insolvency Service on 8 February 2021.

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review no further avenues of recovery have been identified.

If you have any information that you feel we should know, please contact us in writing using the contact details on the cover page above.



Progress of the liquidation
Summary

Third party costs incurred during the report period
Joint Liquidators' Category 1 Expenses

Agents' and legal fees

We have not incurred any third party legal or agents' costs during the report period.

Category 1 Expenses - Disbursements

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

Payment of Category 1 Expenses

None of these costs have been paid and will be settled as and when funds when funds permit.

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 Restructuring 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 Limited - In Liquidation
Joint Liquidators' receipts and payments account
05 November 2020 to 04 November 2021

£	SoA values	Notes	Period	To date
Receipts				
Cash at Bank	35,905		36,159	36,159
Pre-Appointment VAT Refund	12,344	A	-	-
Intercompany Debt with Tonik	75,000	B	-	-
Bank Interest Gross	-	C	3	3
Total receipts	123,249		36,162	36,162
Payments				
Statutory Advertising			95	95
Total payments			95	95
Balance				36,068
Made up of:				
Interest Bearing Bank Account		C	36,049	
Vat Control Account		D	19	
Balance in hand				36,068

A receipts and payments account is provided opposite detailing the transactions in the liquidation to 4 November 2021.

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 HM Revenue & Customs 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

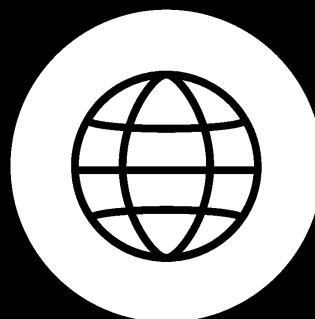
In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors



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.£10.1m. A further 22 claims listed in the Directors' statement of affairs have not yet been submitted.

The prospect of a dividend to this class of creditor depends entirely on the quantum of recovery available from the Tonik liquidation, as detailed on page 5. 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.

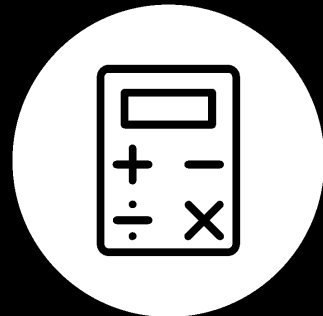




Remuneration and expenses

Joint Liquidators' remuneration

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Remuneration and expenses

Joint Liquidators' remuneration

SOA fee

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 unsecured 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.

Statement of Affairs ("SOA") fee

The members of the Company approved a SOA fee of £10k plus VAT for work carried out by the Joint Liquidators (prior to their appointment) to assist the Directors with the preparation of their SOA.

The members' approval requires ratification by the unsecured creditors before the SOA fee can be drawn. Should we decide to seek payment of this fee, we will seek ratification of the unsecured creditors to agree this SOA fee at this time.



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.

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 disbursements.

Additional note regarding category 2 disbursements

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	1430 - 1475
Directors	1205 - 1240
Associate Directors	1095 - 1130
Managers/Assistant Managers	94 - 400
Consultants	565 - 845
Associates	135 - 340
Administrators/Analysts	90 - 370
Agent	34

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 India (“DIJV”)

We engaged the services of the DIJV, then an internal service delivery team, to assist with case management and administration. Their services are ongoing and have been provided for in our statement of work to be done and will be paid out of our approved set fee remuneration. Their work is being charged on a time costs basis, the charge out rates for which are set out opposite.

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.





This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Teneo Restructuring Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom