

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

WEDNESDAY



A20 *A8G6KRZ7* #181
16/10/2019
COMPANIES HOUSE

1 Company details

Company number 0 8 1 6 3 5 5 4

Company name in full Tidal Lagoon Power Limited

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

2 Supervisor's name

Full forename(s) Paul

Surname Ellison

3 Supervisor's address

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

4 Supervisor's name ^①

Full forename(s) Gareth

Surname Roberts

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

5 Supervisor's address ^②

Building name/number 1st Floor

Street Hedrich House

Post town 14-16 Cross Street

County/Region Reading

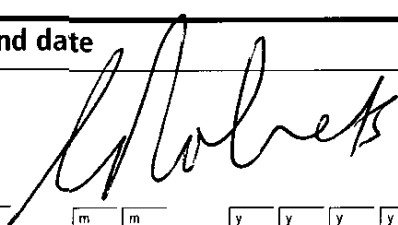
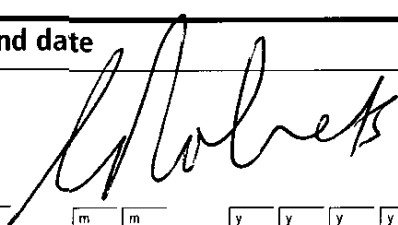
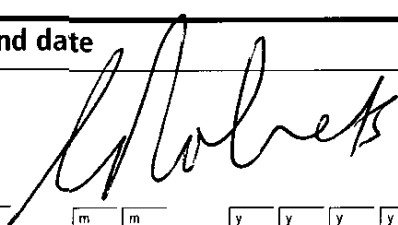
Postcode R G 1 1 S N

Country

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

CVA3

Notice of supervisor's progress report in voluntary arrangement

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

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	1st Floor Hedrich House
Post town	14-16 Cross Street
County/Region	Reading
Postcode	R G 1 1 S 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 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

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

Statement of Affairs £	From 04/09/2018 To 03/09/2019 £	From 04/09/2018 To 03/09/2019 £
ASSET REALISATIONS		
Bank Interest Net of Tax	0.94	0.94
Voluntary Contributions	31,500.00	31,500.00
	<u>31,500.94</u>	<u>31,500.94</u>
COST OF REALISATIONS		
Legal Fees (1)	4,016.62	4,016.62
Office Holders Expenses	286.68	286.68
Printers Fees	261.53	261.53
Specific Bond	272.00	272.00
	<u>(4,836.83)</u>	<u>(4,836.83)</u>
	<u>26,664.11</u>	<u>26,664.11</u>
REPRESENTED BY		
Bank 1 Current		25,763.89
Vat Receivable		900.22
		<u>26,664.11</u>

Note.



Gareth Roberts
Joint Supervisor

**Tidal Lagoon Power Limited and Tidal Lagoon PLC -
both in Company Voluntary Arrangement ('the Companies')**

**Annual Progress Report
to 3 September 2019**

Paul Ellison

Gareth Roberts

Joint Supervisors of

**Tidal Lagoon Power Limited and Tidal Lagoon plc
Pillar & Lucy House, Merchants Road, Gloucester, GL2 5RG**

Contents

1. Executive Summary
2. Receipts and Payments
3. The Joint Supervisors' Fees and Expenses
4. Creditors' Claims
5. 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

Tidal Lagoon Power Limited (Company Voluntary Arrangement)
Progress Report dated 14 October 2019

1. Executive Summary

1.1 This report describes the progress in the period since the commencement of the CVA on 4 September 2018 to 3 September 2019 ("the Review Period") and the prospects for the successful implementation of the CVA.

1.2 We have combined the reports for Tidal Lagoon PLC ('PLC') and Tidal Lagoon Power Limited ('TLP') as they are so closely connected and we trust that you will find this in order.

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

PLC

Contributions and assets

Contribution / asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Contributions	13,500	13,500	-	13,500
IPO Funds	3,069,000	-	3,069,000	3,069,000
TLSB Loan Notes	3,646,000	-	3,646,000	3,646,000

Expenses

Expense	Estimated per CVA Proposal	Expense paid to date	Anticipated additional expense to closure	Total anticipated expense
Joint Supervisors' fees	25,000	-	10,000	35,000
Solicitors' fees	-	6,955	-	6,955
All other expenses	-	1,149	200	1,349

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Preferential creditors	N/A	N/A
Unsecured creditors	Nil	Uncertain

TLP

Contributions and assets

Contribution / asset	Estimated to realise per CVA Proposal	Realisations to date	Anticipated future realisations	Total anticipated realisations
Contributions	31,500	31,500	-	31,500
IPO Funds	2,294,000	-	2,294,000	2,294,000

**Tidal Lagoon Power Limited (Company Voluntary Arrangement)
Progress Report dated 14 October 2019**

Expenses

Expense	Estimated per CVA Proposal	Expense paid to date	Anticipated additional expense to closure	Total anticipated expense
Joint Supervisors' fees	50,000	-	10,000	60,000
Solicitors' fees	-	4,017	-	4,017
All other expenses	-	820	200	1,020

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Preferential creditors	Nil	Uncertain
Unsecured creditors	Nil	Uncertain

Prospects for implementation

- 1.4** You will recall that the CVA Proposals envisaged a newly formed company "Launchco" progressing the Swansea Bay Lagoon project and it be permitted 24 months from the commencement of the CVAs (in September 2018) to take forward the plan as laid out in the CVA Proposals and successfully implement the terms of the CVAs. We have asked Launchco for an update on progress and this is set out below in paragraphs 1.7 to 1.11.
- 1.5** In August 2018 Swansea City and County Council set up a Taskforce to consider the feasibility of creating a tidal lagoon with private backing. TLP and its proposed consortium partners responded to the Public Information Notice issued in October 2018 by Swansea City and County Council on behalf of the Taskforce. A report was delivered by the taskforce to the Swansea Bay City Region and the Welsh Government in March 2019, parts of which were published in May 2019. TLP has not received any notable feedback since the publication of this report but takes the view that its own scheme is still very much in contention as no progress appears to have been made with any alternative schemes.
- 1.6** It is clear that political will and support from either the UK Government and/or the Welsh Government is required for the project to proceed and in these turbulent political times it is simply impossible for us to offer a view on whether or not this support is likely to be forthcoming in the short to medium term. We have been in regular contact with the Welsh Government over the past year, so it is fully up to date with the current position in the CVAs. We had hoped to meet with them prior to the issue of this report to discuss if they had anything further to add to what we have said. Unfortunately, they were unable to accommodate us, but a copy of this report will be sent to them. They retain their security over the assets of PLC but to date have not taken any steps to enforce this security.

Launchco Update

- 1.7** *Whilst the market for renewables has become more competitive over the past few years, the UK's dependence on gas from overseas and a stalling of the rollout of new nuclear power stations means there is still a need for an additional strategic energy alternative that can deliver at scale – which could be met by the introduction of tidal lagoons. The large scale lagoons planned around the coast of the UK could still deliver electricity at competitive prices to other energy options, provide significant UK centric supply chain orders and create major regeneration opportunities for associated coastal communities - providing that the “no-regrets” pathfinder project to be situated at Swansea Bay is delivered to provide proof of concept.*
- 1.8** *Subsequent to the approval of the CVA, work has continued with limited funds from 3rd party stakeholders and the directors to maintain progress where possible towards the Launchco plan set out in the original CVA proposals.*
- 1.9** *Whilst we have tried to respond to meet the points that the UK Government made in respect to Swansea Bay tidal lagoon in its statement in June 2018 and consequently make the ask of UK Government similar to that which it has offered elsewhere, for the first-of-a-kind Swansea Bay tidal lagoon to proceed and the dependent Launchco plan to succeed, there needs to be a political catalyst. We do not envisage that coming from the UK Government whilst there remains significant uncertainty around the delivery of Brexit and discussions with Welsh Government have not progressed as far as we had hoped. We are therefore looking to maintain momentum in the short term by preserving the option of the Swansea lagoon by undertaking the minimum works necessary to preserve the Development Consent Order (“DCO”) in perpetuity and therefore maintaining the option to progress with lagoons as soon as there is room in the political agenda. This requires the Swansea Bay planning conditions to be discharged and a number of land side works to be completed. We intend to ask our stakeholders if they will support this through a further fund raise in due course.*
- 1.10** *Other key areas of progress to date are:*

Revised financial model

Through the addition of additional generational capacity in the form of floating solar, change in the mix of construction and operational capital providers, ancillary service revenues and other innovations, the financial model has been re-engineered to provide a bankable base case assuming average market electricity price. This might be met by a 35 year Contract for Difference (“CfD”) or from long term Power Purchase Agreements (“PPA”) with corporates and local authorities with a government debt underwrite/PPA backstop;

Development Consent Order

The DCO expires at the end of June 2020 unless certain works can be undertaken. We have determined with legal and planning advisers the minimum scope required to be delivered for this to be achieved and we are looking to secure funds from stakeholders to enable that to be secured

Marine Licence

We have continued to progress the outstanding points relating to impact on fish with Natural Resources Wales (“NRW”) having completed significant additional modelling to meet NRW’s requirements. Work is continuing.

Stakeholder Engagement

We have continued to engage with stakeholders including Local Government, Welsh Government, the Department of Business, Energy & Industrial Strategy (“BEIS”), the Crown Estate, supply chain, corporates, politicians and others to keep communications open.

1.11 *We remain committed to delivering lagoons and hope that further progress can be made over the forthcoming period.*

2. Receipts and Payments

2.1 Attached at Appendix II is the Joint Supervisors’ Receipts and Payments Accounts for the Review Period. The contents are in the main self-explanatory. The balance of funds are held in interest bearing accounts.

2.2 Under the terms of the CVA Proposals, the Companies were required to contribute as follows:

PLC - £13,500

TLP - £31,500

These payments have been made

2.3 Other than a small amount of bank interest, there have been no other receipts into the CVAs, which is in line with the CVA terms.

2.4 In accordance with the engagement terms agreed with the Companies, Joint Nominees’ fees of £7,500 per company drawn were drawn prior to the commencement of the arrangements. Section 3 below provides information regarding the Joint Supervisors’ fees and expenses. The only other material expenditure has been solicitors’ fees of £6,955 on PLC and £4,017 on TLP, which related to advice provided on the Welsh Government security and dealing with the legal proceedings issued against the companies by a former employee which have now been settled.

3. The Joint Supervisors’ Fees and Expenses

3.1 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

Tidal Lagoon Power Limited (Company Voluntary Arrangement)
Progress Report dated 14 October 2019

detailed in Appendix IV. During the Review Period, time costs totalling £14,578.50 and £17,567.50 have been incurred on PLC and TLP respectively.

3.2 These time costs were incurred in carrying out the tasks listed in Appendix V of which the following were the most material:

- 3.2.1** 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;
- 3.2.2** Administration and Planning: monitoring and processing the Company's payment of voluntary contributions;
- 3.2.3** Administration and Planning: liaising with the directors in respect of Launchco's progress with regards to fund raising and discussions with stakeholders in order to deliver the Lagoon projects;
- 3.2.4** Creditors: responding to creditors' queries; logging creditors' claims and supporting information; maintaining the database as regards creditors' contact details and claims; and
- 3.2.5** Creditors: dealing with Welsh Government security issue and employee issues including a legal action brought by a former employee against the Companies.

3.3 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.

3.4 Significant time has also been spent in dealing with creditor issues, specifically with an issue raised by the Welsh Government in respect of its security position and a legal action brought by a former employee.

3.5 The CVA Proposals disclosed that the Joint Supervisors' fees for administering and completing the CVA were estimated to be £25,000 in respect of PLC and £50,000 in respect of TLP. In view of the time costs incurred to date 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 marginally more than this estimate due to the difficulties encountered and the additional work carried out, as described above. It is currently not known if this will have a corresponding impact on the final outcome to creditors, as the outcome is dependent on Launchco successfully progressing the Swansea Bay Lagoon project and the level of total creditors' claims admitted, as described in Section 4 below.

3.6 Creditors may access a Guide to Voluntary Arrangement Fees at www.kreccr.co.uk/creditors or a hard copy will be provided on request.

3.7 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 Accounts at Appendix II.

4. Creditors' Claims

4.1 The creditors' claims received are summarised as follows:

PLC

Creditor	Claims received £
Inter Company	1,493,851
Former Employee	50,000
Trade and Expense	14,574
Loan Notes	1,676,865
TOTAL	3,235,290

TLP

Creditor	Claims received £
Inter Company	7,744,242
HMRC – VAT/PAYE/NIC	177,410
Former Employee	200,000
Trade and Expense	1,207,283
TOTAL	9,328,935

4.2 We have not carried out any work yet on the agreement of creditors' claims as the outcome of the CVAs remains uncertain, save for dealing with the legal proceedings brought in the High Court by a former employee. These proceedings have been settled and the employee in question has agreed claims in the CVAs. Please note that it is our understanding that the claim received from HMRC has been paid in full as a result of crown set-off being applied against an R&D tax credit, the balance of which has been paid to TLP; however we are currently awaiting formal confirmation of this from HMRC.

5. Conclusion

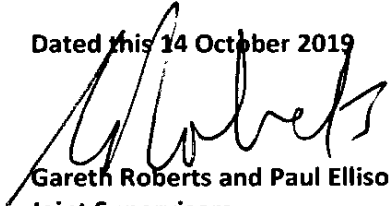
5.1 The CVAs are progressing broadly as anticipated with the caveats mentioned in this report and the Joint Supervisors will continue to monitor the Companies adherence to its terms, taking appropriate steps in line with the CVA terms where necessary.

5.2 Provided that the CVAs continue to progress as planned, the Joint Supervisors will issue a further progress report shortly after the next anniversary of the CVAs at which point the outcome of the CVAs should be a great deal clearer.

Tidal Lagoon Power Limited (Company Voluntary Arrangement)
Progress Report dated 14 October 2019

5.3 Should you have any questions or queries regarding this report, please contact the Manager dealing with this matter, Chris Errington, on 01189 479090 or by email on chris.errington@krecre.co.uk.

Dated this 14 October 2019



Gareth Roberts and Paul Ellison
Joint Supervisors

Licensed to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

APPENDIX I**TIDAL LAGOON PLC (COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	Tidal Lagoon Plc
Previous Names	Not Applicable
Proceedings	Company Voluntary Arrangement
Court	High Court
Court Reference	2018-6799
Date of Appointment	4 September 2018
Joint Supervisors	Paul Ellison and Gareth Roberts KRE Corporate Recovery LLP 1st Floor, Hedrich House, 14-16 Cross Street, Reading, RG1 1SN
Registered office Address	Pillar & Lucy House, Merchants Road, Gloucester, GL2 5RG
Company Number	09359280

APPENDIX I

TIDAL LAGOON POWER LIMITED (COMPANY VOLUNTARY ARRANGEMENT)

STATUTORY INFORMATION

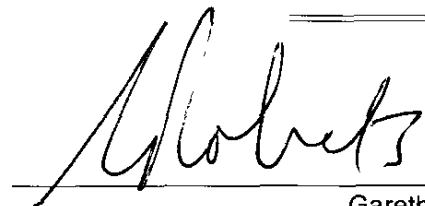
Company Name	Tidal Lagoon Power Limited
Previous Names	Not Applicable

Proceedings	Company Voluntary Arrangement
Court	High Court
Court Reference	2018-6800
Date of Appointment	4 September 2018
Joint Supervisors	Paul Ellison and Gareth Roberts KRE Corporate Recovery LLP 1st Floor, Hedrich House, 14-16 Cross Street, Reading, RG1 1SN
Registered office Address	Pillar & Lucy House, Merchants Road, Gloucester, GL2 5RG
Company Number	08163554

**Voluntary Arrangement of
Tidal Lagoon Plc
To 03/09/2019**

S of A £	£	£
ASSET REALISATIONS		
Cash at Bank	13,500.00	
Bank Interest Net of Tax	0.38	
		13,500.38
COST OF REALISATIONS		
Specific Bond	184.00	
Travel Expenses	183.53	
Legal Fees (1)	6,954.88	
Printers Fees	778.29	
Subsistence	3.15	
		(8,103.85)
		5,396.53
REPRESENTED BY		
Vat Receivable		1,545.74
Bank 1 Current		3,850.79
		5,396.53

Note:



Gareth Roberts
Joint Supervisor

**Voluntary Arrangement of
Tidal Lagoon Power Limited
To 03/09/2019**

S of A £	£	£
ASSET REALISATIONS		
Voluntary Contributions	31,500.00	
Bank Interest Net of Tax	0.94	
	31,500.94	31,500.94
COST OF REALISATIONS		
Specific Bond	272.00	
Office Holders Expenses	286.68	
Legal Fees (1)	4,016.62	
Printers Fees	261.53	
	(4,836.83)	(4,836.83)
		26,664.11
REPRESENTED BY		
Vat Receivable		900.22
Bank 1 Current		25,763.89
		26,664.11

Note:



Gareth Roberts
Joint Supervisor

Time Entry - SIP9 Time & Cost Summary

TLPLC - Tidal Lagoon Plc
 All Post Appointment Project Codes
 From: 04/09/2018 To: 03/09/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	15.70	8.90	2.30	0.00	26.90	9,315.00	346.28
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	9.35	2.00	0.00	0.00	11.35	4,384.50	386.30
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.50	0.00	0.00	0.00	0.50	215.00	430.00
Total Hours	27.15	10.90	2.30	0.00	40.35	14,578.50	361.30
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

TIDAL - Tidal Lagoon Power Limited
 All Post Appointment Project Codes
 From: 04/09/2018 To: 03/09/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	14.00	9.50	2.30	0.00	25.80	8,766.00	339.77
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	10.45	12.10	0.40	0.00	22.95	7,750.50	337.71
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	26.95	21.60	2.70	0.00	51.25	17,567.50	342.78
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

PRACTICE FEE RECOVERY POLICY FOR KRE CORPORATE RECOVERY LLP

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 LLP, 1st Floor, Hedrich House, 14-16 Cross Street, Reading, Berkshire, RG1 1SN.

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 £
Partner – 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 LLP 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 in respect of Tidal Lagoon plc

General Description	Includes
Administration and Planning	
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
Realisation of Assets	
Contributions	Monitoring the Company's compliance with the terms of the CVA
Other terms of the proposal	Liaising with Director and HMRC about finalisation of the pre appointment tax position of the company Monitoring compliance with the terms of the VA
Creditors	
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 RPS Finalising pre appointment tax position
Creditor Issues	Dealing with Welsh Government security issue Dealing with legal action brought against the Companies by a former employee

APPENDIX V

Full Details of Work Undertaken in respect of Tidal Lagoon Power Limited

General Description	Includes
Administration and Planning	
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
Realisation of Assets	
Contributions	Monitoring the Company's compliance with the terms of the CVA
Other terms of the proposal	Liaising with Director and HMRC about finalisation of the pre appointment tax position of the company Monitoring compliance with the terms of the VA
Creditors	
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 RPS Finalising pre appointment tax position
Creditor Issues	Dealing with Welsh Government security issue Dealing with legal action brought against the Companies by a former employee