

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

FRIDAY



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COMPANIES HOUSE

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### 1 Company details

Company number 0 5 8 5 7 4 6 7  
Company name in full Spark Energy Supply Limited

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

### 2 Court details

Court name High Court of Justice

Court case number 0 1 0 1 0 8 O F 2 0 1 8

### 3 Administrator's name

Full forename(s) Alistair  
Surname McAlinden

### 4 Administrator's address

Building name/number Saltire Court  
Street 20 Castle Terrace  
Post town Edinburgh  
County/Region  
Postcode EH 1 2 EG  
Country

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Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name ①</b>	
Full forename(s)	Blair Carnegie	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Nimmo	

<b>6</b>	<b>Administrator's address ②</b>	
Building name/number	Saltire Court	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	20 Castle Terrace	
Post town	Edinburgh	
County/Region		
Postcode	E H 1 2 E G	
Country		


<b>7</b>	<b>Appointor/applicant's name</b>	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Directors of the Company	
Surname		

<b>8</b>	<b>Proposed liquidator's name</b>	
Full forename(s)	Alistair	
Surname	McAlinden	
Insolvency practitioner number	2 1 9 5 0	

<b>9</b>	<b>Proposed liquidator's address</b>	
Building name/number	Saltire Court	
Street	20 Castle Terrace	
Post town	Edinburgh	
County/Region		
Postcode	E H 1 2 E G	
Country		

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<b>10</b>		<b>Proposed liquidator's name<sup>1</sup></b>	
Full forename(s)	Blair Carnegie		
Surname	Nimmo		
Insolvency practitioner number	8 2 0 8 [ ] [ ] [ ] [ ]		
		<b>1 Other liquidator</b> Use this section to tell us about another liquidator.	
<b>11</b>		<b>Proposed liquidator's address<sup>2</sup></b>	
Building name/number	Saltire Court		
Street	20 Castle Terrace		
Post town	Edinburgh		
County/Region			
Postcode	E H 1 [ ] 2 E G [ ]		
Country			
		<b>2 Other liquidator</b> Use this section to tell us about another liquidator.	
<b>12</b>		<b>Period of progress report</b>	
From date	d 2 8 m 0 5 y 2 0 y 2 0		
To date	d 2 8 m 0 8 y 2 0 y 2 0		
<b>13</b>		<b>Final progress report</b>	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
<b>14</b>		<b>Sign and date</b>	
Administrator's signature	Signature X  X		
Signature date	d 0 2 m 0 9 y 2 0 y 2 0		

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## 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 **Yarima Conway**

Company name **KPMG LLP**

Address **Saltire Court**

**20 Castle Terrace**

Post town **Edinburgh**

County/Region

Postcode **E H 1 2 E G**

Country

DX

Telephone **Tel +44 (0) 131 222 2000**



## 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)**



# Joint Administrators' final progress report for the period 28 May 2020 to 28 August 2020

Spark Energy Supply Limited  
- in Administration

2 September 2020



# **Notice to creditors**

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditors.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+SIB2842725.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this report is attached (Appendix 7).**

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# 1 Executive summary

- This final progress report covers the period from 28 May 2020 to 28 August 2020.
- The asset realisation process has continued to focus on maximising recoveries from the Company's debtor ledgers. During the period, we recovered further sums of approx. £0.2 million which brings the total recoveries from book debts to approx. £5.4 million.
- As the majority of key commercial and statutory matters have now been completed, we intend to convert the Administration into a Creditors' Voluntary Liquidation ("CVL") to facilitate a dividend to unsecured creditors.
- We are not aware of any secured or preferential creditors. Based on current estimates, we anticipate that unsecured creditors should receive a dividend during the CVL. We are in the process of adjudicating on unsecured creditors' claims.
- The Administration was due to end on 28 November 2020. We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation. We will cease to act as Joint Administrators on the date these documents are registered by the Registrar of Companies.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors. <http://www.insolvency-kpmg.co.uk/case+KPMG+SIB2842725.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Alistair McAlinden  
Joint Administrator



## 2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made to date. It follows the information provided previously and should be read in conjunction with our Proposals and previous progress reports.

### 2.1 Strategy and progress to date

The Company ceased trading prior to administration and as such the administration strategy has comprised a statutory wind up process and realisation of assets. The Company's key asset was a portfolio of debts owed by customers relating to the pre appointment supply of energy. We have engaged the services of five DCAs to make contact with customers and request payment.

Different processes have been undertaken in relation to the recovery of debts where customers have left the Company prior to the administration (the "Ended" ledger) and where customers had been supplied immediately up to the date of administration (the "Live Ended" ledger).

Throughout the period realisations from both Live Ended and Ended debts were significantly decreasing compared to the previous period. This is expected as even the most recent debts (Live Ended) are now greater than 21 months old.

The collection of Live Ended debts has been a challenging process and has been hampered by initial customer payments being applied towards energy to be supplied by Ovo / SEL. Ended debts have been through numerous debt collection cycles.

We have now implemented a strategy to close out the debt collection process.

The Administration is due to expire on 28 November 2020. We intend to convert the Administration to Creditors' Voluntary Liquidation ("CVL") shortly, to finalise the outstanding matters in the case and to facilitate a dividend to unsecured creditors.

### 2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

During the period, the Joint Administrators recovered gross book debts of approx. £0.2 million. This brings overall debt recoveries to approx. £5.4 million. The rate of debt recoveries has continued to slow comparative to prior periods as we complete the debt recovery process. The debt collection strategy for the Ended Ledger was refined during Spring 2020 to maximise recoveries. We are now working towards closing out the debt collection process.

### 2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

DCA commission has been the most substantial cost incurred throughout the Administration. We have agreed a 'no recovery no fee' arrangement with all of our DCAs and as such there

is no risk to the Company's estate. During the period we have paid DCA commission of approx. £39,000, taking the total to approx. £0.9 million to date.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

In our Proposals we enclosed an expenses estimate for the whole period of the administration of approx. £0.2 million. This excluded DCA costs, which were not possible to estimate given the dependency on outcome of the debt collection process.

We submitted a revised expenses estimate within our last progress report for the period ending 27 May 2020 which increased this estimate to approx. £1.1 million. The increase was entirely attributable to the inclusion of an estimate of DCA costs. No further increases are anticipated.

## **3 Outcome for creditors**

### **3.1 Secured creditors**

We are not aware of any secured claims against the company.

### **3.2 Preferential creditors**

We are not aware of any preferential claims against the Company.

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors should receive a dividend during the CVL. The timing and amount of any dividend are dependent upon the realisations and associated costs of the Administration and CVL.

We will write to unsecured creditors during the CVL with an update on likely dividend quantum once the timing of the dividend is known.

## **4 Other matters**

### **4.1 Creditors' Committee**

A Creditors' Committee was formed on 27 September 2019.

A committee meeting was held on 15 June 2020 via conference call. The purpose of the committee meeting was to provide a general update on case progression, and to discuss strategic options for the collection of the Live Ended and Ended debts.

The Creditors' Committee will continue in its current form during the Creditors' Voluntary Liquidation provided it continues to meet all statutory requirements with regards to its constitution.

## **5 Joint Administrators' remuneration and disbursements**

### **5.1 Joint Administrators' remuneration and disbursements**

#### Basis of Remuneration

Creditors have previously approved that:

- Our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fee estimate provided in Appendix 3 of our Proposals and the charge out rates set out in Appendix 5 of our Proposals.
- Disbursements for services provided by KPMG (defined as category 2 disbursements in SIP 9) will be charged in accordance with KPMG's policy as set out in Appendix 5 of our Proposals.

In our Proposals we enclose a fee estimate for our costs for the whole period of the administration. This estimate was for 3,240.50 hours at a total estimated cost of £1,203,632.50.

#### Time costs and disbursements

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 28 May 2020 to 28 August 2020. We have also attached our charging and disbursements policy.

From 28 May 2020 to 28 August 2020 we have incurred time costs of £85,176.90. These represent 222.30 hours at an average rate of £383.16 per hour. Our total costs to 29 August 2020 stand at £1,209,886.05

From 28 May 2020 to 28 August 2020 we have incurred Category 1 disbursements of £133.08. Our total disbursements to 28 August 2020 stand at £6,294.01.

#### Remuneration

During the period we drew a fee of £134,011.90 and disbursements of £148.80. Total fees drawn to date total £1,124,689.15 and disbursements of £6,160.93.

Our total costs to date exceed the fee estimate that was included in our Proposals, which were approved by creditors. We intend to draw a final Administrators' fee of £78,943.35 and disbursements of £133.08 plus VAT on both, to be paid by the Joint Liquidators once that appointment has been finalised. This final fee will take our total fee to £1,203,632.50 and despite our costs exceeding this, we will not charge any further fee for the administration.

#### Other information

In the event that any creditor wishes to object to our remuneration or recovery of disbursements, we provide further details of the relevant processes at Appendix 4.

## **6 Conclusion of the administration**

We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into CVL.

We will cease to act as Joint Administrators when these documents are registered by the Registrar of Companies and on the same date will be discharged of liability in respect of any action of ours as Joint Administrators.

The administration funds totalling £3,113,690.64 will be transferred to the CVL together with the rights to a refund due from HM Revenue & Customs relating to input VAT totalling £215,341.71.

## Appendix 1      Statutory information

Company information	
Company name	Spark Energy Supply Limited
Date of incorporation	26 June 2006
Company registration number	05857467
Present registered office	KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, 010108 of 2018
Appointor	Directors
Date of appointment	28 November 2018
Joint Administrators' details	Alistair McAlinden and Blair Nimmo
Functions	The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	27 November 2020

## Appendix 2 Joint Administrators' receipts and payments account

### Spark Energy Supply Limited - in Administration

#### Abstract of receipts & payments

Statement of affairs (£)		From 28/05/2020 To 28/08/2020 (£)	From 28/11/2018 To 28/08/2020 (£)
<b>ASSET REALISATIONS</b>			
60,000.00	Stock	NIL	30,000.00
16,839,000.00	Book debts	197,720.40	5,424,089.19
	Shares and investments	NIL	5,154.80
495,000.00	VAT refunds (pre-app'ent)	NIL	NIL
		197,720.40	5,459,243.99
<b>OTHER REALISATIONS</b>			
	Bank interest, gross	236.18	20,233.11
	Sundry refunds	NIL	(408.50)
		236.18	19,824.61
<b>COST OF REALISATIONS</b>			
	Statement of affairs work	NIL	(1,850.00)
	Administrators' fees	(134,011.90)	(1,124,689.15)
	Administrators' expenses	(148.80)	(6,160.93)
	Debt Collection costs	(39,111.85)	(892,691.16)
	Agents'/Valuers' fees (2)	NIL	(270.00)
	Legal fees	(1,206.57)	(80,638.07)
	Court fees	NIL	(235.00)
	Communications, printing and postage	NIL	(43,430.94)
	Statutory advertising	NIL	(71.00)
		(174,479.12)	(2,150,036.25)
<b>UNSECURED CREDITORS</b>			
(84,738,000.00)	Trade & expense	NIL	NIL
		NIL	NIL
<b>(67,344,000.00)</b>		<b>23,477.46</b>	<b>3,329,032.35</b>
<b>REPRESENTED BY</b>			
	Floating ch. VAT rec'able		215,341.71
	Floating charge current		3,113,690.64
			<b>3,329,032.35</b>



## Appendix 3      Schedule of expenses

<b>Schedule of expenses (28/05/2020 to 28/08/2020)</b>			
<b>Expenses (£)</b>	<b>Incurred and paid in the period (£)</b>	<b>Incurred in the period not yet paid (£)</b>	<b>Total (£)</b>
<b>Cost of realisations</b>			
Debt Collection costs	39,111.85	0.00	<b>39,111.85</b>
Legal fees	1,206.57	0.00	<b>1,206.57</b>
<b>TOTAL</b>	<b>40,318.42</b>	<b>0.00</b>	<b>40,318.42</b>

### Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Yarima Conway at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh.

## Appendix 4 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee and pensions (up to 1 March 2020) from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Yarima Conway on 0141 309 2645.

### Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

### Table of charge-out rates

<b>Charge-out rates (£) for: Spark Energy Supply Limited – in Administration</b>	
<b>Grade</b>	<b>From 01 Jan 2020 £/hr</b>
Partner	690
Director	620
Senior Manager	560
Manager	467
Senior Administrator	325
Administrator	236
Support	147

## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within the SIP9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) during the period 28 May 2020 to 28 August 2020.

<b>SIP 9 - Disbursements</b>					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	23.35		NIL		<b>23.35</b>
Postage	109.73		NIL		<b>109.73</b>
<b>Total</b>	<b>133.08</b>		<b>NIL</b>		<b>133.08</b>

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 28 May 2020 to 28 August 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"><li>■ posting information on a dedicated web page;</li><li>■ preparing statutory receipts and payments accounts;</li><li>■ arranging bonding and complying with statutory requirements;</li><li>■ dealing with process to convert administration to CVL;</li><li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li></ul>
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Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ formulating, monitoring and reviewing the administration strategy;</li> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointment;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ working initially on tax returns relating to the periods affected by the administration;</li> <li>■ analysing VAT related transactions;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>■ providing copies of statutory reports to the shareholders.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ drawing remuneration in accordance with the basis which has been approved by the creditors committee.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ reviewing outstanding debtors and management of debt collection strategy;</li> <li>■ responding to correspondence and telephone calls with debtors;</li> <li>■ exploring the possibility of a sale of the Company's ledgers of debt;</li> <li>■ seeking legal advice in relation to book debt collections;</li> <li>■ Liaising with SEL, Ovo and DCAs regarding debtor recoveries.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ creating and updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ correspondence and telephone conversations with creditors committee;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ agreeing unsecured claims;</li> <li>■ drafting our progress report.</li> </ul>

Time costs

## SIP 9 – Time costs analysis

### SIP 9 –Time costs analysis (28/05/2020 to 28/08/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	<b>7.80</b>	2,648.60	339.56
Reconciliations (& IPS accounting reviews)	<b>0.20</b>	65.00	325.00
General			
Mail redirection	<b>1.00</b>	236.00	236.00
Fees and WIP	<b>2.00</b>	472.00	236.00
Statutory and compliance			
Closure and related formalities	<b>1.60</b>	863.60	539.75

**SIP 9 –Time costs analysis (28/05/2020 to 28/08/2020)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Extension related formalities	<b>1.10</b>	259.60	236.00
Strategy documents	<b>22.80</b>	7,881.60	345.68
Tax			
Post appointment corporation tax	<b>5.20</b>	2,912.00	560.00
Post appointment VAT	<b>5.80</b>	2,789.60	480.97
<b>Creditors</b>			
Committees			
Meetings	<b>0.90</b>	374.40	416.00
Reports	<b>4.60</b>	2,025.20	440.26
Creditors and claims			
Agreement of claims	<b>1.10</b>	682.00	620.00
Agreement of unsecured claims	<b>10.80</b>	3,559.50	329.58
General correspondence	<b>14.40</b>	6,852.80	475.89
Pre-appointment VAT / PAYE / CT	<b>4.60</b>	1,085.60	236.00
Statutory reports	<b>15.90</b>	5,463.60	343.62
<b>Realisation of assets</b>			
Debtors	<b>122.50</b>	47,005.80	383.72
<b>Total in period</b>	<b>222.30</b>	<b>85,176.90</b>	<b>383.16</b>

Brought forward time (appointment date to SIP 9 period start date)	3,080.20	1,124,709.15
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	222.30	85,176.90
Carry forward time (appointment date to SIP 9 period end date)	3,302.50	1,209,886.05

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

## Appendix 5 Summary of Joint Administrators' proposals

Below is a summary of the Joint Administrators' Proposals dated 18 January 2019 which were approved by creditors and are available to view at

<http://www.insolvency-kpmg.co.uk/case+KPMG+SIB2842725.html>.

Rescuing the Company in accordance with Paragraph 3(1)(a) was not achievable, due to the SOLR transaction which took place prior to the administration, which transferred the customers and all ongoing energy supplies to another party. The Company, therefore, did not have any customers or ongoing trade at the point of the administration.

Accordingly our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, the Joint Administrators' Proposals document dated 18 January 2019 in its entirety constitutes our proposals.

We propose the following:

### General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

### Distributions

- as appropriate, to make distributions to the secured and preferential creditors in the event that such claims arise, and where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, if applicable.

### Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Alistair McAlinden and Blair Carnegie Nimmo, be appointed as Joint

Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;

- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Alistair McAlinden and Blair Carnegie Nimmo, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, or alternatively, the Joint Administrators have received authority from the Court to pay unsecured dividends and all such dividends have been paid, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies

## Appendix 6      Glossary

<b>Company</b>	Spark Energy Supply Limited - in Administration
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>Joint Administrators/we/our/us</b>	Alistair McAlinden and Blair Nimmo
<b>KPMG</b>	KPMG LLP
<b>DCA</b>	Debt Collection Agency
<b>Ended Debts</b>	Debts which relate to customers who left Spark Energy Supply Limited prior to the Supplier of Last Resort Process
<b>Proposals</b>	The Joint Administrators' Proposals document dated 18 January 2019
<b>Ovo</b>	Ovo Energy Limited and its subsidiaries
<b>Live Ended Debts</b>	Debts which relate to customers who continued to be customers of Spark Energy Limited after the Supplier of Last Resort Process
<b>Shepherd and Wedderburn</b>	Shepherd and Wedderburn LLP
<b>SEL</b>	Spark Energy Limited
<b>SESL / the Company</b>	Spark Energy Supply Limited – in Administration
<b>SOLR</b>	Supplier of Last Resort Process

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.



## Appendix 7      Notice: About this report

This report has been prepared by Alistair McAlinden and Blair Carnegie Nimmo the Joint Administrators of Spark Energy Supply Limited – in Administration (the 'Company') solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Alistair McAlinden and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html](https://home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html).

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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