

AM03

Notice of administrator's proposals



Companies House

FRIDAY



A12 *A80S0HEQ* 08/03/2019 #157
COMPANIES HOUSE

1 Company details

Company number 0 7 5 1 3 3 1 9
Company name in full Economy Energy Trading Limited

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

2 Administrator's name

Full forename(s) Eddie
Surname Williams

3 Administrator's address

Building name/number Colmore Building
Street Colmore Circus
Post town Birmingham
County/Region
Postcode B 4 6 A T
Country

4 Administrator's name

Full forename(s) Jon L.
Surname Roden

❶ Other administrator
Use this section to tell us about
another administrator.

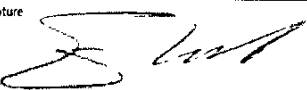
5 Administrator's address

Building name/number Colmore Building
Street Colmore Circus
Post town Birmingham
County/Region
Postcode B 4 6 A T
Country

❷ Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div></div>	
Signature date	<div><div><div>^d</div><div>0</div></div><div>^d</div><div>7</div></div> <div><div>^m</div><div>0</div></div> <div>^m</div> <div>3</div>	

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AM03 Notice of Administrator's Proposals



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	Richard J Jackson
Company name	Grant Thornton UK LLP
Address	Colmore Building
	Colmore Circus
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	
DX	
Telephone	Tel/Fax



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1

Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2

Insolvency practitioner's name

Full forename(s)

Stuart

Surname

Preston

3

Insolvency practitioner's address

Building name/number

Level 8

Street

110 Queen Street

Post town

Glasgow

County/Region

Postcode

G 1 3 B X

Country

United Kingdom

Our ref. EXW/BLA/RJJ/LKGE20597059

To The Creditors

Recovery and Reorganisation
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB
T +44 (0)161 953 6900
F +44 (0)161 953 6317

7 March 2019

Dear Sir / Madam

Economy Energy Trading Limited - In Administration

I was appointed Joint Administrator of the above company with Jon Roden and Stuart Preston by the directors on 14 January 2019. Jon Roden and I are authorised by The Institute of Chartered Accountants in England and Wales and Stuart Preston is authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

In accordance with paragraph 49(4)(b) of Schedule B1 to the Insolvency Act 1986, I enclose a copy of my statement of proposals for achieving the purpose of the administration.

Please note that a decision of creditors, under paragraph 51(1) of Schedule B1 to the Insolvency Act 1986, is sought to approve the statement of proposals and to consider establishing a committee of creditors. Information concerning creditors' committees can be found in Liquidation / Creditors' Committees and Commissioners : A Guide for Creditors published by the Association of Business Recovery Professionals. This can be read at or downloaded from www.R3.org.uk/publications.

Yours faithfully
for and on behalf of Economy Energy Trading Limited



Eddie Williams
Joint Administrator

The affairs, business and property of Economy Energy Trading Limited are being managed by Eddie Williams, Jon Roden and Stuart Preston, appointed as joint administrators on 14 January 2019.

Enc

Our ref: EXW/BLA/RJJ/LKG/E20597059/
Your ref:

To the creditors

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB
T +44 (0)161 953 6900
F +44 (0)161 953 6901

7 March 2019

Dear Sir / Madam

Economy Energy Trading Limited - in administration (the Company)
High Court of Justice, Birmingham District Registry
No 8006 of 2019

1 Introduction

- 1.1 I was appointed joint administrator of the Company with Jon Roden and Stuart Preston by the directors on 14 January 2019. Please note that Jon Roden and I are authorised by The Institute of Chartered Accountants in England and Wales and Stuart Preston is authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.
- 1.2 Following on from our appointment, we are submitting our proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the administration.
- 1.3 This report contains the information required by rule 3.35 of the Insolvency (England and Wales) Rules 2016.
- 1.4 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.

2 Statutory information

- 2.1 The Company's statutory details are as follows

Registered number	07513319
Date of incorporation	1 February 2011
Authorised share capital	40,100
Issued share capital	40,100

Directors

Lubna Khilji

John McKenzie

Shareholding

Nil

Nil

Secretary

None

Shareholding

N/A

- 2.2 Economy Energy Holdings Limited (EEHL) is the 100% shareholder of the Company. Lubna Khilji is the Global Ultimate Owner (GUO) and person with significant control of EEHL.
- 2.3 The administration constitutes "main proceedings" under the EU Regulation on Insolvency Proceedings (article 3(1)) as the Company's registered office is and always has been in England and its management and principal trading activities are conducted in the United Kingdom.

3 Background

- 3.1 The Company's principal activity is the retail supply of gas and electricity to approximately 230,000 domestic gas and electricity customers, of which approximately 180,000 are pre-payment customers, and a nominal amount of supplies are provided to small to medium-sized enterprises (SME customers).
- 3.2 The Company was incorporated in 2011 with a view to providing affordable energy, whilst delivering excellent service to both pre-payment meter and credit customers. From 1 October 2012, the Company was a supplier of energy to domestic customers using prepayment meters only. In 2016, the Company began diversifying into domestic credit customers and from October 2016, it began to acquire significant numbers of credit customers.
- 3.3 The Company is based at Friars House, Manor House Drive, Coventry and also operates a contact centre from Abbey Park, Stoneleigh. The Company employed 203 staff across both sites at the time of administration.

4 Events leading to the administration

- 4.1 From late 2016, the Company's diversification into credit customers grew at a rapid rate and somewhat ahead of Company expectations. It became apparent that the billing system had a number of IT issues which made managing the number of customer accounts difficult.
- 4.2 Throughout 2017, the Company's customers generally consumed more energy than was received through their direct debit payments causing the Company some cash flow difficulties.
- 4.3 Attempts were made during 2018 to improve this position but on-going difficulties within the Company's billing systems made this challenging and resulted in a number of billing issues and subsequent customer complaints. The Company continued to trade because of strong revenue streams from its prepayment meter customers but these revenues fell in the summer of 2018 as a result of warmer weather.
- 4.4 In June 2018 the directors sought a sale of the Company with assistance from a corporate finance firm. Despite some interest from parties, no offers were received for the business.
- 4.5 The Company had a liability to the Office of Gas and Electricity Markets (OFGEM) due on 31 October 2018 for c.£17million in relation to Renewables Obligation Certificate (ROCs), a requirement for energy suppliers to source a proportion of the energy they supply from renewable sources. Prepayment revenues were significantly lower than expected as the warm weather continued throughout September and October 2018. As a result, the Company was unable to make this payment in full.
- 4.6 Other similar sized energy suppliers in the industry ceased to trade shortly after their failure to make the ROCs payment which is a matter of public record. This affected the Company's supply chain and a number of the Company's suppliers removed credit lines due to the uncertainty in the industry. For example, the Company was no longer able to pay for electricity in arrears and was required to pay in full at the point of placing an order which placed further pressures on the Company's cash flow.

- 4.7 In December 2018, the Company appointed advisors to explore options around re-financing the business. At this time, the Company's worsening cash position indicated that the business would need to raise funds before the end of January 2019. Whilst some interest was received, no funding proposals were forthcoming from any party.
- 4.8 On 4 January 2019, OFGEM issued a Provisional Order against the Company requiring some immediate improvements in the levels of customer service and placing restrictions on its ability to take on new customers or increase direct debits. The announcement was covered prominently in the media and resulted in other suppliers withdrawing or limiting credit lines. This further inhibited the Company's going concern status.
- 4.9 Grant Thornton UK LLP (Grant Thornton or we) met with the Company's directors on 2 January 2019 and was subsequently engaged to undertake administration planning work.
- 4.10 We worked alongside the directors over the next few days to understand alternative options available for the Company, including whether a going concern sale of any parts of the Company would be possible. With continuing creditor pressure, the cash requirements in the cash flow forecast and with the directors mindful of their fiduciary duties which continue prior to any appointment of administrators, a Notice of Intention to appoint Administrators (NOI) was filed at court on 4 January 2019.
- 4.11 As a licenced supplier of gas and electricity to domestic and SME customers, the Company was required to comply with the Energy Act 2004 (the Energy Act). This includes certain restrictions on insolvency procedures and continuing to trade. Under the Energy Act, a director is required to give notice to the Secretary of State and OFGEM that the Company is insolvent which took place late on 4 January 2019.
- 4.12 An administration cannot take effect without OFGEM approval for a period of 14 days. Although OFGEM can appoint an Energy Supply Company Administrator to ensure on-going customer service, an alternative option is to commence a Supplier of Last Resort (SoLR) process which transfers energy customers to a new provider and on completion of that process immediately withdraws the licence to supply gas and electricity.
- 4.13 The Company was required to provide certain information to OFGEM in advance of commencing any SoLR process. All information in respect of customers and billing requested by OFGEM was provided where available.
- 4.14 During the pre-appointment period, Grant Thornton undertook the following actions:
- discussions around the practicalities of other options for the Company
 - administration planning including liaising with secured creditors
 - exploring the possibility of the sale of some prepayment customers for value to a third party energy provider
 - assisting the Company with discussions with OFGEM regarding the SoLR process and revocation of the energy licence
 - advice and assistance with the preparation of a witness statement and applying to court as part of the SoLR process
- 4.15 A new supplier for the Company's customers was identified by OFGEM in the week commencing 7 January 2019. The Court confirmed on 10 January 2019 that OFGEM could begin steps to revoke the Company's energy licence on the grounds of its insolvency and complete the SoLR process. All customers transferred to OVO Energy Limited (OVO) with effect from the early hours of 12 January 2019.
- 4.16 With the SoLR transfer having completed, the Company's directors placed the Company into administration early on 14 January 2019.

- 4.17 We are satisfied that the pre-administration work carried out by Grant Thornton before our appointment has not resulted in any relationships which creates a conflict of interest or which threatens our independence, as joint administrators.

5 Progress of the administration to date

Strategy following appointment

- 5.1 On appointment the joint administrators undertook the following actions
- Made contact with OVO to discuss and assist with the transition of customer accounts process and understand if they required on-going assistance from the joint administrators to carry out their duties under the SoLR
 - Commenced discussions and planning to identify parts of the workforce required to assist with the administration strategy particularly in realising the Company's debtor book, being the main asset in the administration estate
 - Identified critical suppliers and contacted them to secure continuity of supply of services, where required
 - Liaised with key stakeholders to update them on the position
 - Notified staff of our appointment and plans to retain staff to support the SoLR process and formulate a strategy for the administration
 - Liaised with the Company's pre-appointment bankers in respect of its bank accounts and the collection of on-going receipts and monitoring of transactions with Company staff
 - Took initial steps to understand the position of the billing process and the work required to enable final bills to be processed
 - Set up a dedicated customer email inbox
 - Undertook statutory duties to notify various parties including creditors and employees of our appointment
 - The Company's main asset other than any cash at bank is the debtor book. Therefore the strategy of the administration is highly focused on maximising debtor collections

Debtors

- 5.2 The most significant asset of the Company is the book debts as at 11 January 2019. Debtors are comprised of credit customers whose direct debit payments were not sufficient to cover the consumption for the period up to the date of the SoLR process (or date at which customers switched to an alternative supplier).
- 5.3 All on-going customers transferred to OVO under the SoLR process with effect from 12 January 2019. As detailed below, the joint administrators and retained employees from the Company are currently working through the process of reconciling all customer accounts and producing final bills for all customers whether they had exited pre SoLR or (if not done so already) were transferred to OVO as part of the SoLR process. These final bills will inform whether the customer is owed money (a credit balance which will be honoured by OVO as part of the SoLR agreement) or owes money to the Company (a debit balance, or debtor to be paid by customers to the administration estate).
- 5.4 A number of customers will have been in the process of transferring to alternative energy suppliers in the normal course of business at the time of the SoLR process. This transfer process should complete under the supervision of OVO, but until that point customers will have received supply from the Company up to 11 January or from OVO after this date
- 5.5 According to the directors' statement of affairs the debtor book is estimated to be c£41million at the date of appointment

- 5.6 The Company has experienced a variety of significant challenges with its billing system, which has caused issues with bills being generated for customers. Historical billing issues may impact the collectability of the debtor book, but we understand that the Company had worked through a number of these issues prior to our appointment.
- 5.7 A proportion of the final debtor book relates to unbilled debt which are amounts owed by customers but a bill has not yet been generated in the billing system and sent to the customer. A full customer account reconciliation and final billing process is required to issue the customer final bills and finalise these debts.
- 5.8 Due to the IT infrastructure required for the billing process the joint administrators require third party input which is informing our on-going strategy.
- 5.9 In addition, the process of issuing a final bill is reliant on the provision of agreed final meter readings which will be provided by OVO, as they are responsible for the majority of customer interactions following the SoLR process. These final meter readings are expected to be received and agreed in the coming weeks.
- 5.10 It is therefore likely that the level of debtors will take some time to clarify as on-going issues are corrected and unbilled usage to the date of the transfer of customers to OVO is billed. As a result, our ability to estimate the level of potential asset realisations at this stage, and accordingly the outcome to creditors, is limited.
- 5.11 Since the date of appointment, the joint administrators have worked closely with the Company's employees to develop a strategy for final billing of c150,000 credit customer accounts and the collection of the resulting debts.
- 5.12 The joint administrators have been in discussions with various Debt Collection Agencies (DCAs) to assess the most appropriate strategy regarding the billing and debt collection process which will be required, this continues to be refined.

Cash at bank

- 5.13 The Company banked with HSBC Bank Plc (HSBC) and Lloyds Banking Group Plc (Lloyds)
- 5.14 At the date of administration, the Company had cash at bank of £7.6 million in its HSBC bank accounts. Of this, £7.1 million has been received into the administration estate, with the balance still held by HSBC to provide coverage for potential customer claims.
- 5.15 The Lloyds account held £0.3 million at the date of administration. This has been received into the administration account.

Suspense account – Monies awaiting reconciliation

- 5.16 Since the date of appointment, a further £3.8 million has been received in to the Company's pre-appointment bank account. These are payments received from customers which relate either to debtor collections, prepayment customer top ups or receipts from customers who, once the final billing process has been completed, will hold a credit balance.
- 5.17 Of the £3.8 million collected, £2.7 million is currently being held in a suspense account. £1.1 million was received from pre-payment meter top ups via the App, which relate to supply after the SoLR process was completed. These funds have been transferred to OVO.
- 5.18 A further £3.5 million is in the process of being transferred from the HSBC account to the administration estate.
- 5.19 Based on the Company's current estimated position of customer accounts, of the £3.5 million still to be transferred from HSBC and the £2.7 million currently held in suspense, we estimate that approximately £3.5 million is likely to be allocated against customer debts. The remainder is expected to be allocated against accounts in credit to be transferred to OVO to form part of the credit refunds. These amounts are currently based on unbilled estimates and are therefore subject to change. The joint administrators will provide further detail in the next report to creditors.

- 5.20 Any future receipts into the pre-appointment bank accounts will be transferred to the joint administrators periodically and allocated to the suspense account pending final billing and customer account reconciliations
- 5.21 Where customers have a credit balance (once the account has been final billed), the joint administrators will transfer any amounts received post appointment to OVO, which will form part of the credit balance refunds which they will be honouring as part of the SoLR process.

Cash held by third parties

- 5.22 At the date of administration, customer top up receipts totalling £3.4 million were held by third parties. These receipts were collected by the third parties just prior to the commencement of the SoLR process.
- 5.23 To date the joint administrators have received £1.6 million of this which has not yet been allocated to the Receipts and payments account (R&P) at the date of this report.
- 5.24 The joint administrators are continuing communication with these third parties to ensure all monies are located and remitted to the administration estate bank account, albeit a large amount of these balances will be due to OVO for on-going prepayment meter supply.

Office Furniture and IT equipment

- 5.25 Tangible assets represent the Company's IT equipment, furniture and other office equipment that have been independently valued by European Valuations and the initial view is that the equipment is of limited value.

Balances lodged with suppliers

- 5.26 The Company sourced their energy supply and infrastructure services from a wide industry supplier network. Industry suppliers request deposits/credit cover to supply the service to the Company.
- 5.27 The Company records show that there is £1 million lodged with these suppliers
- 5.28 We are currently liaising with these suppliers to substantiate the value of any credit cover that should be repaid to the Company. Once this process is complete, any balance of funds should be paid over to the administration estate.

Leasehold property

- 5.29 On appointment, the Company operated from two leasehold office premises. The headquarters based at Friars House, Manor House Drive, Coventry and the contact centre at Abbey Park, Stoneleigh.
- 5.30 The Company continues to operate from these premises during the administration period.
- 5.31 The joint administrators have not yet sought any formal legal advice on the matter, but it is unlikely that that there will be a leasehold premium available.

Rates refund

- 5.32 To date, the Company has received business rates refunds of £11,191 from Coventry City Council and Warwick District Council.

Other matters

Trading costs

- 5.33 The joint administrators are incurring costs in relation to the asset realisation process which are being recorded as trading costs in the attached R&P.
- 5.34 The R&P is currently showing a trading loss which will ultimately be offset against debtor collection proceeds and are necessary to reach a point where all accounts have been final billed and debtor collections can take place

OVO

- 5.35 Immediately on appointment, the joint administrators engaged with OVO to assist with the transition of customers from the Company to OVO.
- 5.36 It was agreed that a Transitional Service Agreement (TSA) would be put in place between the Company, the joint administrators and OVO. The TSA covers the customer service and financial elements of transitioning customers to OVO. The following points, amongst other items, are covered in the TSA
- The Company would retain staff at Abbey Park, to operate the contact centre on behalf of OVO to support customer queries following the SoLR transfer, with staff salary costs, together with office and IT costs being recharged to OVO. In addition, the joint administrators' supervision costs incurred for managing the operations at Abbey Park would be recharged to OVO, to ensure the creditors of the Company would not incur the costs for continued operation of the contact centre
 - The process for reconciling cash received from customers by one party that should be remitted to the other

Employees

- 5.37 The joint administrators retained the entire workforce immediately following appointment to support the transfer of customers to OVO to enable various financial and other information to be brought up to date and to allow an assessment of the on-going staffing requirements to support the administration. As a result of limited engagement with Ofgem and the SoLR, this element of planning had to be done after appointment.
- 5.38 The decision was made at the end of the first week of the administration to retain the departments that would assist with final billing, which included the IT and billing department, as well as a number of head office functions such as Finance and HR. 35 employees were retained at the Company's head office to carry out these activities.
- 5.39 OVO advised that they required contact centre support to assist with the transition of customers from the Company as they did not have the capacity in their call centre to deal with the spike of calls anticipated following the SoLR. A total of 120 staff were retained at the contact centre to support OVO.
- 5.40 Due to certain functions no longer been required, such as sales and commercial teams, it was necessary to make 48 staff redundant at the end of the first week of the administration.
- 5.41 There were no arrears of wages and all employees were paid up to the date of the administration prior to our appointment.
- 5.42 Since the initial redundancies, 67 employees have resigned from the Company and 88 employees remain in employment to assist with the administration.

Litigation

- 5.43 At the date of administration, the Company was subject to four on-going litigation matters of various sizes brought against it by various parties
- 5.44 The nature of these litigation claims are highly complex and include parties in addition to the Company. They are not discussed in detail as part of these proposals albeit one has ended as a consequence of the administration.
- 5.45 The joint administrators do consider that the extent to which any one or a number of these contingent claims crystallise could have an impact on the overall level of unsecured creditors set out in section 7.8.

VAT position/Tax

- 5.46 The joint administrators are currently working with VAT specialists to understand the VAT position. Further information will be provided in our next report. Our work includes consideration of the relevant VAT position with regards to billing the and potential for VAT bad debt relief claims.

6 Statement of affairs

- 6.1 The directors have prepared a Statement of Affairs of the Company. This is attached at Appendix A, together with a list of creditors, the amount of their debts and details of any security held.

7 Outcome for creditors

Secured creditors

- 7.1 The Company has granted a debenture dated 15 June 2015, including a fixed and floating charge over all assets in favour of HSBC. According to the Company's books and records, HSBC had no indebtedness at the date of appointment.
- 7.2 HSBC has continued to honour indemnity claims from customers during the administration period. As a result of HSBC's floating charge over the assets of the Company these payments are treated as a floating charge distribution in the R&P. The joint administrators have reconciled this position and there has been a distribution of £122k to date. The joint administrators will obtain validity of security advice in due course.

Preferential creditors

- 7.3 The only preferential claims that the joint administrators are aware of is for holiday pay due at the date of the administration and for unpaid pension contributions from the December payroll and pre appointment portion of the January payroll, totalling £6,334. The joint administrators will submit a claim for these unpaid pension contributions to the RPO. The Company's holiday year ran from January to December, and including some element of carried forward holiday balances it is estimated unpaid holiday at the date of the administration was £9,853.
- 7.4 It is anticipated that there will be sufficient realisations to enable a distribution to preferential creditors.

Prescribed part

- 7.5 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the company's net property (floating charge assets less cost of realisations) shall be made available to non-preferential unsecured creditors.
- 7.6 As a result of the expected level of realisations, funds available to unsecured creditors are anticipated to be in excess of the funds that would be set aside under the prescribed part provisions

Unsecured creditors

- 7.7 According to the directors' Statement of Affairs, non-preferential unsecured creditors total £67.6 million and can be summarised as follows:

Unsecured creditors

Creditor	Amount £
Customer accounts in credit	11,946,663
Employee Claims	600,000
Trade Creditors	18,005,051
HMRC – VAT/PAYE/NIC	550,000
Accruals (estimate for goods received not invoiced)	7,670,476
OFGEM - Feed in tariff	1,500,000
OFGEM - ROCs	27,064,305
Total	67,336,495

- 7.8 Customer accounts in credit relate to both former customers and customers who transferred to OVO under the SoLR process. As agreed with OFGEM and the Company prior to the SoLR process, OVO has agreed to honour these credit balances. OVO may subsequently claim in the administration for these amounts and the joint administrators will seek legal advice to assist with their position on this
- 7.9 Employee claims represent redundancy pay and contractual notice pay.
- 7.10 OFGEM creditors are in respect of amounts owing for the ROCs unpaid at 31 October 2018 and the estimated outstanding liability to Feed in Tariff and ROCs for the period to 11 January 2019.
- 7.11 At this stage, the quantum of any dividend is not yet known and the joint administrators will be more informed once the asset realisation process is further underway.
- 7.12 The timing of any distribution to unsecured creditors will depend on the timescales involved in the debt recovery process.

8 Proposals for achieving the objective of the administration

- 8.1 The joint administrators must perform their functions with the objective of
 - Rescuing the company as a going concern, or
 - Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors
- 8.2 In this instance, it was not possible to achieve a rescue of the Company as a going concern. The SoLR process took place prior to the administration, which transferred the customers and all on-going energy supplies to another supplier. The Company's licence was revoked therefore there was no on-going trade at the point of the administration.
- 8.3 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
- 8.4 Completing the final billing process and implementing an efficient debt collection strategy enables the statutory purpose to be achieved and is the best available outcome for creditors as a whole in these circumstances. The joint administrators do not believe asset realisations and potential returns to creditor would have been maximised should the Company have entered liquidation immediately.
- 8.5 For clarification, it is not currently envisaged that the book debts will be sold. Neither is it envisaged that any party will assume any of the existing liabilities, except to the extent that by law they are compelled to do. However, the joint administrators will not hereby be restricted in their freedom to structure any agreement in such manner as is advantageous to the creditors.
- 8.6 In conjunction with legal advisors, the joint administrators will continue to assess the nature and merits of the Company's defence to any proceedings brought against the Company, as far as they believe appropriate. The joint administrators will continue to be mindful of the need to balance the costs of continuing any defence, as against the potential detriment to creditors of not progressing these claims on the basis that funds should be available to the creditors following the conclusion of the administration.
- 8.7 It is proposed that the administration will end by the Company going into creditors' voluntary liquidation. If the Company is placed into creditors' voluntary liquidation, it is proposed that the administrators in office at that date will be appointed liquidators, any act in the liquidation to be done by any one or more of the liquidators. However, creditors may nominate a different liquidator or liquidators if nomination to that effect is received before the approval of these proposals

9 Investigations

- 9.1 Within three months of our appointment as joint administrators, as required by the Companies Directors Disqualification Act 1986, we will report to the Secretary of state the required facts about the Company's businesses and conduct of their directors (including those acting within the past three years).
- 9.2 We would be pleased to receive any useful information from any creditor concerning the Company, its dealings or conduct that may assist us in this role.

10 Costs of the administration to date

Agents and advisors

- 10.1 The joint administrators have engaged the following agents and advisors to assist in the pre-administration work.

Name	Activity	Fee basis	Costs incurred £	Disbursements incurred £
Squire Patton Boggs	Solicitors instructed to assist with the process of placing the Company into administration including support for the SolR process.	Time costs	39,269	346

- 10.2 The joint administrators have engaged the following agents and advisors to assist in the post administration work.

Name	Activity	Fee basis	Costs incurred £	Disbursements incurred £
Squire Patton Boggs	Solicitors instructed to assist with various legal matters regarding the administration of the Company. Including drafting TSA, legal advice on essential suppliers and employment law	Time costs	33,520	Nil
ERA Solutions Limited	Employments rights consultants instructed to assist with employment claims	Number of claims	6,820	Nil
Euro Valuations	Agents instructed to value plant and machinery and assist with the sale of these assets	Time costs	4,000	225
Ashurst LLP	Advising on litigation case against the Company	Time costs	Tbc	Tbc
Gateley Plc	Advising on litigation case against the Company	Time costs	2,226	Nil
DWF LLP	Advising on litigation case against the Company	Time costs	Tbc	Tbc
Quinn Emanuel Urquhart & Sullivan LLP	Advising on litigation case against the Company	Time costs	Tbc	Tbc

11 Joint administrators' pre-appointment and post-appointment remuneration and disbursements

- 11.1 The basis of the joint administrators' remuneration is to be fixed by the creditors. If a creditors' committee is appointed, then this is a matter for the committee. If no committee is appointed, a decision of the creditors will be required.
- 11.2 The joint administrators have chosen not to seek approval for post appointment remuneration at this stage due to the uncertainties and on-going nature of finalising the billing position of the Company. The joint administrators will seek approval for their remuneration, either from the creditors committee, if one is appointed, or through a decision of creditors, once further detail on the costs of the administration are known.

- 11.3 Pre-administration costs unpaid at the date of appointment of the joint administrators may be approved as under rule 3.52 to rank as an expense of the administration. Approval of the statement of proposals does not constitute approval either of the administrators' remuneration or of unpaid pre-administration costs.
- 11.4 The agreements under which the joint administrators' pre-appointment costs were incurred were as per a letter of engagement with the Company dated 3 January 2019 which was on a time cost basis setting out an estimate of £10k for our initial pre-appointment work and assessment of the position of the business only.
- 11.5 Following those initial meetings with the directors and further interactions with OFGEM the joint administrators gained a greater understanding of the work involved in the pre-appointment period. As a result, the directors agreed an amendment to the letter of engagement on 7 January 2019 which set out an increase to the pre-appointment time cost estimate to £60k plus VAT and disbursements.
- 11.6 As a result of the further requirements to support the Company with preparation of a witness statement confirming its insolvency, and due to the changing nature of the interactions with OFGEM and OVO as part of the SoLR process, our final pre-appointment time costs to 13 January 2019, on a time cost basis were £73,024 and no pre-appointment costs have been paid to date.
- 11.7 Accordingly, the joint administrators are seeking approval that unpaid pre-appointment costs of £73,024 plus VAT per the updated letter of engagement and disbursements of £1,086 plus VAT be paid as an expense of the administration.
- 11.8 The joint administrators also seek approval that expenses and disbursements incurred as part of the post administration work be paid. We have incurred disbursements of £3,702 during the post-appointment period.
- 11.9 Please see Appendix C for details of our pre-appointment remuneration, pre and post appointment expenses and payments made to associates in accordance with Statement of Insolvency Practice 9.

12 Decision of creditors

- 12.1 We attach notices for a decision of the creditors as they are required in respect of the resolutions below
 - 1 The approval of the joint administrators' proposals
 - 2 Whether a creditors' committee should be formed. Information concerning creditors' committees can be found in Liquidation / Creditors' Committees and Commissioners . A Guide for Creditors published by the Association of Business Recovery Professionals. This can be read at or downloaded from <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>
 - 3 That the joint administrators out of pocket expenses at cost; mileage is charged at 45p per mile, be approved.
 - 4 That Grant Thornton UK LLP's pre appointment costs of £73,024 plus VAT and disbursements of £1,086, and Squire Patton Boggs' pre-appointment costs of £39,269 plus VAT and disbursements of £346 be approved.
- 12.2 Any personal information held by the company will continue to be processed for the purpose of the administration and in accordance with the requirements of Data Protection law.

13 Contact

- 13.1 If you have any queries, please contact Georgia Beirne on 0121 232 5197.

Yours faithfully
for and on behalf of Economy Energy Trading Limited

A handwritten signature in black ink, appearing to read 'Eddie Williams', written over a horizontal line.

Eddie Williams
Joint Administrator

The affairs, business and property of Economy Energy Trading Limited are being managed by Eddie Williams, Jon Roden and Stuart Preston, appointed as joint administrators on 14 January 2019. The joint administrators act as agent of the company and without personal liability.

A Economy Energy Trading Limited - in administration
Estimated statement of affairs as at 14 January 2019

Statement of Affairs

Statement as to affairs of Economy Energy Trading Limited

Company number 07513319

On the 14 January 2019, being a date not more than 14 days before the date of the resolution for winding up

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name JOHN ALEXANDER MCKENZIE

Signed JAMcKenzie

Dated 5/3/19

A - Summary of Assets

Assets

		Book Value £	Estimated to Realise £
Assets subject to fixed charge		0	0
Assets subject to floating charge		0	0
Uncharged Assets			
Leasehold Improvements	(1)	86,963	-
Fixtures and Fittings	(1)	87,695	-
Computers	(1)	390,187	25,000
Security Deposits	(2)	1,285,326	200,000
Bank Account	(3)	7,952,328	7,952,328
Cash held by Third Parties	(4)	3,475,035	2,439,440
Debtors - Industry	(5)	84,326	77,730
Debtors - Group companies	(6)	3,220,000	-
Debtors - Former customers	(7)	8,779,505	2,194,876
Debtors - Customers transferred to SoLR	(8)	29,768,220	22,326,165
Estimated total assets available for preferential creditors		55,129,584	35,215,538

Signature

JAMC

Date

5/3/19

A1 - Summary of Liabilities

	£	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)		35,215,538
Liabilities		
Preferential Creditors:-		
Arrears of wages & holiday pay (9)	(10,000)	
Estimated deficiency/surplus as regards preferential creditors		35,205,538
Estimated prescribed part of net property where applicable (to carry forward)	0	
Estimated total assets available for floating charge holders		35,205,538
Debts secured by floating charges	0	
Estimated deficiency/surplus of assets after floating charges		35,205,538
Estimated prescribed part of net property where applicable (brought down)	0	
Total assets available to unsecured creditors		35,205,538
Unsecured non-preferential claims (excluding any shortfalls to floating charge holders)		
Customer accounts in credit (10)	(11,946,663)	
Employee Claims (11)	(600,000)	
Trade Creditors (12)	(18,005,051)	
HMRC - PAYE/NIC (13)	(150,000)	
HMRC - VAT (14)	(400,000)	
Accruals (15)	(7,670,476)	
Feed in Tariff provision (16)	(1,500,000)	
Renewables Obligation provision (17)	(27,064,305)	
Investigations/Litigation provision (18)	unknown	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(32,130,956)
Shortfall to floating charge holders (brought down)	0	
Estimated deficiency/surplus as regards creditors		(32,130,956)
Issued and called up capital	(40,100)	
Estimated total deficiency/surplus as regards members		(32,171,056)

Signature

JAN 2019

Date

5/3/19

Notes to Schedule of Assets and Liabilities

Note 1 - Fixtures and Fittings, Leasehold Improvements and IT Equipment

It is not considered that any value can be recovered from the various leasehold improvements or furniture at either Friars House or Abbey Park. The computers at Friars House and Abbey Park have a small value and IT equipment held in two data centres may have some value.

Note 2 - Security Deposits

Cash security deposits were lodged with a number of industry parties. It is expected that most of this will be off-set by these parties against amounts owing. This has been reflected in the trade creditor figure

Note 3 - Bank account

The Company held cash of £7,952,327.69 in its bank accounts as of 11 January 2019. Realisation may be subject to deductions of customer charge backs

Note 4 - Cash held by third parties

Itron, Paypoint and Global Pay all held customer top-up receipts from the period just before 11 January. It is expected that these organisations will retain some of these receipts to set-off against amounts owed to them. The estimated value to realise is after adjusting for this - the trade creditors figure has been adjusted accordingly.

Note 5 - Debtors - Industry

There are some amounts owing relating to power purchase transactions

Note 6 - Debtors, Group companies

As the principal trading company, Economy Energy Trading Limited provided loans to other group companies to cover operating expenses. None of these entities has any assets of value

Note 7 - Debtors, former customers

This relates to customers who left Economy Energy before 11 January 2019 and includes an estimate of their final amount owing if a final bill had not been issued before 11 January 2019

Note 8 - Debtors, customers transferred to the SoLR

This relates to debit balances on customers accounts that were transferred to OVO Energy. It includes an estimate of any unbilled charges to 11 January 2019.

Note 9 - Arrears of wages and holiday pay

Employees were all paid up to 11 January 2019. There is a small amount of accrued but untaken holiday.

Note 10 - Customer accounts in credit

This relates to both former customers and customers who transferred to OVO Energy under the SoLR process. OVO Energy has agreed to honour these balances but may subsequently claim against the Company for these amounts.

Note 11 - Employee Claims

Employees may claim for redundancy pay and their notice period.

Note 12 - Trade Creditors

This is based on the Company's purchase ledger of invoices received

Note 13 - HMRC - PAYE/NIC

PAYE and NIC is due for the period relating to December 2018 and up to 11 January 2019

Note 14 - HMRC, VAT

There is a net balance of approximately £400,000 of VAT owing

Note 15 - Accruals

This represents the expected value of invoices yet to be received for goods and services received or provided before 11 January 2019.

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JAM: 5/3/19

Note 16 - Feed in Tariff Provision

This is an estimate of the Company's outstanding liability to FIT for the period to 11 January 2019.

Note 17 - Renewables Obligation Provision

This is a combination of amounts owing for the Renewable Obligation unpaid at 31 October 2018 and an accrual for the estimated cost based on energy supplied to 11 January 2019.


Note 18 - Investigations/Litigation provision

The Company was involved in a regulatory investigation and some commercial litigation at various stages of the process. It is unknown what the outcomes of these matters will be.

Signature JAMCden Date 5/3/19

A/C	NAME	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
AMEY	Amey The Sherad Building Edmund Hakkey Road Oxford OX4 4DQ	8,182			
ASF001	As Fresh As A Daisy As Fresh As A Daisy 85 Tonbridge Road Coventry CV3 4AX	312			
ASH001	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA	441,362			
BSA001	B & A Dairies Ltd Unit B Quinn Close Seven Stars Ind Est Coventry Warwickshire CV3 4LH	396			
BALDWINM	Baldwin McCranor Ltd Clifford House 38-44 Binley Road Coventry CV3 1JA	15,420			
BAN002	BANNER K House Sheffield Business Park Europa Link, Sheffield S9 1XU	0			
BLU001	Blue Mountain Water PO Box 4104 Birmingham West Midlands B16 8DQ	59			
BLU003	BLUE SQUARE UTILITIES LTD THE TOWN HALL CHAMBERS WALLSEND TYNE AND WEAR NE28 7AT	28,985			
BOTTOMLI	Bottomline Technologies Ltd 115 Chatham Street Reading RG1 7JX	7,266			
BRI001	British Telecom 81 Newgate Street London EC1A 7AJ	679			
BRI002	BRITISH GAS LTD BAMPTON HOUSE BAMPTON COURT, HURSLEY ROAD CHANDLERS FORD SO53 2TA	94,180			
BSU05	National Grid - 2188694 1-3 Strand London WC2N 5EH	544,571			
CAD001	CADENT GAS LIMITED Asbrook Court Prologis Park Coventry CV7 8PE	12,340	£7,749 01 Cash lodged as security (Creditor balance adjusted)	21/10/2016 21/10/2016 10/01/2017 29/03/2017 27/04/2018	927 2,023 2,050 600 587

Signature



Date

5/3/19

A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
				04/05/2018	587
				10/05/2018	648
				01/06/2018	251
				31/08/2018	77
CHA001	Chans Grants LTD 3rd floor Trinity Court Trinity Street Peterborough Cambridgeshire PE1 1DA	129,081			
CHI001	CHILLARE LTD Units 1 & 2 Veasey Close Attleborough Fields Ind Est Nuneaton CV11 6RT	216			
CML	Capital Meters Limited Suites 3 & 4 Warners Mill Sisks Way Braintree Essex CM7 3GB	183,639			
CON002	Contract Natural Gas Limited CNG house 5 Victoria Avenue Harrogate North Yorkshire HG1 1EQ	4,468,709 1,392,297	£182,215 lodged as security (creditor balance adjusted) (This figure is an estimate of Mark to Market position at 11/01/19)	28/02/2018	182,215
DAT001	DATASERVE UK SP Dataserve Ltd Ochil House, 10 Technology Avenue Blantyre G72 0HT	18,820			
DIF001	DIFFERENCE CORPORATION LTD MERLIN HOUSE LANGSTONE BUSINESS PARK NEWPORT Gwent NP18 2HJ	52,619			
DIRECTRE	Direct Response 3 Angel Walk London V6 9HX	2,742			
DJS001	DJS Research 3 Pavilion Lane Strines Stockport SK6 7GH	3,960			
DWF	DWF 2 Hardman street, Manchester M3 3AA	8,823			
EASTERN	Eastern Power Networks PLC Energy House Hazelwick Plaza Three Bridges Crawley, West Sussex RH10 1EX	526,485			
EDF001	EDF Energy Atlantic House Henson Road Three Bridges RH10 1QQ	11,507			
EGE001	E (Gas and Electricity) Ltd T3 Trinity Park	250,000			

Signature

Date

5/3/19

A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
	Birmingham B37 7ES				
ELE001	Electralink Ltd Ground Floor Grafton House 2/3 Golden Square London W1F 9HR	6,917			
ELE002	Elexon Ltd 4th Floor 350 Euston Road London NW1 3AW	740,785	£430,000 cash lodged as security (creditor balance adjusted)	pre April 2018 22/10/2018 04/12/2018 06/12/2018	80,000 100,000 100,000 150,000
ELE003	Electricity North West Electricity North West Limited DUOS Income Services Frederick Road Salford M6 6QH	364,895			
ELECNET	The Electricity Network Co Energy House Woolpit Business Park Woolpit Bury St Edmunds, Suffolk IP30 9UP	18,167			
ENE001	ENERGY ASSETS LTD 6 Almondvale Business Park Almondvale Way Livingston EH54 6GA	349			
ENER	Energetics Electricity Ltd International House Stanley Boulevard Hamilton International Technology Park Glasgow G72 03N	5,600			
ENT003	Enterprise RAC UK Ltd Unit 1 Bryant House Washford Drive, Park Farm Redditch B98 0RX	591			
EON001	E.ON UK Sherwood Park Little Oak Drive Annesley Nottinghamshire NG15 0DR	1,160,712			
EPIQ001	EPIQ Systems LTD 11 Old Jewry 4th Floor London EC2R 8DU	81,328			
EQU001	Equator Scotland Ltd 58 Elliot St Glasgow G3 8DZ	8,312			
EQU005	Equifax Ltd First Floor 6 Wellington Place Leeds LS1 4AP	2,705			
ESP001	ESP Electricity Limited Hazeldean Station Road Leatherhead	6,400			

Signature JANAKIA

Date 5/3/15

A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
	KT22 7AA				
EX0001	Extenc Metering 6 Almondvale Business Park Almondvale Way Livingston EH54 6GA	6			
FIR001	F1 Real Estate Management Ltd Canal Mill Botany Brow Chorley Lancashire PR6 9AF	240,383			
FIR002	First Utility Limited Plot: 3 Opus Business Park Haywood Road Warwick CV34 5SH	658			
FOR001	FORESIGHT METERING THE SHARD 32 LONDON BRIDGE STREET LONDON SE1 9SG	6,697			
FUN001	Fundraising Innovations The Cart Wagon Lodge Friday Street Farm, Friday Street East Sutton Kent	2,500			
GBGR001	GB Group Plc The Foundation, Herons Way Creston Business Park Creston CH4 9GS	74			
GEMS001	Gemserv Ltd 10 FENCHURCH STREET LONDON EC3M 3BE	1,590			
GTC001	GTC INDEPENDENT POWER NETWORKS LTD ENERGY HOUSE WOOLPIT BUSINESS PARK WOOLPIT SUFFOLK IP20 9UP	6,876			
HAR003	HARLAXTON ENERGY NETWORKS LTD TOLL BAR ROAD MARSTON GRANTHAM LINCOLNSHIRE NG32 2HT	207			
IMO001	IMOBISOFT LTD Coventry University Technology Park Puma Way Coventry CV1 2TT	16,500			
IMS001	IMServ Europe Ltd Sco p.o Rockingham Drive Linford Wood Milton Keynes MK14 6LY	159			
INT000	IntraLink 150 EAST 42ND STREET NEW YORK CITY 10017	3,053			
JOB001	JobSite UK Ltd Langstone Technology Park	1,600			

Signature

[Handwritten Signature]

Date

5/2/19

A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
	Langstone Road Havant Hampshire PO9 1SA				
KPM001	KPMG LLP Dep 791 58 Clarendon Road Watford WD17 1DE	27,000			
LBS001	L & S Litho Printers Ltd 11/27 Arrol Place London Road Glasgow G40 3NY	7,468			
LONDON	London Power Networks PLC Energy House Hazelwick Plaza Three Bridges Crawley, West Sussex RH10 1EX	386,752			
LOW001	Love2Shop Valley Rd Birkenhead Merseyside CH11 7ED	80			
LOW001	Lown Beck Services Ltd Mayor's Quay Swan Meadow Road Wigan WN3 5BB	707,194			
LOW003	Lown Beck Services Ltd Mayor's Quay Swan Meadow Road Wigan WN3 5BB	419,802			
LOW004	Low Carbon Contracts Co Ltd Fleetbank House 26 Salisbury Square London EC4Y 8JX	55,539	£250,000 cash lodged as security (Creditor balance adjusted)	11/01/2016 30/09/2016 28/12/2016 03/04/2017 29/09/2017 29/12/2017 29/03/2018 24/09/2018 - 04/01/2019 -	8,000 17,000 43,000 7,000 95,000 195,000 180,000 180,000 115,000
MAC001	Macquane Meters 3 UK Ltd Unit 8 Griggs Business centre West Street Coggeshall Essex CO6 1NT	317,428			
MAP002	MapleCo1 PO Box 609 Honey RH6 9HJ	7,280			
MAREXSPE	Marx Spectron 155 Bishopsgate London EC2M 3TQ	4,889			
MET001	Meter Corp Communication House Victoria Avenue Camberley, Surrey GU15 3HX	12,317			

Signature

JANAK

Date

5/3/19

A/C	Narr32	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
MET04	Meter Fit 4 LTD 5th Floor 1 Marsden Street Manchester M2 1HW	152,377			
METERF10	Meter Fit 10 Ltd 5th Floor 1 Marsden Street Manchester M2 1HW	26,485			
METERF20	Meter Fit 20 LTD 1 Marsden street Manchester M2 1HW	2,318			
METERF5	Meter Fit 5 Ltd 5th Floor 1 Marsden Street Manchester M2 1HW	69,059			
METERF11	Meter Fit (North East) Limited 5th Floor 1 Marsden Street Manchester M2 1HW	127,254			
METERF12	Meter Fit 2 Limited 5th Floor 1 Marsden Street Manchester M2 1HW	35,939			
METERF13	Meter Fit 3 Limited 5th Floor 1 Marsden Street Manchester M2 1HW	200,590			
METERF1A	Meter Fit Assets Ltd 5th Floor 1 Marsden Street Manchester M2 1HW	67,704			
METERFIT	Meter Fit (North West) Limited 5th Floor 1 Marsden Street Manchester M2 1HW	210,406			
MIDLANDF	Midland Fire Ltd Lido House Sawyer Road Shutley, Solihull West Midlands B50 2BJ	56			
MON003	Money Supermarket MoneySupermarket House St Davids Park Ewloe, Flintshire CH5 3UZ	170,870			
MON005	Money Expert Ltd 1st Floor Holly House Vale, Jide Park Cottonhill Rd South GU7 1XE	9,690			
NAT001	National Grid - 2145182 PO Box 5516 Wokingham	1,315,308			

Signature J. Anderson

Date 5/6/19

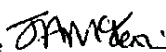
A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
	WV1 9NZ				
NATCD3	National Grid Smart - Cust 3 1-3 Strand Levens W.CIN 5EH	606,399			
NEX001	Nexum Software Limited 8 Swift Centre 41 Imperial Way Croydon Surrey CR0 4RL	26,944			
NOR001	Northern Powergrid Plc (NE) - 3119999 Maror House Station Road New Peshaw, Houghton Le Spring Co Durham DH4 7LA	1,839,829			
NORTHERN	Northern Powergrid (Yorks') Plc - 9179999 Maror House Station Road New Peshaw Houghton-le Spring, Co Durham DH4 7LA	452,308			
NPO001	Npower Windmill Hill Business Park Whitehill Way Stratford, Wiltshire SN5 6PB	9,645			
OMB001	Ombudsman Service Ltd 330C Daresbury Park Daresbury WARRINGTON WA4 4HS	788,150			
ONS001	On Stream Units 3 & 4 Warners Mill Saks Way Brightree Essex CM7 3GB	674,755			
ORI003	Orcl Collections Ltd 3 Manchester Park Tevkesbury Road Cheltenham GL51 9EJ	1,466			
ORS001	Office Recycling Solutions Ltd Ryckold Trading Estate Derry Road Burton on Trent DE14 1RZ	12			
PENINULA	Peninsula The Peninsula 2 Creetham Hill Road Manchester M4 4FB	835			
PHS	PHS Block B, Western Industrial Estate Caerphilly CF83 1XH	70			
PITNEYBO	Pitney Bowes Finance limited po box 6569 Harlow cm20 2fq	488			

Signature JAMCKEN

Date 5/3/19

A/C	Notes	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
PLA003	Plastic Card Services Ltd 234 Humberstone Lane Thurmaston Leicester LE4 6LN	16,761			
PR1002	KVA PROPERTY MANAGEMENT LTD Chartered Surveyors Suite 3 Old Anglo House Milton Street Shrewport On Severn DY12 9AQ	74,901			
PX1001	PX Holdings/E24 Limited p/house Westport Road Stockton On Tees TS17 6BF	9,291			
QUI001	Quinn Emanuel Trial Lawyers 1 Fleet Place London EC4A 3DF	800,850			
SAG001	Sage UK Ltd North Park Newcastle upon Tyne NE13 9AA	220			
SCO001	Scottish Power Energy Retail Ltd 1 Airlie Quay Glasgow G2 1SP	53,219			
SCO002	SSE Metering Hydro Southern Electric SSE Unit G12 Rush Avenue Thornhill Industrial Estate Forthgladd CF37 5YL	339,900			
SECC01	Secure Meters (UK) Ltd Secure House Roope Road Worcester Worcestershire SO33 7RX	264,927			
SIE001	SIEMENS FARADAY HOUSE SIR WILLIAM SIEMENS SQUARE FARNLEY CU10 6QQ	262,964			
SMA001	Smart DCC Ltd 2nd Floor Box House 42-47 Monnes Leamington EC2N 1DY	83,719	£215,577 cash lodged (Creditor balance adjusted)	26/02/2015 30/04/2015 06/11/2015 19/01/2016 18/04/2016 31/10/2016 17/02/2017 08/01/2019	7,748 11,937 3,000 19,623 64,420 44,851 64,290 1,708
SMA005	Smart Energy GB 1 Airlie Mews London W1T 7AA	53,062			
SMA011	Smart Meter Assets 1 Ltd 1 Farnley The Quay Bristol BS1 6SD	64,266			

Signature



Date

5/3/15

A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
SMS001	SMS Energy Services Ltd Prenna House Cope Walk Cardiff Gate Business Park Cardiff CF23 8XH	671			
SOUTHE	South Eastern Power Networks PLC Energy House Hazelwick Plaza Trove Bridges Cirencester, West Sussex RH10 1EX	340,082			
SOV001	Sovereign Office Equipment Co Ltd Muckton Hill Trading Estate Muckton Hill Halesowen B62 8DF	2,014			
SPD001	SP Distribution plc 1st Floor 53 Ridgeway Dr Cambuslang G12 8FR	354,274			
SPE002	SP Manweb Plc Celtic House Technology Avenue Hamilton International Technology Park High Blantyre G72 0HT	478,920			
SSE001	SSE 55 Vastern Road Reading RG1 8BU	616,546			
SSE002	SSE Energy Supply Ltd- (Infrastructure Charges) 55 Vastern Road Reading RG1 8BU	24,634			
STAD03	STA INTERNATIONAL 3rd FLOOR, COUMAN HOUSE KING STREET, MAIDSTONE KENT ME14 1DN	994			
THO003	Thomas Higgins Limited Lloyds Chambers 15-21 Seaview Road Walsley CV45 4TH	189			
TRU001	TrustPilot TrustPilot Pulstræde 5B 1112 Copenhagen Denmark	3,000			
UKMETERA	SMS Meter Assets Ltd 2nd Floor 48 St Vincent Street Glasgow G2 5TS	100,727			
UTI003	Utilia Field Services Ltd Secure House Floors de Road Widnes Cheshire EO23 7RX	147,132			

Signature

JAMC

Date

5/3/15

A/C	Name	Amount of Debt £	Details of any security held by creditor	Date Security Given	Value of security £
UTI010	Utilitysoft Ltd Unit House East Terrace Euxton Lane Chorley PR7 6TE	70,082			
VET001	Veteran CTO Ltd 12 Hill Road Dutton Green Sawtooths Ramsay TH11 3UZ	1,080			
WAL001	Wales and West Utilities Ltd Wales & West House Spencer Close Celtic Springs, Coedkernew Newport NP10 8FZ	5,056			
WES001	Western Power Distribution (DUOS) PO Box 231 Eldon Road Frimley FL1 0RU	1,646,866			
WESTERNP	Western Power Distribution (MAP & Rev Pro) Accounts Receivable PO Box 231 Eldon Road Frimley FL1 0RU	66,693			
WOM	Womble Bond Dickinson 1 Whitehall Riverside Leeds LS1 4BN	14,640			
WOO001	Dean Woodhouse (ESN Car Sales) Rear of Darby & Sons Torrington Avenue Tidwell CV4 9SX	161,581			
WOR001	Wordpay UK Ltd Victory House Fins Avenue Cuteyhead NE11 0EL	200			
XOSERVE	Xoserve 1-3 Strand London WC2N 6EH	1,651			

Signature JAMC

Date 5/3/19

B Economy Energy Trading Limited - in administration
Receipts and payments account for the period 14 January 2019 to 1 March 2019

**Economy Energy Trading Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 14/01/2019 To 01/03/2019 £	From 14/01/2019 To 01/03/2019 £
TRADING EXPENDITURE		
Telephone	9,727.17	9,727.17
Professional Fees	16,300.00	16,300.00
Repairs & Maintenance	250.00	250.00
Petty Cash	500.00	500.00
Property Expenses	386.78	386.78
IT costs	77,374.33	77,374.33
PAYE/NI	35,467.15	35,467.15
Net Wages	235,804.44	235,804.44
Other Payroll Deductions	3,643.95	3,643.95
Sundry Trading Expenses	187.86	187.86
Employee Expenses	177.45	177.45
	<u>(379,819.13)</u>	<u>(379,819.13)</u>
 TRADING SURPLUS/(DEFICIT)	 <u>(379,819.13)</u>	 <u>(379,819.13)</u>

Economy Energy Trading Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 14/01/2019 To 01/03/2019 £	From 14/01/2019 To 01/03/2019 £
ASSET REALISATIONS		
Rates Refund	11,191.48	11,191.48
Cash at Bank	7,429,978.22	7,429,978.22
Suspense account	2,760,095.93	2,760,095.93
Miscellaneous Receipts	4.35	4.35
Trading Surplus/(Deficit)	(379,819.13)	(379,819.13)
Monies due to OVO	1,119,350.35	1,119,350.35
	<u>10,940,801.20</u>	<u>10,940,801.20</u>
COST OF REALISATIONS		
Monies due to OVO	1,119,350.35	1,119,350.35
Statutory Advertising	73.55	73.55
Bank Charges	27.60	27.60
	<u>(1,119,451.50)</u>	<u>(1,119,451.50)</u>
FLOATING CHARGE CREDITORS		
Floating Charge Creditor - HSBC	121,592.71	121,592.71
	<u>(121,592.71)</u>	<u>(121,592.71)</u>
	<u>9,699,756.99</u>	<u>9,699,756.99</u>
REPRESENTED BY		
VAT on Purchases		20,685.26
HSBC Floating Account		9,691,912.33
Trade Creditors		(12,840.60)
		<u>9,699,756.99</u>

C Economy Energy Trading Limited - in administration
Statement of Insolvency Practice 9 disclosure: payments, remuneration and expenses to the administrators or their associates

Payments, remuneration and expenses to the joint administrators or their associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- pre-appointment costs
- work done by the joint administrators and their team during the pre-appointment period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate

Prior to appointing the joint administrators, by way of engaging Grant Thornton UK LLP, were engaged by the directors of the Company through an engagement letter (the Agreement) dated 3 January 2019, under which the fee basis was actual time spent on the engagement at our normal scale rates and out of pocket expenses and VAT at the appropriate rate be added to our fees. Creditor approval is sought for the payments as described below of the pre-administration fees and expenses. Notice of the respective decision procedure is enclosed.

Details of the pre-appointment costs are provided below:

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Grade	Hrs	£	Name of payer and relationship to estate	Paid	Pre/post administration	Unpaid
Grant Thornton UK LLP fees	<ul style="list-style-type: none"> Administration eligibility assessment Pre-appointment formalities and practicalities Meetings and discussion with directors in relation to the proposed administration Assisting with strategy and planning for the appointment of administrators Assisting with OFGEM discussions regarding the SolR and revocation of energy licence 	<ul style="list-style-type: none"> To confirm that an objective of administration could be achieved and that administration, therefore, was an option for the company To assist management with preparation, issue and filing of required documents and notices; liaising with key stakeholders; and to advise directors (as a board) of their general responsibilities with regard to insolvency Under the Energy Act 2004, a director is required to give notice to the Secretary of State and OFGEM that the Company is insolvent. As a result, administrators cannot be appointed until OFGEM have arranged to transfer customers to a SolR 	Partner Manager Executive Administrator Total	48 107 27 0 181	24,145 42,791 6,088 0 73,024				73,024
Grant Thornton UK LLP expenses	<ul style="list-style-type: none"> Meetings with directors on site 		Mileage Parking and tolls Subsistence Total		810 223 23 1,056				810 223 23 1,056

Squire Patton Boggs	<ul style="list-style-type: none">Assist with the formalities of placing the Company into administrationProvide pre-appointment legal advice on a variety of matters	<ul style="list-style-type: none">Solicitors were required to assist with the appointment of administratorsLegal advice was sought on a variety of matters by the Company and the proposed joint administrators, which assisted with the administration strategy of maximise realisations to creditors	Time costs	39,269
			Disbursements	346
			Total	39,615

Notes:

- Partner includes director
- Manager includes associate directors and managers
- Executive includes assistant managers and executive

Post-appointment costs

Fee basis of the joint administrators

As at the date of this report, the fee basis has not been set.

Statement of expenses and disbursements incurred in the Period (post appointment)

This table provides details of expenses and disbursements incurred in the period 14 January 2019 to 22 February 2019 in connection with the work done by the joint administrators.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Agents and Advisors Post appointment			
Squire Patton Boggs	33,520	33,520	Nil
Euro Valuations	4,000	4,000	Nil
Gateley Plc	2,226	2,226	Nil
Ashurst LLP	tbc	tbc	Nil
DWF LLP	tbc	tbc	Nil
ERA Solutions Limited	6,820	6,820	Nil
Category 1 disbursements			
Insolvency practitioners' bond			
Subsistence	1,138	1,138	Nil
Travel	658	658	Nil
Category 2 disbursements			
Mileage	1,905	1,905	Nil
Total expenses and disbursements	3,701		

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the joint administrators' receipts and payment account at Appendix B

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table above.

Sub-contracted out work

During the Period we have sub-contracted out the following work that could otherwise have been carried out by us or our team:

Sub-contractor	Work sub-contracted out	Reason(s) for sub-contracting out	Cost incurred (£)
ERA Solutions	<ul style="list-style-type: none">Employee liaison and claims	<ul style="list-style-type: none">Lower costs to the estate	£6,820

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none">Tax work/advicePensions work/advice	<ul style="list-style-type: none">Time costs per hourly charge rates above

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as joint administrators, which may give rise to a potential conflict.

Information for creditors

Provided below is information to help creditors to understand their rights in insolvency and regarding officeholders' fees, and the roles and functions of committees.

R3 is the trade association for the UK's insolvency, restructuring, advisory and turnaround professionals. Amongst other things, R3 has made available written guidance for stakeholders affected by insolvency, in particular creditors, for some of which the web links are provided below.

Where web links are provided for the information, we will supply this information by post, free of charge on request.

'Office holder' means, for example, the appointed administrator(s), liquidator(s) or trustee(s) in bankruptcy.

R3 creditor guides

- Rights of creditors during an insolvency process guides. <https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>
- Background information regarding the fees of officeholders: <https://www.r3.org.uk/what-we-do/publications/professional/fees>
- Liquidation/Creditors' committees and commissioners: <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

Creditors' and members' rights to request information about remuneration or expenses under r18.9 of the Rules

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question),
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court, or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by

- (a) providing all of the information requested,
- (b) providing some of the information requested, or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if:

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings,

- (c) disclosure of the information might reasonably be expected to lead to violence against any person, or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of:
- (a) the office-holder giving reasons for not providing all of the information requested, or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Creditors' and members' rights to challenge the office-holder's remuneration and expenses under r18.34 of the Rules

- (1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that:
- (a) the remuneration charged by the office-holder is in all the circumstances excessive,
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:
- (a) a secured creditor,
 - (b) an unsecured creditor with either:
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

Economy Energy Trading Limited - In Administration

Notice of vote by correspondence

Company name	Economy Energy Trading Limited
Company number	07513319
Court name and number	High Court of Justice, Birmingham District Registry 8006 of 2019
Decision date	26 March 2019

NOTICE IS HEREBY GIVEN that under paragraphs 51 and 57 of Schedule B1 to the Insolvency Act 1986, decisions of the creditors are sought as follows

- 1 The approval of the joint administrators' proposals
- 2 Whether a creditors' committee should be formed
- 3 That the joint administrators out of pocket expenses at cost; mileage is charged at 45p per mile, be approved.
- 4 That Grant Thornton UK LLP's pre appointment costs of £73,024 plus VAT and disbursements of £1,086, and Squire Patton Boggs' pre-appointment costs of £39,269 plus VAT and disbursements of £346 be approved.

A creditor who is entitled to vote should return the voting form provided with this notice to Eddie Williams at Grant Thornton UK LLP, 4 Hardman Square Spinningfields, Manchester, M3 3EB or as an attachment to an email to cmu@uk.gt.com no later than 23 59 on the decision date.

In order for a creditor's vote to be valid a proof of debt must be received no later than the decision date, failing which the creditor's vote will be disregarded. A proof of debt should be delivered to Eddie Williams at Grant Thornton UK LLP, 4 Hardman Square Spinningfields, Manchester, M3 3EB or as an attachment to an email to cmu@uk.gt.com. A new proof of debt is not required if the creditor has previously proved in the proceedings. A proof of debt form is enclosed for completion if required.

A creditor whose debt is treated as a small debt in accordance with rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must deliver a proof of debt if they wish to vote unless a proof of debt has previously been submitted, failing which the vote will be disregarded.

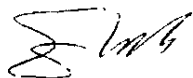
A creditor who has opted out from receiving notices may nevertheless vote if a proof of debt is delivered unless a proof of debt has previously been submitted, failing which the vote will be disregarded. A vote cast in a decision procedure which is not a meeting may not be changed.

A decision of the convenor is subject to appeal to the court by any creditor in accordance with rule 15.35 of the Insolvency (England and Wales) Rules 2016. An appeal under this rule may not be made later than 21 days after the decision date.

A physical meeting will be held to replace this vote by correspondence if requested not later than five business days after the date of delivery of this notice by not less than one of the following:

- 10% in value of the creditors,
- 10% in number of the creditors,
- 10 creditors

DATED THIS 7th day of March 2019



Eddie Williams
Joint Administrator

VOTING FORM

Company name Economy Energy Trading Limited

Please indicate below whether you are in favour of or against the resolution.

This form must be received at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to cmu@uk.gt.com by 23.59 on 26 March 2019 in order to be counted. It must be accompanied by a proof of debt, unless you have previously submitted a proof of debt, failing which your vote will be disregarded.

Resolution(s)

- | | | |
|---|--|-------------|
| 1 | That the joint administrators' proposals be approved | For/Against |
| 2 | Do you want a creditors' committee to be formed? | Yes / No |

If a creditors' committee is formed I/we
nominate the following creditors to serve as members of such committee

- 1
- 2
- 3
- 4
- 5

- | | | |
|---|---|-------------|
| 3 | That the joint administrators' out of pocket expenses at cost; mileage is charged at 45p per mile, be approved | For/Against |
| 4 | That Grant Thornton UK LLP's pre-appointment costs of £73,024 plus VAT and disbursements of £1,086 and Squire Patton Boggs' pre-appointment costs of £39,269 plus VAT and disbursements of £346 be approved | For/Against |

A creditor is eligible to be a member of such a committee if, the person has proved for a debt; the debt is not fully secured; and neither of the following apply: the proof has been wholly disallowed for voting purposes, or the proof has been wholly rejected for the purpose of distribution or dividend. No person can be a member as both a creditor and a contributory. A body corporate may be a member of a creditors' committee, but it cannot act otherwise than by a representative appointed under rule 17.17 of the Insolvency (England and Wales) Rules 2016.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of Creditor. _____

Signature: _____

Date (D.MM.YYYY) _____

(If signing on behalf of the creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your vote, please contact Matthew Drinkwater at the address above. Please note that once cast, a vote cannot be changed or withdrawn.

Office use only.

Date Completed form received
(D.MM.YYYY) _____

Initial _____

1 Rule 14.4 of the Insolvency (England and Wales) Rules 2016

Proof of debt

Our ref E20597059/EXW/BLA/RJJ/LKG/J/gen2002

Economy Energy Trading Limited - In Administration

Date of administration 14 January 2019.		
1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Email address	
4	Telephone number	
5	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date of insolvency.	£
6	If amount in 5 above includes outstanding uncapitalised interest please state amount	£
7	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
8	Particulars of any security held, the value of the security, and the date it was given.	
9	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
10	Details of any documents by reference to which the debt can be substantiated.	
11	Signature of creditor or person authorised to act on his behalf _____	
	Name in BLOCK LETTERS _____	
	Position with or in relation to creditor _____	
	Address of person signing (if different from 2 above) _____	