

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

1 Company details

Company number 0 8 1 8 6 6 6 4

Company name in full Iresa Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice, Business and Property Courts
of England & Wales

Court case number 0 0 6 3 0 0 - 2 0 1 8 2 1 8

3 Administrator's name

Full forename(s) Matthew James

Surname Cowlshaw

4 Administrator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5

Administrator's name ①

Full forename(s)

Daniel James Mark

Surname

Smith

① Other administrator

Use this section to tell us about another administrator.

6

Administrator's address ②

Building name/number

Peter House

Street

Oxford Street

Post town

Manchester

County/Region

Postcode

M 1 5 A N

Country

② Other administrator

Use this section to tell us about another administrator.

7

Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Adeniyi Oluwaseun

Surname

Oladeji

8

Proposed liquidator's name

Full forename(s)

Matthew James

Surname

Cowlshaw

Insolvency practitioner number

0 0 9 6 3 1

9

Proposed liquidator's address

Building name/number

156 Great Charles Street

Street

Queensway

Post town

Birmingham

County/Region

Postcode

B 3 3 H N

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)

Daniel James Mark

Surname

Smith

Insolvency practitioner
number

0 1 2 7 9 2

① Other liquidatorUse this section to tell us about
another liquidator.**11** Proposed liquidator's address^②

Building name/number

Peter House

Street

Oxford Street

Post town

Manchester

County/Region

Postcode

M 1 5 A N

Country

② Other liquidatorUse this section to tell us about
another liquidator.**12** Period of progress report

From date

d 0 1 m 0 8 y 2 0 y 2 2

To date

d 2 5 m 0 1 y 2 0 y 2 3

13 Final progress report☒ I have attached a copy of the final progress report.**14** Sign and dateAdministrator's
signature

Signature

X



X

Signature date

d 2 5 m 0 1 y 2 0 y 2 3

**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 **Wendy Packwood**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street**

Queensway

Post town **Birmingham**

County/Region

Postcode **B 3 3 H N**

Country

DX

Telephone **+44 121 619 0120**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed 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

Iresa Limited (in administration) ("the Company"/"Iresa")






Final progress report to creditors pursuant to rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules
2016 ("the Rules").

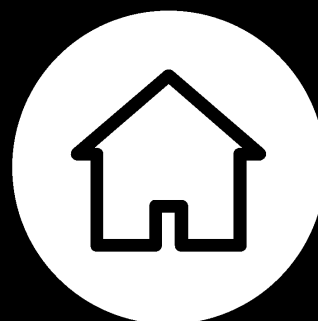
25 January 2023

Matthew James Cowlishaw and Daniel James Mark Smith ("the Joint Administrators") were appointed Joint Administrators of Iresa on 1 August 2018 by the Directors of the Company. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

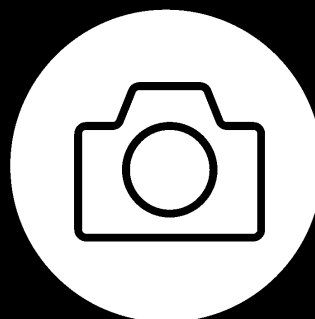
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

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

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Key messages



Key messages

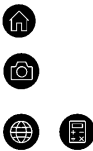
Joint Administrators
of the Company

Matthew James Cowlshaw
Daniel James Mark Smith
Teneo Financial Advisory Limited
156 Great Charles Street
Queensway
Birmingham
B3 3HN

Contact details

Email:
Wendy.Packwood@teneo.com
www.ips-docs.com
Tel: +44 121 619 0150

Purpose of administration	<ul style="list-style-type: none">The purpose of the administration was to achieve a better result for the Company's creditors as a whole than a liquidation.
Achievement of the Joint Administrators' Proposals	<ul style="list-style-type: none">Shortly before our appointment the Company ceased to trade and all active customers transferred to Octopus Energy Ltd ("Octopus") under the regulatory process run by the regulator Ofgem call the Supplier of Last Resort ("SOLR") process.On appointment the Joint Administrators sold the active customer arrears to Octopus for consideration of c.£500k. The consideration received was a guaranteed minimum amount based on the reconciled account position plus a subsequent share in any amounts collected over and above an agreed threshold.Book debts totalling £1.4m have been received to date.A number of employees were initially retained by the Joint Administrators for a period of c.6 months to assist in the reconciliation of customer accounts, final billing and transition of active customer accounts to Octopus in order to maximise debtor recoveries.The Joint Administrators continued to work with Octopus to provide a smooth transition for customers and maximise the recovery of active customer arrears for the benefit of creditors. A final reconciliation of customer arrear recoveries and cost incurred was undertaken by Octopus. Funds totalling £107k have been received under the cost sharing agreement. See page 8 for further details.The Company's pre administration bank account with HSBC Bank Plc ("HSBC") was in credit by £3.2m at the date of appointment and this balance was transferred to the administration bank account. Please see page 9 for further details.Collections in respect of inactive customer accounts to date amount to £14k and £41.7k. See page 9 for further details.Funds received in error totalling c.£31k were repaid.A sale of the Iresa developed proprietary technology platform, supporting IT infrastructure, fixtures and fittings and a contribution to legal fees in relation to the sale was achieved during the administration for £17k. See page 9 for further details.Credit cover deposits have been recovered totalling c.£45k. Please see page 10 for further details.Unsecured creditor claims were agreed for dividend purposes to enable a distribution to be made. Following a court hearing in October 2022, further to the Joint Administrators' application to seek directions from the Court on the validity of two material claims received, the Court's judgement was that both claims are admissible in the administration. The dividend process was therefore postponed. The Joint Administrators are currently taking legal advice as to whether to appeal this decision. See page 15 for further details.



Key messages

Costs	<ul style="list-style-type: none">• Our fee basis was fixed as a set amount. Please see page 16 for further details.• Category 1 third party costs and expenses of c.£6k and c.£41k respectively (excluding VAT) have been incurred since our last report. Please refer to pages 11 and 12 for details of the total costs.• No further category 2 expenses have been incurred since our last report. Please refer to page 18 for details of the total costs.
Outcome for Creditors	<ul style="list-style-type: none">• Secured creditors – The secured creditor has been repaid in full. Please see page 15 for further details.• Preferential creditors – There are no preferential creditors in the administration as all employees were paid during the administration shut down period.• Secondary Preferential creditor - These provisions do not apply due to the age of the case.• Unsecured creditors will receive a dividend in the subsequent liquidation, please see page 15 for further details.
Extensions to and end of the administration period	<ul style="list-style-type: none">• The period of the administration was extended for a total of 3 years and 6 months to enable trading and asset realisations to be finalised and to make a distribution to unsecured creditors as detailed on page 7.• The Company will now move from administration to Creditors’ Voluntary Liquidation (“CVL”).





Summary Proposals

Steps taken	6
Costs	11



Summary of the Joint Administrators' Proposals

The Joint Administrators' Proposals

Our Proposals for the administration include:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- assessing the affairs of the Company and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Company or its management;
- agreement of the claims of any secured, preferential and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application; and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration.
- that, if the Company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the appropriate body was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to page 17 for details.



Summary
Proposals

Steps Taken

The Joint Administrators’ Proposals

Our Proposals were approved by the creditors of the Company on 9 October 2018.

Extensions to the administration

The administration was extended for a period of 12 months by the creditors on 17 July 2019 enable trading and asset realisations to be finalised and to make a distribution to unsecured creditors.

Further extensions, as shown below, were obtained from the Court to await the outcome in relation to the validity of certain large unsecured creditor claims.

Approving body	Order date	Period	Expiry date
The Court	16 June 2020	6 months	31 January 2021
The Court	28 January 2021	12 Months	31 January 2022
The Court	27 January 2022	12 Months	31 January 2023

Steps taken during the administration

Statutory tasks

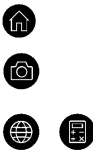
During the period of our appointment we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management actions, including updating the creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the Proposals and previous progress reports;
- Appointment notifications, including notifying the relevant parties of the appointment;
- Confidential report to the Insolvency Service on the directors’ conduct;
- Correspondence with creditors;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts;
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters; and
- Closing preparation in relation to move to CVL.

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

Investigations

No further avenues of recovery were identified as result of our investigations.



Summary Proposals

Steps Taken (continued)

The Joint Administrators' Proposals (continued)

Trading / Wind-down Strategy

As a result of the SOLR process, all customers were transferred to Octopus prior to the administration appointment. All active customer accounts transferred to Octopus as at 1 August 2018.

As such, the Joint Administrators' strategy was to wind down the business in an orderly fashion in order to maximise value in the customer book through working with Octopus to support a smooth transition for customers, and reconcile all customer accounts and raise final bills as at 1 August 2018.

In order to facilitate the wind-down strategy, the Joint Administrators initially retained 50 of the 53 employees to assist with the following:

- The transfer of active customer accounts to Octopus;
- Reconciling both active and inactive customer accounts to enable final bills to be raised;
- Addressing customer queries in relation to final bills; and
- Providing IT support to ensure final bills were raised as accurately as possible.

The Joint Administrators believe the trading / wind down phase was necessary as it achieved a better result for creditors than immediate closure of the business. Closure of the business would likely have resulted in significant reductions to the level of recoveries on the customer accounts.

IT Infrastructure and leasehold property

The Company rented 11 office spaces, six were handed back to the landlord in September 2018 and two offices were handed back to the landlord in October and December 2018. One office was retained during administration to support the IT infrastructure required to retain the customer account information, and to support the final reconciliation with Octopus.

Trading arrangements - **Cost Sharing Agreement ("CSA")**

To support the orderly transfer of customers and increase recoveries on book debts, the Joint Administrators entered into a CSA with Octopus to share the costs in retaining employees and associated overhead costs of keeping the Company operational during the wind-down period. As outlined in the proposals, the Joint Administrators initially retained 50 of the 53 employees.

27 employees were made redundant at the end of August 2018 with 22 employees retained until the end of September to assist in the actions outlined opposite.

Two employees were retained until the end of November 2018 to finalise the customer account reconciliations along with the IT manager as a consultant to manage the IT environment.

Following the final reconciliation and migration of the customer accounts, all retained employees were made redundant and funds totalling c.£107k were received into the administration estate to settle Octopus's share of overheads.

Customer accounts in Debit

As at the date of our appointment the Company had a number of pre-appointment customer accounts in debit. Company employees were retained for a period of time following our appointment in order to reconcile customer accounts.

As outlined in the Proposals, these book debts were classified into two categories.

1. Active customer arrears – amounts owed by customers who were transferred to Octopus under the SOLR process (i.e. customers of the Company at 1 August 2018); and
2. Inactive customer arrears – amounts owed by former customers who had left the Company prior to 1 August 2018.

Shortly following the administration appointment, the Joint Administrators secured a sale of the active customer accounts in debit to Octopus.

Active customer arrears

The Administrators sold the active customer arrears to Octopus. The consideration received is a guaranteed minimum amount based on the reconciled account position, plus a subsequent share in any amounts collected over and above an agreed threshold.

Upon execution of the agreement, Octopus paid an initial £500k plus VAT with a view to making a top-up payment to the guaranteed minimum amount once a reconciliation of the active customer accounts had been undertaken.

This reconciliation was based on the best information available at the time using both final and estimated meter readings.

Where different account balances are subsequently agreed between Octopus and the customers, a 'true up' exercise will be undertaken.



Summary
Proposals

Steps Taken (continued)

The Joint Administrators' Proposals (continued)

Active customer arrears (continued)

The agreed opening customer account debtor balance was £6,482,638. Octopus paid a further £435,980 plus VAT upon agreement of the opening customer account balances.

An interim reconciliation was undertaken at 31 December 2018 to review the level of collections in the first 5 months of the Administration.

Octopus had collected £1,667,155 by this date, which resulted in Octopus paying an additional consideration of £340,599 plus VAT.

Under the terms of the sale and purchase agreement a final reconciliation was undertaken in September 2020 and funds of c.£109k were received.

The agreement with Octopus provides a better return for creditors, compared to the administrators directly collecting the arrears, based on valuations / advice received from three debt collection agencies.

Inactive customer arrears

Corporate Debt Solutions – Global Limited (“CDS”), an agency with energy sector collections experience, was appointed on 2 January 2019 to assist in collecting balances due from inactive customers. Their fees are earned on a commission basis, paid as a percentage of successful collections.

During the period funds of £2 have been received, bringing total realisations to c.£42k.

Minimal balances continued to be received while we await resolution in respect of the creditor claims and directions sought from the Court.

Bluesnap Payment Services Limited (“Bluesnap”), an agency with merchant service experience, were engaged as the merchant services provider to assist in the collection of customer arrears. Funds totalling £14k have been collected via this platform.

Third party receipts

Funds totalling c.£31k were received into the administration bank account in error. Following completion of the reconciliation process, these funds have been paid to Octopus.

Sale of technology, furniture & equipment and contribution to legal fees

A sale of the Iresa developed proprietary technology platform, supporting IT infrastructure, fixtures and fittings and a contribution to legal fees in relation to the sale was achieved for c.£17k.

Cash at Bank

As at the date of appointment, the pre-appointment bank balance was £3,282,260 (made up of £3,241,855 cash at bank and £40,079 cash in transit from the Company’s merchant services provider). These funds were remitted to the administration bank account, as shown in the receipts and payments account at page 13.

The Company also held accounts with Barclays Bank Plc which held zero cash balances at the date of appointment.



Summary
Proposals

Steps Taken (continued)

The Joint Administrators' Proposals (continued)

Credit cover deposit receipts

The Company had lodged £2m credit cover deposits with key suppliers.

The Joint Administrators corresponded with key suppliers in order to recover the credit cover deposits held by them. Given the terms and conditions of the agreements, these suppliers had the right to set-off the security deposits against monies owing to them, and the majority of balances were then offset by unsecured claims in the administration. We successfully recovered c.£45k from one supplier as the excess credit cover balance was over and above the supplier's exposure, and their contract right of set off.

Creditors' Decision Procedures

A decision procedure was held 9 October 2018 seeking approval from the creditors to fix the basis of our remuneration, disbursements and the Joint Administrators' discharge from liability. Please see pages and for further details.

A further decision procedure was held on 12 March 2020 to seek approval from the creditors to change the basis of our remuneration. Please see page 17 for further details.

Distributions to creditors

The secured creditor was repaid in full on 8 November 2018. Please see page 15 for further details.

Steps were taken to issue a notice of an intended dividend to unsecured creditors. This dividend was subsequently postponed for reasons which are discussed in further detail in the column provided opposite.

Validity of two creditor claims received

In June 2020, the Joint Administrators were granted permission by the Court to make a distribution to unsecured creditors of the Company, other than by way of the Prescribed Part provisions, in the administration.

Following this approval, the Joint Administrators became aware of matters that could impact the validity of two material unsecured creditor claims on 23 September 2020. This was prior the requirement to declare the dividend to unsecured creditors by 24 September 2020, 2 months from the last date of prove claims which was the 24 July 2020.

In order to fully assess the validity of these claims and seek further legal advice on the matter, the Joint Administrators postponed the dividend process.

The Joint Administrators thereafter sought directions from the Court as to whether the claims should be admissible for dividend purposes in the administration estate.

At a court hearing in October 2022, the Court determined that both claims were valid and admissible claims. Based on subsequent discussions with legal advisors, the Joint Administrators are currently reviewing the Court's judgement as to whether there are grounds to appeal the decision. This matter will continue to be progressed by the joint liquidators in the subsequent liquidation.

Unrealised assets

As previously reported, the Company continues to collect balances due from inactive customers which are minimal. These balances will continue to be collected in the subsequent liquidation.

The VAT receivable balance shown in our receipts and payments account at page 13 will be recovered from HMRC in the subsequent liquidation.



Summary Proposals

Costs

Third party costs incurred during the report period and during the period of the administration

Joint Administrators' – Category 1 Expenses

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

Third Party costs incurred during the report period

Please see below for details of Category 1 expenses incurred during the report period:

Legal costs

Shakespeare Martineau LLP ("Shakespeare") who are experienced in this area, were engaged by us on matters in relation to advice on certain creditor claims as explained on page 15.

They have incurred costs of c.£6k plus VAT and expenses totalling c.£41k plus VAT relating to Counsel's fees.

Third Party costs incurred during the period of the administration

Please see below and opposite a summary of all Category 1 expenses incurred since our appointment and the position with regard thereto:

Legal costs

Shakespeare, who are experienced in this area, were engaged by us on matters including:

- Providing general legal counsel in respect of the legal process;
- Assisting the Director in the preparation of the Witness Statement to be presented to Court as part of the SOLR process;
- Attending court as part of the SOLR process;
- Preparing appointment documents;
- General legal advice, a review of validity of appointment, prepare the CSA between the Company and Octopus, preparation of a sale and purchase agreement for the active and inactive customer arrears, preparation of contract appointing agents and ad-hoc advise regarding data and certain debtor and creditor queries;

- Legal advice in relation to the challenge by a connected party in respect of the sale of technology equipment
- Advice in relation to certain creditor claims as explained on page 15; and
- Undertaking work required to further extend the period of the administration.
- Their fee for this work was c.£454k plus VAT which has been paid in full and included expenses in respect of Counsel and Chambers fees totalling c.£195k which have been paid in the period. Following a reconciliation of legal fees and expenses during the reporting period, an adjustment has been made in relation to the allocation of Legal expenses.
- These costs are higher than anticipated due to the legal advice provided and protracted court hearings seeking directions from the Court on the validity of the two unsecured creditors' claims received, which remain ongoing.

Agents' Costs

- Hilton Baird Limited, a debt collection agency, was engaged to undertake an assessment of potential range of recoveries in relation to the active and inactive customer arrears prior to the active customer debts being sold to Octopus. Their fee for this work was £2,500 plus VAT which has been paid in full.
- Recycle IT 4U Ltd were instructed to collect the computers and shred the hard disk drives. Their fee for doing so was £258 plus VAT which has been paid in full.
- CDS and Bluesnap have been instructed as debt collection agents to collect the inactive customer arrears. Their fees were calculated on a commission only basis, their costs were £7,543 and £813 respectively plus VAT which have been paid in full.
- Eddisons were instructed to identify, secure and sell the Company's computer equipment and any other chattel assets. Their fee for doing so was £1,080 plus VAT which has been paid in full.



Summary
Proposals

Costs

Third party costs incurred during the report period (continued)

Payment of Category 1 Expenses (continued)

All professional costs were reviewed and analysed in detail before payment was approved.

The following costs have been incurred but not yet paid and will be settled when billed in the subsequent liquidation:

- Shakespeare – c.£6k plus VAT.

Please refer to the receipts and payments account on page 13 for details of Category 1 expenses paid during the period of the administration. Please note that a reallocation of legal costs and expenses has been undertaken as shown in the receipts and payments account on page 13.

Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the table below:

Category 1 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Total incurred	Paid	Unpaid
Travel	444	-	294	294	-
Subsistence	-	-	31	-	31
Professional Fees	-	-	57	57	-
Postage	-	-	185	6	179
Statutory Advertising	85	-	-	-	-
Specific Penalty Bond	230	-	230	230	-
Total expenses	759	-	796	587	210

Joint Administrators' Category 2 Expenses

These are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses required creditor approval in the same manner as our remuneration. Please refer to page 18 for further information.



Summary Proposals

Iresa Limited
Joint Administrators' receipts and payments account
1 August 2022 to 25 January 2023

E	SoA values	Notes	Period	To date
Receipts				
Sale of technology			-	10,000
Contribution to legal fees			-	3,600
Furniture & Equipment			-	3,193
Book Debts	3,500,000	A	-	1,389,025
Cash at Bank	3,245,665		-	3,282,260
Funds Received in Error			-	31,129
Inactive book debts			2	41,740
Bank Interest Gross		B	-	23,980
Credit Cover Deposit Receipts			-	45,374
Other receipts			-	3,258
Bluesnap inactive debtors			-	14,416
Cost sharing agreement			-	106,579
Total receipts	<u>6,745,665</u>		<u>2</u>	<u>4,954,554</u>
Payments				
Rent			-	28,995
Payment of Funds Received in Error			-	31,129
Pre Administration Legal Fees			-	9,733
Agents Fees - CDS			-	7,453
Pre Administration Expenses			-	128
Pre Administration Legal Expenses			-	197
Pre-appointment Administrators' Fees			-	58,639
Administrators' Fees			-	595,000
Administrators' Expenses			-	3,159
Agents/Valuers' Fees			-	3,838
Legal Fees		C	79,288	217,526
Legal Expenses		C	(52,091)	87
Counsel Fees		C	41,087	41,087
Court/Chambers Fee		C	195,299	195,299
Irrecoverable VAT			-	65
Other Professional Costs			-	1,295
Telephone Telex & Fax			-	7,938
Ransom Payments			-	1,081
Storage Costs			-	799
Postage & Redirection			-	616
Statutory Advertising			-	179
Agents Fees - Bluesnap Commission			-	813
Other Property Expenses			-	1,000
Wages & Salaries			-	197,215
Employer's Nat. Ins.			-	35,331
Bank Charges			5	241
IT server costs			-	150,271
Other payroll costs			-	2,734
Secured Creditor Distribution			-	48,845
Total payments			<u>263,588</u>	<u>1,640,694</u>
Balance				<u>3,313,860</u>
Made up of:				
VAT Receivable		D		52,717
Floating Chge NIB A/c		B		3,305,041
Trade Creditors				<u>(43,897)</u>
Balance in hand				<u>3,313,860</u>

A receipts and payments account is provided opposite, detailing the transactions in the final period of the administration since our last report on 19 August 2022, and also summarising the transactions for the entire period of the administration.

Notes to receipts and payments account

A - Book debts include the consideration paid by Octopus in relation to a minimum guaranteed payment and a subsequent share in any amounts collected over and above an agreed threshold. See previous reports for further details.

B - All funds are currently held in a non interest bearing account. Corporation tax on interest received when funds were interest bearing has been accounted for to HM Revenue & Customs.

C - Following a reconciliation of legal fees and expenses an adjustment has been made in relation to the allocation of cost during the period. Please see page 11.

D - All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HM Revenue & Customs.

Rounding note

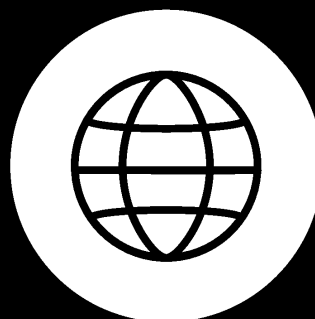
In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Information for creditors

Outcome for creditors

15



Information for creditors

Outcome for creditors

Secured creditors

Contract Natural Gas Limited ("CNG") received total distributions of £48.8k and has thus been paid in full.

Preferential creditors

Preferential creditors consist of amounts owed to the Company's employees for arrears of wages/salaries, holiday pay and pension contributions.

There are no preferential claims in the administration as all employees were paid during the administration shut down period.

Secondary Preferential Creditor

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

Prescribed Part

As CNG, in their capacity as secured creditor, has been paid in full the Prescribed Part provisions will not apply as there are no remaining creditors secured by way of floating charges.

Unsecured creditors

On present information we anticipate that there will be a dividend made available to unsecured. As discussed at page 10, the dividend process was postponed as the Joint Administrators became aware of matters that could impact the validity of certain large unsecured creditor claims during the adjudication process.

A new notice of intended dividend will be issued to unsecured creditors in the subsequent liquidation, once the outstanding matters discussed above are resolved. We are unable to advise on the estimated dividend rate or timing of the dividend payment at this time in light of the outstanding matters discussed above and at page 10.

Further updates will be issued to creditors in the subsequent liquidation.

End of the administration

The administration will end when the appropriate Notice has been registered at Companies House, following which the Company will move into Creditors' Voluntary Liquidation to enable the payment of a dividend to unsecured creditors.

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Company's statement of affairs, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Please note that should you wish to vote in a decision procedure, you will then need to submit a proof of debt to us.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com or by downloading and completing a proof of debt form from the case website and which should be sent to the address on page 3. Alternatively, a hard copy proof of debt form will be provided free of charge on request.

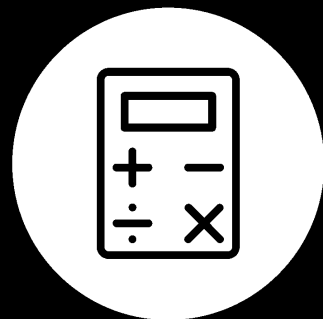




Remuneration and expenses

Joint Administrators' remuneration

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Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com/case/IRE000B/TeneoTRL2021.

Should you require a paper copy, please send your request in writing to us at the address on page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 9 October 2018 by the unsecured creditors as a set fee of £445k, plus VAT thereon.

As previously reported, in accordance with rule 18.29, the Joint Administrators sought to change the basis of our remuneration as there had been a substantial change in circumstances that were not taken into account when the basis of our remuneration was originally fixed.

Accordingly, we held a decision procedure to fix the basis of our remuneration as a set fee of £595k plus VAT, which was conducted by correspondence, and approved by the creditors on 14 May 2020. Please refer to the creditor portal to view our August 2020 report for further details in relation to the substantial change in circumstances.

Fees drawn to date

Set amount

We have drawn fees of £595k plus VAT against the agreed set fee of £595k, as shown in the receipts and payments account on page 13.



Remuneration and expenses
Detailed information

Category 2 Expenses

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

Joint Administrators – Category 2 Expenses

As described on page 12, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Specific approval is required before these expenses can be drawn from the administration estate.

Details of our Category 2 expenses and the position with regard thereto are given below, all figures are shown exclusive of VAT.

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

Category 2 expenses					
£ (net)	Estimated per Proposals	Incurred in report period	Total incurred	Paid	Unpaid
Mileage	2,991	-	2,731	2,572	159
Website setup	500	-	-	-	-
Forensic Recharge	-	-	200	-	200
Total expenses	3,491	-	2,931	2,572	359

Prior to the move of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited, ("the Transaction"), work being delivered by other Deloitte service lines was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made).

We had thus included the anticipated costs for such services being delivered by Deloitte LLP (excluding costs for forensic recharges) in our set fee of £595k, plus VAT as approved by creditors.

Following the Transaction, Deloitte costs were required to be treated as Category 2 disbursements and thus required creditor approval. For avoidance of doubt however, all such costs were paid out of our approved remuneration, i.e. have not been charged as an additional cost.

Deloitte LLP – Services being provided

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

- Deloitte hosted case website - a one off fixed cost of £500 was applied and approved on 9 October 2018 by the unsecured creditors. Please note that following the Transaction all Deloitte hosted websites have been closed and their content transferred to the new website at www.ips-docs.com at no extra cost to the estate.
- Deloitte Global Financial Advisory India ("DIJV") – are engaged to assist with general case management and administration. Their work, which is ongoing, is charged on a time costs basis and is included in the amount of our set fee, as approved by creditors.

Deloitte LLP Charge out Rate Bands (£/hour)		
	Grade	Rate (£/hour)
Partners		1430 - 1475
Directors		1205 - 1240
Associate Directors		1095 - 1130
Managers/Assistant Managers		94 - 400
Consultants		565 - 845
Associates		135 - 340
Administrators/Analysts		90 - 370
Agent		34



Remuneration and expenses
Detailed information

Creditors’ right to request information

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

Creditors’ right to challenge remuneration and/or expenses

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

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

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





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

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