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### 1 Company details

Company number 0 8 2 2 2 3 2 5

Company name in full Zog Energy Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Mark

Surname Upton

### 3 Administrator's address

Building name/number Connexions

Street Ipswich

Post town IP1 1QJ

County/Region

Postcode

Country

### 4 Administrator's name ①

Full forename(s) David

Surname Scrivener

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Connexions

Street 159 Princes Street

Post town Ipswich

County/Region

Postcode I P 1 1 Q J

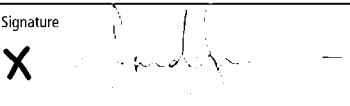
Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>																
From date	d	0	d	9	m	1	m	2	y	2	y	0	y	2	y	1	
To date	d	0	d	8	m	0	m	6	y	2	y	0	y	2	y	2	
<b>7</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
<b>8</b>	<b>Sign and date</b>																
Administrator's signature	<div>Signature</div> <div>  </div> <div> <input checked="" type="checkbox"/> </div>																
Signature date	d	0	d	6	m	0	m	7	y	2	y	0	y	2	y	2	

**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 **Jill Rose**

Company name **Ensors**

Address **Connexions**

**159 Princes Street**

Post town **Ipswich**

County/Region

Postcode **I P 1 1 Q J**

Country

DX

Telephone **01473 220022**

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**Please make sure you have remembered the following:**

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

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Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

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# Joint Administrators Progress Report

Zog Energy Limited  
- In Administration

For the period from 9 December 2021 to 8 June 2022

## ZOG ENERGY LIMITED - IN ADMINISTRATION

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## THE JOINT ADMINISTRATORS PROGRESS REPORT

### 1 Introduction

- 1.1 Along with my colleague Mark Upton, I was appointed Joint Administrator of Zog Energy Limited (the Company) on 9 December 2021. The appointment was made by the Directors.
- 1.2 This Administration is being handled by Ensors Accountants LLP ("Ensors") at Connexions, 159 Princes Street, Ipswich, Suffolk. IP1 1QJ. The Joint Administrators contact details are by phone on 01473 220022 or via email at [jill.rose@ensors.co.uk](mailto:jill.rose@ensors.co.uk). The Administration is registered in the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List, reference number CR-2021-002312.
- 1.3 As Joint Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 9 December 2021 to 8 June 2022 (the Period) and should be read in conjunction with my earlier proposals report.
- 1.4 Previous reports with reference to this Administration can be downloaded from the following website: <https://www.ips-docs.com/case/D00840/Zog-Reports>
- 1.5 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.ensors.co.uk/privacy-policy/> . If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.6 The trading address of the Company was Adastral Park, Martlesham Heath, Ipswich. IP5 3RE.
- 1.7 The registered office of the Company is c/o Connexions, 159 Princes Street, Ipswich, Suffolk. IP1 1QJ and its registered number 08222325.

### 2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the period of this report
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs. I would, however, bring the following matters about the receipts and payments during the Period to your attention.
- 2.3 The principal realisations made have been in relation to Cash at Bank, a VAT refund, realisations of retentions held by the direct debit provider and amounts due from customers.
- 2.4 Following our appointment, we realised the funds held in the Company bank account and received a VAT refund in relation to a pre-appointment VAT return
- 2.5 On the appointment of Administrators, the direct debit provider withheld funds that had been collected from customers in anticipation of potential charge back claims. The sum withheld in relation to direct debit collections was c£344.7k. In addition, they also held the sum of £52k in respect of a previously agreed general retention.
- 2.6 The Administrators position was that the amount being retained far outweighed the likely charge backs and after some negotiation, agreement was reached with the provider to release the funds retained over an agreed period of time pending receipt of any such claims. To date the sum of c£313k has been received in relation to the direct debit collections with reference to the pre-appointment energy supply to customers.
- 2.7 Further sundry amounts have been received in relation to the sale of certain of the Company assets, sale of Intellectual Property Rights and interest received.

- 2.8 Employees, including the directors, were retained for a short period of time to assist with the Administration process and to ensure that there was as efficient a transition of customers as possible to the new energy supplier, EDF Energy (EDF). This process was time consuming and involved regular liaison with customers and EDF to ensure that meter readings or estimated readings were obtained in order that the starting position of accounts transferred to EDF was correct. A great deal of detailed data had to be collated and transferred to EDF in a particular format. Retained employees also carried out the collection of pre appointment debit balances from customers as referred to at 2.3 above.
- 2.9 Wages and salaries were paid by the Administrators and is shown within Appendix A attached. Pension contributions together with PAYE and NIC payments are due to be made to HM Revenue & Customs ("HMRC") and the pension provider with reference to the payments made.
- 2.10 The Company had also engaged with one individual on a sub-contract basis and the Administrators continued with this arrangement for a short period to assist with the transfer, billing, and debt collection processes.
- 2.11 Telephone and internet charges have also been made to ensure that access to emails and accounts information was still available whilst the Administrators collated the information required for the Administration process.
- 2.12 A payment has also been made to the Company's server provider to make sure that the Company's accounts system was still accessible for a short period of time.
- 2.13 The Company operated from a leasehold property in Ipswich and continued to occupy the premises for a short period of time during the Administration. The sum of £3,000 has been paid for the period of occupation.
- 2.14 Notice has been given to the landlord and the property has now been vacated.
- 2.15 The Company held two vehicles subject to an operating lease. Whilst the directors were retained by the Administrators it was agreed that the monthly lease charge would be paid. The Company's directors have since negotiated and novated the leases to personal agreements.
- 2.16 Legal fees of £4,605 have been paid to Prettys Solicitors for dealing with the appointment documents, filing the necessary appointment Notices with the High Court and advice in connection with the realisation of assets.
- 2.17 Following approval by creditors of the basis of the Joint Administrators remuneration the sum of £17,593 has been paid to Ensors in relation to pre-appointment costs and £107,609 in relation to Administrators' remuneration

### **3 Progress of the Administration**

#### Summary

- 3.1 You may recall that the statutory objective being pursued in the Administration was to achieve 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). In addition to the pursuance of this statutory objective, the Administrator has duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 3.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.
- 3.3 As advised in the Administrators' proposals sent to creditors in January 2022, OFGEM had revoked the Company's energy supplier licence and was therefore obliged to invoke the

- Supplier of Last Resort Process (SoLR) to ensure that an alternative energy provider took over responsibility for continuing the supply of energy to customers.
- 3.4 The necessary information was provided to OFGEM to support the SoLR and the Company's customers were subsequently transferred to EDF, with electricity and gas supplies formally being switched on the 4 December 2021. This was in anticipation of the formal appointment of Administrators which took place on 9 December 2021.
- 3.5 Certain employees and a sub-contractor were retained by the Company to deal with the provision of information to EDF, dealing with customer meter readings and the collection of customer debit balances. Following the completion of these tasks, the decision was made to close the office and make all remaining employees redundant on 28 February 2022. EDF declined to contribute to the cost of providing information to them to support the smooth transfer of customers. However, the success of the customer debit balance collections process significantly limited the net costs of keeping the office open for that period.
- 3.6 We continue to liaise with EDF with reference to the client handover and queries received since appointment, but this work has been substantially completed.
- 3.7 A significant amount of time has been incurred dealing with customer queries with reference to credit balances, meter readings and charges. These queries have been relayed to EDF and we requested that these were dealt with as a matter of urgency.
- 3.8 Time has been incurred dealing with the Company's telephone and internet provider to make sure that the Company email addresses remained live to enable any customer enquiries to be dealt with.
- 3.9 This also included liaising with the server provider to ensure that access was still available for a period of time whilst accounts data and information was collated
- 3.10 Time dealing with the realisation of assets is currently higher than had been anticipated and shown in our fee estimate included with our proposals. This is due to additional time incurred dealing with the release of funds from the direct debit provider as detailed below, and the collection of debit balances (including negotiations to sell the remaining uncollected debit balances). Higher than expected time was also incurred dealing with the provision of information to EDF.
- 3.11 As advised in our Report and Statement of Proposals issued in January the principal cause of the Company's failure was the fact that the contract that the Company had with its gas shipper for continuing gas supply was bought to an end and agreed gas hedges could not be honoured. This meant that rather than being able to purchase gas at an agreed contract rate, the Company was left in a position of having to purchase gas at spot rates which, due to the significant increase in market rates for gas, left the Company in an unprofitable and unsustainable position.
- 3.12 The Joint Administrators continue to investigate this matter and have sought legal advice in relation to the contract that it had with the gas shipper and whether there is any claim that could be made in relation to it that would benefit the Administration.
- 3.13 Whilst all current customers were transferred under the SoLR process, the Company had a certain number of "closed" customers who had previously switched supplier or who were no longer contactable but still had outstanding debts balances due to the Company. The "closed" debit balances were estimated at £72,311.
- 3.14 In addition, there remained a number of "live" (active) customers who had transferred to EDF but with debit balances outstanding to the Company totalling c£186,000. The sum of £73,513 has been collected from "live" customers to date which is a realisation of approximately 40p/£.



- 3.15 Efforts have been made to collect the remaining outstanding balances using the retained employees, but it is now uneconomic for the Administrators to pursue these balances and we are currently in discussions with a third party in order to sell this element of the ledger. Discussions and negotiations are at an advanced stage and we expect an agreement to be concluded shortly.

Other matters dealt with in the Administration are as follows.

Administration (including statutory compliance & reporting)

- 3.16 As noted above, the Administrator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors.
- 3.17 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrator.
- 3.18 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.
- 3.19 Our proposals to creditors dated January 2022 provide a full explanation of the background to our appointment. A copy of the proposals can be downloaded from the following website: <https://www.ips-docs.com/case/D00840/Zog-Reports>

Employees

- 3.20 As detailed in point 2.8 above we retained the employees (including the two directors) and a sub-contractor to assist with the SoLR transition, the collection of debit balances and final administrative tasks.
- 3.21 Two employees were made redundant on 31 December 2021 with a further two on 14 January 2022. The remaining employees were made redundant on 28 February 2022.
- 3.22 Wages and salaries have been paid to those employees retained up to their date of redundancy.
- 3.23 Former employees can claim for holiday pay accrued but not taken, redundancy pay (if applicable) and pay in lieu of notice from the Redundancy Payments Service ("RPS"). Holiday pay will be classed as preferential and is estimated to be £13,739. At the time of drafting this report a claim has not been received from the RPS confirming the payments made.
- 3.24 It is estimated that c£2,000 pension payments will also be classed as preferential.

Realisation of Assets

Cash at Bank

- 3.25 Funds of £1,817,288 have been transferred into the Administration bank account.
- 3.26 A VAT refund of £71,588 was also received pre appointment and is shown separately on the receipts and payments account.

Direct Debit Bureau

- 3.27 As advised following our appointment, the bureau that facilitated the Company's direct debit collections suspended any transfer of funds to the Company.

- 3.28 It was anticipated that the bureau was holding c£396,000 including a £52,000 agreed retention but this was all subject to any deduction of charge backs and other collection costs. I can confirm that the sum of £312,905 has been received to date under the agreement for the release of funds negotiated by the Administrators.
- 3.29 The remaining balance of c £30,000 in respect of the direct debit collections withheld is due to be paid imminently with the balance of the £52,000 retention held due to be paid 50% in September and 50% in December. Hence a further total of c£82,000 is expected to be received over the next 6 months.
- 3.30 All payments collected by the bureau from 1 December 2021 were allocated to the individual customer accounts and for the benefit of EDF and no further direct debits have been collected since that date for the benefit of the Company.

#### Debit Balances

- 3.31 Part of the remit of the employees retained as detailed above was to enable customer statements to be produced to provide a smooth transition of accounts from the Company to EDF and to also collect amounts to the Company from customers.
- 3.32 At the date of Administration customer debit balances amounted to c£258,000 and were made up of both live (c£185,000) and closed (c£73,000) accounts.
- 3.33 Live accounts refer to customers who transferred to EDF on 4 December 2021 under the SoLR process detailed above. Closed accounts refer to those customers who switched utility provider prior to the transfer to EDF or who no longer bought their energy supply from the Company. As well as pursuing recovery of these debts in the Administration, we also initially entered into discussions with EDF as to whether they wished to acquire the live account ledger, but it was of insufficient size for them to contemplate acquiring.
- 3.34 As a result of the retention of staff and the collection process undertaken during the Administration period the sum of £73,513 has been received to date from "live accounts". However, the remaining ledger consists of numerous balances of relatively low value and it is now uneconomic for the Administrators to continue to pursue recovery of these sums and so we are currently in discussions with a debt collection agency with a view to selling the complete ledger to include both live accounts and closed accounts.

#### Prepayments

- 3.35 Prepayments have been reviewed and attempts made to collect possible sums for the benefit of the Administration. No realisations have been made to date, mainly due to set off issues (where the holder of the prepaid sum is also owed money by the Company). Prepayments will continue to be pursued where realisations are likely,

#### Computer Equipment

- 3.36 Edward Wells FRICS ("EW"), Chartered Surveyor, was instructed as agent to prepare an inventory and valuation of the Company's chattel assets.
- 3.37 I can confirm that computer equipment has been sold and realised £1,140.

#### ***Intellectual Property Rights ("IPR")***

- 3.38 Two expressions of interest were received with reference to the IPR, and EW sought best offers. I can confirm that the sum of £5,000 has been received for the IPR.

Creditors (claims and distributions)

- 3.39 Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.40 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 3.41 Work undertaken by Administrators in dealing with a company's creditors may only bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.
- 3.42 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.43 At this stage, I consider the following matters worth bringing to the attention of creditors:
- There are no secured creditors in this case.
  - I anticipate claims from both the ordinary and secondary preferential creditors totalling £21,739
  - I will be required to deal with the claims of eight former employees
  - The value of creditors' claims stated on the Directors' Statement of Affairs was c£3.1m. This total included trade creditors of £1.55m, employee claims for redundancy and notice pay of c£204k and customer credit balances of c£1.4m
  - Included in the figure for trade creditors of £1.55m is an amount stated as due to the gas supplier of c£1.4m. As detailed above this claim remains under review and may be the subject of a counter claim.
  - Also included in the total of c£3.1m is a figure for customer credit balances of c£1.4m. The individual credit balances have been transferred to EDF as part of the SoLR process. It remains uncertain what, if any, claim EDF are entitled to submit in the Administration
  - Consequently, the final value of unsecured creditor claims cannot yet be determined with any accuracy and the return to unsecured creditors remains uncertain at this stage

## Investigations

- 3.44 Some of the work Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Administrator can pursue for the benefit of creditors.
- 3.45 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.46 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.
- 3.47 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a director the Company:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
25 February 2022	Computer Equipment	1,140	AP Chester & AR Cleveland	Directors
25 February 2022	IPR	5,000	As above	Directors

## What remains to be done in the Administration

- 3.48 The matters that remain to be dealt with in the Administration have been covered in the preceding paragraphs but in summary these are as follows: -
- Liaising with legal advisers in relation to the potential claim against the former gas supplier following the termination of the supply contract and cancellation of hedges, and agreement of how any claim is to be pursued and taking appropriate action.
  - Finalising the agreement for the sale of the remaining debtor balances
  - Agreement of creditors' claims to include finalisation of preferential claims
  - Quantification of unsecured creditors' claims including any potential claim of EDF
  - Once all matters above have been finalised, agreement of distributions to be made to creditors

## 4 Estimated Outcome for Creditors

- 4.1 Attached at Appendix D is an updated Estimated Outcome Statement. This represents my estimate of the outcome of the Administration as at the end of the Period covered by this report.

- 4.2 At the present time, it is anticipated there will be sufficient funds available to make a distribution to creditors. The sections below provide details of the anticipated outcome for each class of creditor and further updates will be provided in the Administrators subsequent progress reports. Please note that the estimated value of creditors' claims stated in the Estimated Outcome Statement is stated as per the Directors Statement of Affairs and are subject to the comments within this report and subject to final adjudication and verification.

#### Preferential Creditors

- 4.3 A summary of the preferential claims is detailed below.

Ordinary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
Employee claims (Total number of claims = 8)		15,739		
Department for Business, Energy & Industrial Strategy (BEIS)		TBC		
Secondary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
PAYE, Employee NIC & CIS deductions (HMRC)		6,000		

- 4.4 A dividend is anticipated to the ordinary and secondary preferential creditors prior to the conclusion of the Administration, the details of which will be provided in due course.

#### Unsecured Creditors

- 4.5 I have not yet spent time adjudicating on unsecured creditor claims. The Company's statement of Affairs anticipated claims totalling £3,110,048 and included excess employee claims for redundancy and pay in lieu of notice. It is however uncertain what the final level of unsecured creditor claims will be as this balance includes customer credit balances taken on by EDF under the SoLR process. It is uncertain what, if any, claim EDF are entitled to submit in the Administration, and we understand that judgement is awaited on legal cases from other energy company administrations that may influence this. We will review any such judgements and take legal advice as appropriate.
- 4.6 In addition, the claim from the Company's gas supplier of c£1.4m is also under review
- 4.7 The Company has no secured creditors. Accordingly, there is no requirement for the Administrator to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 4.8 I currently anticipate that a dividend may be available to the unsecured creditors. As a result, unless it is more expedient to make an application to court to allow this to be distributed in the Administration, I anticipate that the Company will ultimately exit into Creditors' Voluntary Liquidation in to facilitate the payment of a dividend to the unsecured creditors. Further details will be provided in due course.

## 5 Pre-administration Costs

- 5.1 On 15 February 2022 the following amounts in respect of pre-administration costs were approved:

Name of recipient	Brief description of services provided	Total amount approved
Ensors Accountants LLP	Advice to Company, liaising with the Directors and creditors, liaising with OFGEM and solicitors, the SoLR process, Administration appointment, liaising with EDF	17,593.00 plus VAT

## 6 Joint Administrators Remuneration

- 6.1 The basis of the Administrators fees has been fixed in the Administration by reference to time properly spent by them and their staff in managing the Administration. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

- 6.2 A copy of the approved fees estimate for the Administration is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	110.5		29,492.00
Realisation of assets	127.4		35,429.00
Creditors (claims & distributions)	110.4		31,129.50
Employees	35		9,934.00
Investigations	21		5,480.00
Total estimated fees			£111,464.50

- 6.3 My time costs for the Period are £112,458. This represents 388 hours at an average rate of £290 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration. To date, £107,609 has been paid on account of these time costs.

I now consider that the original fees estimate I provided for the Administration is insufficient to complete my duties. As a result, I propose providing a revised fee estimate under separate cover which will include details of the work I consider is additional to that set out in my original fees estimate and will seek creditors approval of the revised fee estimate by correspondence.

- 6.4 I will also update creditors on the anticipated total amount that will be paid to my firm in respect of the revised fees estimate in my next progress report. Given the current proposed revision of my anticipated costs and the ongoing work in the Administration, it is difficult at this time to accurately report the anticipated payment to my firm, other than it will not exceed the cap of my original estimate at paragraph 6.2 without further approval from creditors. However, for the purposes of the Estimated Outcome Statement we have assumed additional fees estimated at approximately £50,000 plus VAT..

- 6.5 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>.

- 6.6 Attached at Appendix C is additional information in relation to the Administrator's fees, expenses and the use of subcontractors and other professional advisers.

## **7 Creditors' Rights**

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and/or the remuneration charged, or the expenses incurred by the Administrator, as set out in this progress report, are excessive.

## **8 Ending the Administration**

- 8.1 All administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Joint Administrators' term of office to be extended for a specified period of time.

### Creditors Voluntary Liquidation

- 8.2 Based on present information, the Joint Administrators think a dividend will be paid to the unsecured creditors other than by virtue of the Prescribed Part. As a result, the Joint Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease, and the Company will move automatically into Creditors' Voluntary Liquidation (CVL) to facilitate this distribution. It is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.
- 8.3 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 8.4 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of the subsequent CVL.
- 8.5 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

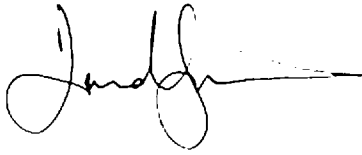
## **9 Next Report**

- 9.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it.

ZOG ENERGY LIMITED - IN ADMINISTRATION

Should you require any further information please contact me or the case manager, Jill Rose on 01223 420721 or email [jill.rose@ensors.co.uk](mailto:jill.rose@ensors.co.uk)

For and on behalf of  
Zog Energy Limited

A handwritten signature in black ink, appearing to read 'David Scrivener', with a long horizontal flourish extending to the right.

David Scrivener  
Joint Administrator



## Appendix A

### Zog Energy Limited - In Administration

Joint Administrators' Receipts and Payments account for the period 9 December 2021 to 27 January 2022 and for the period 28 January 2022 to 08 June 2022

	For the period 9.12.21 to 27.1.22	For the period 28.1.22 to 8.6.22	Total
	£	£	£
balance b/fwd		2,087,217.99	
<b>Receipts</b>			
Cash at Bank	1,817,288.30		1,817,288.30
VAT refund	71,588.58		71,588.58
Retention held by DD provider	239,874.01	73,031.27	312,905.28
Interest Received		259.08	259.08
Computer Equipment		1,140.00	1,140.00
Intellectual Property Rights		5,000.00	5,000.00
Customer debits - live accounts		73,513.03	73,513.03
	<u>2,128,750.89</u>	<u>2,240,161.37</u>	<u>2,281,694.27</u>
<b>Payments</b>			
Wages & Salaries	(31,553.17)	(13,248.62)	(44,801.79)
Consultancy	(3,750.00)	(4,687.50)	(8,437.50)
PAYE & NIC Payments		(21,381.61)	(21,381.61)
Telephone, Internet & Cloudbook	(70.92)	(3,902.57)	(3,973.49)
Stationery	(2.95)		(2.95)
Rent	(1,500.00)	(1,500.00)	(3,000.00)
Lease/HP payments	(2,209.96)	(1,104.98)	(3,314.94)
Legal Fees	(1,247.50)	(3,357.50)	(4,605.00)
Specific Bond	(1,020.00)		(1,020.00)
Statutory Advertising	(178.40)		(178.40)
Insurance		(1,189.24)	(1,189.24)
Travelling		(39.60)	(39.60)
Agent's Fees		(800.00)	(800.00)
Bank Charges		(347.75)	(347.75)
Pre-appointment fees		(17,593.00)	(17,593.00)
Joint Administrators' fees		(107,609.08)	(107,609.08)
	<u>(41,532.90)</u>	<u>(176,761.45)</u>	<u>(218,294.35)</u>
<b>Balance</b>	<u>2,087,217.99</u>	<u>2,063,399.92</u>	<u>2,063,399.92</u>

APPENDIX B

ZOG ENERGY LIMITED - IN ADMINISTRATION

TIME AND CHARGE OUT SUMMARY FROM 09 DECEMBER 2021 TO 8 JUNE 2022

Classification of work	Partner hours	Managers hours	Assistant Managers hours	Administrators & support staff hours	Total hours	Time cost £	Average hourly rate £
Realisation of assets	73.6	31.0	-	1.0	105.6	35,209.50	333
Creditors	4.3	41.7	-	5.6	51.6	14,585.50	283
Trading	4.0	-	-	0.2	4.2	1,411.00	336
Administration & planning	59.7	46.4	-	21.5	127.6	36,852.33	289
Investigations / Debtor / Directors	4.9	10.6	-	13.6	29.1	4,993.75	171
Employees	1.7	26.0	-	2.6	30.3	8,714.50	288
Reporting	6.8	25.7	-	7.3	39.8	10,691.50	269
Total hours	<u>155.0</u>	<u>181.4</u>	<u>-</u>	<u>51.8</u>	<u>388.2</u>		
Hourly rate	£265-395	£140-310	-	£36-105			
Total time costs £	<u>54,728.92</u>	<u>53,228.16</u>	<u>-</u>	<u>4,501.00</u>		<u>112,458.08</u>	290

Please note that time has been recorded in units of 6 minutes

## Appendix C

### Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors

#### Staff Allocation and the Use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not utilised the services of any subcontractors in this case.

#### Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Prettys Solicitors (legal advice)	Time costs
Insolvency Risk Services (insurance)	Risk based premium
Edward Wells FRICS (valuation and disposal advice)	Fixed Fee

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

#### Joint Administrators' Expenses

The estimate of expenses which were anticipated in the Administration was provided to creditors when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

##### Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also, chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include expenses which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses			800.00	
Legal fees & expenses			4,605.00	
Statutory advertising			178.40	
Specific Penalty Bond			1,020.00	
Insurance			1,189.24	

## ZOG ENERGY LIMITED - IN ADMINISTRATION

### Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Administrator's fees were approved by creditors.

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Business mileage			39.60	

### Charge-Out Rates

Ensors current charge-out rates effective from 1 February 2022 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Staff	(per hour) £
Partner/Consultant	360 - 385
Manager	305
Assistant Manager	250
Senior Administrator	220
Assistant	105

## Zog Energy Limited - in Administration

## Estimated Outcome Statement as at 8 June 2022

	Book Value	Receipts and payments for the period 9.12.21 to 8.6.22	Estimated future income and expenditure	Estimated to realise
	£	£	£	£
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>				
<b>Income received to date and expected future realisations</b>				
Cash at Bank	1,818,067.85	1,817,288.30		1,817,288.30
Retention held by DD provider	396,735.86	312,905.28	82,000.00	394,905.28
VAT refund	78,042.77	71,588.58		71,588.58
Interest Received	-	259.08		259.08
Computer Equipment	6,599.14	1,140.00	-	1,140.00
Office Equipment	438.66	-	-	-
Plant & Machinery	(3,453.47)	-	-	-
Intellectual Property Rights	-	5,000.00	-	5,000.00
Accounts Receivable	401.11		-	-
Prepayments	221,905.89		Uncertain	Uncertain
Customer debts - live accounts	185,276.00	73,513.03	15,000.00	88,513.03
Customer debts - closed accounts	72,311.00		3,000.00	3,000.00
<b>Total realisations</b>	<b>2,776,324.81</b>	<b>2,281,694.27</b>	<b>100,000.00</b>	<b>2,381,694.27</b>
<b>Costs incurred to date and expected in future</b>				
Pre-appointment fees		(17,593.00)	-	(17,593.00)
Joint Administrators' fees		(107,609.08)	(61,682.42)	(169,291.50)
Travelling		(39.60)	-	(39.60)
Wages & Salaries		(44,801.79)	-	(44,801.79)
PAYE & NIC		(21,381.61)		(21,381.61)
Consultancy Charges		(8,437.50)	-	(8,437.50)
Employee Consultancy Costs		-	(3,500.00)	(3,500.00)
Administrator Employee Holiday Costs			(5,500.00)	(5,500.00)
Telephone , Internet & Computing		(3,973.49)	(150.00)	(4,123.49)
Stationery		(2.95)		(2.95)
Rent		(3,000.00)	-	(3,000.00)
Lease payments		(3,314.94)	-	(3,314.94)
Legal Fees Prettys Solicitors		(4,605.00)	(20,000.00)	(24,605.00)
Specific Bond		(1,020.00)	-	(1,020.00)
Statutory Advertising		(178.40)	(150.00)	(328.40)
Agents Fees		(800.00)	-	(800.00)
Insurance		(1,189.24)	-	(1,189.24)
Bank Charges		(347.75)	-	(347.75)
Pensions			(4,350.00)	(4,350.00)
Merchant Services			(250.00)	(250.00)
Contingency			(10,000.00)	(10,000.00)
<b>Total</b>		<b>(218,294.35)</b>	<b>(105,582.42)</b>	<b>(323,876.77)</b>
<b>Estimated assets available for creditors</b>		<b>2,063,399.92</b>	<b>(5,582.42)</b>	<b>2,057,817.50</b>
<b>Primary Preferential Creditors</b>				

Employees:	
Holiday Pay	(13,739.07)
Pension	(2,000.00)
	(15,739.07)
<b>Surplus as regards Secondary Preferential Creditors</b>	<b>2,042,078.43</b>
<b>Secondary Preferential Creditors</b>	
HMRC:	
PAYE	(6,000.00)
	(6,000.00)
<b>Surplus as regards Unsecured Creditors</b>	<b>2,036,078.43</b>
<b>Unsecured Creditors</b>	
Customer credit balances	(1,358,165.17)
Trade creditors	(1,547,376.14)
DLA	(624.00)
Employees - Notice & Redundancy Pay	(203,882.98)
	(3,110,048.29)
<b>Deficiency as regards Unsecured Creditors</b>	<b>(1,073,969.86)</b>
<b>Ordinary Shares</b>	<b>(100.00)</b>
<b>Total deficiency</b>	<b>(1,074,069.86)</b>