

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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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 Court details

Court name High Court of Justice Business and Property Courts of
England and Wales Insolvency Companies List (ChD)

Court case number C R - 2 0 2 1 - 0 0 2 3 1 2

3 Administrator's name

Full forename(s) Mark

Surname Upton

4 Administrator's address

Building name/number Victory House

Street Vision Park

Chivers Way, Histon

Post town Cambridge

County/Region

Postcode C B 2 4 9 Z R

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ^①		① Other administrator Use this section to tell us about another administrator.
Full forename(s)	David		
Surname	Scrivener		
6	Administrator's address ^②		② Other administrator Use this section to tell us about another administrator.
Building name/number	Connexions		
Street	159 Princes Street		
Post town	Ipswich		
County/Region			
Postcode	I P 1 1 Q J		
Country			
7	Appointor/applicant's name		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)			
Surname			
8	Proposed liquidator's name		
Full forename(s)	Mark		
Surname	Upton		
Insolvency practitioner number	0 0 9 5 9 4		
9	Proposed liquidator's address		
Building name/number	Victory House		
Street	Vision Park		
	Chivers Way, Histon		
Post town	Cambridge		
County/Region			
Postcode	C B 2 4 9 Z R		
Country			

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Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)

David

Surname

Scrivener

Insolvency practitioner
number

1 5 6 9 0

① Other liquidatorUse this section to tell us about
another liquidator.**11 Proposed liquidator'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 liquidatorUse this section to tell us about
another liquidator.**12 Period of progress report**

From date

^d0 ^d9 ^m1 ^m2 ^y2 ^y0 ^y2 ^y1

To date

^d2 ^d5 ^m1 ^m1 ^y2 ^y0 ^y2 ^y2**13 Final progress report**☒ I have attached a copy of the final progress report.**14 Sign and date**Administrator's
signature

Signature

X



X

Signature date

^d2 ^d8 ^m1 ^m1 ^y2 ^y0 ^y2 ^y2

**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**

**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

Joint Administrators' Final Progress Report

Zog Energy Limited –
In Administration

For the period from 9 June 2022 to 25 November 2022

28 November 2022

ZOG ENERGY LIMITED - IN ADMINISTRATION

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- 7** Creditors' Rights
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APPENDICES

- A** Receipts and Payments Account for the Period from 9 June 2022 to 25 November 2022 together with a Cumulative Receipts and Payments Account for the Period from 9 December 2021 to 25 November 2022
- B** Time Analysis for the Period from 9 June 2022 to 25 November 2022
- C** Cumulative Time Analysis for the Period from 9 December 2021 to 25 November 2022
- D** Estimated Outcome Statement as at 25 November 2022
- E** Additional information in relation to Administrators' Fees, Expenses & the use of Subcontractors

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 has been handled by Ensors Accountants LLP ("Ensors") at Connexions, 159 Princes Street, Ipswich. Suffolk. IP1 1QJ. The Administrators contact details are by phone on 01473 220022 or via email c/o.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 the Administration has now been completed, I am required to provide a progress report covering the period since my last report which ended on 8 June 2022. This is my final report in the Administration and covers the period from 9 June 2022 to 25 November 2022 (the Period) and should be read in conjunction with my earlier Proposals report and any previous progress reports which have been issued.
- 1.4 It is now proposed that the Administration will automatically convert to Liquidation and that David Scrivener and Mark Upton will continue in office as Joint Liquidators.
- 1.5 Previous reports with reference to this Administration can be downloaded from the following website: <https://www.ips-docs.com/case/D00840/Zog-Reports>
- 1.6 If you are unable to download a copy or require further information please contact the case manager, Jill Rose on 01473 220022 or email jill.rose@ensors.co.uk
- 1.7 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.
- 1.8 The trading address of the Company was Adastral Park, Martlesham Heath, Ipswich. IP5 3RE.
- 1.9 The registered office of the Company is Connexions, 159 Princes Street, Ipswich. Suffolk. IP1 1QJ and its registered number is.08222325.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account ("R&P") covering the Period together with a cumulative Receipts and Payments Account from the date of my appointment to the conclusion of the Administration.
- 2.2 Details of the assets realised during the Administration are provided in points 3.15 to 3.29 of this report.
- 2.3 The principal realisations in the Administration have been in relation to cash at bank (transferred from the Company's account), a pre-appointment VAT refund, realisations of the retentions held by the direct debit provider and sale of the Company's outstanding debtor balances.
- 2.4 You will note from the attached R&P that the Administrators' fees drawn are over and above the original estimate provided. The original estimate was insufficient to complete my duties and an additional fee request was submitted to creditors on 18 October 2022. An increase in our fee was approved on 3 November 2022. Further details with reference to this are provided in section 6 of this report.
- 2.5 As previously advised the employees and directors were retained for a short period of time to assist with the Administration process and to ensure an efficient transition of customers to the new supplier.

ZOG ENERGY LIMITED - IN ADMINISTRATION

- 2.6 Wages and salaries were paid to those retained and this is shown within the R&P. Whilst retained the employees continued to accrue holiday entitlement and payment has been made for this liability.
- 2.7 Holiday pay outstanding pre-appointment has been claimed from the Redundancy Payments Service ("RPS") who will have a claim in the Administration for any payments made. Details of creditor claims is provided in section 5 below.
- 2.8 PAYE, NIC and pension contributions deducted from the wages and salaries has been paid to HMRC and the pension provider and these are shown within the R&P.
- 2.9 All employees have now been made redundant.
- 2.10 The Company's book debts have been sold and realised £18,500 which is shown in the R&P. Further detail with reference to this is provided under the heading Realisation of Assets.
- 2.11 Additional funds of £57,184 have been received in the period in relation to funds withheld by the direct debit provider. The total realised to date equates to £370,090.
- 2.12 Payments have continued to be made to the Company's server provider to make sure that the Company's account system was accessible.

3 Work undertaken by the Administrator

- 3.1 As noted previously, the statutory objective 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, an Administrator has duties imposed by insolvency and other legislation, some of which may not have provided any financial benefit to creditors.
- 3.2 This section of the report provides creditors with an overview of the work undertaken in the Period, both in terms of the statutory objective, but also work which is required of the Administrator under other related legislation.
- 3.3 As previously detailed 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. The Company had approximately c12,000 customers for the supply of gas and all of these were initially transferred to EDF who were the successful bidder in the SoLR process. Substantial time was incurred in dealing with EDF and customer enquiries with reference to the switch over, but these enquiries have reduced quite significantly over time with only sporadic enquiries are now being received.
- 3.5 Following the sale of the Company's book debts to Barratt Smith Brown ("BSB") we received several calls from customers requesting confirmation of the sale before any payment was made. Any enquiry that we could not answer was relayed to BSB with a request for them to respond to the customer as soon as reasonably possible. This work has substantially been completed.
- 3.6 As advised in our additional fee request sent to creditors in October 2022 time incurred is significantly higher than had been anticipated due to matters specific to the nature of the appointment.
- 3.7 Our additional fee request report can be downloaded from the following website: <https://www.ips-docs.com/case/D00840/Zog-Reports>

ZOG ENERGY LIMITED - IN ADMINISTRATION

- 3.8 Our instructed solicitors continue to liaise with the Administrators of CNG and their advisers in relation to a potential claim against the Company's former gas shipper following the termination of its contract and the cancellation of hedges. The issues to be resolved are complex and are likely to take a considerable time to conclude. Formal proceedings have been issued in this matter.
- 3.9 EDF have made a levy claim to OFGEM with reference to the costs incurred by EDF in relation to the SoLR process. We understand that OFGEM have consented to a levy claim being submitted in the sum of c£3.8m to include customer credit balances of approximately £1.1m.
- 3.10 We expect there to be a return to creditors however the quantum will be influenced significantly by the outcome of the action against CNG and the final claim (if any) arising out of the SoLR process.

Administration (including statutory compliance & reporting)

- 3.11 As noted previously, an Administrator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work undertaken in this regard has been outlined previously and I would confirm that in the final period of the Administration, the only matters that have affected the costs in this area to any particular extent are as detailed in our Fee Estimate dated October 2022. In summary they are:
- Statutory compliance Issues
 - Reporting
 - Realisation of assets (to include final release of funds from the Direct Debit Bureau, and the claim against CNG the former gas shipper)
 - Creditor and Employee claims and distributions
- 3.12 The most significant increase of time is in relation to the claim against the former gas shipper which includes liaising with solicitors, the former directors and counsel with reference to the proceedings that have been issued. In addition, legal costs and court fees have been incurred.
- 3.13 It will be necessary to draft a Corporation Tax return for the period of the Administration appointment and any liability will be settled in the liquidation process.
- 3.14 Where the overall costs of statutory compliance work or reporting to creditors has exceeded 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.

Realisation of Assets

Cash at Bank

- 3.15 Funds of £1,817,288 have been transferred to the Administration bank account. No further funds are expected.
- 3.16 A VAT refund of £71,588 was received pre-appointment and is shown separately in the R&P at Appendix A.

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Direct Debit Bureau

- 3.17 As previously advised the bureau that facilitated the Company's direct debt collections originally suspended the transfer of any funds to the Company.
- 3.18 It was anticipated that the bureau was holding c£396,000 including £52,000 of agreed retentions.
- 3.19 I can confirm that funds received in the period equate to £57,184 (being the balance of the funds held of £31,184 and 50% of the held retentions equating to £26,000) bringing the total realised since appointment to £370,089.
- 3.20 The final 50% of the retention monies are anticipated imminently, and a final reconciliation process will be carried out with the bureau in due course.

Book debts/Debit Balances

- 3.21 The employees were retained by the Administrators as detailed in point 2.5 above, to enable customer statements to be produced to provide a smooth transition of accounts to EDF but also to enable identification and reconciliation of amounts due to the Company from customers.
- 3.22 At the date of Administration customer debit balances amounted to c£258,000 made up of live accounts (c£185,000) and closed accounts (c£73,000).
- 3.23 I can confirm that debit balances of £74,424 have been realised from live accounts.
- 3.24 The remaining balance was made up of relatively low value and old debts and it was not cost effective for the Administrators to continue to pursue these debts. It was concluded that the costs of recovery would have outweighed the likely realisations and would have brought no benefit to the Administration if the outstanding debts had been pursued by the Administrators.
- 3.25 The remaining debts have been sold to Barratt Smith Brown ("BSB") for £18,500.00 and full payment has been received and included with the R&P at Appendix A.

Prepayments

- 3.26 Attempts have been made to realise funds for the benefit of the Administration. This has been hampered by the claim for set-off against amounts owed by the Company and no realisation has been made.

Computer Equipment

- 3.27 Edward Wells FRICS ("EW") was instructed to deal with the sale of the Company's assets.
- 3.28 The Company's computer has been sold and realised £1,140.00. There are no further expected realisations.

Intellectual Property Rights ("IPR")

- 3.29 EW received two expressions of interest with reference to the IPR. Having reviewed the offers received a sale of the IPR was agreed at £5,000 to the former directors. Funds have been received and there will be no further realisation for IPR.
- 3.30 The work the Administrators and their staff have undertaken has brought a financial benefit to creditors and it is anticipated that this will result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 3.31 Further information on the outcome for creditors in this case can be found at section 5 of this report. Administrators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company.
- 3.32 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.
- 3.33 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.
- 3.34 There are no secured creditors in this Administration.
- 3.35 It is anticipated that there will be claims from both the ordinary and secondary preferential creditors and these must be paid in full before any distribution is made to unsecured creditors.
- 3.36 The Directors Statement of Affairs stated creditor claims of c£3.1m. This included trade creditors, employee claims for redundancy and notice pay and customer credit balances.
- 3.37 The creditor claims amount also includes the amount stated as being due to the gas shipper in the sum of c£1.4m. The claim is under review and is subject to a counter claim that is being pursued as detailed at 3.9 above.
- 3.38 Until the issue with the Company's gas shipper has been finalised, together with confirmation of any claim arising from the SoLR process, I cannot confirm the final value of creditor claims which means the final return to unsecured creditors cannot be determined at this time.

Investigations

- 3.39 You may recall from my earlier progress reports to creditors that some of the work the Administrators were required to undertake was 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 those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.
- 3.40 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 3.41 Since my last progress report, I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

Connected party transactions

- 3.42 As previously advised the Computer Equipment and IPR has been sold to the directors of the Company.

4 Unrealised Assets

4.1 The cumulative Receipts and Payments Account included within Appendix A reflects the final position on both realisations achieved and payments made during the Administration. This includes details of all expenses incurred and paid by the Administrators.

4.2 I would confirm that the following assets have yet to be realised and will now be dealt with by the duly appointed Liquidator in due course:

Final realisation from the Direct Debit Bureau

Pursuance of the claim against the Company's former gas shipper, CNG

5 Outcome for Creditors

5.1 A Final Estimated Outcome Statement on the Administration of the Company at 25 November 2022 is attached at Appendix D.

5.2 Further information on the outcome for each class of creditor in the Administration can be found below:

Preferential Creditors

5.3 A summary of the preferential claims and details of any distributions paid to date can be found 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		

5.4 I have not received the final claim from BEIS or HMRC and therefore these will be agreed and paid in the Creditors Voluntary Liquidation ("CVL").

Unsecured Creditors

5.5 As previously advised, I have not spent time agreeing the claims of the unsecured creditors at this time.

5.6 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 outlined previously in this report.

5.7 In my progress report to 8 June 2022, I anticipated that there would be a dividend to unsecured creditors and that the Company would exit the Administration process to a CVL to facilitate the dividend.

5.8 There is no secured creditor and accordingly there is no requirement 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.

6 Joint Administrators Remuneration

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

6.2 A copy of the original 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	267	29,492.00
Realisation of assets	127.4	278	35,429.00
Creditors (claims & distributions)	110.4	282	31,129.50
Employees	35	284	9,934.00
Investigations	21	261	5,480.00
Total estimated fees			£111,464.50

6.3 You will recall that I provided creditors with my fees estimate prior to the agreement of the basis of my remuneration as time costs. I would confirm that it was necessary during the Administration to seek further approval to increase my original fees estimate and this was detailed in my letter to creditors dated 18 October 2022. This also included an estimate of the time costs to be incurred in relation to the automatic move from Administration to Liquidation and all subsequent matters that would be required to be dealt with in the liquidation.

6.4 The reasons for the required increase in the fee estimate and the additional costs incurred over and above our original estimate are summarised below:

- Administration – including statutory reporting and compliance, dealing with OFGEM and EDF. Dealing with customer enquiries following the formal Administration appointment and the move to EDF. VAT returns, maintaining the Administration bank account and dealing with unexpected payments that needed to be made to maintain the Company's accounting system and the ongoing claim against the gas shipper.
- Realisation of Assets – including liaising with the Direct Debit Bureau to ensure realisation of funds being held as well as negotiations of the sale of outstanding book debts
- Creditors – this includes the claims of the former employees to enable them to claim from The Redundancy Payments Service as well as the calculation and payment of holiday pay accrued in the Administration. It is anticipated that significant time will be required in relation to dealing with the ongoing legal proceedings with the Company's former gas shipper.

- 6.5 A copy of the additional fee increase approved by creditors on 3 November 2022 is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance)	40.6	252	9,730.50
Reporting	76	302	22,960.00
Realisation of assets	18	328	5,910.00
Creditors (claims & distributions)	127	276	35,050.00
Employees	46.5	248	11,552.50
Total Estimated Fee			85,203.00

- 6.6 Consequently, the approved fees estimate in force at the end of the Administration imposed an overall cap on my fees of £197,667.50, (being the original estimate of £111,464.50 plus the additional fee request of £85,203.00). The total cost estimate includes the estimated time to deal with the liquidation.
- 6.7 My time costs for the Period are £48,891.80. This represents 160.8 hours at an average rate of £304 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during this final period in respect of the costs fixed by reference to time properly spent by me in managing the Administration. A narrative explanation of the work undertaken by the Administrator during the Period can be found at section 3 of this report.
- 6.8 Attached as Appendix D is a cumulative Time Analysis for the period from the date of my appointment to 25 November 2022 which provides details of my total time costs in the Administration. These time costs total £157,197.08 which represents 526.7 hours at an average rate of £298 per hour.
- 6.9 I would confirm that £152,083 has been drawn against my accrued time costs, which is below the level of the fees estimate approved by creditors.
- 6.10 The balance of the Administrator's unbilled time costs of £7,306.50 will be drawn as an expense of the Liquidation in due course. This remains within the fees estimate approved by creditors for the Administration.
- 6.11 Attached at Appendix F is additional information in relation to the Administrator's fees, expenses and the use of subcontractors and other professional advisers.
- 6.12 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>.

7 Creditors' rights

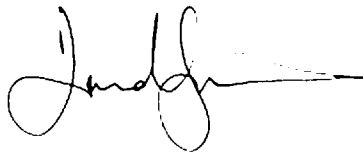
- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration 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 Administrators' remuneration is inappropriate and/or the remuneration charged, or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

8 Ending the Administration

- 8.1 A copy of the notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation is enclosed with this report, which has been sent to the Registrar of Companies for filing. Once this notice is registered, the Company will be in liquidation and I would confirm that myself and Mark Upton, the current Joint Administrators will become the appointed Joint Liquidators, as agreed in my earlier proposals.
- 8.2 As liquidator, I will be required to report to creditors on the progress of the liquidation within two months of the anniversary of my appointment. If a dividend is to be declared sooner, I will write to creditors to provide appropriate details in the intervening period.
- 8.3 If any creditors have not yet submitted their proof of debt, please ensure this is forwarded to my office as soon as possible in order that your claim can be admitted for dividend purposes.
- 8.4 I would confirm that the basis of my remuneration as Liquidator remains the same as in the Administration. My fees estimate for the work I anticipate will be required in the liquidation and details of the expenses I anticipate will be, or are likely to be, incurred has already been provided to creditors during the Administration. If this fee estimate is likely to be further increased details of the additional fee estimate will be forwarded to creditors for approval in due course.

Should you require any further information please contact the case manager, Jill Rose on 01223 420721 or by email to 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 28 November 2022 and for the period 9 June 2022 to 28 November 2022

	For the period 9.12.21 to 28.11.22	For the period 9.6.22 to 28.11.22	Total
	£	£	£
balance b/fwd		2,063,399.92	
Receipts			
Cash at Bank	1,817,288.30		1,817,288.30
VAT refund	71,588.58		71,588.58
Retention held by DD provider	312,905.28	57,180.70	370,085.98
Interest Received	259.08	3,485.14	3,744.22
Computer Equipment	1,140.00		1,140.00
Intellectual Property Rights	5,000.00		5,000.00
Customer debits - live accounts	73,513.03	911.34	74,424.37
Sale of book debts		18,500.00	18,500.00
Shares and investment income		22.60	22.60
Insurance refund		435.19	435.19
	<u>2,281,694.27</u>	<u>2,143,934.89</u>	<u>2,362,229.24</u>
Payments			
Wages & Salaries	(44,801.79)		(44,801.79)
Consultancy	(8,437.50)	(640.00)	(9,077.50)
PAYE & NIC Payments	(21,381.61)	(1,717.83)	(23,139.44)
Pension contributions		(4,419.85)	(4,419.85)
Administration holiday pay		(3,735.39)	(3,735.39)
Telephone, Internet & Cloudbook	(3,973.49)	(535.32)	(4,508.81)
Stationery	(2.95)		(2.95)
Rent	(3,000.00)		(3,000.00)
Lease/HP payments	(3,314.94)		(3,314.94)
Legal Fees	(4,605.00)	(38,947.50)	(43,552.50)
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)
Postage		(98.02)	(98.02)
Bank Charges	(347.75)	(15.00)	(362.75)
Consultancy charges re Pension		(575.00)	(575.00)
Pre-appointment fees	(17,593.00)		(17,593.00)
Joint Administrators' fees	(107,609.08)	(44,474.00)	(152,083.08)
	<u>(218,294.35)</u>	<u>(95,157.91)</u>	<u>(313,492.26)</u>
Balance	<u>2,063,399.92</u>	<u>2,048,736.98</u>	<u>2,048,736.98</u>

ZOG ENERGY LIMITED - IN ADMINISTRATION

TIME AND CHARGE OUT SUMMARY FROM 09 JUNE 2022 TO 28 NOVEMBER 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	23.2	1.8	-	4.8	29.8	9,988.00	335
Creditors	29.0	8.0	-	2.4	39.4	13,770.50	350
Administration & planning	6.2	7.7	-	19.0	32.9	6,754.00	205
Investigations / Debtor / Directors	1.5	1.9	-	-	3.4	1,136.50	334
Employees	-	3.8	-	3.8	7.6	1,577.00	208
Reporting	20.9	22.6	-	4.2	47.7	15,665.50	328
Total hours	<u>80.8</u>	<u>45.8</u>	<u>-</u>	<u>34.2</u>	<u>160.8</u>		
Hourly rate	£365-405	£150-320	-	£105-£225			
Total time costs £	<u>30,952.00</u>	<u>14,071.00</u>	<u>-</u>	<u>3,868.50</u>		<u>48,891.50</u>	304

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

ZOG ENERGY LIMITED – IN ADMINISTRATION

TIME AND CHARGE OUT SUMMARY FROM 09 DECEMBER 2021 TO 28 NOVEMBER 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	92.1	32.8	-	5.8	130.7	43,482.00	333
Creditors	33.1	49.7	-	7.7	90.5	28,251.50	312
Trading	4.0	-	-	0.2	4.2	1,411.00	336
Administration & planning	66.4	54.1	-	28.7	149.2	42,579.83	285
Investigations / Debtor / Directors	6.4	12.5	-	13.6	32.5	6,130.25	188
Employees	1.7	26.4	-	4.0	32.1	8,985.50	280
Reporting	27.7	48.3	-	11.5	87.5	26,357.00	301
Total hours	<u>231.4</u>	<u>223.8</u>	<u>-</u>	<u>71.5</u>	<u>526.7</u>		
Hourly rate	£265-405	£140-320	-	£36-£225			
Total time costs £	<u>84,104.92</u>	<u>66,245.16</u>	<u>-</u>	<u>6,847.00</u>		<u>157,197.08</u>	298

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

Zog Energy Limited - in Administration

Estimated Outcome Statement as at 28 November 2022

	Book Value	Receipts and payments for the period 9.12.21 to 28.11.22	Estimated future income and expenditure	Estimated to realise
	£	£	£	£
ASSETS NOT SPECIFICALLY PLEDGED				
Income received to date and expected future realisations				
Cash at Bank	1,818,067.85	1,817,288.30		1,817,288.30
Retention held by DD provider	396,735.86	370,085.98	26,000.00	396,085.98
VAT refund	78,042.77	71,588.58	-	71,588.58
Interest Received	-	3,744.22	-	3,744.22
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	74,424.37	-	74,424.37
Customer debts - closed accounts	72,311.00		-	-
Sale of book debts		18,500.00	-	18,500.00
Shares and investment income		22.60	50.00	72.60
Insurance refund		435.19	-	435.19
Potential claim re Gas Shipper	-			Uncertain
Total realisations	2,776,324.81	2,362,229.24	25,050.00	2,388,279.24
Costs incurred to date and expected in future				
Pre-appointment fees		(17,593.00)	-	(17,593.00)
Joint Administrators' fees		(152,083.08)	(44,584.42)	(196,667.50)
Travelling		(39.60)	-	(39.60)
Wages & Salaries		(44,801.79)	-	(44,801.79)
PAYE & NIC		(23,139.44)		(23,139.44)
Consultancy Charges		(9,652.50)	-	(9,652.50)
Administrator Employee Holiday Costs		(3,735.39)	-	(3,735.39)
Telephone , Internet & Computing		(4,508.81)	(150.00)	(4,658.81)
Stationery		(2.95)	-	(2.95)
Rent		(3,000.00)	-	(3,000.00)
Lease payments		(3,314.94)	-	(3,314.94)
Legal Fees Prettys Solicitors		(43,552.50)	(50,000.00)	(93,552.50)
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		(362.75)	(60.00)	(422.75)
Pensions		(4,419.85)	-	(4,419.85)
Postage		(98.02)	(150.00)	(248.02)
Merchant Services			(250.00)	(250.00)
Contingency			(10,000.00)	(10,000.00)
Total		(313,492.26)	(105,344.42)	(418,836.68)
Estimated assets available for creditors		2,048,736.98	(80,294.42)	1,969,442.56

Primary Preferential Creditors

Employees:	
Holiday Pay	(13,739.07)
Pension	(2,000.00)
	(15,739.07)

Surplus as regards Secondary Preferential Creditors	1,953,703.49
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Secondary Preferential Creditors

HMRC:	
PAYE	(6,000.00)
	(6,000.00)

Surplus as regards Unsecured Creditors	1,947,703.49
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Unsecured Creditors

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)

Deficiency as regards Unsecured Creditors	(1,162,344.80)
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Ordinary Shares	(100.00)
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Total deficiency	(1,162,444.80)
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Appendix E

Additional Information in Relation to the Administrator's 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 used the professional advisors listed below:

Name of Professional Advisor	Basis of Fee Arrangement
Prettys Solicitors (legal advice)	Time costs
Insolvency Risk Services (insurance)	Risk based premium
Edward Wells (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. Costs paid to these professional advisors can be found in the section below on expenses and within the enclosed Receipts and Payments Account.

Administrator's 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.

Category 1 expenses

These expenses do not require prior approval by creditors:

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Total costs incurred £
Agent's fees & expenses		800.00		800.00
Legal fees & expenses		4,605.00	31,747.00	36,352.50
Statutory advertising		178.40		178.40
Specific Penalty Bond		1,020.00		1,020.00
Insurance		1,189.24		1,189.24
Cumber Consultants			575.00	575.00

ZOG ENERGY LIMITED - IN ADMINISTRATION

Category 2 expenses

Approval to pay these costs as an expense of the Administration was previously obtained from creditors:

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Total costs incurred £
Business mileage		39.60		39.60
Postage charges			98.02	98.02
Others - state				

Charge-Out Rates

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

Staff	(Per hour) £
Partner/Consultant	375-405
Manager	320
Assistant Manager	260
Senior Administrator	225
Assistant	115