

The Insolvency Act 1986

**Statement of Administrators' proposals**

Name of Company

GB Energy Supply Limited /

Company number

08500842

In the  
High Court of Justice, Chancery Division, Leeds  
District Registry

[full name of court]

Court case number

1127 of 2016

(a) Insert full name(s) and  
address(es) of  
administrator(s)We (a) Francis Graham Newton and Antony David Nygate of BDO LLP, 1 Bridgewater  
Place, Water Lane, Leeds, LS11 5RU


\*Delete as applicable

attach a copy of ~~\*my~~ / our proposals in respect of the Administration of the above  
companyA copy of these proposals was sent to all known  
creditors on

(b) Insert date

(b)  
21 December 2016

Signed

  
Joint Administrator

Dated

22 December 2016

**Contact details**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

BDO LLP, 1 Bridgewater Place, Water Lane,

Leeds, LS11 5RU

Our Ref 009310/FGN/PH/JK/C15

Tel 0113 244 3839



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companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



**GB Energy Supply Limited  
In Administration**

**Statement to Creditors pursuant to Rule 2.33  
of the Insolvency Rules 1986 and Statement of  
Proposals under Paragraph 49 of Schedule B1  
to the Insolvency Act 1986**



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## **GB ENERGY SUPPLY LIMITED - IN ADMINISTRATION**

Registered No 08500842

Registered office 842 Garstang Road, Barton, Preston, PR3 5AA

In the High Court of Justice, Chancery Division, Leeds District Registry

Court Number: 1127 of 2016

### **1 Introduction**

- 1 1 This report is addressed to the creditors of GB Energy Supply Limited (the 'Company') and incorporates the Joint Administrators' proposals (the 'Proposals'). The Proposals are to be considered by creditors' at a meeting called pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986 to be held at Barton Grange Hotel, 746-768 Garstang Road, Barton, Preston PR3 5AA on 17 January 2017 at 11 30am.
- 1.2 Creditors may approve the Proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Proposals a report will be sent to the High Court of Justice, Chancery Division, Leeds District Registry confirming that the creditors have rejected the Proposals. The Court may then discharge the Administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1 3 If the Proposals are agreed at the meeting of creditors the Joint Administrators will continue to control the business of the Company to the extent that it has not been transferred. The Joint Administrators would at some later date arrange for the Company to exit from the Administration, as agreed by the creditors. Based on the information presently available and the current situation the Joint Administrators propose that the Company will move from Administration to Creditors' Voluntary Liquidation.
- 1 4 The Proposals should be read in conjunction with our letter to the Company's creditors sent on 13 December 2016.
- 1.5 Please note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

### **2 Events leading up to the Appointment of the Joint Administrators**

- 2.1 The Company was incorporated on 23 April 2013 and operated from leasehold premises situated at 842-844 Garstang Road, Barton, Preston, PR3 5AA.
- 2 2 The Company operated under the concept of a 'virtual energy supplier' in that the majority of the Company's operational functions were outsourced and managed centrally through its core team of head office staff.
- 2.3 Until 30 November 2016, the Company was licensed, under the provisions of the Energy Act 2004 by the Gas and Electricity Markets Authority (Ofgem) to supply gas and electric to domestic and non-domestic premises.
- 2.4 Since entering the gas and electric supply market in April 2015 the Company secured rapid growth primarily in the domestic market and was generating an annual turnover approaching c£100m.
- 2.5 However, on 13 October 2016 the Company sought advice from BDO LLP ('BDO') as regards to a significant funding requirement identified for December 2016 due to increasing prices in the wholesale electricity market and the Company being unable to hedge against increasing costs where 50% of its customers were on fixed rate tariffs. The funding shortfall meant the Company would not be in a position to pay for the future supply of gas and electricity for its domestic and non-domestic customers.

- 2.6 Management estimated that it required a capital injection of c£15m to meet the forecast funding requirement through the winter months
- 2.7 The Company's shareholders were not in a position to meet the funding requirement. This resulted in the Company and its shareholders instructing BDO on 20 October 2016 to seek an external investor for the Company, or alternatively, a sale of its shares or a trade sale of its business and assets (its assets being principally its contracts with domestic and non-domestic customers). BDO was also engaged on 20 October 2016 to undertake a review of the Company's cash flow forecast and balance sheet, provide the Company with support in its interactions with stakeholders and to consider contingency planning
- 2.8 BDO began an accelerated marketing process at the end of October 2016 approaching a targeted list of 47 potential interested investors/purchasers who were either existing operators within the domestic market or private equity companies with an interest in the energy sector
- 2.9 Of the 47 parties approached, 32 signed non-disclose agreements and were provided with access to an online data room containing information about the Company to enable due diligence to be undertaken
- 2.10 Indicative offers were invited by 11 November 2016 and four offers were received. Two offers were for the assets of the Company, principally its customer base, while the other two offers were for the entire share capital of the Company.
- 2.11 Of the two offers received for the Company's assets, one party offered £1 while the other requested a payment of c£5m (reverse premium) from the Company in return for taking on the customers. The business and asset offers would not have returned a better result to creditors than the alternative share offers, so these offers were not taken forward
- 2.12 The offers received for the shares of the Company were made by credible parties who were already operating in the sector. To allow both parties to complete their due diligence, best and final offers for the shares of the Company were invited by 23 November 2016. However, the parties subsequently withdrew their interest on 20 November 2016 and 24 November 2016
- 2.13 On 23 November 2016 a significant European company, who also operated in the sector but did not have a license to supply in the UK market, expressed an interest in acquiring the Company's shares and instructed a large professional team to undertake due diligence on its behalf. However, on 24 November 2016, the party advised that it would not be pursuing its interest further.
- 2.14 On 25 November 2016, the directors of the Company informed Ofgem, who had been in detailed discussions with the Company and BDO throughout the accelerated marketing process, of the withdrawal of the interested parties. It was at this point that the directors requested that Ofgem take appropriate steps to protect the interests of the Company's customers by initiating the process to appoint a Supplier of Last Resort ('SOLR')
- 2.15 In order for Ofgem to be able to instigate the SOLR process the Company had to have its operating licenses revoked. Ofgem has the power to revoke a supplier's licence with 24 hours' notice in certain circumstances. These circumstances include the supplier being unable to pay its debts within the meaning of Section 123(1) or (2) of the Insolvency Act 1986

- 2.16 At the invitation of the directors of the Company, Ofgem instigated its SOLR process to identify and then appoint a replacement supplier to ensure continuity of supply for the Company's customers
- 2.17 Consequently, on 29 November 2016 Ofgem appointed Co-Operative Energy ('Co-Op Energy') (a wholly owned subsidiary of The Midcounties Co-operative Limited ('Co-Op')) as the SOLR.
- 2.18 In accordance with the SOLR, all of the Company's electricity and gas customers were transferred to Co-Op Energy, which commenced supplying electricity and gas to the transferred customers on 30 November 2016 at 0 01hrs and 05 01hrs respectively
- 2.19 The appointment of a SOLR did not, however, give or pass title to the assets of the Company to Co-Op Energy or allow for the seamless transfer of assets, information or employees to the new supplier. As such, the directors considered the options available to the Company and sought insolvency advice from BDO and its retained legal advisers, Addleshaw Goddard LLP
- 2.20 Based on that advice, on 6 December 2016 a notice of appointment of Administrators was filed by the directors of the Company, pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986 at the High Court of Justice, Chancery Division, Leeds District Registry for the appointment of Francis Graham Newton and Antony David Nygate as Joint Administrators of the Company. Under the provisions of Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the Joint Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function
- 3 Statutory information**
- 3.1 At Appendix 1 is a record of the names of the Company's directors and Company secretary together with details of their shareholdings
- 4 Joint Administrators' receipts and payments account**
- 4.1 The Joint Administrators' receipts and payments account as at 20 December 2016 is attached at Appendix 2
- 5 Statement of Affairs**
- 5.1 We have requested that the directors of the Company produce a Statement of Affairs, however insufficient time was available to prepare the statement prior to these proposals being released. Therefore we have produced a financial statement as at 6 December 2016 using the available records of the Company, which is attached at Appendix 3
- 6 Prescribed Part**
- 6.1 In accordance with Section 176A of the Insolvency Act 1986 the Joint Administrators are required to set aside a proportion of the Company's net property for the satisfaction of unsecured debts (the 'Prescribed Part' or 'PP') and state the amount of funds available to unsecured creditors in respect of the PP. This provision only applies where the Company has granted a floating charge to a creditor on or after 15 September 2003.
- 6.2 Given that the Company has not granted a floating charge to any creditor, the PP will not apply in this Administration

## 7 Achieving the purpose of the Administration

7.1 The statutory purpose of an Administration consists of three objectives, which are summarised below, and we now address the progress that has been made in this respect

- (a) The first objective is rescuing the Company as a going concern (i.e. restructuring the company's business, resulting in the survival of the company);
- (b) With regard to the second objective of achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), and
- (c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors

7.2 As a consequence of Ofgem invoking the SOLR and the Company's customers transferring to Co-Op Energy, the Company effectively ceased to trade on 30 November 2016. As such, there was no business to rescue and so objective (a) could not be achieved.

7.3 We are of the view that objective (b) will be achieved as the Administration enabled an immediate sale of certain Company assets and the transfer of employee contracts to Co-Op thereby preserving and enhancing asset realisations, reducing the level of preferential and unsecured creditor claims in the Administration and minimising disruption to customers

## 8 Sale of certain business assets

8.1 On 1 December 2016 we entered into discussions with representatives of Co-Op Energy and its immediate parent company, Co-Op, regarding a potential sale of the Company's assets

8.2 An agreement was subsequently reached with Co-Op to purchase certain Company assets for £1,558,505 immediately on the appointment of the Joint Administrators. The sale provided for Co-Op Energy to occupy the Company's existing premises under the terms of a licence to occupy and the quarterly rent of £2,850 has been paid in full up to 28 February 2017

8.3 A summary of the consideration received and an explanation of the assets sold to Co-Op is as follows

	Sale price
	£
Customer debts and accrued income	1,550,000
Tangible assets	8,500
The business name "GB Energy Supply"	1
Business rights, the trade or business right domains, email addresses etc	1
Goodwill including customer information and data	1
Intellectual property including any and all trademarks, databases etc	1
Transferred records	1
<b>Total</b>	<b><u>1,558,505</u></b>

***Customer debts and accrued income***

- 8 4 Customer debts and accrued income relates to debts due from customers of the Company as at 30 November 2016, being the date of transfer of supplies from the Company to Co-Op Energy, by virtue of the SOLR. Any debts due from customers (billed and unbilled) that had completed the process of switching their supply away from the Company before 30 November 2016, and so did not transfer to Co-Op Energy, were excluded from the sale. These debts will be collected in separately by the Joint Administrators.

***Tangible assets***

- 8 5 Tangible assets represent the Company's furniture and office equipment which had been independently valued by Richmond Asset Advisory.

**9 Management of the Company's affairs since the Joint Administrators' appointment*****Initial Actions***

- 9 1 Immediately following our appointment on 6 December 2016 a sale of certain Company assets to Co-Op was completed. The sale proceeds totalling £1,558,505 have been received in full.
- 9.2 Our staff attended the Company's premises to address the employees and inform them of the following:
- That Administrators had been appointed to the Company on 6 December 2016,
  - A sale of certain assets had been completed to Co-Op on 6 December 2016, immediately following the appointment of Administrators, and
  - The employees' contracts of employment had transferred to Co-Op as a result of the sale.
- 9 3 We also contacted the Company's bank, Barclays Bank PLC (the 'Bank'), to cancel all payments and arrange for funds held by the Bank to be transferred to a separate bank account under the control of the Joint Administrators.
- 9 4 Arrangements for the Company's remaining asset, the leasehold interest at 842-844 Garstang Road, to be placed on open cover insurance by our insurance brokers (this is a requirement in all insolvency appointments).
- 9 5 We engaged with the Company's former management team in order to obtain information to assist us in realising those assets excluded from the sale to Co-Op (further details of which are provided later in this report), recover any documentation as regards to the Company's creditors and address any other matters which were considered relevant.
- 9 6 As part of the above process, members of BDO's forensic technology department also attended the Company's premises in order obtain and preserve back-ups of data held on the Company's servers.
- 9 7 We have notified the relevant authorities of our appointment in accordance with our statutory requirements as Joint Administrators of the Company.

**10 Remaining unrealised assets*****Cash at bank***

- 10 1 At the date of appointment, the Company had cash at bank of £2,571,473



- 10 2 Immediately following our appointment we contacted the Bank and requested that these funds be transferred to the Joint Administrators' bank account. The Bank has advised that the credit balance held will be subject to them retaining £50k for one month as security to cover the following
- Potential charges which may arise under the merchant services facility which the Company operated (this facility allowed customers to pay by credit/debit card); and
  - Deductions for money owing to them in respect of a corporate credit card and any accrued charges on the account

- 10 3 The balance of these funds totalling £2,507,081 will be transferred into the Administration estate shortly

***Debtors and accrued income for customers who left prior to the SOLR***

- 10 4 The Company had c12,000 customers who had left prior to the SOLR on 30 November 2016, but owed money to the Company. At the date of appointment, the Company's records indicated the level of debt owed by these customers to be c£1.55m. However, a significant proportion of these balances are unlikely to be recoverable as the addressee on the Company's system states only 'the occupier'. We understand these balances relate to customers that moved out of the previously supplied properties and did not provide a forwarding address.
- 10 5 The average size of the remaining debt is £170 per customer. We are therefore liaising with specialist debt collection agencies in order to realise this asset.
- 10 6 Given the profile of the debtor asset, the level of realisations is currently uncertain.

***Security deposits***

- 10 7 The Company has provided various industry creditors with security deposits totalling £2,529,563.
- 10 8 We have written to the respective creditors to notify them of our appointment and request that the deposits are repaid to the Joint Administrators' bank account. Although, it is likely that the security deposits will be subject to some level of set-off by the deposit-holders against amounts owed to them by the Company. Accordingly, the expected value of recoveries is unknown.

***Cash in transit - CFP Trading Limited ('CFP')***

- 10.9 We have successfully recovered £197,743 from CFP in respect of monies due to the Company for forward purchased gas and electricity contracts.

***Cash in transit - First Capital Cashflow Finance Limited ('FCCFL')***

- 10.10 The Company entered into an agreement with FCCFL to enable customers to make payments for gas and electric supplies by direct debit. FCCFL however issued a notice of termination of the agreement on 29 November 2016.
- 10 11 At the date of appointment, FCCFL was holding c£1.8m of customer payments collected on behalf and for the benefit of the Company. Under the terms of its agreement with the Company, FCCFL can withhold these funds for up to 12 months in order to minimise its potential exposure from any customer chargebacks.

- 10.12 We are in negotiations with FCCFL to seek an earlier release of some or all of these funds.

***GB Metering Services Limited ('GBMSL')***

- 10.13 GBMSL is a wholly owned subsidiary of the Company
- 10.14 We are currently ascertaining the value of these shares with a view to a potential sale of the Company's interest in its subsidiary

***Renewable Obligation Certificates ('ROCS')***

- 10.15 A ROC is issued for eligible renewable electricity generated within the United Kingdom and supplied to customers in the United Kingdom by a licensed supplier
- 10.16 ROCS are registered on Ofgem's electronic registry and would normally transfer from one utility provider to another through Ofgem's electronic registry facility when it sells power to an electricity supplier.
- 10.17 At the date of appointment the Company held 2,525 ROCS with an estimated market value of c£100k. We are currently investigating a sale of the ROCS held by the Company.

***Pre-payments***

- 10.18 The Company's books and records show pre-payments of c£4.3m at the date of appointment. We have been advised that this predominantly relates to the prepayment of gas and electricity commodities consumed in October and November 2016, of which c£3.9m had not been billed to the Company. It is anticipated that once the respective suppliers have raised their bills the level of pre-payments will be adjusted accordingly
- 10.19 The remaining balances (c£400,000) will be reviewed in order to determine whether any of these can be recovered

***VAT Refund***

- 10.20 The Company's records indicate a potential VAT refund of £1,346,838. This asset may be at risk of being set-off against other crown liabilities owed by the Company. In light of the above, it is uncertain whether there will be any refund to the Company.

***Other debtors***

- 10.21 We are aware that the Company may have made certain nominal payments on behalf of an associated company, GB Energy (Renewables) Limited. We are reviewing the records of the Company to establish whether there is a recoverable debt in this regard

**11 Trading during the Administration**

- 11.1 The Company had effectively ceased to trade immediately following the appointment of a SOLR and the transfer of customers to Co-Op Energy. There has therefore been no trading undertaken by the Company in Administration.

**12 Creditors' claims**

***Secured Creditors***

- 12.1 The Company did not grant fixed or floating charge securities to any of its creditors. As such, there are no secured creditors in its Administration.

***Preferential Creditors***

- 12 2 As a result of the transfer of the employees' contracts to Co-Op, the only preferential claims that we are aware of are unpaid pension contributions from the November payroll of c£1 6k
- 12 3 Based on current information, it is anticipated that the preferential creditor claims will be paid in full

***Unsecured Creditors***

- 12.4 Based on information extracted from the Company's accounting records, unsecured trade creditor claims as at the date of appointment are estimated to be c£14m. This does not however take account of any sums that may be due to Ofgem in relation to amounts owed for Renewable Obligations, potential subrogated claims in respect of customer accounts that were in credit at the point of transfer to Co-Op Energy and Feed in Tariff fees, which may materially increase the value of unsecured creditors
- 12 5 As noted above, the directors of the Company have not had an opportunity to prepare a Statement of Affairs. The Company's records are also in the process of being brought up to date. Consequently, the estimated level of unsecured creditor claims in the Administration will be subject to change
- 12.6 Based on current information, it is anticipated that there will be sufficient funds available to pay a dividend to the Company's unsecured creditors. The potential dividend available to unsecured creditors will be dependent on asset realisations, professional costs incurred in dealing with the Administration and the level of claims received from unsecured creditors and accepted for dividend purposes. At this stage, the quantum and timing of any potential dividend is uncertain
- 12 7 Please note that the Joint Administrators do not have the relevant sanction to agree and pay any dividend to the unsecured creditors. The Company will need to move from Administration to Creditors' Voluntary Liquidation in order for the claims to be agreed and any distribution(s) paid

**13 Investigation**

- 13 1 The Joint Administrators have a duty to investigate the affairs of the Company to establish if there are any actions that can be pursued for the benefit of the creditors as a whole and also the conduct of the directors. In this latter respect the Joint Administrators must submit a confidential report to the Secretary of State within three months of their appointment regarding the conduct of all current directors and shadow directors and any former directors who were in office three years before the Company entered Administration
- 13 2 If creditors wish to bring to our attention any matters that may merit investigation please contact the Joint Administrators c/o of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU quoting reference GBENERGY. A questionnaire for creditors use in this regard is attached at Appendix 4

**14 Other matters**

- 14 1 The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to us but are not satisfied with the response from us then you should visit

<https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint

## 15 EC Regulations on Insolvency Proceedings

- 15.1 We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to this Administration. In this particular case the EC Regulation will apply and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation

## 16 Pre Administration Costs

- 16.1 Under Rule 2.67A of the Insolvency Rules 1986 certain costs incurred in preparation and planning for the Administration may, with the approval of the creditors, be approved for payment from the Administration estate, as an expense of the Administration. Allowable costs fall into the following categories -

- (i) the fees charged by the Joint Administrators,
- (ii) the expenses incurred by the Joint Administrators, and
- (iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner

- 16.2 The table below summarises the outstanding costs (excluding VAT) for which approval is sought and also, where relevant, records payments received

	Costs Incurred	Payments Received	Costs Outstanding
(i)	90,313.80	None	90,313.80
(ii)	75,737.48	None	75,737.48
(iii)	N/A	N/A	N/A
<b>TOTAL</b>	<b>166,051.28</b>	<b>None</b>	<b>166,051.28</b>

- 16.3 We now explain in more detail the facts behind the above. In respect of the fees and expenses incurred by the Joint Administrators prior to the Administration appointment

### (i) The fees charged by the Joint Administrators

- 16.4 The Joint Administrators incurred time costs totalling £90,313.80 in respect of work undertaken between 28 November 2016 and 6 December 2016
- 16.5 We would advise creditors that the pre-Administration phase of work was extended in this instance due to the considerable operational and legal complexities arising from the transfer of the Company's customers to Co-Op Energy in accordance with the SOLR process. In particular, it was necessary for the Joint Administrators to spend significant time with the Company's management and Co-Op Energy (as SOLR) to establish a detailed understanding of the customer billing process to ensure value in the asset was preserved and to minimise disruption to transferred customers. The Joint Administrators' work was complicated in this regard by the Company outsourcing certain business systems to third parties.
- 16.6 As a consequence, and to ensure the best outcome for all stakeholders, the Joint Administrators entered into negotiations with Co-Op for the sale of certain Company assets. Necessarily, these negotiations were undertaken and documented in the period prior to the appointment of the Joint Administrators
- 16.7 A schedule of pre-appointment time costs incurred by the Joint Administrators is attached at Appendix 5 for creditors' information, and a more detailed overview of the work undertaken by the Joint Administrators and their staff in this period is provided below

- Attended meetings with the Company's management team to understand the Company's financial position and ascertain the Company's assets and liabilities;
- Worked with the Company's staff and contractors to establish a detailed understanding of the Company's integrated software systems and procedures in relation to its customer billing processes, including IT interdependencies.
- Held numerous meetings with the directors of the Company and Co-Op to broker a sale of certain Company assets, the transfer of employee contracts and agreeing a licence to occupy for Co-Op Energy's continuing use of the Company's leasehold property,
- Reviewed Company records to understand the level of customer debts (including unbilled supplies) that may be collectable, and estimating the likely costs of various collection strategies, to inform negotiations with Co-Op and to ensure any deal was in the best interest of creditors,
- Instructed agents to obtain valuations of the Company assets to inform discussions with Co-Op,
- Liaised with solicitors regarding the complex legal mechanics of appointing an Administrator over a former Energy Supply company, to review the business sale agreement and to ensure the Joint Administrators obligations pursuant to Statement of Insolvency Practice 16 were complied with,
- Collated employee information and prepared relevant letters;
- Prepared detailed plans for the appointment, including an appropriate reactive media strategy; and
- Provided the Company's senior management with advice around stakeholder management, including Ofgem, throughout the process

- 16 8 The above work was undertaken prior to the Administration in order to preserve the value in certain Company assets, avoid the need for any potential redundancies, and minimise any potential disruption to the Company's customers as a result of the SOLR
- 16 9 No payments have been received in respect of the Joint Administrators' pre-appointment time costs
- 16 10 We are seeking approval from creditors to draw £90,313 80 plus VAT against our time costs

**(ii) The expenses incurred by the Joint Administrators**

- 16.11 In preparation for the Administration the following disbursements and expenses have been incurred by the Joint Administrators

Type	Amount (£)
Joint Administrators' disbursements	1,226 48
Legal fees	72,426 00
Agent's fees	2,085 00
<b>Total</b>	<b><u>75,737.48</u></b>

- 16 12 The Joint Administrators' disbursements are reimbursement of precise costs we have had to meet.
- 16 13 The fees/expenses in respect of other professional's fees are reasonable and have been necessary in preparation for the Administration
- 16 14 The legal fees relate to advice provided by our solicitors, Addleshaw Goddard LLP, and can be summarised as follows
- £36,000 plus VAT - advice in relation to the sale of the business and assets to Co-Op;

- £34,000 plus VAT - advice to the Joint Administrators in the period prior to Administration, and
- £2,426 plus VAT - advice in connection with the appointment of Joint Administrators

16.15 Agent's fees relate to the valuation of the Company's tangible assets

16.16 To date, no payments have been made in respect of the above costs

(iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and, if more than one, by each separately)

16.17 No fees or disbursements were incurred in this regard

16.18 At the end of our formal proposals, below, we include resolutions in respect of these pre-Administration costs. Where a creditors' meeting is held, if a committee is appointed it will be responsible for considering and approving these costs, otherwise it will be a matter for the general body of creditors

## **17 Joint Administrators' Remuneration**

17.1 Kindly note that under the terms of the Insolvency Rules 1986 the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal, by reference to the time the Joint Administrators and their staff spend in attending to matters in this Administration or, a fixed amount. Remuneration may be fixed on one or a combination of any of the foregoing bases

17.2 In respect of this Administration, we wish to ask creditors to approve our remuneration on a time costs basis as set out in the fees estimate. Attached at Appendix 6 is a schedule that summarises the time that has been spent in administering this Administration up to the date of this report, together with a fees estimate and details of the expenses anticipated to be incurred. The time incurred to date shows a total of 167 hours at an average charge out rate of £310

17.3 Included within the Proposals below is a resolution regarding the Joint Administrators' remuneration, although if a creditors' committee is appointed approval of the Joint Administrators' remuneration will be the committee's responsibility. For your guidance, creditors may access information setting out creditors' rights in respect of the approval of Joint Administrators' remuneration at

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

17.4 We also enclose at Appendix 7 a document that outlines the policy of BDO LLP in respect of fees and disbursements

## **18 Possible outcomes for the Company and Creditors**

18.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Company from the Administration, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the Company. It is the Joint Administrators' recommendation and proposal, as detailed below, that once realisations are sufficiently completed the Company should move from Administration to Creditors' Voluntary Liquidation and that Francis Graham Newton and Antony David Nygate be appointed Joint Liquidators. The choice of Liquidators is a matter for the creditors to consider

**19 Statement of proposals under Paragraph 49 of Schedule B1 to the Insolvency Act 1986**

In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the Administration. Approval of these proposals will be considered by the meeting of creditors to be held on 17 January 2017

**Formal Proposals - the Joint Administrators propose that:**

- (a) they continue to manage the Company's business and realise assets in accordance with objective (b) of the statutory purpose of the Administration, and
- (b) the Company exit Administration by way of a Creditors' Voluntary Liquidation and that Francis Graham Newton & Antony David Nygate be appointed Joint Liquidators and will act jointly and severally


*NB. Under Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different Liquidators, but in the absence of such nomination the above named would become the Liquidators*

- (c) creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between 3 and 5 creditors)

In the absence of a creditor' committee, the following additional resolutions are put to the creditors:

- (d) the Joint Administrators be authorised to draw their pre-appointment time costs and expenses of £90,313.80 and £75,737.48 plus VAT respectively as an expense of the Administration,
- (e) the Joint Administrators' post appointment remuneration be fixed by reference to BDO LLP's normal charge-out rates for the time properly spent by them and their staff in attending to matters arising in the Administration pursuant to Rule 2.106(5) of the Insolvency Rules 1986, as set out in the attached fees estimate at Appendix 8;
- (f) the Joint Administrators be authorised to draw category 2 disbursements in respect of postage, stationery, photocopying charges, telephone, fax and other electronic communications on the basis of £12.50 per creditor in the first year of the Administration and £6.25 per creditor in respect of each subsequent year as set out in the attached fees estimate at Appendix 8;
- (g) the Joint Administrators be authorised to draw category 2 disbursements in respect of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff, and
- (h) the Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 to the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors

Dated 21 December 2016

.....  .....

Francis Graham Newton  
Joint Administrator



**GB Energy Supply Limited  
In Administration**

**Statutory Information**

**Company Number:** 08500842

**Date of Incorporation:** 23 April 2013

**Address of Registered Office:** 842 Garstang Road, Barton, Preston, PR3 5AA

**Directors:** Luke Philip Watson  
Philip Michael Darwick  
Brett Austin Trevalyan

**Company Secretary:** Grant Findlay

**Nominal Share Capital:** £1,000 - divided into 1,000 ordinary shares of £1 each

**Registered Shareholders:** No of £1 ordinary shares held

Wallingford Limited	255
Morcott Dulnain Limited	130
Luke Philip Watson	230
Windmill Limited	255
Deilt Limited	130
	1,000

**Trading Results:**

Y/E	Turnover £	Gross Profit £	Net Profit/(loss) (after tax) £	Directors' remuneration £	Balance on P & L A/C £
31/12/2015 (Audited)	22,191,906	4,053,344	(630,018)	121,263	(630,018)
Management Accounts Oct 2016	74,743,000	1,334,000	(7,685,000)	Not disclosed	(7,813,591)



**GB Energy Supply Limited**

**Appendix 2 - Joint Administrators' receipts and payments account**

**GB Energy Supply Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 20/12/2016**

S of A £	£	£
ASSET REALISATIONS		
Furniture & Equipment	8,500 00	
Debtors & Accrued Income	1,550,000 00	
Business Name	1.00	
Business Rights	1.00	
Cash in Transit	197,743.07	
Goodwill	1.00	
Intellectual Property	1.00	
Customer Records	1.00	
		1,756,248 07
		<u>1,756,248.07</u>
REPRESENTED BY		
Floating Current Account		1,756,248.07
		<u>1,756,248.07</u>



GB Energy Supply Limited

Appendix 3 - Financial Statement as at 6 December 2016

GB Energy Supply Limited - In Administration  
Estimated Financial Statement as at 6 December 2016

	Notes	Book Value £	Estimated to Realise £
<b>Assets not specifically pledged</b>			
Fixtures & fittings	1	12,902	8,500
IT Equipment	1	111,325	
Intangible Fixed Assets	2	175,000	Uncertain
Prepayments	3	4,304,358	Uncertain
Security & deposits	4	2,529,563	Uncertain
Bank account	5	2,571,473	2,507,081
Cash in transit	6	-	2,031,743
Accrued VAT & CCL	7	1,490,224	1,550,000
Accrued income	7	14,761,319	
Debtors - Continuing customers	7	3,954,502	Uncertain
Debtors - Accrued income former customers	7	537,312	
Debtors - Former customers	7	1,009,074	Uncertain
VAT to be repaid	8	1,346,838	Uncertain
ROCs held	9	109,418	Uncertain
The business name "GB Energy Supply"		-	1
Business rights, the trade or business right domains, email addresses etc		-	1
Goodwill including customer information and data		-	1
Intellectual property including any and all trademarks, databases etc		-	1
Transferred records		-	1
		<b>32,913,308</b>	<b>6,097,329</b>
<b>Less Preferential creditors</b>			
Arrears of wages & holiday pay	10		-
Pension contributions	11		(1,600)
<b>Assets available for unsecured creditors</b>			<b>6,095,729</b>
<b>Less</b>			
Customer accounts in credit	12		(24,431,795)
Trade creditors	13		(14,032,868)
HMRC - PAYE/NIC			(21,299)
Accruals	14		Uncertain
Climate change levy liability			(9,043)
Feed in tariff provision	15		(858,624)
Renewables Obligation provision	8		(6,020,404)
Shareholder loans			(500,000)
<b>Surplus/(deficit) as regards unsecured creditors</b>			<b>(39,778,304)</b>
Issued and called up share capital			(1,000)
<b>Estimated total deficiency /surplus for shareholders</b>			<b>(39,779,304)</b>

**Notes**

**1 Fixtures & fittings and IT Equipment**

Tangible assets valued by Richmond Asset Advisory on 2 December 2016 at £8,500 and £3,000 on an in-situ and ex-situ basis respectively

**2. Intangible Fixed Assets**

Intangible assets relate to goodwill on the acquisition of Altitude Energy (£100k) together with goodwill on the acquisition of GB Metering Services Limited (£75k)

**3. Prepayments**

The balance predominantly relates to the prepayment of gas Recoveries for the remaining balances are uncertain

#### **4 Security & deposits**

The balance relates to security deposits paid predominantly to electricity transmission/distribution companies. These may be subject to set-off against monies owed by the Company. The balance recoverable after applying set-off is currently uncertain.

#### **5 Bank account**

The company held cash in its bank account totalling c£2.6m on 6 December 2016.

#### **6 Cash in transit**

The balance relates to funds held by FCC (c£1,834k) and an amount repaid to the Company by CF Partners (c£198k).

#### **7 Debtors, Accrued Income & Accrued VAT & CCL**

The accounts of 160,000 customers need to be reconciled in order to establish balances due to the Company or refunds due to customers. Of the c£15m of accrued income c£13m is set-off against credit balances due to customers as at 30 November 2016. These debts were sold to Co-Op on 6 December 2016. Debts due to the Company totalling c£1.55m relating to former customers were excluded from the sale to Co-Op.

#### **8 VAT**

The Company benefits from a VAT refund each quarter in the region of £1.2m. The most recent quarter date was 30 November 2016 with an accrual for refundable VAT in the November management accounts of £1,346,838. Whilst the funds are due back to the Company it is possible that Crown set-off will be applied in respect of outstanding PAYE and the provision for Renewables Obligations due to Ofgem. As a result it is uncertain whether there will be any recovery to the Administration estate.

#### **9 Renewable Obligation Certificates (ROCs) Held**

The Company holds Renewables Obligation Certificates totalling £109k. The value of any recovery is currently uncertain.

#### **10. Arrears of Wages & Holiday Pay**

Following the employees transferring to Co-Op as part of the sale of certain business assets there are no arrears of wages and holiday pay due from the Company.

#### **11. Pension Contributions**

Pension deductions made in respect of the November 2016 salaries remain outstanding and total c£1.6k.

#### **12 Customer Accounts in Credit**

Customer accounts in credit represent credit balances due to customers that transferred to Co-Op Energy. As a result of SOLR, there may be a subrogated claim against the Company. This has yet to be determined.

#### **13. Trade Creditors**

Based on the Company's SAGE records as at 7 December 2016.

#### **14 Accruals**

The accruals balance is subject to potential set-off against pre-payment balances.

#### **15 Feed in Tariff Provision**

Estimate of the Company's liability to contribute to the industry levy.

**BDO LLP**  
**GB Energy Supply Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Amey Metering Limited	The Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ	3,395.96
CB00	Barton Grange Hotel	Garstang Road, Barton, Preston, Lancashire, PR3 5AA	144.70
CB01	Bglobal Metering Limited	Arkwright House, 2 Arkwright Court, Commercial Road, Darwen, BB3 0FG	5.64
CB02	Black House Creative	Ornsay, South Lochs, Isle of Lewis, Scotland, HS2 9RG	317.29
CB03	Blackthorne Utilities Ltd	Frodingham House, 64 Grove Road, Millhouses, Sheffield, S7 2GZ	54.00
CB04	BT Broadband (WM 3903 9507)		85.00
CB05	Business Waste Ltd	Unit 1, Fermetol Trading Estate, Leeman Road, York, YO26 4XD	66.24
CB06	BT	81 Newgate Street, London, EC1A 7AJ	108.85
CB07	BT	BT Payment Services Ltd, Durham, DH98 1BT	34.80
CB08	Barclaycard Merchant Services Ltd	Dept CSD, Northampton, NN4 7SG	1,116.39
CB09	Bearded Fellows Limited	ArtWork Atelier, 95 Greengate, Salford, Lancashire, M3 7NG	6,468.00
CC00	CFP Trading Ltd	Domestica Building, Fourth Floor, Msida Valley Road, Msida, MSD 9020	462,146.58
CC01	Clovertone Limited	3-9 Canal Walk, Southgate Road, London, N1 5SA	6,375.06
CC02	Capital Meters Limited	Suites 3 & 4 Warners Mill, Silks Way, Braintree, Essex, CM7 3GB	10,061.38
CC03	Contract Natural Gas Limited	2 Victoria Avenue, 2nd & 3rd Floor, Harrogate, North Yorkshire, HG1 1EL	7,788,682.42
CC04	Colliers International Specialist & Consulting UK	1st Floor, 50 George Street, London, W1U 7GA	2,700.00
CC05	Ceejay Software Ltd	Logans House, Lochlands Avenue, Scotland, FK5 3NS	35.98
CC06	Crest Reprographics (Northern) Ltd	Crest House, Gibraltor Row, Liverpool, L3 7HJ	0.00
CC07	Candidsky	Conavon Court, 12 Blackfriars Street, Manchester, M3 5BQ	50,400.00
CD00	DDC OS (Outsourcing Solutions)	The Data Solutions Centre, Manton Wood Enterprise Park, Worksop, Nottinghamshire, S80 2RT	341,187.12
CD01	DDC Ltd (Off-shore data Processing)	The Data Solutions Centre, Manton Wood Enterprise Park, Worksop, Nottinghamshire, S80 2RT	(9,927.28)
CD02	Dexter Intelligence Limited	28 Thornway, Bramhall, SK7 2AF	12,000.00
CD03	Dulnain Corporate Limited	114 Duchy Road, Harrogate, Yorkshire, HG1 2HB	5,281.44
CD04	Data Communications Company Ltd	17 Rochester Row, London, SW1P 1QT	117,115.70
CE00	Electricity North West Limited	DUoS Income Services, Frederick Rd, Salford, Manchester, M6 6QH	240,487.08
CE01	ElectraLink Ltd	Ground Floor, Grafton House, 2/3 Golden Square, London, W1F 9HR	1,524.54
CE02	Energetics Electricity Ltd	International House, Stanley Boulevard, International Technology Park, High Blantyre, G72 0BN	5,641.56

Signature \_\_\_\_\_

**BDO LLP**  
**GB Energy Supply Limited**  
**B - Company Creditors**

Key	Name	Address	£
CE03	Energy Assets Limited	6 Almondvale Business Park, Almondvale Way, Livingston, EH54 6GA	45 49
CE04	E ON Energy Solutions Ltd	Trinity House, 2 Burton Street, Nottingham, NG1 4BX	94,803 96
CE05	ESP Electricity Limited	Bluebird House, Mole Business Park, Leatherhead, Surrey, KT22 7BA	4,694 88
CE06	EE	PO Box 4813, unit 1-2 Chartwell Business Centre, Chartwell Road, Lancing, BN15 9RB	0 00
CE07	Electricity Settlement Company Ltd	Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX	7,920 89
CE08	Elexon	4th floor, 350 Euston Road, London, NW1 3AW	465,859 34
CE09	Energylinx Limited	The e-Centre , Cooperage Way, Business Centre, Garstang Road, Broughton, PR3 5DL	744.00
CE0A	Eastern Power Networks plc	C/O UK Power Networks, Energy House, Hazelwick Avenue, Crawley, RH10 1EX	0 00
CE0B	Exoteric Commercial Meters Limited	Driscoll 2, Ellen Street, Cardiff, CF10 4BP	17 10
CF00	First Capital Cashflow Ltd	Suite 3 , Sutton House , Ashville point, Clifton Lane, Sutton Weaver, Cheshire, WA7 3FW	49,357.98
CG00	GB Energy (Renewables) Ltd	The Energy Centre, Garstang Road, Broughton, Preston, PR3 5DL	(0 20)
CG01	GB Energy Supply Ltd 00132313	The Energy Centre, Garstang Road, Broughton, Preston, PR3 5DL	(156.03)
CG02	GB Energy Supply Ltd 00132314	The Energy Centre, Garstang Road, Broughton, Preston, PR3 5DL	(66 44)
CG03	GB Energy Supply Ltd	842-844 Garstang Road, Barton	0 00
CG04	GB Energy Supply Ltd	The Energy Centre, Garstang Road, Broughton, Preston, PR3 5DL	(654 28)
CG05	Grassroots HR Ltd	83 Ducie Street, Manchester, M1 2JQ	192.00
CH00	HM Revenue & Customs	Enforcement and Insolvency Services (EIS) Worthing, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	0.00
CH01	Headland PR Consultancy LLP	Eldon House, 2-3 Eldon Street, London, EC2M 7LS	6,300.00
CH02	Home Handbooks Ltd	95 Hoyles Lane, Cottam, Preston, Lancashire, PR4 0LB	20.00
CH03	HM Revenue & Customs	2nd Floor, Regian House, James Street, Liverpool, L75 1AD	0.00
CH04	HCO Bookkeeping	4 Royalty Gardens, New Longton, Preston, Lancs, PR4 4JW	0 00
CI00	Impact Computing & Consulting Ltd	Unit 6, The Crossroads Business Park, Freckleton Street, Kirkham, Preston, PR4 2SH	1,469 52
CI01	Independent Power Networks Ltd	Energy House, Woolpit Business Park, Woolpit, Bury St Edmunds, IP30 9UP	5,625 72
CI02	Insight Direct (UK) Limited	The Atrium, 1 Harefield Road, Uxbridge, UB8 1PH	2,746 65
CL00	Low Carbon Contracts Company Ltd	Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX	16,721 76
CL01	Lown Beck Service Ltd	Mayor's Quay, Swan Meadow Road, Wigan, WN3 5BB	267,990.12
CL02	Laytons Solicitors LLP	22 St John Street, Manchester, M3 4EB	9,367.86
CL03	London Power Networks plc	C/O UK Power Networks, Energy House, Hazelwick Avenue, Crawley, RH10 1EX	0 00

Signature



**BDO LLP**  
**GB Energy Supply Limited**  
**B - Company Creditors**

Key	Name	Address	£
CM00	Macquarie Leasing Limited	Suites 3 & 4 Warners Mill, Silks Way, Braintree, Essex, CM7 3GB	10,505.20
CM01	Macquarie Meters 3 (UK) Limited	Suites 3 & 4 Warners Mill, Silks Way, Braintree, Essex, CM7 3GB	60,247.22
CM02	Meter Fit 10 Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	2,818.64
CM03	Meter Fit 2 Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	3,505.32
CM04	Meter Fit 3 Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	8,243.51
CM05	Meter Fit 4 Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	10,528.87
CM06	Meter Fit 5 Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	1,600.95
CM07	Meter Fit Assets Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	2,198.77
CM08	Meter Fit (North East) Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	16,577.84
CM09	Meter Fit (North West) Ltd	5th Floor, 1 Marsden Street, Manchester, M2 1HW	25,838.26
CM0A	MyOffers Ltd	46 Gillingham Street, London, SW1V 1HU	196,620.00
CN00	National Grid Electricity Transmission Plc	National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA	1,942,841.54
CN01	National Grid Gas Plc	National Grid House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA	106,676.63
CN02	Northern Powergrid Metering Limited	Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF	8,850.91
CN03	Northern Powergrid (Northeast) Limited	Manor House, Station Road, Penshaw, Houghton-le-Spring, DH4 7LA	135,955.03
CN04	Northern Powergrid (Yorkshire) Limited	Manor House, Station Road, Penshaw, Houghton-le-Spring, DH4 7LA	172,268.03
CN05	Nationwide Capital Finance Ltd	Nationwide House, Moss Bank Way, Bolton, BL1 8NP	208.50
CN06	Neopost	Oldham Rd, Middleton, M24 1AZ, 0161 654 8113	0.00
CN07	Nothing But Epic	The Sheds, Innospace, Chester Street, Manchester, M1 5GD	7,200.00
CO00	Onstream (Utility Metering Services Limited)	Suites 3 & 4 Warners Mill, Silks Way, Braintree, Essex, CM7 3GB	37,311.99
CO01	Ofgem	Consumers and Competition, 9 Millbank, London, SW1P 3GE	0.00
CP00	People Apps Ltd	Chestnut House, Wrooth Road, Epworth, DN9 1EF	36.00
CP01	Preston City Council	Revenues Services, PO Box 30, Town Hall, Preston, PR1 2GD	1,360.00
CP02	PSA Design Ltd	The Old Bank House, 6 Berry Lane, Longridge, Preston, PR3 3JA	0.00
CP03	PX Energy 24 Ltd	PX House, Westpoint Road, Stockton-on-Tees, TS17 6BF	(401,685.97)
CP04	The Printroom UK Limited	Kingfisher Business Park, Hawthorne Road, Bootle, L20 6PF	340.00
CQ00	Qton Solutions	Strling House, Waterbeach, Cambridge, CB25 9PB	3,240.00
CQ01	Quality Office Supplies Limited	Anchor Lane, Coseley, Bilston, West Midlands, WV14 9NE	47.87
CR00	Robert Half	Washington House, International Square, Starley Way, Birmingham, B37 7GN	(6,176.93)
CS00	Scotland Gas Networks plc	St Lawrence House, Station Approach, Horley, Surrey, RH6 9HJ	544.73

Signature \_\_\_\_\_

**BDO LLP**  
**GB Energy Supply Limited**  
**B - Company Creditors**

Key	Name	Address	£
CS01	Scottish and Southern Energy	Distribution Credit Management, PO Box 6458, Basingstoke, RG24 8QQ	334,992.17
CS02	Screaming Frog Ltd	6 Greys Road, Henley-on-Thames, RG9 1RY	5,760.00
CS03	SGN Metering	St Lawrence House, Station Approach, Horley, Surrey, RH6 9HJ	387.46
CS04	Smart Meter Asset 1 Ltd	1 Rivergate, Temple Quay, Bristol, BS1 6ED	8,413.55
CS05	SMS Meter Assets Ltd	Level 2, 48 St Vincent Street, Glasgow, G2 5TS	6,326.52
CS06	Southern Gas Networks plc	PO Box 609, Horley, Surrey, RH6 9HJ	169.64
CS07	SP Distribution plc	1 Atlantic Quay, Glasgow, G2 8SP	182,232.15
CS08	SP Manweb Plc	Ochil House, Hamilton International Park, Blantyre, G72 0HT	221,696.54
CS09	Scottish Hydro Metering	Unit G12 Main Avenue, Treforest Industrial Estate, Pontypridd, Wales, CF37 5YL	16,555.30
CS0A	Stream Technologies Limited	8 Elliot Place, 3/5 Skypark 1, Glasgow, Scotland, G3 8EP	420.94
CS0B	Mr C Sandham	89 Jepps Avenue, Barton, Preston, PR3 5AS	0.00
CS0C	Sage UK Limited	North Park, Newcastle Upon Tyne, NE13 9AA	186.00
CS0D			0.00
CS0E	Standard Life Assurance Limited		0.00
CS0F	South Eastern Power Networks plc	C/O UK Power Networks, Energy House, Hazelwick Avenue, Crawley, RH10 1EX	0.00
CS0G			0.00
CS0H	Sothorn Electric Power Distribution plc	55 Vastern Road, Reading, RG1 8BU	0.00
CS0I	Scottish Hydro Electric Power Distribution plc	Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ	0.00
CS0J	SPAA Limited	Ground Floor, Grafton House, 2 - 3 Golden Square, London, W1F 9HR	0.00
CT00	The Ombudsman Service Ltd	Greenalls Avenue, Wilderspool Park, Warrington, Cheshire, WA4 6HL	7,104.00
CT01	Thermabeed Ltd	Units 1 & 2 Shipston Close, Blackpole, Worcester, Worcestershire, WR4 9XN	871.50
CT02	The Electricity Network Company Ltd	Energy House, Woolpit Business Park, Woolpit, Bury St Edmunds, IP30 9UP	7,563.58
CU00	UK Power Networks	Energy House, Hazelwick Plaza, Three Bridges, Crawley, West Sussex, RH10 1EX	375,465.55
CU01	Utility Funding Limited	Brewery House, 34-44 Gigant Street, Salisbury, Wiltshire, SP1 2AP	1,626.98
CU02	United Utilities	Lingley Mere Business Park, Lingley Green Avenue, Great Sankey, Warrington, WA5 3LP	0.00
CU03	Utilisoft Limited	Utilihouse Lane, East Terrace, Euxton, Chorley, PR7 6TE	140,351.35
CV00	Vocalink	Drake House, Homestead Road, Rickmansworth, WD3 1FX	(504.00)
CW00	Wales & West Utilities Limited	Wales & West House, Spooner Close, Celtic Springs, Coedkernew, Newport, NP10 8FZ	1,415.15
CW01	Western Power Distribution	Herald Way, East Midlands Airport, Castle Donnington, Derby, DE74 2TU	395,621.50
CW02	Windsor Telecom	1st Floor Triford House, Farnham Business Park, Farnham, GU9 8QT	0.00

Signature \_\_\_\_\_

**BDO LLP**  
**GB Energy Supply Limited**  
**B - Company Creditors**

Key	Name	Address	£
EB00	Mr Nathan Braithwaite		0.00
EC00	Ms Claire Carroll		0.00
ED00	Mr Phil Darwick		0.00
EF00	Ms Hannah Fishwick		0.00
EH00	Mr Declan Howden		0.00
EH01	Ms Jenny Henderson		0.00
EI00	Mrs Annabel Isherwood		0.00
EJ00	Mr Ryan Johnson		0.00
EJ01	Mr Christopher Jackson		0.00
EJ02	Mr Daniel Jones		0.00
EJ03	Mr Andrew Judge		0.00
EL00	Mr Luke Littlewood		0.00
EM00	Mr Thomas Mullett		0.00
ER00	Mr Gareth Richards		0.00
ER01	Mr Christopher Reynolds		0.00
ES00	Ms Emma Stewart		0.00
EW00	Mrs Lynn Wilson		0.00
EW01	Mr Luke Watson		0.00
RT00	Mr B Trevalyan		0.00
134 Entries Totalling			14,032,867.56

Signature \_\_\_\_\_



GB Energy Supply Limited

Appendix 4 - Creditors' questionnaire

**Creditors' questionnaire: GB Energy Supply Limited - In Administration**

Creditor's name	
Address	
Estimated claim	£
What was the authorised Credit limit?	£
Was any security, guarantee or assurance given to you in respect of ongoing trade?:	
When did you first encounter delays in obtaining payment of your account, and do you have any evidence?:	
Please provide details of any legal proceedings you took to recover your debts	
Please supply details of any cheques which were not honoured, including amounts and dates:	
If there is any other information you wish to supply, or issues you consider should be reviewed, please provide brief details on the reverse of this form	
Date	
Signature/ Authentication:	
Name:	
Position	
Please return the completed questionnaire to the Joint Administrators, BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU	



**GB Energy Supply Limited**

**Appendix 5 - Joint Administrators' detailed pre-Administration time costs**

GB Energy Supply Limited - In Administration  
Joint Administrators' detailed pre-Administration time costs summary

Description	PARTNER		SENIOR MANAGER/MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		OTHER STAFF		GRAND TOTALS		AV RT
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
A Pre Appointment													
01 Review Appointment Validity	2 00	1,018 00				808 00					2 00	1,018 00	509 00
02 Director meetings	9 00	4,581 00			4 00						13 00	5,389 00	414 54
03 Creditor meetings	4 00	2,470 00									4 00	2,470 00	617 50
04 Documentation Review	10 00	5,090 00	0 70	156 80	1 25	202 00			8 40	924 00	20 35	6,372 80	313 16
06 General Advice Meetings	39 50	21,841 50	66 50	24,397 00	1 50	353 50	10 00	2,700 00			117 50	49,292 00	419 51
07 General Advice Telephone	7 50	5,879 00	18 25	7,972 50	3 00	606 00					28 75	14,457 50	502 87
99 Other Matters	2 00	1,018 00	25 00	7,731 50			9 50	2,565 00			36 50	11,314 50	309 99
A Steps on Appointment Total	74 00	41,897 50	110 45	40,257 80	9 75	1,969 50	19 50	5,265 00	8 40	924 00	222 10	90,313 80	406 64
Grand Total	74 00	41,897 50	110 45	40,257 80	9 75	1,969 50	19 50	5,265 00	8 40	924 00	222 10	90,313 80	406 64

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTALS		AV RT
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
<b>B Steps on Appointment</b>															
02 Statutory Documentation	7.75	5,626.50	17.55	7,091.55	0.50	101.00			14.20	1,534.00			40.00	14,351.05	358.83
07 Attendance at Premises			10.00	4,750.50	4.50	909.00	7.00	1,890.00					21.50	7,549.50	351.14
09 Preparation of Proposals			6.10	1,366.40	26.00	5,252.00	2.00	540.00					34.10	7,158.40	209.92
99 Other Matters	9.00	4,581.00			0.35	70.70							9.35	4,651.70	497.51
<b>B Steps on Appointment Total</b>	<b>16.75</b>	<b>10,207.50</b>	<b>33.65</b>	<b>13,208.45</b>	<b>31.35</b>	<b>6,332.70</b>	<b>9.00</b>	<b>2,430.00</b>	<b>14.20</b>	<b>1,534.00</b>			<b>104.95</b>	<b>33,712.65</b>	<b>321.23</b>
<b>C Planning and Strategy</b>															
02 Review Financial Position			1.00	224.00									1.00	224.00	224.00
03 Review Bus Process/Systems			1.80	403.20									1.80	403.20	224.00
07 Strategy Planning			1.50	558.50			2.00	540.00					3.50	1,098.50	313.86
<b>C Planning and Strategy</b>	<b>-</b>		<b>4.30</b>	<b>1,185.70</b>			<b>2.00</b>	<b>540.00</b>					<b>6.30</b>	<b>1,725.70</b>	<b>273.92</b>
<b>D General Administration</b>															
01 Insurance Matters			0.10	22.40	0.60	121.20							0.60	121.20	202.00
04 Instruct/Liase Solicitors													0.10	22.40	224.00
06 Conduct Reports	0.75	381.75	0.20	44.80	0.10	20.20	0.95	191.90			0.25	17.75	0.75	381.75	509.00
07 Receipts/Payments Account			2.50	1,067.50									1.50	274.65	183.10
12 Press/PR Matters			0.50	112.00									2.50	1,067.50	427.00
14 General Discussions	2.50	1,272.50	0.25	81.50			0.50	135.00					0.50	112.00	224.00
15 General Admin/Correspondence			1.30	291.20	1.00	202.00							3.25	1,489.00	458.15
16 Maintain Internal Files													2.30	493.20	214.43
<b>D General Administration Total</b>	<b>3.25</b>	<b>1,654.25</b>	<b>4.85</b>	<b>1,619.40</b>	<b>1.70</b>	<b>343.40</b>	<b>1.45</b>	<b>326.90</b>			<b>0.25</b>	<b>17.75</b>	<b>11.50</b>	<b>3,961.70</b>	<b>344.50</b>
<b>E Assets Realisation/Dealing</b>															
01 Establishing Control			0.50	163.00									0.50	163.00	326.00
07 Debt Collection			4.00	1,508.50			11.50	3,105.00					15.50	4,613.50	297.65
09 Dealing With Other Assets			6.50	1,558.00	0.50	101.00							7.00	1,659.00	237.00
<b>E Assets Realisation/Dealing Total</b>			<b>11.00</b>	<b>3,229.50</b>	<b>0.50</b>	<b>101.00</b>	<b>11.50</b>	<b>3,105.00</b>					<b>23.00</b>	<b>6,435.50</b>	<b>279.80</b>
<b>G Employee Matters</b>															
03 EPA Matters			2.10	470.40							0.40	44.00	2.50	514.40	205.76
04 Pension Issues					1.10	222.20							1.10	222.20	202.00
<b>G Employee Matters Total</b>			<b>2.10</b>	<b>470.40</b>	<b>1.10</b>	<b>222.20</b>					<b>0.40</b>	<b>44.00</b>	<b>3.60</b>	<b>736.60</b>	<b>204.61</b>
<b>H Creditor Claims</b>															
03 Preferential Creditors			1.50	336.00	0.35	70.70							0.35	70.70	202.00
04 Non Preferential Creditors			1.50	336.00	5.15	1,040.30	4.00	1,080.00					10.65	2,456.30	230.64
<b>H Creditor Claims Total</b>			<b>1.50</b>	<b>336.00</b>	<b>5.50</b>	<b>1,111.00</b>	<b>4.00</b>	<b>1,080.00</b>					<b>11.00</b>	<b>2,527.00</b>	<b>229.73</b>
<b>I Reporting</b>															
01 Statutory Reporting	4.00	2,036.00	2.60	582.40											#DIV/0!
04 Reporting to Creditors	4.00	2,036.00	2.60	582.40									6.60	2,618.40	396.73
<b>I Reporting Total</b>	<b>4.00</b>	<b>2,036.00</b>	<b>2.60</b>	<b>582.40</b>									<b>6.60</b>	<b>2,618.40</b>	<b>396.73</b>
<b>Grand Total</b>	<b>24.00</b>	<b>13,897.75</b>	<b>60.00</b>	<b>20,631.85</b>	<b>40.15</b>	<b>8,110.30</b>	<b>27.95</b>	<b>7,481.90</b>	<b>14.20</b>	<b>1,534.00</b>	<b>0.65</b>	<b>61.75</b>	<b>166.95</b>	<b>51,717.55</b>	<b>309.78</b>





**GB Energy Supply Limited**

**Appendix 7 - BDO LLP policy in respect of fees and disbursements**



## GB Energy Supply Limited - In Administration

In accordance with best practice we provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency

The current charge out rates per hour of staff within our firm who may be involved in working on the insolvency, follows

GRADE	£
Partner	509 - 726
Manager	224 - 526
Assistant Manager	202
Senior Administrator	190 - 270
Administrator	70 - 171
Other staff	69

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time Units of time can be as small as 3 minutes BDO LLP records work in respect of insolvency work under the following categories -

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs

### 1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged Such expenses can be divided into two categories.

## 2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

## 3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy BDO LLP is to recharge this expense on the basis of a figure based upon the number of creditors with whom we have to communicate and report during the insolvency. This is the method of calculation that was historically provided under statutory orders for the Official Receiver.

In respect of the Administration of GB Energy Supply Limited we propose to charge £12.50 (plus VAT) for the first year and £6.25 (plus VAT) for each subsequent year, per creditor. This will cover the disbursement costs of postage and stationery for all reports and letters, together with all copying charges and telephone and email costs. Creditors will be invited to approve a resolution to this effect. During the first year the Administrators will issue 3 reports and in successive years 2 reports.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP

**GB Energy Supply Limited - In Administration**

Francis Graham Newton of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and Antony David Nygate of BDO LLP, were appointed Joint Administrator on 6 December 2016

Fees Estimate as at 21 December 2016			
Appointment title's Fees	Total Hours	Blended Rate £	Estimated Fee £
Summary Activity			
A Pre Appointment Matters	222 10	406 64	90,313 80
<b>Total</b>			<b>90,313.80</b>
B. Steps on Appointment	107.70	284 42	30,632 00
C Planning and Strategy	29 00	385 22	11,171 50
D General Administration	182 00	285 23	51,912 00
E Assets Realisation/Dealing	462 00	300 69	138,918 00
F Trading Related Matters	0.00	0 00	0 00
G Employee Matters	11.50	269 70	3,101 50
H Creditor Claims	138.00	232 81	32,128 00
I. Reporting	97.00	285 01	27,646 00
J Distribution & Closure	25.00	269 06	6,726 50
<b>TOTAL</b>			<b>302,235.50</b>
<b>Expenses Estimate</b>			
Officeholder CAT 1 Disbursements			750 00 2 1
Officeholder CAT 2 Disbursements			1,800 00 2 2
Other Expenses			
Agents Costs			0 00 2.3
Solicitors costs			40,000.00 2 4

The table above is our estimate of the Joint Administrator's fees on a time costs basis for this appointment and the anticipated expenses. This estimate and the expenses are prepared on the basis of the information available to us at the date of this estimate. Assuming that there are no major unanticipated factors, we would expect that our fees may be lower than the estimate. In the following pages we provide a summary of the work we believe is necessary. Where applicable, all fees and disbursements will be subject to VAT at the prevailing rate.

In any work of this nature we may have recourse to engage specialists to assist us for example in ensuring that we obtain best value for the estate assets and also to protect the legal interests of the estate including where necessary taking action to recover sums due to the estate. The specialists we engage will invoice us and that will be an expense of the estate. Such expenses are not subject to creditor approval but nevertheless have an effect on the funds available for creditors in the estate.

## 1. Joint Administrator's Fees

Fees (remuneration) may be sought on four different bases and a guide for creditors is attached. The four bases are, a time costs basis; a percentage of the assets realised, fixed amount, or a combination of the first three bases. In this insolvency case we are seeking fees on a time cost basis and have estimated a fee of £302,235.50.

Where possible we will delegate work to our staff and by this expedient the work is conducted by suitably qualified and experienced members of staff at different hourly costs. The current charge out rates per hour of staff within our firm is below:

### GRADE £

Partner	509 - 726
Manager	224 - 526
Assistant Manager	202
Senior Administrator	190 - 270
Administrator	70 - 171
Other staff	69

These rates are confirmed in an attached document which sets out our firm's policy on time costs and expenses. Our firm's hourly time costs rate are reviewed in December and July each year and adjusted to take account of inflation and the firm's overheads. We have estimated the time we and our staff will spend in respect of the following areas of work in respect of this insolvency. Below we provide the primary work that will be undertaken by the Joint Administrators and their staff.

#### A Pre Appointment

We and our staff have attended meetings with key stakeholders, reviewed initial information, provided advice regarding any options available and considered the ethical, technical, practical and legal requirements relevant to the appointment. This work is led by me as the lead partner together with a director or senior manager, as appropriate, with occasional support from staff at manager and executive level.

#### B Steps upon Appointment

Reviewing appointment and statutory documents, preliminary organisation review, initial interviews and meetings with key stakeholders including third parties, taking steps to gather in and protect all assets, establishing internal responsibilities regarding staffing of elements of the work. Steps to protect assets. Attendance at company premises following the appointment. Address workforce to advise them of the appointment, the sale of assets to Co-op and the transfer of their employment to Co-op. Preparation of the Joint Administrators' Proposals. This work is primarily led by a director or senior manager with the majority of work delegated to staff below manager.

#### C Planning and Strategy

Reviewing historic records and business performance. Establishing the current financial position and reviewing the business processes and systems. Liaising with key stakeholders and any committee. Engaging with specialists and planning overarching strategy. This area of work is led by me as partner in conjunction with a director or senior manager, with some support below manager level in documenting and recording proposed strategy.

#### D General Administration

Reviewing and regularising affairs regarding Insurance, VAT, and Taxation. Undertaking investigation regarding the conduct of the directors and reporting thereon. Investigations into the affairs and transactions of the entity. The work contemplated does not at this time include forensic examination of records and transactions. Recovery and storage of entities' books and records. Engaging and liaising with solicitors. Managing accounting and investment of realisations, suitable banking investment and preparing reports on Receipts & Payments. Ensuring appropriate approval of all costs including approval of remuneration and matching costs of specialists against their expense estimates. Dealing with statutory, regulatory and licensing

matters Managing formal contractual matters regarding the entity, including equipment hire and property leases, and licences Dealing with court hearings regarding the insolvency (excluding third party litigation) Dealing with Press enquiries and PR matters Managing general administrative matters, basic enquiries and meetings The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers.

**E Asset Realisation/Management**

Identifying and controlling recorded assets Evaluating strategy on realising assets and reconciling recoveries Asset tracing of assets revealed through investigation or third party information Engaging and liaising with Valuers/Agents, agreeing strategies and monitoring implementation Dealing with property, buildings and land, including securing the same. Undertaking/managing debt collection and where appropriate engaging and monitoring specialist agents. Dealing with plant, machinery, stock, work in progress and intangible assets including intellectual property and consulting/liasing with and engaging specialist agents and solicitors and monitoring the same. Managing third party, HP and leased assets

**F Trading Related Matters**

No trading undertaken

**G Employee Matters**

Corresponding with and assisting employees in submitting claims in order to ensure they are not prevented from recovering statutory sums protected by legislation. Computing and processing and checking employee claims and liaising with the Redundancy Payments Service Submitting notifications to the Pensions Regulator, liaising with scheme managers and the Pension Protection Fund and receiving claims. Dealing with Trade union issues (if any) Receiving Industrial Tribunal claims and recording and checking successful claims One factor not provided for, which may increase costs, is where employees submit claims to the Industrial Tribunal, especially where it is necessary to arrange representation at the Tribunal and engaging solicitor The majority of this work is carried out by specially trained insolvency staff with up to 90% of the work being processed below manager level. To estimate costs in respect of administering employee matters we generally consider the known number of employees and in this case we understand employees total 17

**H Creditor Claims**

Receiving and recording all creditor claims and where a dividend is likely, identifying whether additional supporting evidence is necessary from the creditor Reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed. Considering and checking and recording all preferential claims Considering and checking and recording all unsecured creditor claims. Identifying any claims which might be categorised as deferred claims Taking legal advice where a creditor maintains a secured claim which is not supported by unequivocal evidence or where an unsecured claim is made which is significantly in excess of any value recorded by the insolvent entity and the claim is inadequately evidenced No provision has been made for dealing with any creditor's claims where the matter is referred to Court The majority of this work is carried out experienced insolvency executives with up to 80% of the work being processed below manager level To estimate costs in respect of administering creditor claims we consider the volume of known creditors and the nature of the insolvent entities business We understand from available records that there are c130.

**I Reporting**

Preparing periodic progress reports to creditors regarding the progress achieved, including preparation of Receipts & Payments Accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs as against this fees and expense estimate. At the time this estimate was prepared no information was available regarding whether creditors were going to appoint a committee, if a committee is appointed there will be additional reports, which have not currently been budgeted for. The Director or Senior Manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. The ratio of time spent on reporting is generally that executive hours are twice as many as those of the Director or Senior Manager. Much of the basic accounting and analysis is conducted by various grades of Executives. In estimating costs in respect of reporting we have formed a view of the duration of the insolvency and estimated how many reports will be required.

**J Distribution and Closure**

Giving notice to relevant creditors to prove their claims, adjudicating upon the claims issuing formal rejection of any relevant claims, dealing with any appeal to court concerning a rejected claim, establishing the distributable funds in the estate, calculating the dividend, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. No provision is made for additional time costs for dealing with an appeal concerning a rejected cost because the likelihood of such an eventuality is small, although the costs could be significant. Preparing a final report to creditors together with a Receipts & Payments Accounts, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate. Completing all administrative arrangements including storage of any records for statutory periods. Filing final statutory documentation. 80% of this work is delegated to executive level staff. The work is supervised by directors and Senior Managers and final decisions and release of funds is authorised by the partner.

The foregoing estimate does not include any fees estimate provision for the company moving into liquidation which would be the subject of a further submission, if necessary, before the end of the Administration.

**2. Expense Estimate****2.1 Category 1 Disbursements**

Our estimate in respect of this heading covers expenses where the officeholders firm has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents, storage of original records of the insolvent estate. In each case the recharge will be reimbursement of a specific expense incurred.

**2.2 Category 2 Disbursements**

Costs in respect of this head will be subject to creditor approval because it concerns expenses where there will not always be an invoice for the cost. Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy of BDO LLP is to recharge this expense on the basis of a figure based upon the number of creditors with whom we have to communicate and report during the insolvency. This is the method of calculation that was historically provided under statutory orders for the Official Receiver.

In respect of the Administration of GB Energy Supply Limited we propose to charge £12.50 (plus VAT) for the first year and £6.25 (plus VAT) for each subsequent year, per creditor. This will cover the disbursement costs of postage and stationery for all reports and letters, together with all copying charges and telephone and email costs. Creditors will be invited to approve a resolution to this effect. During the first year the Administrators will issue 3 reports and in successive years 2 reports.

A further disbursement under this heading is the cost of travel where BDO staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

### **2.3 Agents Costs**

Richmond Asset Advisory attended the Company's premises shortly prior to the Administration appointment and prepared a valuation of the Company's chattel assets. Their costs are included in the summary of pre-appointment costs incurred for which separate approval has been requested.

### **2.4 Solicitors costs**

Addleshaw Goddard LLP have been instructed to provide advice/assistance in respect of various matters. These can be summarised as follows:

- assistance in preparing and filing the appointment documentation;
- reviewing the validity of the appointment,
- advice surrounding ongoing communication with Ofgem,
- advice surrounding ongoing communication with Co-op,
- advice regarding the realisations of assets in the Company's name,
- advice regarding the validity of unsecured claims against the Company; and
- general ad hoc legal advice where necessary

BDO LLP