



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 8 9 9 4 9 8 1

Company name in full PFP Energy Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Paul Andrew

Surname Flint

### 3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

### 4 Administrator's name ①

Full forename(s) Paul

Surname Berkovi

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*Paul Airo*

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

**Presenter information**

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

Contact name **Kellie Bell**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

**91 Western Road**

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

**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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Robert Andrew  
Surname Croxen

## 3 Insolvency practitioner's address

Building name/number Suite 3 Regency House  
Street 91 Western Road  
Post town Brighton  
County/Region  
Postcode B N 1 2 N W  
Country

**PFP ENERGY LIMITED IN ADMINISTRATION**

# **Joint Administrators' first progress report**

**For the period from 24 September 2021 to 23 March 2022**

*21 April 2022*

# Contents

1	Executive summary .....	3
2	A message to customers .....	4
3	Strategy and progress of the administration to date .....	5
3.1	Strategy .....	5
3.2	Asset realisations .....	8
3.3	Expenses .....	10
3.4	Schedule of expenses .....	11
4	Dividend prospects .....	12
4.1	Secured creditors .....	12
4.2	Preferential creditors .....	12
4.3	Unsecured creditors .....	12
5	Other matters .....	13
5.1	Court directions application .....	13
5.2	Potential claims against PFPEs .....	13
6	Joint Administrators' remuneration, category 2 expenses and pre-administration costs .....	14
6.1	Joint Administrators' remuneration and category 2 expenses .....	14
6.2	Pre-administration costs .....	15
7	Future strategy .....	16
7.1	Future conduct of the administration .....	16
7.2	Discharge from liability .....	16
7.3	Future reporting .....	17
	Appendix 1 – Statutory information .....	18
	Appendix 2 – Receipts and payments account .....	19
	Appendix 3 – Schedule of expenses .....	21
	Appendix 4 – Charging policy .....	23
	Appendix 5 – Glossary .....	36
	Appendix 6 – Notice: About this progress report .....	37

# 1 Executive summary

- PFP Energy Limited (“the Company”) resolved on 10 September 2021 to appoint Paul Flint, Paul Berkovi and Rob Croxen (“we”/“us”/“our”) as Joint Administrators. The notice of appointment was lodged at the High Court of Justice, Business & Property Courts of England and Wales on 24 September 2021. On that date the Company was placed into administration and our appointment as Joint Administrators became effective.
- This progress report covers the period from the date of our appointment to 23 March 2022.
- We used deemed consent to obtain approval of our proposals and the creditors are treated as having approved our proposals without modification on 7 December 2021.
- The Company’s principal asset realisations comprise cash at bank, contributions from British Gas Trading Limited (“British Gas”) to enable a final billing process to be undertaken and realisations associated with a Migration Services Agreement (“MSA”) entered into with its associated Company, PFP Energy Supplies Limited (“PFPEs”) and British Gas (Section 3 – Strategy and progress of the administration to date).
- Based on current estimates, it is likely that the secured creditor should be repaid its indebtedness in full (Section 4 – Dividend prospects).
- Based on current estimates, we anticipate that the preferential creditors should receive a dividend of 100p in the £. The timing of this dividend is dependent upon completion of the adjudication of claims (Section 4 – Dividend prospects).
- Based on current estimates we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this due to the quantum of claims, but we will do so when we have completed the realisation of assets, the payment of associated costs and the adjudication of claims (Section 4 – Dividend prospects).
- We are liaising with legal Counsel to determine whether the Company can claim title to certain of PFPEs’s assets and / or whether the Company can make a claim against PFPEs for services it provided to PFPEs prior to entering administration. (Section 5 – Other matters).
- Please note you should read this progress report in conjunction with our proposals which were issued to the Company’s creditors and are available on the Portal. Unless defined otherwise in this progress report, terms defined in this report shall have the same meaning assigned to them in our proposals. Furthermore, unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Paul Flint  
Joint Administrator

## 2 A message to customers

All customers of PFPEs have now been migrated to British Gas Trading Limited ("British Gas") under Ofgem's Supplier of Last Resort ("SoLR") process.

The Company no longer has access to its operating systems. Accordingly, it is not possible for further bills, statements or information to be provided to customers.

If customers have any outstanding queries, including those regarding ongoing supply, outstanding credit balances or making payment in respect of outstanding debit balances, then please use the following dedicated British Gas webpages to contact British Gas direct:

- If you are a residential customer, details can be found at:  
<https://www.britishgas.co.uk/energy/pfp-energy.html>
- If you are a business customer, details can be found at:  
<https://www.britishgas.co.uk/business/pfp-energy?int=ukb-pfp-energy.html>

In addition, further information and support can be found on the Ofgem website. Below is a link to the Ofgem statement that has been issued with regards to the current situation and your new supplier:

<https://www.ofgem.gov.uk/publications/pfp-energy-customers-your-questions-new-supplier-british-gas>

If customers need additional support in England and Wales, they can call Citizens Advice on 0808 223 1133 or email them via their webform:

<https://www.citizensadvice.org.uk/about-us/contact-us/contact-us/contact-us/>

If customers need additional support in Scotland, they can contact Advice Direct Scotland on 0808 196 8660 or email them via their webform:

<https://www.advice.scot/contact-us/send-us-your-questions/>



# 3 Strategy and progress of the administration to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

Our proposals summarise key matters, including but not limited to:

- The Group structure and the Company's position in the Group;
- A message to PFPES's customers including details of the Supplier of Last Resort ("SoLR") process;
- Background information of the Company;
- The funding and financial position of the Company prior to entering administration;
- Events leading to the administration;
- Details of pre-administration work performed in preparation for the administration; and
- Our strategy for realising the Company's assets.

This report should be read in conjunction with our proposals and provides an update to section 5 of our statement of proposals (Strategy and progress of the administration to date). All other key matters above are not repeated or commented on in this report.

## 3.1 Strategy

As set out in our proposals, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if it were wound up.

At the time of writing our proposals, dated 18 November 2021, we were exploring our options for running a final billing process. We can now confirm that an MSA was entered into between the Company, PFPES and British Gas on 1 December 2021, whereby the operational platform of the Company was maintained to allow a final billing process to be conducted and to transition the customers from PFPES to British Gas.

It was agreed, per the terms of the MSA, that British Gas was to provide funding to the Company to discharge its costs associated with continuing its operations, from the date of our appointment until the final billing process had concluded.

By facilitating the final billing process, the MSA has primarily preserved value contained in PFPES's debtor book. At the same time as entering into the MSA, British Gas entered into a Debt Assignment Agreement ("DAA") to acquire PFPES's debtor book once the final billing process concluded.

This sale would not have been achieved if the MSA had not been agreed as this provided a mechanism to allow the final billing process to be completed.

PFPES has paid a commission of 15% of gross debtor realisations, less actual (or potential) VAT, to the Company, in consideration of it facilitating the final billing process and enabling PFPES to realise value for its debtor book. This is comparable third-party debt collection agent costs, which has been used as a proxy to calculate the commission payment. Further information in relation to this asset realisation is detailed in section 3.2 (Asset realisations).

The advantages to the Company of entering into the MSA include:

- It has received a commission payment of 15% of PFPES's gross debtor ledger realisations less actual (or potential) VAT;
- It has mitigated material claims into the estate from potential unsecured creditors;
- British Gas has funded operating costs, some of which ordinarily would have been borne by the estate. These costs include an element of our time costs, an element of our legal advisers' fees and IT systems costs which contain statutory information; and
- It has enabled us to continue a consultation process for employees, mitigating claims in the estate.

*The MSA and continuation of the operating platform*

The terms of the MSA were negotiated with British Gas, in parallel with a sale of PFPES's debtor book through a DAA. The MSA and DAA were executed on 1 December 2021.

To fulfil the Company's obligations, per the MSA, we maintained the Company's operational platform for a period of time to complete the final billing process of PFPES's customers. The final billing process has now reached a conclusion and PFPES's customers have been sent their final account summaries, with information regarding customers' accounts also provided to British Gas.

The Company's operational platforms have now been decommissioned. It is therefore not possible for further bills, statements or information to be provided to PFPES's customers. Any customer account queries are now being investigated by British Gas where appropriate.

*Key terms of the MSA*

The key services provided by the Company under the MSA include:

- the production of final bills for PFPES's customers;
- the production of a schedule of PFPES's customers (and supporting ancillary data) who had a debit balance as at the date of the SoLR transfer; and
- the production of a schedule of PFPES's customers (and supporting ancillary data) who had a credit balance as at the date of the SoLR transfer.

The MSA provided for British Gas to fund certain operational costs incurred by the Company from the date of our appointment to completion of the final billing process, in relation to employees, property costs, maintenance of the Company's IT infrastructure and supply chain, and other overheads associated with conducting a final billing process. In addition, British Gas has agreed to make a payment towards an element of our time costs and an element of our legal advisers' fees.

Initially we forecast that the requirements set out in the MSA would take approximately eight weeks, from the date of execution, to complete. However, the final billing process took 15 weeks to conclude. The main reasons for the additional time spent is due to:

- numerous reconciliations being required to test the accuracy of final bills against the underlying data;
- the volume of final bills which required manual intervention before being able to be issued to customers;
- the reliance on third party systems and advisers to be able to produce the final bills in bulk; and
- requiring bespoke solutions from third party suppliers to enable the extraction of final bills from the Company's operational platform.

#### *Key benefits of the MSA*

To accurately understand the amounts owed to PFPES by its customers and improve the collectability of its debtor book, it has been necessary to prepare final customer bills up to the date that PFPES stopped supplying its customers with energy.

Raising these final bills has been time consuming and challenging. It required the retention of a number of the Company's employees and the majority of the Company's IT infrastructure to remain operational for an extended period. It also required the support and assistance from a number of third-party suppliers who did not have the experience and understanding of the requirements of an insolvent company.

The main financial benefit of producing the final bills has been realised by PFPES (i.e., assistance with the realisation of its debtor book) however this would not have been possible without the Company providing its operating platform to finalise customer bills. The Company received financial benefit for providing its services by receiving a commission payment of 15% of PFPES's gross debtor ledger realisations less actual (or potential) VAT. This percentage is comparable with the costs of instructing a third-party debt collection agent.

In addition, British Gas provided funding to the Company to discharge its costs associated with continuing its operations, from the date of our appointment until the final billing process concluded. This has provided the following additional benefits to the Company's creditors:

- British Gas has provided funding to cover certain of the Company's costs which would ordinarily have been incurred during the administration, thereby reducing the total costs expected to be borne by the Company during the administration;
- British Gas has provided funding to cover an element of our time costs and an element of our legal advisors' fees; and
- the final billing process has facilitated the retention of a number of the Company's staff during the MSA period, allowing the employee consultation process to be continued and reducing the risk of claims against the Company for a lack of consultation process.

#### *Operation of the MSA*

Following execution of the MSA, we performed the following work in relation to delivering the migration:

- produced cost forecasts to British Gas to enable them to monitor the costs associated with the MSA;
- managed the Company's employees (see below for details);
- prepared and refined large volumes of data, which were required to ensure a smooth transfer of PFPES's customers to British Gas;
- planned for and executed the final billing process;
- liaised with the Company's suppliers to ensure its IT platform remained operational;
- liaised and worked with third party suppliers to develop bespoke solutions which enabled us to extract PFPES's final customer bills from the Company's operational platform.

#### *Ongoing Operation of the MSA*

The majority of the Company's obligations under the MSA have been met. A reconciliation exercise is being performed, reconciling the funding provided by British Gas and the costs incurred by the Company when producing the final bills. This work will be completed once we have received all third-party supplier invoices.

#### *Customers/Creditors*

We have continued to implement our communications plan to manage customer enquiries and to direct customers of PFPES to the appropriate information being provided by Ofgem and British Gas.

As part of this strategy the Company's third-party call centre support initially remained operational to assist PFPES's customers. Following the successful migration of PFPES's customers to British Gas, the Company's call centre was closed on 28 February 2022.

Due to the large volume of calls received directly to us, from former customers of PFPES, it has been necessary for us to utilise the services of Adetiq Limited ("Adetiq"), an external call centre provider.

#### *Employees*

At the date of our appointment, the Company had a total of 51 employees. During the period following our appointment 49 of these employees have been made redundant. Two employees have been retained to assist us with fulfilling our statutory duties.

## **3.2 Asset realisations**

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

#### *Cash at bank*

The Company operated bank accounts with Barclays Bank Plc (the "Bank"). The directors' statement of affairs provides a combined estimated to realise value of £5,594,212 for the bank accounts.

Following our appointment, we liaised with the Bank and realised the sum of £5,188,505 from its pre-appointment accounts.

We also received an amount from the Bank, totalling £405,707, relating to debtor monies which were collected prior to our appointment and held by a third-party bureau, but not released to the Bank until after our appointment.

These amounts are currently held in a separate bank account whilst legal Counsel's opinion is sought to determine whether the Company or PFPES has title to these funds.

The Bank has confirmed that all accounts were closed on 18 March 2022. Final closing account balances totalling £26,428 were sent to us on the same date. We are in the process of reconciling these amounts to understand whether these funds, or part thereof, are deemed to be debtor realisations and, if so, whether the Company or PFPES has title to these funds. No further realisations are anticipated in this regard.

#### *SoLR Support Services Fees*

Per the terms of the MSA, we received funding totalling £1,100,000 from British Gas to discharge the operating costs the Company incurred whilst conducting the final billing process.

The total operating costs we anticipate having incurred (including those paid in the period) are set out below:

Category	Paid in period (£)	Estimated future (£)	Estimated total (£)
Suppliers	272,155	149,445	421,600
Contractor costs	674	106	780
Heat, Light & Water	2,013	10,000	12,013
Rents payable	29,230	29,230	58,460
Other Property Expenses	608	13,000	13,608
Insurance of Assets	858	1,000	1,858
Wages & Salaries	339,387	5,000	344,387
Contribution to Legal Fees	-	40,000	40,000
Contribution to Administrators' Fees	-	207,294	207,294
<b>Total</b>	<b>644,925</b>	<b>455,075</b>	<b>1,100,000</b>

- The anticipated operating costs are subject to final supplier invoices being received and agreed, and the finalisation of all other relevant costs.

#### *Migration Service Fees*

As detailed above, the Company retained its operational platform to allow the final billing process to be conducted. Without this provision of services, PFPES could not produce and issue final bills for its customers. It was agreed that, for its assistance, the Company would receive a commission payment from PFPES totalling 15% of gross debtor realisations, less any actual (or potential) VAT liability attached to PFPES's debtor book. This percentage is comparable with the costs of instructing a third-party debt collection agent.

The sum of £451,200 has been received. No further realisations are anticipated.

### 3.2.1 Investigations

We have reviewed the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

It is not considered necessary to carry out further investigation work.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

## 3.3 Expenses

### 3.3.1 Payments

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

#### *Suppliers*

As stated previously in this report, the operational platform was maintained in order to produce the final bills for PFPEs's customers. In the period of this report, we have paid the sum of £272,155 to the Company's suppliers. A significant proportion of these costs were met by British Gas, as part of the SoLR support service fee (Section 3.2 – Asset realisations).

#### *Administrators' fees*

As detailed in section 5 below, in the period of this report, we have received approval from the Company's creditors to draw our unpaid pre-administration costs as an expense of the administration and that our remuneration will be drawn on the basis of time properly given by us and our staff

In the period of the report, we have paid our unpaid pre-administration costs in full, totalling £91,835 and have drawn fees of £1,024,155 on account of our time costs.

A proportion of our fees were met by British Gas, as part of the SoLR support service fee (Section 3.2 – Asset realisations).

#### *Legal fees and disbursements*

Womble Bond Dickinson LLP ("WBD") was instructed to provide general insolvency legal advice including drafting the MSA and DAA agreements. Included within legal fees and disbursements is an amount of £33,438 which has been paid to WBD in the period of this report.

#### *Property expenses*

The Company occupied its trading premises throughout the period. Property expenses paid to date comprise rents payable, heat, light, water and cleaning costs.

During the period of this report, we have paid property expenses totalling £31,850. These costs have been met in full by British Gas, as part of the SoLR support service fee (Section 3.2 – Asset realisations).

The Company vacated its trading premises on 25 March 2022.

#### *Wages and salaries*

In order to produce the final bills of PFPEs, and to assist us with our statutory duties, it has been necessary for the Company to retain some of its employees. In the period of this report wages and salaries totalling £342,066 have been paid. A significant proportion of these costs were met by British Gas, as part of the SoLR support services fee (Section 3.2 – Asset realisations).

### 3.3.2 Professional advisers and sub-contractors

As detailed above, due to the large volume of calls received directly to us, from former customers of PFPES, it has been necessary for us to utilise the services of Adetiq, an external call centre provider

Whilst the work performed by Adetiq could have been performed by us and our staff, we consider it has been more cost efficient to use this service. Adetiq were chosen due to their expertise of calls of this nature and their competitive costs. Adetiq's costs are charged on a fixed fee basis, per number of calls received.

## 3.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

#### *Legal fees including Counsels Costs*

Legal fees of £98,957, together with counsel's costs of £1,800 have been incurred in the period but not paid. These costs are payable to WBD.

In addition, Aaron & Partners LLP ("A&P") has incurred costs of £10,267 in the period in relation to work undertaken reviewing the validity of the secured creditor's security and the quantum of their claim against the Company. These costs have not been paid in the period.

#### *Property Costs*

Estimated property costs totalling £42,234 have been incurred in the period and not yet paid. These costs relate to estimated rent payable of £29,230 and estimated business rates of £13,004. These costs relate to the Company's occupation of its trading premises following our appointment.

## 4 Dividend prospects

### 4.1 Secured creditors

The Company has one secured creditor, Petroineos Trading Limited ("Petroineos"). Details of its security was provided within our proposals.

We have instructed A&P to opine on the validity of Petroineos' security. We are yet to receive their final opinion; however, we will update creditors in our next progress report.

It is likely that any indebtedness owed to Petroineos which is captured by their security will be paid in full.

### 4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee (2) unlimited accrued holiday pay and (3) certain pension benefits, rank as ordinary preferential claims. In addition, certain HMRC claims rank as secondary preferential claims.

Based on current estimates, we anticipate that the ordinary preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration together with the adjudication of claims.

In addition, the directors' statement of affairs relating to PFPE details HM Revenue & Customs ("HMRC") as a secondary preferential creditor in the sum of £221,052.

PFPEs and the Company (the "Companies") are part of the same VAT group and therefore the Companies are joint and severally liable for any VAT liabilities.

It is our understanding that following submission of the outstanding pre-appointment VAT returns, and should crown set off be applied, HMRC will be a debtor of the Company and will not have secondary preferential claim status in either of the Companies. However, should HMRC have a claim as a secondary preferential creditor, we anticipate they will receive a dividend of 100p in the £.

We are not aware of any other preferential creditors.

### 4.3 Unsecured creditors

Based on current estimates, we anticipate that the unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs, together with the adjudication of claims.

At this stage, we anticipate the most likely exit route from administration will be a creditors' voluntary liquidation. This will enable the Joint Liquidators to make a distribution to the Company's unsecured creditors. We would otherwise be required to make an application to court for permission to distribute within the administration. Any such application would result in legal fees, counsel's fees and Court costs. The ongoing costs of a liquidation would also be lower than in an administration.



# 5 Other matters

## 5.1 Court directions application

Whilst the Company was not the Ofgem licensed energy supplier, given its relationship with PFPES, there is a possibility that a number of potential creditor claims or contingent creditor claims could be lodged in the administration estate. These claims could be substantial and if admitted would have a significant impact on the percentage return to unsecured creditors of the estate.

These claims are complex and will need consideration of both insolvency legislation and legislation for the provision of energy when deciding if they should be admitted into the estate. We consider it necessary to agree a position on these claims to progress the administration, allow a timely distribution to creditors and to close the administration in an efficient manner.

Therefore, together with six other energy retail administrations where Managing Directors from A&M have been appointed as joint administrators, we have engaged legal advisers and legal counsel to apply for Court directions on this matter. This approach allows us to spread the cost of the application across a number of cases, making it more cost efficient for each individual company in administration. Even though the Company has been included in the application, given the Company was not the Ofgem licensed energy supplier, none of the costs of the process are being allocated to the Company. The costs are being met by PFPES, the licensed energy supplier. Therefore, the Company will benefit from the outcome of the Court directions but will not have incurred any cost of the application.

In addition, two energy supply companies, not being dealt with by A&M, have applied to have their applications on the same matter heard alongside our application.

We are working together with Ofgem on this application and have invited participation from both the relevant SoLRs and the shareholders of the energy supply companies to ensure the Court can consider the arguments and provide clear guidance on how these claims should be treated.

We hope to be able to secure a hearing date for the directions application to be heard during July 2022.

## 5.2 Potential claims against PFPES

Although the Companies are two separate legal entities, they operated as a single entity from a trading and accounting perspective. In addition, no formal intercompany arrangement existed between the Companies, therefore it is not possible to determine how the relationship between the Companies should have been accounted for.

The historic trading position is complex and has created a situation where the Companies could potentially each have a claim against each other, and/or claim title to certain assets which sit in each estate.

We are taking legal advice and are liaising with legal Counsel to determine whether the Company can claim title to certain of PFPES's assets and / or whether the Company can make a claim against PFPES for services it provided to PFPES prior to entering administration. This is a key workstream that remains ongoing and is an important element of our ongoing strategy.

# 6 Joint Administrators' remuneration, category 2 expenses and pre-administration costs

## 6.1 Joint Administrators' remuneration and category 2 expenses

### 6.1.1 Basis of remuneration and category 2 expenses

During the period, the Company's creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided to creditors;
- category 2 expenses (as defined in Statement of Insolvency Practice 9) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 4; and
- unpaid pre-administration costs will be paid as an expense of the estate.

We estimate that the total amount of remuneration to be paid from the estate will be £1,249,600, in addition to our pre-administration fees of £91,834.50. This includes any remuneration paid to date.

### 6.1.2 Time costs

From the date of our appointment to 23 March 2022, we have incurred time costs of £1,302,142. These represent 2,067 hours at an average rate of £630 per hour.

### 6.1.3 Remuneration

During the period, we have drawn floating charge remuneration of £1,024,154.85.

### 6.1.4 Additional information

#### *Fees estimate*

Our fees estimate of £1,249,600 has been exceeded for reasons including, but not limited to, work required in order to fulfil the Company's obligations under the MSA being more time intensive than originally anticipated, additional updates to the case strategy being necessary and dealing with employee related matters for a longer period than originally anticipated.

Furthermore, additional work is required by us in order to fulfil our statutory duties. The additional work that is required is set out in section 7 of this report (Future strategy). Our time costs will therefore increase further.

At this stage in the administration, we are not seeking to draw remuneration in excess of the previously approved amount of £1,249,600.

Should we wish to seek approval to draw remuneration in excess of £1,249,600, we will ensure that the requisite disclosures are made to the relevant creditors and that the requisite approvals are obtained.

#### *Contribution from British Gas*

As detailed in section 3.2 above, it is currently forecast that British Gas will contribute the sum of £207,294 towards our time costs.

#### *Expenses estimate*

We do not anticipate that the expenses to be incurred during the administration will exceed our original expenses estimate of £1,034,590.

#### *Time spent and charging policy*

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Alvarez & Marsal Europe LLP for the period from our appointment to 23 March 2022. We have also attached our charging policy.

## 6.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Fees incurred by the Joint Administrators:				
- Engagement acceptance & control	1,523.56	1,523.56	1,523.56	-
- Dealing with stakeholders	86,134.55	86,134.55	86,134.55	-
- Appointment documents	4,176.39	4,176.39	4,176.39	-
<b>Total Joint Administrators' pre-admin fees</b>	<b>91,834.50</b>	<b>91,834.50</b>	<b>91,834.50</b>	<b>-</b>
Joint Administrators' disbursements	1,483.70	1,483.70	1,483.70	-
Legal fees	30,265.00	30,265.00	Nil	30,265.00
Legal disbursements	25.00	25.00	Nil	25.00
<b>Total</b>	<b>123,608.20</b>	<b>123,608.20</b>	<b>93,318.20</b>	<b>30,290.00</b>

On 27 January 2022, we obtained approval from the Company's creditors to pay these unpaid pre-administration costs as an expense of the administration.

The outstanding pre-administration legal fees and disbursements were paid in full on 30 March 2022, which was outside the period of this report and therefore is not included in our receipts and payments at Appendix 2.

# 7 Future strategy

## 7.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- continuing to deal with employee matters including the payment of wages, salaries and the relevant deductions;
- dealing with statutory pension notifications in relation to auto enrolment;
- liaising with our solicitors in relation to an employment tribunal claim;
- Submitting to the registrar of companies, the directors' statement of affairs and statement of concurrence once the statement of concurrence has been returned;
- continuing to collect the electronic data of the Company;
- continuing to respond to customer queries;
- continuing to respond to creditor queries;
- reconciling the costs incurred in performing the final billing process, with funds received from British Gas;
- continuing to realise the assets of the Company including office equipment, fixtures and fittings;
- submitting the pre-appointment VAT returns and seeking a repayment of any VAT due to the Company;
- liaising with HMRC in relation to the post-appointment VAT reporting periods;
- continuing to seek a surrender of the Company's lease;
- discharging any outstanding costs and expenses of the administration;
- if appropriate, seeking an extension of the administration;
- adjudicating the secured creditor's claim and, if applicable, paying a distribution against its security;
- adjudicating and paying preferential creditor claims;
- if appropriate, agree the Company's unsecured creditor claims;
- seeking to establish whether the Company has a claim against PFPES, and whether PFPES has a claim in the Company's estate; and
- taking the necessary steps to bring the administration to an end.

As referred to in section 4, it is likely that the Company will exit administration via a creditors' voluntary liquidation ("CVL"). The exit will enable the Joint Liquidators to make a distribution to the Company's unsecured creditors.

Whilst certain of the above items could be undertaken in the administration, it may be necessary to perform / complete the above items in a subsequent CVL.

## 7.2 Discharge from liability

The Company's creditors have granted approval that we will be discharged from liability in respect of any actions as Joint Administrators upon filing our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

## **7.3 Future reporting**

We will provide a further progress report within one month of 23 September 2022 or earlier if the administration has been completed prior to that time.

# Appendix 1 – Statutory information

## Company information

Company name	PFP Energy Limited
Date of incorporation	14 April 2014
Company registration number	08994981
Present registered office	Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW

## Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property, Courts of England and Wales, CR-2021-001659
Appointor	The Company
Date of appointment	24 September 2021
Joint Administrators	Paul Flint, Paul Berkovi and Rob Croxen
Joint Administrators' contact details:	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Tel: +44 (0) 161 504 1700 Email: INS-PFPENL@alvarezandmarsal.com
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	23 September 2022

# Appendix 2 – Receipts and payments account

**PFP Energy Limited**  
(In Administration)  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 24/09:2021 To 23/03:2022 £	From 24/09:2021 To 23/03:2022 £
<b>ASSET REALISATIONS</b>		
NIL	NIL	NIL
5,000.00	NIL	NIL
NIL	NIL	NIL
NIL	NIL	NIL
NIL	NIL	NIL
5,594,212.00	5,214,932.89	5,214,932.89
	5,214,932.89	5,214,932.89
<b>OTHER REALISATIONS</b>		
	1,100,000.00	1,100,000.00
60,000.00	NIL	NIL
	633.24	633.24
	405,706.84	405,706.84
	6,843.10	6,843.10
	451,200.08	451,200.08
	1,964,383.26	1,964,383.26
<b>COST OF REALISATIONS</b>		
	272,155.02	272,155.02
	200.01	200.01
	91,834.50	91,834.50
	1,024,154.85	1,024,154.85
	1,483.70	1,483.70
	2,077.89	2,077.89
	4,080.16	4,080.16
	34,913.50	34,913.50
	25.00	25.00
	2,012.50	2,012.50
	29,230.33	29,230.33
	607.63	607.63
	858.35	858.35
	342,085.89	342,085.89
	72.20	72.20
	(1,805,781.53)	(1,805,781.53)
<b>PREFERENTIAL CREDITORS</b>		
(221,052.00)	NIL	NIL
(23,307.00)	NIL	NIL
(24,592.00)	NIL	NIL
	NIL	NIL
<b>FLOATING CHARGE CREDITORS</b>		
(550,370.00)	NIL	NIL
	NIL	NIL
<b>UNSECURED CREDITORS</b>		
(1,478,513.00)	NIL	NIL
(434,922.00)	NIL	NIL
(6,000,000.00)	NIL	NIL
	NIL	NIL
<b>DISTRIBUTIONS</b>		
(302.00)	NIL	NIL

**PFP Energy Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 24/09/2021 To 23/03/2022 £	From 24/09/2021 To 23/03/2022 £
	NIL	NIL
<u>(3,073,846.00)</u>	<u>5,373,534.62</u>	<u>5,373,534.62</u>
REPRESENTED BY		
Floating VAT Receivable		292,154.35
Floating Charge Current		4,895,658.91
Current - Pre-appt Debtor Collections		405,721.36
Floating VAT Payable		(220,000.00)
		<u>5,373,534.62</u>

*Funds are held in interest bearing accounts.*



# Appendix 3 – Schedule of expenses

## A3.1 Schedule of Expenses

A summary of expenses incurred during the period of this report is set out below:

<b>Schedule of expenses for the period from 24 September 2021 to 23 March 2022</b>	
<b>Category</b>	<b>Incurred in the period (£)</b>
Suppliers' costs	313,585.41
Specific bond	200.01
Contractor costs	4,090.16
Joint Administrators' disbursements	2,151.21
Legal fees	109,223.00
Legal disbursements	25.00
Counsel's fees	1,800.00
Heat and light	2,012.50
Rents payable	58,460.00
Rates	13,004.00
Other property expenses	607.63
Insurance	858.35
Wages and salaries	342,065.89
Bank charges	85.00
<b>Total</b>	<b>848,168.16</b>

## **A3.2 Requests for further information and right to challenge our remuneration and expenses**

### **Creditors' requests for further information**

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

### **Creditors' right to challenge our remuneration and expenses**

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Zen Rizvi at Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW or by email at [INS-PFPENL@alvarezandmarsal.com](mailto:INS-PFPENL@alvarezandmarsal.com).

# Appendix 4 – Charging policy

## *Joint Administrators' charging policy*

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

## *Hourly rates*

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

<b>Charge-out rates (£/hour) for: Restructuring</b>	
<b>Grade</b>	<b>From 24 September 2021</b>
Managing Director	985
Senior Director	935
Director	865
Associate Director	690
Senior Associate	595
Associate	450
Analyst	255
Support	190

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

A copy of "Administration: A Guide for Creditors on Insolvency Practitioner Fees" from SIP 9 produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact Zen Rizvi at Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW or by email at [INS-PFPENL@alvarezandmarsal.com](mailto:INS-PFPENL@alvarezandmarsal.com).

## *Policy for the recovery of disbursements*

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.
- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration.

*Disbursements falling within category 1 expenses:*

Nature of disbursement	Amounts incurred in the period (£)	Amounts paid in the period (£)
Travel Costs	46.40	46.40
Statutory Advertising	99.90	99.90
Postage	267.25	220.13
Encompass	15.60	15.60
Subsistence	12.50	12.50
Call Centre	1,667.89	711.54
Mailbox	41.67	41.67
<b>Total</b>	<b>2,151.21</b>	<b>1,147.74</b>

Disbursements falling within category 1 expenses, incurred during the administration have exceeded the estimate previously disclosed.

The increase in costs incurred relate primarily to the costs of using a call centre due to the high volume of customer queries which have been received during the period. The call centre service is provided by Adetiq (Section 3.1 - Strategy).

*Disbursements falling within category 2 expenses:*

Nature of disbursement	Amounts incurred in the period (£)	Amounts paid in the period (£)
Mileage costs	1,101.15	930.15
<b>Total</b>	<b>1,101.15</b>	<b>930.15</b>

*Our time cost summary in accordance with SIP 9*

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 23 March 2022 in accordance with SIP 9.

<b>Classification of Work Function</b>	<b>Hours</b>	<b>Time cost (£)</b>	<b>Average hourly rate (£)</b>
Engagement Control	221.40	148,579.25	671.09
Appointment & Risk	113.30	83,455.50	736.59
Reports, Decision Making & Remuneration	220.70	140,433.50	636.31
Correspondence & Statutory Filing	161.85	69,171.25	427.38
Investigations	252.75	149,531.35	591.62
Asset Realisations	371.30	257,165.50	692.61
Costs of Realisations	221.90	143,072.00	644.76
Tax	112.66	73,031.40	648.25
Cashiering	65.90	35,305.00	535.74
Employees & Pensions	264.48	158,630.70	599.78
Claims & Distributions	60.60	43,767.00	722.23
<b>Total time costs incurred during the period</b>	<b>2,066.84</b>	<b>1,302,142.45</b>	<b>630.02</b>

**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Engagement control</b>	<ul style="list-style-type: none"><li>- Formulating, monitoring and reviewing the administration strategy</li><li>- Briefing our staff on the administration strategy and matters in relation to various work-streams</li><li>- Regular case management and reviewing of process, including regular team update meetings and calls</li><li>- Meeting with management to review and update strategy and monitor progress</li><li>- Reviewing and authorising junior staff correspondence and other work</li><li>- Dealing with queries arising during the appointment</li><li>- Reviewing matters affecting the outcome of the administration</li><li>- Allocating and managing staff/case resourcing and budgeting exercises and reviews</li><li>- Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters</li><li>- Complying with internal filing and information recording practices, including documenting strategy decisions</li></ul>	<p>To ensure appropriate oversight, decision making and overall control of the administration</p> <p>This will ensure the case is progressed efficiently, maximising realisations and minimising costs</p>	No direct financial benefit

## SIP 9 narrative for the period from 24 September 2021 to 23 March 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Appointment &amp; risk</b>	<ul style="list-style-type: none"> <li>- Collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets</li> <li>- Obtaining confirmation of the validity of our appointment and liaising with seeking a review of the security held by Petroinious</li> <li>- Arranging bonding and complying with statutory requirements</li> <li>- Arranging ongoing insurance cover for the Company's business and assets</li> <li>- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place</li> <li>- Assessing the level of insurance premiums</li> <li>- Responding to Data Subject Access requests</li> </ul>	To comply with statutory requirements and to ensure the administration is managed efficiently and effectively	No direct financial benefit
<b>Reports, decision making &amp; remuneration</b>	<ul style="list-style-type: none"> <li>- Preparing statutory receipts and payments accounts</li> <li>- Drafting and publishing our proposals and drafting this progress report</li> <li>- Obtaining approval of our proposals</li> <li>- Ensuring compliance with all statutory obligations within the relevant timescales</li> <li>- Preparing for the creditors' decision relating to agreement of the basis of our remuneration, category 2 expenses and unpaid pre-administration costs</li> <li>- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9</li> <li>- Preparing and reviewing the fees estimate</li> <li>- Preparing and reviewing the expenses estimate</li> <li>- Seeking approval of the basis of remuneration from creditors</li> </ul>	To comply with statutory requirements and to ensure creditors are informed of progress of the administration	No direct financial benefit

**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Correspondence &amp; statutory filing</b>	<ul style="list-style-type: none"><li>- Uploading information to the Portal</li><li>- Providing initial statutory notifications of our appointment and ongoing matters to the Registrar of Companies, creditors and other stakeholders and advertising our appointment</li><li>- Providing written and oral updates to representatives of Petroineos regarding the progress of the administration and case strategy</li><li>- Liaising with management and the directors to produce the Statement of Affairs</li><li>- Dealing with creditor queries (see also Claims &amp; distributions below)</li><li>- Dealing with a high volume of customer queries (see also Claims &amp; distributions below)</li></ul>	To comply with statutory requirements and to ensure creditors are informed of progress of the administration	No direct financial benefit



**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Investigations	<ul style="list-style-type: none"><li>- Locating Company books and records, arranging for their collection, review and ongoing storage</li><li>- Reviewing the Company's IT infrastructure, understanding what data is held and where it is held</li><li>- Liaising with the Company's management and British Gas in relation to various Data Protection Impact Assessments ("DPIA"s)</li><li>- Dealing with a large volume of Data Subject Access Requests ("DSAR"s)</li><li>- Liaising with our Privacy team in relation to data matters</li><li>- Corresponding with the Information Commissioners Office ("ICO")</li><li>- Liaising with third party data storage providers</li><li>- Liaising with our disputes and investigations team ("D&amp;I") in relation to data that is required to be copied/backed up</li><li>- Meeting with the Company's GDPR team</li><li>- Reviewing contracts</li><li>- Reviewing Company policies</li><li>- Ensuring data is held in accordance with the GDPR</li><li>- Reviewing Company and Directorship searches and advising the directors of the effect of the administration</li><li>- Arranging for the redirection of the Company's mail</li><li>- Reviewing the questionnaires submitted by the Directors of the Company</li><li>- Reviewing pre-appointment transactions</li><li>- Investigating the allocation of the assets and liabilities of the Company and its associated company, PFPES</li><li>- Liaising with the Insolvency Service in relation to the directors conduct report</li><li>- Drafting the statutory report and submitting to the relevant authority</li></ul>	To comply with statutory requirements and to pursue any potential asset recoveries for the estate	Investigations may have identified potential actions/asset recoveries which would have increased dividend prospects for creditors

<b>Asset realisations</b>	<ul style="list-style-type: none"> <li>- Liaising with third party funders to determine whether they will fund a final billing process</li> <li>- Liaising with British Gas as the SoLR, initially to assess their willingness to fund a final billing process and then calculating the funding required</li> <li>- Planning the strategy for the MSA, including instructions and liaison with professional advisers</li> <li>- Seeking legal advice regarding the MSA</li> <li>- Collating relevant information in relation to the MSA</li> <li>- Dealing with queries from the SoLR and managing the information flow</li> <li>- Collating information from the Company's records regarding assets</li> <li>- Dealing with the Company's' pre-appointment bank accounts</li> <li>- Analysing cash at bank receipts and segregating potential pre-appointment book debt receipts</li> <li>- Liaising with WBD in relation to the segregation of funds (detailed above)</li> <li>- Liaising with agents regarding the sale of assets</li> <li>- Formulating a strategy in relation to the final billing process of the associated Company, PFPES</li> <li>- Liaising with British Gas in relation to the SoLR Support Services Fees</li> <li>- Liaising with British Gas in relation to Migration Services fees</li> <li>- Liaising with our VAT team in relation to the potential pre-administration VAT refund</li> <li>- Reviewing the inter-company debtor position between the Company and its associated company, PFPES.</li> <li>- Reviewing the Company's leasehold property, including a review of its lease</li> <li>- Communicating with the landlord regarding rent, property occupation and other issues</li> <li>- Performing a Land Registry search</li> </ul>	<p>To identify, secure and realise the value of the Company's assets</p> <p>To realise the value of the Company's assets and provide the relevant information to the SoLR</p> <p>To ensure a smooth transition of customers under the SoLR transfer process</p>	<p>Maximising asset realisations and minimising potential liabilities may increase the dividend prospects for creditors</p>
---------------------------	---	---	---

**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Costs of realisation</b>	<ul style="list-style-type: none"><li>- Liaising with third parties regarding costs incurred</li><li>- Reviewing costs incurred to ensure recorded accurately</li><li>- Arranging payment of the costs in a timely manner as and when funds allow</li><li>- Preparing cash flow statements to monitor the cash position</li><li>- Attending to supplier queries and correspondence</li><li>- Raising, approving and monitoring purchase orders and setting up control systems for the final billing process</li><li>- Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions in order to ensure continued support</li><li>- Preparing and issuing instruction letters to third parties, as necessary</li><li>- Reviewing costs incurred by our legal and other advisers</li><li>- Reviewing costs incurred in relation to the trading premises</li></ul>	To settle costs of third parties who have facilitated the realisation of the Company's assets including amounts due to the Company for performing its obligations under the MSA	Minimising the costs/liabilities of the administration may increase the dividend prospects for creditors

## SIP 9 narrative for the period from 24 September 2021 to 23 March 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Tax	<ul style="list-style-type: none"> <li>- Gathering initial information from the Company's records in relation to the taxation position of the Company;</li> <li>- Submitting relevant initial notifications to HMRC</li> <li>- Reviewing the Company's pre-appointment corporation tax and VAT position</li> <li>- Liaising with tax specialists in relation to the efficient use of tax assets and to maximise realisations</li> <li>- Working initially on tax returns relating to the periods affected by the administration</li> <li>- Analysing VAT related transactions</li> <li>- Reviewing and amending draft legal agreements to ensure appropriate tax and VAT treatment of different services</li> <li>- Considering the VAT treatment in relation to cost contributions and to ensure the correct VAT is applied</li> <li>- Considering the tax and VAT implications of payments made to suppliers</li> <li>- Understanding the VAT treatment in relation to pre-appointment bills issued to customers</li> <li>- Considering any VAT adjustments required in relation to customers' balances.</li> <li>- Dealing with post appointment tax compliance</li> <li>- Seeking advice from our VAT team in relation to the VAT accounting procedures for the final billing process and the implications for the MSA</li> <li>- Liaising with management to prepare the outstanding pre-appointment VAT returns</li> </ul>	To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the administration	<p>Minimising the costs/liabilities of the administration may increase the dividend prospects for creditors</p> <p>Recovering pre-appointment VAT refunds may increase the dividend prospects for creditors</p>

**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Cashiering	<ul style="list-style-type: none"><li>- Setting up administration bank accounts</li><li>- Considering fund management and diversification of funds</li><li>- Preparing and processing vouchers for the payment of post-appointment invoices</li><li>- Creating remittances and sending payments to settle post-appointment invoices</li><li>- Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employees' banks</li><li>- Reconciling post-appointment bank accounts to internal systems</li><li>- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments</li></ul>	To effectively manage funds, receive asset realisations and discharge the costs of the administration	Receipt of bank interest maximises asset realisations which may increase the dividend prospects for creditors

**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"><li>- Dealing with queries from employees regarding various matters relating to the administration and their employment</li><li>- Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments</li><li>- Holding employee briefing meetings to update employees on the progress of the administration and our strategy</li><li>- Administering the Company's payroll, including associated taxation and other deductions and preparing PAYE and NIC returns</li><li>- Communicating and corresponding with HMRC</li><li>- Dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Service</li><li>- Managing claims from employees</li><li>- Ensuring security of assets held by employees</li><li>- Collating information and reviewing the Company's pension scheme</li><li>- Calculating employee pension contributions and reviewing pre-appointment unpaid pension contributions</li><li>- Ensuring compliance with our duties to issue statutory reports</li><li>- Liaising with the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment</li><li>- Ensuring death-in-service cover for employees remains in place</li><li>- Communicating with employees concerning the effect of the administration on the pension scheme and dealing with employee queries</li></ul>	To comply with statute and provide effective and informative communication to employees	Assistance to employees will enable them to recover the maximum claims in the administration

**SIP 9 narrative for the period from 24 September 2021 to 23 March 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Claims &amp; distributions</b>	<ul style="list-style-type: none"><li>- Reviewing and updating the list of unsecured creditors</li><li>- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records</li><li>- Responding to creditors regarding queries about the administration and their claims</li><li>- Dealing with a large volume of customer queries</li></ul>	<p>To comply with statutory requirements.</p> <p>To ensure that creditors are informed of the progress of the administration.</p> <p>To advise creditors of the progress of their claims</p>	<p>Ensuring creditor records are kept up to date, claims are agreed at the correct value and funds are distributed accurately to the relevant creditors (where appropriate)</p>

# Appendix 5 – Glossary

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
A&P	Aaron & Partners LLP
Adeti	Adeti Limited
Agents/SW	Sanderson Weatherall LLP
Bank	Barclays Bank Plc
British Gas	British Gas Trading Limited
Company	PFP Energy Limited in administration
CVL	Creditors Voluntary Liquidation
D&I	A&M Disputes & Investigations team
DAA	Debt Assignment Agreement
Directors	Simran Bir Singh Soin and Robert George Binns
DPIA	Data Protection Impact Assessment
DSAR	Data Subject Access Request
GDPR	General Data Protection Regulation
HMRC	HM Revenue & Customs
Group/Companies	The Company together with PFP Energy Supplies Limited in administration
ICO	Information Commissioners Office
Joint Administrators/we/our/us	Paul Flint, Paul Berkovi and Rob Croxen
MSA	Migration Services Agreement
Ofgem	Office of Gas & Electricity Markets
PFPEs	PFP Energy Supplies Limited in administration
Secured creditor/Petroineos	Petroineos Trading Limited
SIPs	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
SoLR	Supplier of Last Resort
WBD	Womble Bond Dickinson LLP



# Appendix 6 – Notice: About this progress report

This progress report has been prepared by Paul Flint, Paul Berkovi and Rob Croxen, the Joint Administrators of PFP Energy Limited ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Paul Flint, Paul Berkovi and Rob Croxen are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.