

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



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11/12/2019

#233

COMPANIES HOUSE

1 Company details

Company number 09256482

Company name in full Toto Energy Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Stephen John

Surname Absolom

3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E14 5GL

Country

4 Administrator's name

Full forename(s) William James

Surname Wright

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London


County/Region

Postcode E14 5GL

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
<input checked="" type="checkbox"/>		I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature		
Signature date	<div><div>d</div><div>0</div><div>d</div><div>6</div></div>	<div><div>m</div><div>1</div><div>m</div><div>2</div></div>	<div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>1</div><div>y</div><div>9</div></div>

AM03 Notice of Administrator's Proposals



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Contact name	Jannice Adofo
Company name	KPMG LLP
Address	Arlington Business Park
	Theale
Post town	Reading
County/Region	Berkshire
Postcode	R G 7 4 S D
Country	
DX	
Telephone	Tel +44 (0) 118 964 2000



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Joint Administrators' proposals

Toto Energy Ltd - in
Administration

6 December 2019

Deemed delivered: 10
December 2019

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+TJA23E2515.html>. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).



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1 Executive summary

- The Company operated as a retail energy supplier to approx. 140,000 domestic customers. The Company experienced cash-flow pressure as a consequence of historic billing and debt collection issues in addition to the wider challenges facing the market that are identified in Section 2.3
- On 30 October 2019 the directors appointed Steve Absolom and Will Wright as Joint Administrators of the Company (Section 2 - Background and events leading to the administration).
- Ofgem implemented the supplier of last resort ('SoLR') process prior to the Administrators' appointment, resulting in the Company's entire customer base transferring to EDF in the early hours of 27 October 2019. As part of this process, its licence to sell energy was revoked and the Company ceased to trade.
- The most significant asset of the Company is its debtor book and the Administrators will primarily focus on maximising realisations from this asset and will work closely with EDF to ascertain the overall debtor balances and collect-out the individual sums due. (Section 3 - Strategy and progress of the administration to date).
- We anticipate there will be a secured creditor distribution during the course of the administration. The Secured Creditors, will likely suffer a significant shortfall in respect of the funding provided to the Company. (Section 4 - Dividend prospects).
- We anticipate that there will be a distribution to the preferential creditors during the course of the administration. (Section 4 - Dividend prospects).
- Based on current estimates, there will be a distribution to the unsecured creditors, however we are not yet able to confirm the timing of this as this will be dependent on the timing of overall asset realisations and the final level of unsecured creditor claims. (Section 4 - Dividend prospects).
- The Proposals will be deemed approved 8 business days following the delivery to creditors. (Section 6 – Approval of proposals).
- We propose that our remuneration will be drawn on the basis of time properly given by us and the various grades of staff in accordance with the fees estimate and charge-out rates provided. We will seek approval for our remuneration from the Secured and preferential creditors. (Section 7 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- We anticipate that the most likely exit route will be dissolution. (Section 5 - Ending the administration).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Steve Absolom
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was incorporated in October 2014, and its principal activity was as a domestic energy and gas retailer to approx. 140,000 domestic customers as at the date of appointment (*Toto did not have commercial customers*).

Prior to our appointment the Company employed 141 staff and traded from leased premises in Brighton. The Company's statutory directors were Christopher Allen, Paul Fitzgerald and Jim Butler. Chaitanya Parikh was also statutory director until his formal resignation on 26 September 2019. Jim Butler (CEO) and Simon Tovey (CFO) had day-to-day responsibility for running the Company.

On 23 October 2019, following an unsuccessful attempt to raise finance, the directors asked Ofgem to begin a Supplier of Last Resort process (SoLR). This process resulted in a transfer of all customers and their associated credit balances to EDF on 27 October 2019. Immediately following appointment the administrators agreed a transitional services agreement ("TSA") with EDF to assist in transitioning services for the customers. This agreement also set out terms whereby EDF would collect the customer debts on behalf of the administrators.

The main assets of the Company are cash at bank at the date of appointment of approximately £2.7 million and an estimated debtor book of between £8 million and £10 million, comprising invoices (both billed and unbilled) to customers for energy consumption. The exact quantum of the debtor book will only be known once the final billing process has been completed in due course.

2.2 Funding and financial position of the Company

The most recent set of accounts filed at Companies House are for the period ending 30 April 2017, and according to those accounts, the Company is exempt from filing full audited accounts and is entitled to file abbreviated accounts. According to draft management accounts for the ten months ending 31 August 2019, the Company's turnover was £62 million recording pre-tax operating losses of £9.3 million.

At the date of the administration, the total collective secured lender indebtedness was estimated at £25.9 million. The secured debt relates to lending from the two main suppliers and, separately an overseas investor that had lent to the company. It is anticipated that each respective lender will submit a formal claim in the administration in due course, and these claims will be reviewed and agreed at the requisite time.

Each of the Company's secured lenders are purported to hold fixed and floating charges over the Company's assets. As usual, the validity of these charges will be reviewed by independent legal advisors in advance of any distributions being made to any secured lenders. It is anticipated that each of the secured lenders will suffer a significant shortfall in respect of their lending.

2.3 Events leading to the administration

The UK's energy retail sector has faced well-documented challenges in recent years. Toto had experienced billing and debt collection issues and had built up significant liabilities that required funding in order to repay. Amidst this backdrop the Company has faced significant cash flow problems and was unsuccessful in its attempts to secure new investment in the last few months.

KPMG was first engaged by the Company in August 2018 to assist the Company's directors with the exploration of all investment, refinance and sale options available, given its liquidity challenges back then. At the conclusion of this engagement in October 2018, the Company secured new financing arrangements from its main creditors, which allowed it to meet its financial obligations at this time.

The Company subsequently engaged KPMG on 23 July 2019 to assist with its contingency planning, in consideration of its worsening financial position. The company was at that time undertaking an investment raise process and asked that KPMG run an additional contingency options process, with a view to providing other options to secure additional funding/investment by 31 October 2019 (the date when the Company's Renewable Obligations ("RO") bill fell due, for an estimated £4.5 million).

Ultimately no solvent solutions were received though the main company-led investment raise process, or through the contingency option process.

The Company did receive interest in asset sales prior to insolvency, but ultimately these were not executable. This resulted in the Company being unable to continue to trade and therefore the Directors resolved to invite the regulator Ofgem to implement the Supplier of Last Resort ("SoLR") procedure which began on 23 October 2019. This process led to a transfer of the customers to EDF on 27 October 2019.

A TSA was agreed between the proposed administrators and EDF on 29 October 2019, and this agreement came into effect from 12:01 am on 30 October 2019; the date Stephen Absolom and William Wright ("the Administrators") were appointed Joint Administrators of the Company.

This TSA sets out the terms under which EDF and the Company in administration will cooperate during the transition period, in order to collect out the debtor book (maximising realisations for creditors) and to enable EDF to transition/integrate customers it had transferred from Toto

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised at section 2.4, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.4 Pre-administration work

The Company was the holder of an Electricity Supply Licence and as a consequence of the Company being unable to pay its debts and at the invitation of the directors, Ofgem revoked the licence and initiated the process to appoint a supplier of last resort (SoLR).

The primary reason for that action being taken was for Ofgem to ensure continuity of supplies to the Company's customers. As a direct result of the SoLR process being initiated, the following work was undertaken prior to our appointment, with a view to placing the Company into administration: -

- Rapid insolvency planning in order to be in position to take an appointment and successfully migrate the customer base of the Company to the SoLR. This work involved the identification of key systems and suppliers who would need to be maintained following an administration appointment to facilitate this approach;
- Liaison with key stakeholders including (but not limited to) EDF and Ofgem in relation to the administration appointment and the short-term post appointment strategy; and
- Liaison with Solicitors regarding the preparation and filing of the appointment documents and advising the Company and Directors regarding the administration appointment.

We carried out this work with the objective of achieving the purpose of the administration in accordance with Paragraph 3(1)(b), which is to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up.

2.5 Appointment of Joint Administrators

The Directors resolved on 30 October 2019 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice, Business & Property Courts of England & Wales on 30 October 2019 and we were duly appointed.

We have engaged solicitors, Shakespeares who have confirmed the validity of our appointment.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

Subsequent to our appointment, the following strategies were implemented with the primary aim of maximising the return to creditors.

Trading on in administration

As a consequence of the SoLR process being initiated, it was not possible to trade the business whilst in administration because the Company's customer base had transferred to EDF and as such, the Company had no means of generating any income.

Transitional services agreement

Following our appointment, we entered into a TSA with EDF on 30 October 2019. The key objectives are:

- For EDF to prepare the final billings and undertake the collection of the debtor book, on behalf of the administrators; and
- For the administrators to retain access to employees, the leasehold property, IT systems and contracts with key suppliers, pending migration of the customer data to EDF's systems, in order to facilitate this smooth transition of the customer portfolio and to maximise the chances of debtor recoveries.

Contribution to supplier costs and Administrator costs

EDF have agreed to underwrite the associated costs to retain access to employees, leasehold property, IT systems and supplier contract and have provided the administration with an initial contribution to costs of £664k to cover the first month of administration. Future contributions will be invoiced on a monthly basis.

In support of the additional administrator time that will be incurred under the TSA, in respect of ongoing premises costs, employee costs, supplier correspondence, reconciliations and payments, EDF have agreed to provide a contribution towards Administrator costs of £22k per week.

Debtor collections under the TSA

There are a number of advantages to utilising EDF for final billing and debtor collection, which will maximise realisations for the benefit of creditors. These advantages include:

- As the ongoing supplier, EDF can more efficiently manage billing and collections, where they are in contact with the customer base regarding ongoing supply, queries and future payments;
- It ensures that final billing for the Company matches opening billing for EDF, minimising disputes and customer queries; and
- Only one party will liaise with customers regarding payment, minimising customer confusion over who and how to pay and their ability to avoid paying anyone.

In exchange for their assistance, EDF will receive debt collection commission calculated on the sums realised for the administration.

Employees

On 30 October 2019, it is understood from the Company's records that it employed 141 employees. Since the date of appointment, 63 employees have been made redundant by the Administrators, which include 55 employees based in Brighton and 8 employees based in Newcastle. A further 6 employees have either resigned or left the Company voluntarily.

We understand that EDF have offered new employment contracts to 55 staff with effect from 1 December 2019 and a further 16 staff have been offered temporary contracts from 1 December 2019 to 31 January 2020 via an agency to support EDF with activities under the Transition Service Agreement (TSA) such as final billing. EDF have confirmed that this is sufficient resource to support the final billing activities.

The Administrators have retained one employee (who was not offered a contract with EDF) to support the payroll function and assist with other finance tasks which may be required in order to satisfy the Administrators' statutory duties. This employee will be retained until 31 December 2019, at which time the Administrators will consider whether an extension is necessary.

Immediately following our appointment we worked with the Directors and Company staff to ensure that letters were issued to the employees informing them of the Administrators' appointment and also (where appropriate) to notify them of their respective redundancies.

Our internal ERA specialist has been conducting employee consultation meetings and has also been assisting redundant employees throughout the process with any queries they might have, and to ensure that the relevant forms have been completed and returned to the Redundancy Payments Office (thereby facilitating the payment of the employee claims).

All remaining employees will be made redundant with effect from 30 November 2019, except for the one employee who is being retained by the Administrators until 31 December 2019.

Debtors

The Debtor book is comprised of amounts owed to the Company for energy supply up to 00:01 on 27 October 2019, being the effective date of the SoLR transfer. The Administrators are working closely with EDF, who will undertake the final billing for all customers including those who have transferred to them and those who left the Company prior to the commencement of the SoLR regime.

The actual quantum of the Company's debtor book will only be known once the final billing process has been completed. We estimate that the Toto debtor book could total c.£8 million on a low case and c.£10 million on a high case but the collectability of the ledger is currently being established.

Cash at bank

Immediately following our appointment, we made contact with the pre-appointment bank, HSBC, to freeze the account and we requested all funds to be transferred into our administration account. To date, HSBC have transferred the £2.7m cash at bank as at the date of our appointment, to the administration account.

In addition to these funds, HSBC have also transferred a further £0.1m which relates to post appointment customer receipts and we are currently working with EDF to establish what quantum of this money comprises an asset of the Company in respect of the pre-appointment supplies, and what quantum relates to post SoLR service provision. We are in contact with various merchant acquirer type suppliers to establish whether further amounts are held within their accounts.

3.2 Asset realisations

Realisations from the date of our appointment to 15 November 2019 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Contribution to costs from EDF

Immediately following our appointment, we entered into a TSA with EDF. The agreement provided for the Company acting through its Administrators to contract with certain ongoing suppliers to allow for a seamless transfer of the customer base to EDF and to facilitate the collection of the debtor book.

In return, EDF transferred £664,333 to our bank account to cover the anticipated costs for the service provision to the ongoing suppliers.

Contribution to Administrator costs from EDF

In addition to contributions towards supplier costs under the TSA, EDF agreed to a contribution to Administrator costs of £22k per week for their assistance in respect of the TSA. As at 15 November 2019 we have received £44k towards administrator costs.

Debtors and customer receipts

As at 15 November 2019, £111k has been received into the pre-appointment bank account in respect of customer receipts. The total balance is being investigated alongside EDF as part of the customer account billing process.

Cash at bank

HSBC have transferred £2.7m relating to cash at bank on the day of appointment from the pre-appointment bank account to the administration bank account.

Other assets

Following our appointment we continued discussions with EDF, with a view to negotiating a sale of the remaining physical and digital assets of the Company.

Having already entered into a TSA with EDF, it is anticipated that a sale of the physical and digital assets to EDF will help to facilitate this process, by ensuring more continuity during the transition and thereby improving the accuracy of the final bills issued in due course.

Investigations

We are reviewing 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.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Jannice Adofo at KPMG LLP, 15 Canada Square, London E14 5GL, United Kingdom.

3.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Payments made from the date of our appointment to 15 November 2019 are set out in the attached receipts and payments account (Appendix 2).

Payments on behalf of EDF

In accordance with the TSA, the Administrators have agreed to retain access to IT systems, suppliers and the leasehold premises including staff wages and salaries. As at 15 November 2019 the sum of £168 was paid in respect of retained supplier contracts.

4 Dividend prospects

4.1 Secured creditors

The Company has three secured creditors, BP, CNG and Crius (subsequently acquired by Vistra), who are owed a total of approximately £26 million per the directors' statement of affairs.

Shakespeare Martineau LLP, solicitors, have been engaged to complete a validity of security review in respect of each of the secured creditors, including a review into the ranking priority of each respective security.

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 preferentially.

The amount of preferential claims is estimated to be £49,805 in respect of employees' outstanding holiday pay.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £, the timing of which is currently uncertain.

4.3 Unsecured creditors

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

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

5.2 Discharge from liability

We propose to seek approval from the secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of 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.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

6 Approval of proposals

6.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

6.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form attached to the cover letter.

7 Joint Administrators' remuneration, disbursements and pre-administration costs

7.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the secured and preferential creditors 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 provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 15 November 2019, we have incurred time costs of £274,372. These represent 658 hours at an average rate of £417 per hour.

Disbursements

We have incurred disbursements of £1,001 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 15 November 2019. We have also attached our charging and disbursements recovery policy.

7.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2.4:

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
KPMG fees	0.00	96,851.50	96,851.50
KPMG disbursements	0.00	1,526.93	1,526.93
Legal fees	0.00	15,695.00	15,695.00
Legal disbursements	0.00	70.40	70.40
Total	0.00	114,143.83	114,143.83

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

8 Summary of proposals

Due to the Company having ceased to trade prior to our appointment, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Steve Absolom and Will Wright, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us

individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;

- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Steve Absolom and Will Wright, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose 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 provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

Company and Trading name	Toto Energy Ltd
Date of incorporation	9 October 2014
Company registration number	09256482
Trading address	1st Floor Locksview, East Lockside, Brighton Marina Village, Brighton BN2 5HA
Previous registered office	1st Floor Locksview, East Lockside, Brighton Marina Village, Brighton BN2 5HA
Present registered office	KPMG LLP, 15 Canada Square, London, E14 5GL
Company Directors	James Philip Butler Christopher James Allen Paul Fitzgerald
Company Secretary	Not applicable

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Business & Property Courts of England & Wales, 7095 of 2019
Appointor	Directors
Date of appointment	30 October 2019
Joint Administrators	Steve Absolom and Will Wright
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
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	29 October 2020
Prescribed Part	The Prescribed Part is applicable on this case It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4)
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £3,500,000. The Prescribed Part is capped at the statutory maximum of £600,000
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

Toto Energy Ltd - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 30/10/2019 To 15/11/2019 (£)	From 30/10/2019 To 15/11/2019 (£)
ASSET REALISATIONS			
3,507,122.00	Customer Debtors	NIL	NIL
150,378.00	Fixed Assets	NIL	NIL
41,983.00	Prepayments	NIL	NIL
533,644.00	Deposits and Securities	NIL	NIL
54,444.00	Trade Debtors	NIL	NIL
469,692.00	HMRC Debtor/pre appt VAT refunds	NIL	NIL
2,687,768.00	Cash at bank	2,688,886.68	2,688,886.68
		2,688,886.68	2,688,886.68
OTHER REALISATIONS			
	Bank interest, gross	4.66	4.66
	Customer receipts	111,845.91	111,845.91
	Sundry refunds	11.34	11.34
	Contribution to administrators' fees	44,000.00	44,000.00
	Contribution to costs from EDF	664,333.33	664,333.33
		820,195.24	820,195.24
COST OF REALISATIONS			
	Payments on behalf of EDF	(168.68)	(168.68)
	Bank charges	(94.00)	(94.00)
		(262.68)	(262.68)
PREFERENTIAL CREDITORS			
(49,805.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(25,948,510.00)	Floating charge	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(14,404,403.00)	Trade Creditors	NIL	NIL
(257,260.00)	Unsecured (employee) creditors	NIL	NIL
(575,000.00)	Shareholder Loans	NIL	NIL
(568,942.00)	Inter-company/related party balance	NIL	NIL
(3,070,698.00)	Other Accruals	NIL	NIL
		NIL	NIL

Toto Energy Ltd - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 30/10/2019 To 15/11/2019 (£)	From 30/10/2019 To 15/11/2019 (£)

DISTRIBUTIONS

(100.00)	Issued and called up capital	NIL	NIL
		NIL	NIL
(37,429,687.00)		3,508,819.24	3,508,819.24

REPRESENTED BY

Floating charge current	3,650,485.91
Floating ch. VAT payable	(141,666.67)
	3,508,819.24

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
		Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Bankrupt/Director/Member		2.00	1,100.00	550.00
Cashiering - processing receipts, payments and bank reconciliations	Note 1	228.00	67,000.00	293.86
General - books & records, fees & work in progress	Note 2	130.00	45,825.00	352.50
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	267.00	96,225.00	360.39
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	225.00	84,285.00	374.60
Creditors				
Committees - committee meetings and reports to the committee	Note 6	-	-	-
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	435.00	149,575.00	343.85
Employees - correspondence	Note 7	296.00	125,685.00	424.61
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 8	71.00	25,335.00	356.83
Investigations - director conduct and affairs of the Company	Note 9	71.00	25,335.00	356.83
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 10	780.00	301,600.00	386.67
Total		2,506.00	921,965.00	368.05

Below is further details of the work to be undertaken for this engagement

Note 1

Liaising with the Company's pre-appointment bankers to prevent any payments being made and recovering sums from the pre-appointment bank account as well as opening and maintaining the administration bank account including weekly bank reconciliations and processing the large volume of transactions anticipated during the course of administration.

Note 2

Arranging for the electronic records of the Company to be forensically backed-up by our in-house forensic experts. Arranging for the paper records pertaining to the Company to be sorted, catalogued, archived and removed from the Company's premises. This work also involves fee approvals being obtained, time costs being monitored regularly and fee notes being raised.

Note 3

Undertaking post-appointment related formalities including notifying the Registrar of Companies and other relevant parties of our appointment, formulating and regularly reviewing the administration strategy, arranging an adequate level of bonding and ensuring compliance with all statutory obligations arising under the Act and Rules.

Note 4

Engaging our in-house experts to undertake a review of the Company's VAT and tax affairs, with a view to identifying any potential recoveries for the benefit of creditors and complying with our VAT and Tax obligations. We are currently completing the pre-appointment VAT Return which we anticipate will be a refund due to the Company. Further, we will be required to complete monthly VAT Returns (which we will apply to change to quarterly) for the duration of the Administration and also complete and file Corporation Tax Returns. Prior to closure of the administration the Company will need to be deregistered for VAT and Tax clearance will need to be sought.

Note 5



Notifying the creditors of our appointment, attending to creditor and customer enquiries, preparing our statutory reports as well as adjudicating on the claims of the unsecured creditors. Also includes supplier correspondence and payments to suppliers in accordance with the TSA with EDF. Due to the number of ongoing suppliers required under the TSA for a smooth transfer of customers we are expecting a significant level of correspondence to maintain ongoing supply as well as ensuring payments are made on time whilst invoicing and collecting relevant contribution to costs from EDF.

Note 6

There is currently no creditors committee in this matter.

Note 7

Activities include the processing of the payroll, processing employee claims and attending to their queries, liaising with the Redundancy Payments Office, and supporting employees through the administration and redundancy processes. Costs incurred in the first two months of the administration are largely due to our obligations under the TSA.

Note 8

Corresponding with the Directors, requesting completion of the Company's statement of affairs and questionnaire and dealing with ongoing correspondence with the Directors.

Note 9

As part of our statutory obligations, we are required to formally investigate the affairs of the Company and the conduct of Directors prior to the Joint Administrators' appointment and submit our findings to the Secretary of State. We will also be investigating if any antecedent transactions were entered into, which if successfully challenged and recovered, could enhance asset realisations for the general body of creditors.

Note 10

Estimated time required to realise the Company's assets, most notably customer final billing and collection of the Company's debtor book. Our work will also include reconciling cash receipts from a number of payment providers and direct from customers to the final debtor book. Given the significant number of customers and the numerous payment channels, we anticipate the process could be lengthy but necessary to ensure the correct realisations flow to the Company. Time costs will also be incurred in agreeing the SPA with EDF and identifying, quantifying and pursuing the Company's other assets which include prepayments and deposits.

In the event that additional work is necessary due to a change in the circumstances of the administration we may need to increase our fees estimate and request approval to draw additional remuneration.

Appendix 4 Joint Administrators' expenses estimate

Summary of Expenses from appointment		
Expenses (£)	Narrative	Initial Estimates (£)
Cost of realisations		
Joint Administrators' pre-admin costs	1	96,851 50
Pre-administration legal costs	2	15,765 40
Joint administrators' pre-admin expenses	3	1,526 93
Agents'/Valuers' fees	4	2,500.00
Commission on debtor ledger	5	3,343,021.00
Legal fees and expenses	6	85,000.00
Statutory advertising	8	150.00
Insurance of assets	9	5,000 00
Wages & salaries	10	4,700 00
Bank charges	11	1,000.00
Sundry/contingency costs		5,000.00
Costs covered by EDF under TSA	12	
Wages & salaries		0 00
PAYE & NIC		0 00
Rent, rates and utilities		0 00
IT/key suppliers		0 00
TOTAL		3,560,514.83

Below are further explanatory notes which should be read in conjunction with the report as a whole.

Note 1 – Joint Administrators' pre-admin costs

Costs incurred in relation to placing the Company into administration as discussed in sections 2.4 and 7.2.

Note 2 – Pre-administration legal costs

Costs incurred by SPB in relation to dealing with the notice of intention to appoint administrators and the notice of appointment and service on relevant parties. This also included drafting and negotiating and completing the TSA with EDF and general pre-administration advice including preparation in relation to day one issues, particularly employees.

Note 3 – Joint administrators' pre-administration expenses

Costs in relation to travel and subsistence have been incurred by KPMG staff attending the Company's site prior to the administration.

Note 4 – Agents'/valuers' fees

Agents' fees will be incurred in the valuation of fixtures and fittings, and IT equipment for the purposes of the SPA. There will also be a fee incurred for the site health & safety inspection.

Note 5 – Commission on debtor ledger

EDF and Solarplicity are assisting with book debt collection on a commission basis and the actual costs will therefore be based on total amounts collected.

Note 6 – Legal fees and expenses

These will include negotiation of the SPA, novation of the GoCardless agreement, assistance in relation to the Solarplicity debtor book, reviews of the validity of security and the administrators' appointment, and other general advice.

Note 7 – Statutory advertising

A notice of the administrators' appointment has been placed in the Gazette and further notices may be required in respect of dividend payments to creditors.

Note 9 – Insurance of assets

Insurance costs will cover the leasehold property and employers' liability.

Note 10 – Wages and salaries

One employee has been retained to assist the administrators whose costs will not be covered by EDF under the TSA

Note 11 - Bank charges

This will include regular bank charges and any costs of cheques and bank transfers.

Note 12 – Costs covered by EDF under the TSA

Any costs settled by the administrators in respect of the items listed will be refunded by EDF as per the TSA.

Appendix 5 Joint Administrators' charging and disbursements 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, employee, pensions and health and safety advice from KPMG 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.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

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

If you are unable to access this guide and would like a copy, please contact Jannice Adofo on 0207 3116354.

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.

Charge-out rates (£) for: Restructuring	
Grade	From 01 Oct 2019 £/hr
Partner	655
Director	590
Senior Manager	535
Manager	445
Senior Administrator	310
Administrator	225
Support	140

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.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. 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.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 30 October 2019 to 15 November 2019.

SIP 9 - Disbursements			
	Category 1 (£)	Category 2 (£)	Totals (£)
Disbursements			
Accommodation	445.00	NIL	445.00
Meals	147.88	NIL	147.88
Mileage	NIL	78.75	78.75
Travel	329.51	NIL	329.51
Total	922.39	78.75	1,001.14

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 30 October 2019 to 15 November 2019

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ issuing regular press releases and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Secured creditors regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ reviewing the Company's duty position to ensure compliance with duty requirements.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading assistance	<ul style="list-style-type: none"> ■ working with the team on site and dealing with cash reconciliations in relation to receipts from customers and merchant acquirers; ■ maintaining key services, ensuring ongoing provision of emergency and other essential services to site; ■ communications with employees regarding ongoing matters; ■ identifying and managing communications to customers
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with Company credit control staff and communicating with debtors; ■ seeking legal advice in relation to book debt collections; ■ completing reconciliations under the EDF TSA; ■ liaising with relevant parties regarding debtor recoveries
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues;

	<ul style="list-style-type: none"> ■ performing land registry searches.
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ liaising and negotiating with EDF; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements and SPA
Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place..
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment; ■ ensuring death-in-service cover for employees remains in place; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ reviewing pre-appointment transactions.

Time costs

Pre-Administration costs (23/10/2019 to 29/10/2019)						
	Hours					
	Partner / Director	Manager	Administrator	Support	Total	Average Hourly Rate (£)
Pre-Administration Sale of business - preparation	48.30	25.00			73.30	41,872.00
Advising directors	8.10	8.25			16.35	9,192.75
Appointment documents		16.75	10.90		27.65	12,255.25
Pre-administration checks		37.50	54.90		92.40	33,531.50
Total	56.40	87.50	65.80	0.00	209.70	96,851.50

SIP 9 –Time costs analysis (30/10/2019 to 15/11/2019)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	1.70	442.00	260.00
Reconciliations (& IPS accounting reviews)	0.40	151.00	377.50
General			
Books and records	24.50	6,660.00	271.84
Fees and WIP	1.80	625.00	347.22
Statutory and compliance			
Appointment and related formalities	61.00	21,417.00	351.10
Bonding & Cover Schedule	1.00	335.00	335.00
Budgets & Estimated outcome statements	6.20	1,922.00	310.00
Checklist & reviews	5.60	1,557.50	278.13
Statutory advertising	0.30	89.50	298.33
Strategy documents	32.95	14,707.75	446.37
Tax			
Initial reviews - CT and VAT	6.50	3,369.50	518.38
Post appointment corporation tax	0.40	178.00	445.00
Post appointment VAT	3.60	1,843.00	511.94
Creditors			
Creditors and claims			
Customer correspondence	3.60	965.00	268.06
EDF-TSA Supplier payments + correspondence	63.10	28,249.50	447.69

SIP 9 –Time costs analysis (30/10/2019 to 15/11/2019)

	Hours	Time Cost (£)	Average Hourly Rate (£)
General correspondence	13.00	4,979.50	383.04
Legal claims	7.00	2,170.00	310.00
Notification of appointment	0.50	222.50	445.00
Secured creditors	1.70	527.00	310.00
Statutory reports	2.30	1,041.50	452.83
Employees			
Correspondence	76.10	35,104.50	461.29
EDF-TSA Employees	72.55	32897.25	453.44
Pensions reviews	5.55	1,274.25	229.59
Investigation			
Directors			
Correspondence with directors	0.20	89.00	445.00
Directors' questionnaire / checklist	0.70	201.50	287.86
Statement of affairs	2.40	1,068.00	445.00
Investigations			
Correspondence re investigations	4.20	1,396.50	332.50
Realisation of assets			
Asset Realisation			
Cash and investments	18.00	8,821.00	490.06
EDF-TSA Debtors & Final Billing	129.55	49,187.75	379.68
Health & safety	0.30	133.50	445.00
Insurance	10.10	3,109.50	307.87
Intellectual Property	36.60	21,594.00	590.00
Leasehold property	12.00	3,295.00	274.58
Office equipment, fixtures & fittings	20.40	6,104.50	299.24
Other assets	0.50	155.00	310.00
Sale of business	25.60	16,561.00	646.91
EDF-TSA Cashiering & reconciliations	6.50	1,927.50	296.54
Total in period	658.40	274,372.00	416.73
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	658.40	274,372.00	
Carry forward time (appointment date to SIP 9 period end date)	658.40	274,372.00	

Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

The statement of affairs was provided by one director, James Butler with concurrences requested from Paul Fitzgerald and Christopher Allen.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Rule 3.30

Statement of Affairs

Name of company TOTO Energy Limited	Company number 09256482
In the High Court of Justice, Business & Property Courts of England & Wales	Court case number 7095 of 2019

Statement as to the affairs of (a) TOTO Energy Ltd. 1st Floor Locksview, East Lockside,
Brighton Marina Village, Brighton, East Sussex BN2 5HA

(a) Insert name and address of registered office of the company

on the (b) 30th October 2019 the date that the company entered administration.

(b) Insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 30th October 2019, the date that the company entered administration.

Full name JAMES PHILIP BUTLER
Signed J P Butler
Dated 21st NOVEMBER 2019

A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:	None	None
Total assets subject to fixed charge	0	0
Less: Amount(s) due to fixed charge holder(s)	None	None
Shortfall/surplus to fixed charge holder(s) c/d	0	0
Assets subject to floating charge:		
Customer Debtors	10,020,348	3,507,122
Fixed Assets	1,843,364	150,378
Prepayments	144,895	41,983
Deposits & Securities	869,166	533,644
Trade Debtors	159,235	54,444
HMRC Debtor	469,692	469,692
Bank	2,687,768	2,687,768
Total assets subject to floating charge	16,194,468	7,445,031
Uncharged assets:	None	None
Total uncharged assets	0	0
Estimated total assets available for preferential creditors		7,445,031

Signature Bm

Date 21/11/2019

A1 - Summary of Liabilities

	Book Value £	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		7,445,031
Liabilities		
Preferential creditors	None	None
	0	0
Preferential (employee) creditors (No 63)		(49,805)
Other preferential creditors		
Estimated deficiency/surplus as regards preferential creditors		7,395,226
Less uncharged assets		0
Net property		7,395,226
Estimated prescribed part of net property where applicable (to carry forward)		(600,000)
Estimated total assets available for floating charge holders		6,795,226
Debts secured by floating charges		(25,948,510)
Estimated deficiency/surplus of assets after floating charges		(19,153,284)
Estimated prescribed part of net property where applicable (brought down)		600,000
Uncharged assets		0
Total assets available to unsecured creditors		600,000
Trade Creditors		(14,404,403)
Other Accruals		(3,070,698)
Inter-company / related party balance		(568,942)
Shareholder Loans		(575,000)
Unsecured (trade) (non-preferential) creditors		(18,619,043)
Unsecured (employee) creditors (No 76)		(257,260)
Unsecured (pre-paid consumer) creditors		None
Estimated deficiency/surplus as regards unsecured creditors		(18,276,303)
Shortfall to fixed charge holders (brought down)		0
Shortfall to preferential creditors (brought down)		0
Shortfall to floating charge holders (brought down)		(19,153,284)
Estimated deficiency/surplus as regards creditors		(37,429,587)
Issued and called up capital		100
Estimated total deficiency/surplus as regards members		(37,429,487)

Signature

3 F. W.

Date

21/11/2019

NOTE: You must disclose all creditors with the S.A. (TRUST) or employee creditors, and pre paid consumer creditors. You must also identify any creditors claiming retention of title over property in the Company's possession by including a list in the RDT column below in the column below. You must condition all any of the creditors are under the purchase, (total listing or conditional sale agreements by stating which of these if any) are applicable

6/12/11/12 m y z

[illegible]

Date: 21/11/2019

[illegible]

Date 21/11/19

Appendix 7 Glossary

BP	BP Gas Marketing Limited
CNG	Contract Natural Gas Limited
Company	Toto Energy Limited- in Administration
Crius	Crius Energy Holdings Inc (subsequently acquired by Vistra Energy Corp)
EDF	EDF Energy Customers Limited
Joint Administrators/we/our/us	Steve Absolom and Will Wright
KPMG	KPMG LLP
RO	Renewable obligations
Secured creditors	BP, CNG and Crius
SIA Group	SIA Group (UK) London Limited
Shakespeare	Shakespeare Martineau LLP
SoLR	Supplier of last resort
SPB	Squire Patton Boggs (UK) LLP
TSA	Transitional services agreement
Vistra	Vistra Energy Corp.

Any references in these proposals 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 Rules (England and Wales) 2016 respectively.

Appendix 8 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Steve Absolom and Will Wright, the Joint Administrators of Toto Energy Ltd – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 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 these proposals.

Stephen John Absolom and William James Wright are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

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