



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

### 1 Company details

Company number 0 9 2 5 6 4 8 2

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 E 1 4 5 G L

Country

### 4 Administrator's name ①

Full forename(s) William James

Surname Wright

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

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

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*SA*

X

Signature date

<sup>d</sup>	1	<sup>d</sup>	6	<sup>m</sup>	1	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0
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**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	Jannice Adofo
Company name	KPMG LLP
Address	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000

**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)**



# Joint Administrators' progress report for the period 30 April 2020 to 29 October 2020

Toto Energy Ltd - in  
Administration

13 November 2020

Deemed delivered: 13  
November 2020

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

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 progress report is attached (Appendix 7).**

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# 1 Executive summary

This progress report covers the period from 30 April 2020 to 29 October 2020.

The debtor book remains the most significant asset of the Company and the Administrators continue to work closely with EDF in order to reconcile and collect outstanding debtor balances (Section 2 - Progress to date).

An interim distribution was made to the Secured creditors in this period. However, the Secured creditors will suffer a significant shortfall in respect of the funding provided to the Company (Section 3 - Dividend prospects and dividends paid).

We are in the process of making a distribution of 100p in the £ to the preferential creditors (Section 3 - Dividend prospects and dividends paid).

We anticipate that there will be a small distribution made available to the unsecured creditors (Section 3 - Dividend prospects and dividends paid).

During the period, the Secured and preferential creditors granted a 12-month extension to the period of the administration to 29 October 2021.

Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+TJA23E2515.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Steve Absolom  
Joint Administrator

## 2 Progress 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 previous progress report.

### 2.1 Strategy and progress to date

#### Strategy

We have continued to follow the strategy as detailed in the proposals, with the primary aim of maximising the return to creditors. The debtor book remains the most significant asset of the Company and the Administrators continue to work closely with EDF in order to reconcile and collect outstanding debtor balances.

#### Transitional services agreement ("TSA")

The TSA entered into with EDF on 30 October 2019 remains in place. The key objectives of this arrangement were for EDF to prepare the final billings and undertake collection of the debtor book on behalf of the Administrators.

As a reminder, the TSA provision of services expired on 30 April 2020 (under which the Administrators retained access to employees, the leasehold property, IT systems and contracts with key suppliers, in order to facilitate a smooth transition of the customer portfolio). EDF's obligations to the administration remain ongoing in relation to the debtor collection and associated work being undertaken. We continue to liaise with EDF regularly in this matter.

#### Customer debtor book

As detailed previously, the customer debtor book is made up of amounts owed to the Company by its former customers for energy supply up to the date of the SoLR transfer of customers to EDF. We continue to work closely with EDF, who have undertaken the final billing of all customers with debts outstanding, on behalf of the Administrators.

Following the reconciliation of customer balances as at the SoLR date, and completion of the final billing process, EDF have estimated the gross debtor book to be c. £15 million (estimated to realise c. £3.5 million per the directors' statement of affairs), however the total collectability of this ledger still remains uncertain. EDF continue to work on behalf of the Administrators to collect in the outstanding debts, whilst continuing to verify and establish the overall collectability of the ledger.

EDF estimates gross debtor collections to date of c. £5.4 million. We currently hold net proceeds of £1.6 million against these collections, subject to verification and reconciliation. A final reconciliation will be completed in due course, at which point funds will be remitted to the administration (net of commission fees as agreed at the outset of the administration).

#### HMRC debtor

We have submitted the pre-appointment VAT return to HMRC, which shows a repayment position of £473k owed to the Company. Realisations are currently uncertain, as we understand that HMRC may have an unsecured claim in the administration which could potentially be set-off against this amount.



## Prepayments

As reported previously, the prepayments balance as listed in the directors' Statement of Affairs are not recoverable, and no realisations are expected.

## Fixed assets

As reported previously, the Company's furniture and equipment was sold to EDF in January 2020. No further realisations are expected from fixed assets.

## 2.2 Asset realisations

Realisations during this period are set out in the attached receipts and payments account (Appendix 2), and summary has been provided below.

### Business rates refunds

The sum of £647 was received from Brighton Hove & City Council relating to a business rates refund.

Aside from this refund, no further assets were realised in this period. We continue to liaise with EDF for realisation of the debtor book main asset as detailed earlier at section 2.1.

### Investigations

We continue to review 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.

## 2.3 Costs

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.

### Payments on behalf of EDF

As outlined previously, the TSA entered into with EDF provided for the Company, acting through its administrators, to pay certain ongoing suppliers. In this period, payments amounting to £67,543 were paid to suppliers in respect of residual post-appointment expenses incurred by EDF. These costs are covered by the contribution to costs previously received from EDF (as detailed in previous reports).

### Legal fees

In the period, post-administration legal costs of £23,930 were paid to our solicitors, Squire Patton Boggs, in respect of the legal services provided to the administration. This included advice in relation to the TSA and associated obligations, employee matters, and merchant acquirer matters.

## 2.4 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.

Joint Administrators' fees

We have incurred time costs totalling £287,463 during the period, none of which has been drawn to date.

## **3 Dividend prospects and dividends paid**

### **3.1 Secured creditors**

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

During the period, we issued an interim distribution of £1,000,000 to BP in line with their security and order of priority. (Per our previous report, an interim distribution of £700,000 was made to CNG in the prior period, in line with their security and order of priority).

We anticipate further distributions to BP in due course, however on current information, there will be a significant shortfall in respect of BP's and CNG's overall funding provided to the Company.

It is not anticipated there will be sufficient realisations to enable a distribution to Crius (Vistra) in this matter.

### **3.2 Preferential creditors**

Following receipt and review of preferential claims in the period, we estimate the amount of preferential claims to be £83,832.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. We anticipate making payment of this dividend shortly, and we have recently issued correspondence to preferential creditors in this matter.

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors should receive a small dividend, however this will be unlikely to exceed c. 2p in the £. We have yet to determine the amount of this dividend, but we will do so when we have completed the realisation of assets and payment of associated costs.

## **4 Other matters**

### **4.1 Decision procedure**

Notice of seeking a decision by correspondence is attached to the covering letter for preferential creditors. This decision by correspondence procedure is being used to seek approval for a revision of our fees estimate.

Please note that if a Liquidation Committee is formed, the votes cast by creditors in relation to the proposed decision above will be disregarded.

## Creditors' right to request a meeting

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors or (c) 10 creditors and (2) if the procedures set out below are followed.

Requests for a physical meeting must be made within five business days of the date on which notice of the decision procedure was delivered. They must include:

- a statement of the requesting creditors' 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 summoning and holding a meeting 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 physical meeting, please complete and return the physical meeting requisition form attached to the cover letter.

## 5 Joint Administrators' remuneration and disbursements

It became apparent during the course of the administration that we would exceed our initial fees estimate. Accordingly, we previously obtained approval from the Secured and preferential creditors that we draw additional remuneration of £345,622, bringing total approved remuneration to £1,280,085.

Due to the unforeseen time required by the Administrators in dealing with the debtor book realisation strategy, liaising with EDF, and addressing the significant level of queries received by former customers, we now anticipate exceeding the previous revised fees estimate and are seeking approval to draw additional remuneration of £470,610. We are seeking 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 revised fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 5. See Section 4 for details regarding the decision procedure.

Our revised fees estimate is included at Appendix 4 with further detail below.

### Time costs

From 30 April 2020 to 29 October 2020, we have incurred time costs of £287,463. These represent 644 hours at an average rate of £446 per hour.

### Disbursements

During the period, we have incurred disbursements of £435. Additional disbursements of £739 not previously reported were incurred in the prior period. These disbursements have not been drawn to date.

## Additional information

We have attached a revised fees estimate at Appendix 4. Our time costs have increased due to the complexity of the debt collection arrangements with EDF. We have continued to work with EDF to identify the collectability of the debtor book and have needed to spend significant amounts of time working with EDF to resolve reconciliation issues. This work remains ongoing. The complex nature of the debtor book has also meant we have needed to spend additional time liaising with the administrators of Solarplicity and in obtaining legal advice.

Additionally, as the debt collection work has continued, the Administrators have had to deal with an increased volume of queries received from former customers. This has involved liaising directly with customers, in addition to EDF consultation, to ensure queries are being dealt with satisfactorily and are being resolved.

We anticipate the need to incur continued time costs in realising and reconciling the debtor book, and in exploring relevant options for any residual debtor book in due course. This will be a complex task and will likely require additional legal advice. We also expect the level of customer queries received to remain at an increased volume while the debt collection continues. Further time will be spent in making further distributions to the Secured creditors, preferential and unsecured creditors at the appropriate time.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 30 April 2020 to 29 October 2020. We have also attached our charging and disbursements policy.

# 6 Future strategy

## 6.1 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:

- To continue to do everything that is reasonable, and use all our powers appropriately, in order to maximise realisations from the assets of the Company;
- To make distributions to the Secured and preferential creditors; and
- To make a distribution to the unsecured creditors.

We anticipate that the most significant remaining asset to be realised is the customer debtor book. As detailed in section 2.1, we will continue to liaise with EDF to collect out the debtor book under the terms of the TSA.

## 6.2 Extension of the administration

During the period the Secured and preferential creditors granted a 12-month extension to the period of the administration.

The administration is currently due to end on 29 October 2021.

### **6.3 Future reporting**

We will provide a further progress report within one month of 29 April 2021 or earlier if the administration is expected to complete prior to that time.

## Appendix 1      Statutory information

### Company information

Company name	Toto Energy Ltd
Date of incorporation	9 October 2014
Company registration number	09256482
Present registered office	KPMG LLP, 15 Canada Square, London, E14 5GL

### 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' details	Steve Absolom and Will Wright
Values of the Net Property and Prescribed Part	Net Property is £3,500,000. The Prescribed Part is capped at the statutory maximum of £600,000. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).
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.
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 2021

## Appendix 2 Joint Administrators' receipts and payments account

<b>Toto Energy Ltd - in Administration</b>			
<b>Abstract of receipts &amp; payments</b>			
Statement of affairs (£)		From 30/04/2020 To 29/10/2020 (£)	From 30/10/2019 To 29/10/2020 (£)
FIXED CHARGE ASSETS			
	IP rights, licences, records & name	NIL	30,000.00
		NIL	30,000.00
ASSET REALISATIONS			
	Furniture & equipment	NIL	70,000.00
	Cash at Bank from Merchant Acquirers	NIL	668,237.40
150,378.00	Fixed Assets	NIL	NIL
41,983.00	Prepayments	NIL	NIL
533,644.00	Deposits and Securities	NIL	218,711.00
469,692.00	HMRC Debtor/pre appt VAT refunds	NIL	NIL
2,687,768.00	Cash at bank	NIL	2,688,936.68
		NIL	3,645,885.08
OTHER REALISATIONS			
	Bank interest, gross	NIL	10,689.18
3,507,122.00	Customer debtors (unreconciled)	NIL	1,662,268.68
	Pre-pay debt sale	NIL	198,698.53
	Sundry refunds	NIL	131.34
54,444.00	Other debtors	NIL	900.00
	Business rates refunds	647.77	647.77
	Contribution to administrators' fees	NIL	330,000.00
	Contribution to costs from EDF	NIL	2,131,333.33
		647.77	4,334,668.83
COST OF REALISATIONS			
	Payments on behalf of EDF (TSA)	(67,543.75)	(1,179,407.27)
	Pre-appt payroll costs (TSA)	NIL	(93,114.31)
	Wages and Salaries (Admin)	NIL	(1,349.24)
	Joint Administrators' pre-admin fees	NIL	(98,378.43)
	Pre-administration legal costs	NIL	(15,765.40)
	Administrators' fees	NIL	(850,000.00)
	Administrators' expenses	NIL	(9,346.10)
	Irrecoverable VAT	NIL	(4,296.60)
	Merchant provider fees	NIL	(55,223.05)
	Agents'/Valuers' fees	NIL	(3,800.00)
	Legal fees	(23,930.00)	(142,072.50)
	Legal expenses	NIL	(51.29)

**Toto Energy Ltd - in Administration**
**Abstract of receipts & payments**

Statement of affairs (£)		From 30/04/2020 To 29/10/2020 (£)	From 30/10/2019 To 29/10/2020 (£)
	Books & Records	NIL	(1,500.00)
	Statutory advertising	NIL	(73.00)
	Insurance of assets	NIL	(750.00)
	Wages & salaries (TSA)	NIL	(209,460.75)
	PAYE & NIC (TSA)	NIL	(77,461.91)
	Bank charges	(255.00)	(1,079.50)
		(91,728.75)	(2,743,129.35)
	PREFERENTIAL CREDITORS		
(49,805.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(25,948,510.00)	Floating charge	(1,000,000.00)	(1,700,000.00)
		(1,000,000.00)	(1,700,000.00)
	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
	DISTRIBUTIONS		
(100.00)	Issued and called up capital	NIL	NIL
		NIL	NIL
<b>(37,429,687.00)</b>		<b>(1,091,080.98)</b>	<b>3,567,424.56</b>
	REPRESENTED BY		
	Floating ch. VAT rec'able		453,010.61
	Floating charge current		3,330,139.60
	Floating ch. VAT payable		(512,268.96)
	Floating ch. VAT control		296,543.31
			<b>3,567,424.56</b>



## Appendix 3      Schedule of expenses

<b>Schedule of expenses (30/04/2020 to 29/10/2020)</b>			
<b>Expenses (£)</b>	<b>Incurred and paid in the period (£)</b>	<b>Incurred in the period not yet paid (£)</b>	<b>Total (£)</b>
<b>Cost of realisations</b>			
Payments on behalf of EDF (TSA)	(34.47)	0.00	<b>26.46</b>
Legal fees	23,930.00	0.00	<b>23,930.00</b>
Bank charges	255.00	0.00	<b>255.00</b>
<b>TOTAL</b>	<b>24,150.53</b>	<b>0.00</b>	<b>24,211.46</b>

Please note that there is a difference between the payments made during the period of £91,729 (per the receipts and payments account) and the expenses incurred and paid in the period of £24,151 (per the schedule of expenses).

This is due to the fact that payments of £67,544 made on behalf of EDF in the period relate to expenses incurred in a prior period. A foreign currency movement of £34 is showing in the expenses as it was incurred in this period.

### **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 Jannice Adofo at KPMG LLP, 15 Canada Square, London, E14 5GL.

## Appendix 4 Joint Administrators' revised fees estimate

We have previously provided a revised fees estimate but we have exceeded it, and therefore attach a further revised fees estimate below.

As referenced earlier in our report, the debt collection process proved to be more complex than initially anticipated. The inconsistent and unreliable data contained in the Company's systems has continued to cause delays and increased time costs in assessing and understanding the collectability of the debtor book. In addition, we continue to deal with high volumes of correspondence and calls from customers arising from the final billing and debt collection process (as detailed in our previous reports). This has led to additional Administrator time being spent to ensure all concerns are dealt with appropriately and referred correctly to EDF. Further time going forward will continue to be focussed on consulting with EDF, along with a wider strategy assessment in efforts to maximise debtor book recoveries.

Estimated time costs for the engagement		Estimated time costs disclosed in progress report dated 27 May 2020			Additional estimated time costs for the engagement			Total
Note	Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Additional Estimated Total hours	Additional Estimated Time cost (£)	Estimated Average hourly rate (£)	(£)	
<b>Administration &amp; planning</b>								
Bankrupt/Director/Member	2.00	1,100.00	550.00	0.00	0.00	0.00	1,100.00	
<b>Cashiering</b> - processing receipts, payments and bank reconciliations	162.00	41,260.00	254.69	0.00	0.00	0.00	41,260.00	
<b>General</b> - books & records, fees & work in progress	1	90.00	33,625.00	6.00	2,590.00	0.00	36,215.00	
<b>Statutory and compliance</b> - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	2	404.00	167,160.00	137.00	70,935.00	517.77	238,095.00	
<b>Tax</b> - VAT & Corporation tax, initial reviews, pre and post appointment tax		225.00	84,285.00	0.00	0.00	0.00	84,285.00	
<b>Creditors and claims</b> - general correspondence, notification of appointment, statutory reports	3	799.80	325,009.00	528.00	248,100.00	469.89	573,109.00	
<b>Employees</b> - correspondence	4	338.00	152,241.00	55.00	27,120.00	493.09	179,361.00	
<b>Directors</b> - correspondence, statement of affairs, questionnaires	5	84.00	34,271.00	2.00	780.00	390.00	35,051.00	
<b>Investigations</b> - director conduct and affairs of the Company		51.00	15,644.50	0.00	0.00	0.00	15,644.50	
<b>Asset Realisation</b> - including insurance of assets	6	1,002.00	425,489.50	223.00	121,085.00	542.98	546,574.50	
<b>Total in period</b>	<b>3,157.80</b>	<b>1,280,085.00</b>	<b>405.37</b>	<b>951.00</b>	<b>470,610.00</b>	<b>494.86</b>	<b>1,750,695.00</b>	

#### Note 1 - General

Our current time costs are lower than originally anticipated and the remaining work to be completed will be in relation to finalising books and records storage costs and drawing our fees going forward.

#### Note 2 - Statutory and compliance

Further costs are anticipated due to the additional review and strategy time that will be incurred in extending the administration for a year.

#### Note 3 - Creditors and Claims

Our costs to date have exceeded our revised fees estimate by approximately £64k. This is directly due to the high volume of work involved in relation to correspondence with customers and agreeing preferential claims. Future costs will include further progress reports, agreement of claims and payment of dividends.

#### Note 4 - Employees

Our costs to date have exceeded our revised fees estimate by approximately £7k, due to higher than expected costs in relation to our obligations under the TSA and employee queries. Minimal further costs are anticipated.

#### Note 5 - Directors

Our costs to date have exceeded our revised fees estimate by approximately £780, incurred in liaising with directors and reviewing director loan information to establish their total claim in the administration. No further time is expected to be incurred.

#### Note 6 - Asset realisation

Higher than anticipated time has been incurred due to unforeseen complications in relation to the debt collection work as detailed in our previous report. Further work will be required, including work to agree reconciliations of the debt collected, and to assess the collection strategy in order to maximise realisations. We continue to liaise with EDF and our solicitors in this regard.

## 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 and pensions 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/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-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 Jan 2020 £/hr	From 01 Oct 2020 £/hr
Partner	690	690
Director	620	620
Senior Manager	560	560
Manager	467	467
Senior Administrator	325	325
Administrator	236	236
Support	147	147

### Table of charge-out rates

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 (excluding VAT) during the period 30 April 2020 to 29 October 2020.

SIP 9 - Disbursements			
	Category 1	Category 2	
Disbursements	(£)	(£)	Totals (£)
External printing	129.54	NIL	129.54
Postage	305.53	NIL	305.53
<b>Total</b>	<b>435.07</b>	<b>NIL</b>	<b>435.07</b>

We have also incurred the following disbursements (excluding VAT) prior to the current period, however these were not included in our previous report.

SIP 9 - Disbursements			
	Category 1	Category 2	
Disbursements	(£)	(£)	Totals (£)
Accommodation	458.66	NIL	458.66
Meals	53.76	NIL	53.76
Travel	226.30	NIL	226.30
<b>Total</b>	<b>738.72</b>	<b>NIL</b>	<b>738.72</b>

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

Narrative of work carried out for the period 30 April 2020 to 29 October 2020

The key areas of work have been:

Statutory and compliance	posting information on a dedicated web page; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; obtaining approval from Secured and preferential creditors of a 12-month extension of the administration; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, and meetings with internal and external parties to agree the same; 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; reviewing and authorising junior staff correspondence and other work; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of the Secured creditors regarding the progress of the administration and case strategy.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	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; analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; dealing with post appointment tax compliance.
Shareholders	providing copies of statutory reports to shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; liaising with the Administrators of Solarplicity.
Transitional Services Agreement	attending to supplier and customer queries and correspondence; making direct contact with various suppliers as necessary (and where required by EDF) to provide additional information in order to ensure continued support; supplier and premises-related invoice reconciliations and processing payments in accordance with TSA arrangements; ensuring ongoing provision of emergency and other essential services to site (where required).
Asset realisations	collating information from the Company's records regarding the assets; liaising with agents regarding the sale of assets; reviewing outstanding debtors and management of debt collection strategy; liaising with Company credit control staff and communicating with debtors; liaising with EDF regarding debtor recoveries; seeking legal advice in relation to maximising debtor book realisations; completing reconciliations under the EDF TSA.
Open cover insurance	liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Employees	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; 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.
Creditors and claims	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; agreeing/reviewing Secured/preferential claims; arranging distributions to the Secured creditors; drafting progress report to creditors.

## Time costs

### SIP 9 –Time costs analysis (30/04/2020 to 29/10/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	14.30	3,723.00	260.35
Reconciliations (& IPS accounting reviews)	3.80	1,334.20	351.11
General			
Fees and WIP	4.50	1,432.20	318.27
Other office holders	3.25	1,820.00	560.00
Statutory and compliance			
Appointment and related formalities	0.50	345.00	690.00
Budgets & Estimated outcome statements	8.60	2,795.00	325.00
Checklist & reviews	21.90	5,938.70	271.17
Extension related formalities	2.60	613.60	236.00
Reports to debenture holders	0.10	46.70	467.00
Strategy documents	46.70	25,378.80	543.44
Tax			
Post appointment corporation tax	20.50	8,354.70	407.55
Post appointment VAT	28.75	9,481.50	329.79
<b>Creditors</b>			
Creditors and claims			
Agreement of preferential claims	3.40	1,587.80	467.00
Customer correspondence	106.75	41,755.20	391.15
EDF-TSA Supplier payments + correspondence	30.15	12,999.90	431.17
General correspondence	28.80	7,748.30	269.04
Legal claims	2.50	1,400.00	560.00
Payment of dividends	1.50	840.00	560.00
Pre-appointment VAT / PAYE / CT	2.05	911.90	444.83

**SIP 9 –Time costs analysis (30/04/2020 to 29/10/2020)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Secured creditors	<b>58.85</b>	28,063.20	476.86
Statutory reports	<b>69.25</b>	35,185.80	508.10
Employees			
Agreeing employee claims	<b>9.00</b>	2,124.00	236.00
Correspondence	<b>10.60</b>	6,274.00	591.89
DTI redundancy payments service	<b>1.00</b>	236.00	236.00
EDF-TSA Employees	<b>0.80</b>	448.00	560.00
<b>Investigation</b>			
Directors			
Correspondence with directors	<b>1.70</b>	886.90	521.71
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>9.00</b>	4,901.80	544.64
Debtors	<b>24.30</b>	15,661.00	644.49
EDF-TSA Debtors & Final Billing	<b>115.95</b>	59,611.70	514.12
Insurance	<b>2.40</b>	1,028.40	428.50
Leasehold property	<b>0.20</b>	65.00	325.00
Other assets	<b>9.85</b>	4,093.20	415.55
Sale of business	<b>0.30</b>	97.50	325.00
Asset Realisations			
EDF-TSA Cashiering & reconciliations	<b>0.50</b>	280.00	560.00
<b>Total in period</b>	<b>644.35</b>	<b>287,463.00</b>	<b>446.13</b>
Brought forward time (appointment date to SIP 9 period start date)	2,430.65	1,040,292.70	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	644.35	287,463.00	
Carry forward time (appointment date to SIP 9 period end date)	3,075.00	1,327,755.70	



## Appendix 6      Glossary

<b>BP</b>	BP Gas Marketing Limited
<b>CNG</b>	Contract Natural Gas Limited
<b>Company</b>	Toto Energy Ltd - in Administration
<b>Crius</b>	Crius Energy Holdings Inc (subsequently acquired by Vistra Energy Corp.)
<b>EDF</b>	EDF Energy Customers Limited
<b>Joint Administrators/we/our/us</b>	Steve Absolom and Will Wright
<b>KPMG</b>	KPMG LLP
<b>Secured creditors</b>	BP, CNG and Crius (Vistra) referred to together
<b>Solarplicity / Solarplicity's administrators</b>	Solarplicity Utility Services Limited entered into administration on 23 July 2019 / Paul Higley and Paul Pittman of Price Bailey LLP appointed administrators
<b>SoLR</b>	Supplier of Last Resort
<b>TSA</b>	Transitional Services Agreement entered into with EDF on 30 October 2019
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006.

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 Rules (England and Wales) 2016 respectively.

## Appendix 7      Notice: About this report

This report 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 to report to creditors under the Insolvency Rules (England and Wales) 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 purpose, or in any other context.

This 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.

Any estimated outcomes for creditors included in this 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 report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its 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.

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](https://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 this report or the conduct of the administration.

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