

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 9 2 6 3 5 4 0

Company name in full Brilliant Energy Supply Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Kirstie Jane

Surname Provan

### 3 Liquidator's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

### 4 Liquidator's name ①

Full forename(s) Jamie

Surname Taylor

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number The Old Exchange

Street 234 Southchurch Road

Post town Southend on Sea

County/Region

Postcode S S 1 2 E G


Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>																
From date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0									
To date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1									
<b>7</b>	<b>Progress report</b>																
										<input checked="" type="checkbox"/> The progress report is attached							
<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	<div>Signature</div> <div>  </div>																
Signature date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1									

**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 **Chloe Henshaw**

Company name **Begbies Traynor (London) LLP**

Address **31st Floor**

**40 Bank Street**

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7516 1500**

**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.

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Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

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# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①  
Attach this to the relevant form.  
Use extra copies to tell us of additional insolvency practitioners.

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Alan

Surname

Simon

## 3 Insolvency practitioner's address

Building name/number

Park Road

Street

Post town

East Finchley

County/Region

London

Postcode

N 2 8 E Y

Country

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# Brilliant Energy Supply Limited (In Creditors' Voluntary Liquidation)

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Progress report

Period: 18 March 2020 to 17 March 2021

### Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the Liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Brilliant Energy Supply Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "we", "our" and "us"	Kirstie Jane Provan of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR  and  Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG  and  Alan Simon of AABRS Ltd, Ground Floor, Langley House, Park Road, London, M2 8EY
"Administration"	The period where the Company was in Administration being 15 March 2019 to 18 March 2020
"Begbies"	Begbies Traynor (London) LLP
"AABRS"	AABRS Limited
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England & Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"HMRC"	Her Majesty's Revenue & Customs

## 2. COMPANY INFORMATION

Trading name:	Brilliant Energy Supply
Company registered number:	09263540
Company registered office:	C/o Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
Former trading address:	One Canada Square, Canary Wharf, London, E14 5DY

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	18 March 2020
Date of Liquidators' appointment:	18 March 2020
Changes in Liquidator:	None

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments account ("the Account") for the period from 18 March 2020 to 17 March 2021 ("the Period"), which incorporates our Estimated Outcome Statement ("EOS") to the closure of the case. The Company remains registered for VAT purposes and therefore VAT on costs and expenses in the Liquidation is reclaimable by the Liquidation estate ("the Estate"). Accordingly, amounts are stated net of VAT (i.e. excluding VAT) where applicable. Our comments on the items appearing in the Account are detailed below.

### RECEIPTS

#### Customer Sales

A total amount of £109K has been received from former customers of the Company in settlement of their outstanding accounts. Note that customer sales are subject to VAT of 5%. Barratt Smith Brown ("BSB") (formerly CDS Global Ltd), as collection agents, hold a static balance of up to c.£20K which is not represented in the Account.

#### Funds received from Administration

An amount of £1.86M has been transferred from the Administration to the Liquidation, on the conclusion of the former.

#### Other debtors – main energy supplier rebates and return of collateral

An amount of £68K has been received from EMR Settlement Ltd in relation to a refund of collateral held by them as security for pre-administration supplies to the Company.

#### VAT Refund

An amount of £15K has been received from HM Revenue & Customs ("HMRC") in relation to a refund of input tax (VAT).



#### CID Cost Fund

The Begbies Traynor Contentious Insolvency Division ("CID") is a specialist investigation team who have been engaged by a related party in relation to ascertaining the validity and recoverability of certain claims against third parties. While this may result in further recoveries into the Estate this is entirely speculative at this juncture and therefore no anticipated provision is held in the EOS in this regard.

This work is being carried out pursuant to separate engagement terms outside, but in parallel, to the Liquidation, and funds in relation to this (an initial sum of £200K has been provided) are held to the order of the party concerned for the purpose of meeting related investigation expenses, and appear on the Account for information purposes only. For the avoidance of doubt, these funds are not assets of the estate and are not available for distribution. Any expenditure does not require the approval of the general body of creditors.

#### Cash at bank – Lloyds Bank Plc

An amount of £351 has been received from Lloyds Bank Plc being the residual balance of pre-appointment monies held in a Company bank account.

#### Bank Interest Gross

An amount of £1.6K has been received from Barclays Bank Plc ("Barclays") in respect of interest earned on funds held in the Estate account.

#### Refund of bank charges

An amount of £46 has been received from Lloyds Remediation in respect of an historic refund of bank charges.

### PAYMENTS

#### Administrators' Fees and expenses

Amounts of £4.7K and £713 have been paid to the former Administrators in relation to the outstanding time costs and related expenses for work carried out in the Administration, as approved by creditors.

#### Liquidators' Fees and disbursements

Amounts of £40.5K and £40K have been paid to Begbies and AABRS, respectively, in relation to the Liquidators' time costs for administering the Liquidation, as approved by creditors. A further amount of £70 was paid in relation to the recharge and settlement of certain expenses incurred by the Liquidators in the course of administering the Liquidation, again as approved by creditors.

#### Server hosting and data flows

A total amount of £11.3K has been paid to Simplexion Ltd in respect of software licencing and data storage. The 'Billfinder' software application continued to be used by BSB in the early part of the Liquidation as part of their ongoing collection of customer accounts due to the Company. Additionally, certain billing data was held on Simplexion servers for the same purpose.

#### Accountancy fees

A total amount of £956 has been paid to Wilder Co for the completion of VAT returns.

#### Stationery and postage

An amount of £356 has been paid to The Color Company for printing and posting documents to creditors.

#### Investigation costs – Begbies

As referred to above, Begbies has been paid an amount of £35K towards the outstanding investigation costs incurred in the Administration, as approved by creditors.

#### Investigation costs – CID

CID has been paid an amount of £73K from the CID Cost Fund in relation to the investigation work carried out.

#### Debt collection commission

A total amount of £7K has been paid to BSB on account of the commission due on collection of the outstanding customer accounts.

#### Statutory advertising

An amount of £189 was paid to Courts advertising in relation to the advertising of the Liquidation appointment in the London Gazette, a statutory requirement.

#### Bank charges

An amount of £30 has been paid to Barclays in connection with charges for operating the Estate bank account.

#### Legal Fees – Irwin Mitchell

An amount of £10.8K has been paid to solicitors Irwin Mitchell in relation to advice provided to the Liquidators in respect of the adjudication of creditor claims, and in respect of the recoverability of collateral deposits.

The work that has been done in the Period, why this work was necessary and the financial benefit (if any) to creditors

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website [www.begbies-traynorgroup.com/work-details](http://www.begbies-traynorgroup.com/work-details). Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the Period and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the Period only. Our previous Administration reports contain details of the work undertaken in the Administration.

#### General case administration and planning

Whilst this work is of no direct financial benefit to creditors, we have been obliged to populate and maintain a virtual electronic case file, together with a hard copy (paper) Permanent File, to ensure we have a contemporaneous, accurate and complete record of how the case has been administered, including fully documenting the reasons for any decisions that materially affect the case.

#### Compliance with the Insolvency Act, Rules and best practice

In accordance with the Act, Rules and best practice guidance, we have prepared this progress report to creditors. We have also been obliged by best practice, where proportionate and economic to do so, to carry out compliance and strategy reviews together with bonding reviews to ensure the Company's assets are adequately bonded. Whilst these items of work are of no direct financial benefit to creditors, it is a statutory requirement that we must adhere to and it is of benefit to the creditors as it ensures that they are advised of matters arising and progress of the Liquidation.

#### Investigations

As explained above, investigation work is being carried out by CID in relation to ascertaining the validity and recoverability of certain claims against third parties. This work is commercially sensitive and confidential and therefore we are unable to comment further in this regard.

#### Realisation of assets

We have facilitated the collection of a further £109K from former customers of the Company, which brings total collections in this regard to £1.74M, and additionally, recovered £67K in respect of the refund of a main energy supplier collateral deposit. Our work in this regard is of direct financial benefit to creditors and is ongoing.

#### Dealing with all creditors' claims, correspondence and distributions

In the course of the Liquidation, we dealt with the initial post appointment notifications to creditors. We have populated our Insolvency Practitioners System ("IPS") with all claims data received and have, save for certain main energy suppliers where reconciliations are yet to be completed and final claims submitted, adjudicated all remaining creditor claims, either agreeing in full or in part, or rejecting in full. We have dealt with creditors' enquiries throughout the Liquidation on an on-going basis, and have also responding to a number of queries from former customers in relation to the collection efforts of BSB.

We have made a first interim distribution to Unsecured creditors in the amount of £1.2M, equating to a dividend of 12.01 pence in the pound. This is dealt with in more detail in Section 5 below.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or via Decision Procedures), tax, litigation, pensions and travel

Seeking decisions from Creditors

The following decisions in relation to our fees and disbursements were sought by way of a Decision-Making Procedure ("DMP") by correspondence:

- (i) *That the Joint Liquidators' further fees estimate in the sum of £520,885 dated 13 May 2020 be approved.*
- (ii) *Whether a creditors' committee should be established if sufficient creditors are willing to be members of a committee and if so, who creditors wish to nominate for membership of the committee.*

Our further fees estimate was approved by creditors on 12 June 2020. No requests were received from creditors as to the formation of a liquidation committee.

We have also prepared the DMP documents in respect of our final revised fees estimate and expenses estimate which have been sent to creditors directly by post, and which is discussed further in Section 6.

## 5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of the Administration appointment were based upon the information detailed in the directors statement of affairs submitted to the former Administrators. For reference and in order to provide creditors with an update in respect of the current known claims against the Company, please note the following:

Secured creditors

There are no secured creditors.

Preferential creditors

There are no preferential creditors.

Secondary preferential creditors

Further to the changes to the Finance Act 2020 ("the Finance Act"), HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

In light of the commencement date of the Liquidation, and the preceding Administration, the provisions of the Finance Act do not apply to this matter and this explanation is provided for information only.

## Unsecured creditors

### Total unsecured creditor claims

At the commencement of the preceding Administration, unsecured creditors of the Company were estimated in the director's statement of affairs to total £8.3M. However, after an extensive adjudication exercise total admitted unsecured claims total £10.9M. Total claims awaiting final adjudication amount to £513K, for which provisions have been retained in respect of potential dividends due on such claims.

### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided by the Administrators in their statement of proposals. To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### Distributions to unsecured creditors

A first interim dividend has been paid to the unsecured creditors as follows:

Dividend	Date of Dividend	Amount (pence in £)
First	10 August 2020	12

### Future dividend to unsecured creditors

Subject to the adjudication of final claims in the Liquidation as explained above, we anticipate being in a position to declare a second and final distribution to unsecured creditors by the end of 2021. While our current EOS indicates an estimated total recovery to creditors of circa 16 pence in pound, we are given to understand that a further collateral deposit refund of circa £105K is likely to be received shortly, which is likely to increase the estimated total recovery to 17 pence in the pound. Creditors will be notified in writing as and when the Liquidators are in a position to make this distribution, but the timing of this is contingent on the adjudication of the remaining claims and the further refund as mentioned above.

## 6. REMUNERATION & EXPENSES

### Remuneration

In accordance with Rule 18.20(4) of the Rules, where an Administrator is appointed as Liquidator, the basis of remuneration as previously fixed for the Administrators is treated as having been fixed for the Liquidators.

Our previous fees estimate was increased with the approval of creditors on 12 June 2020, resulting in our current total approved estimate of £521K.

Our time costs for the Period are as follows:

Firm	Time costs (£'000)	Hours	Average hourly rate
Begbies	64.6	197	327
AABRS	63.5	105	607
TOTAL	128.0	302	-

The Time Costs Analyses for the Period attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. One is provided for each firm, and please note that the analyses provides details of the work undertaken by us and our staff following our appointment as Liquidators only.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Begbies Time Costs Analysis for the Period
- ❑ Begbies charging policy
- ❑ AABRS Time Costs Analysis for the Period
- ❑ AABRS charging policy

#### Final revised fees estimate

A summary of the total costs incurred to date, including the Administration and the Period, is set out as follows:

	Begbies	AABRS	Total
Cumulative costs - Administration	396,567	37,913	434,480
Costs incurred in the Liquidation	64,639	63,474	128,113
Sub total	461,206	101,387	562,593
Current agreed fees estimate			520,885
Time costs incurred in excess of agreed fees estimate			41,708
Anticipated future time costs			28,625
Total estimated time costs			591,218

As can be seen from the information above we have exceeded the limit of our revised fees estimate. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved (£521K), however concurrently with the publication of this report the Liquidators are seeking the approval of creditors to their final revised fees estimate. The reasons why the existing estimate has been exceeded and why further time costs will be incurred relate primarily to the following:

- The adjudication of creditor claims has proven to be particularly time consuming and complex and has required a meticulous review of supporting evidence as well as recourse to legal advice. Whilst this has enabled a number of claims to be reduced or withdrawn/rejected, it has also enabled the Liquidators to confirm the recoverability of certain collateral deposits, which in turn has avoided dilution, and has in fact increased the pool of funds available to be distributed to creditors. As explained in Section 7, this process is still not complete due to the extended delay occasioned by creditors completing the reconciliation of their claims, and further time costs will be incurred in adjudicating these claims once finalised;
- The Liquidators have unavoidable statutory obligations in respect of reporting to creditors, maintaining accurate and complete case record, carrying out case & compliance as well as bonding reviews (fidelity insurance). In order to keep the case open to complete the adjudication of claims, recovery of the collateral deposits (which can only be recovered once those main supplier claims have been finalised) and to maximise the realisations from customer collections, the Liquidators are obliged to continue to fulfil their statutory duties, and incur resultant time costs. In addition to this report to creditors, we anticipate that we will be required to complete a further annual and then a final report, as well as all associated reviews and administrative matters until closure.

As set out in Appendix 2, we are seeking creditor approval to increase our overall, approved fees estimate from £520,885 to £591,218, an increase of £70,334.

#### Expenses

##### Authority to draw expenses

Pursuant to Statement of Insolvency Practice ("SIP") 9, we are also authorised to draw disbursements for services provided by our respective firms and/or entities within the Begbies Traynor Group, on the same basis as the Administrators, namely, in accordance with our firms' policies, copies of which are attached at Appendix 2.

#### Changes to Statement of Insolvency Practice 9

When reviewing Begbies' policy, please note the following in respect of the revised SIP9 - '**Payments to Insolvency Office Holders and their Associates from an Estate**' – which came into effect on 1 April 2021:

- New definition of 'associate' – in addition to an 'associate' as is defined in S.435 of the Act, the meaning of an 'associate' for the purposes of the new SIP 9 (and also new SIP 7) has been extended so as to include anyone whom a reasonable and informed person might consider would be an associate.
- Category 1 and Category 2 disbursements are now referred to as Category 1 and Category 2 expenses. As previously, Category 1 expenses can be paid without approval and Category 2 expenses must be approved in the same manner as the office holder's remuneration i.e. disclosed to and approved by, the body responsible for approving the basis of remuneration.
- The definition of Category 2 expenses has been extended. In addition to expenses which include shared or allocated costs, payments that are made to an 'associate' now fall squarely within the definition of a Category 2 expense. Previously, payments to an 'associate' were treated as if they were a Category 2 expense (i.e. disclosed to and approved by, the body responsible for approving remuneration).

Once the Begbies charging policy has been fully updated to reflect these changes it will be published on the same website as this report.

#### Revised statement of expenses

We are obliged to provide information to creditors in relation to the expenses actually incurred compared to those that were anticipated. Creditors will recall that in the creditor information pack which accompanied our request for creditor approval to our previous fees estimate that the expenses of the preceding Administration and the Liquidation would total £561K. The expenses that we have incurred so far amount to £570K and have therefore exceeded that estimate, and there will be further expenses to pay before the case concludes. We estimate at this time that expenses will total £575K. The reasons why the estimate has been exceeded, as well as details of the further expenses which we anticipate will be incurred, are set out at Appendix 3.

In accordance with the revised SIP 9 the Liquidators are now obliged to seek the approval of creditors in relation to their expenses estimate, and the DMP referred to above also contains the requisite resolution for approval by creditors.

## 7. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

The work that remains to be done, why is this necessary and the financial benefit (if any) it will provide to creditors

#### General case administration and planning

As mentioned above, we must ensure that our case files are maintained so as to have an accurate, contemporaneous and complete record to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case. We are also obliged to carry out regular compliance reviews of the case in order to ensure that matters are being progressed in an efficient and timely manner.

#### Compliance with the Insolvency Act, Rules and best practice

As set out in Section 4, above, the Act and Rules require us to produce regular progress reports to creditors. We have been, and will be, obliged to deal with the following:

- Prepare an annual progress report of the Liquidation to apprise creditors of the progress of the Liquidation including asset realisations, costs and expenses incurred and the prospects of a return, if any, to each class of creditors; and

- Once we are satisfied that all outstanding matters have been dealt with in the Liquidation, including distribution(s) to creditors, we will then prepare our final draft report to creditors on the progress of the Liquidation prior to resigning from office and receiving our release.

As mentioned above, we are obliged by best practice to carry out regular (every six months) compliance case and strategy reviews, bank reconciliations as and when appropriate and bonding reviews. Whilst these items are of no direct financial benefit to creditors, they are nevertheless a statutory and/or regulatory compliance requirement.

Given the anticipated period of the Liquidation has been prolonged whilst we await the final creditor claim reconciliations and complete the adjudication process, regrettably but unavoidably we will incur further time costs in relation our statutory and compliance obligations.

#### Investigations

As explained in this report, the investigation work being carried out by CID will continue in accordance with the terms of their specific engagement parameters and cost fund. Unless and until there are recoveries from this source this will have no effect, either positively or detrimentally, on the pool of funds available for distribution to creditors.

#### Realisation of assets

##### Collection of customer accounts

As mentioned above, we have continued to use BSB's specialist debt recovery services in the course of the Liquidation in order to facilitate collection of unpaid customer account balances. BSB will continue to collect these outstanding balances until such time as it becomes uneconomic to do so.

##### Supplier collateral deposits

As you will recall from our previous progress reports issued to creditors during the Administration, we are seeking to recover further collateral security deposits from certain main energy suppliers, which, if successful, will maximise realisations for the benefit of creditors as a whole and increase the pool of funds available for distribution. As stated above, we are given to understand that recoveries in this regard will be circa £105K. Please note that recoveries from the collateral deposits can only be fully accounted for once received, the recovery of which will unavoidably result in the Liquidators incurring further time costs.

#### Dealing with all creditors' claims, correspondence and distributions

The Liquidators will be obliged to continue to address any correspondence and communications from creditors. To date the claim adjudication process has been a considerably complex and time consuming exercise, and we are obliged to incur further time costs to adjudicating the remaining main energy supplier claims once they have completed their required reconciliation(\*).

Notwithstanding, there will be a second and final interim distribution to the Unsecureds. The timing and quantum of this are yet to be confirmed, however, prior to the distribution creditors will be issued with a notice of intended dividend which will provide 21 days for any creditors who are yet to submit their claims to do so. The Liquidators will declare the dividend within two months of the expiry of this period.

(\*) The reconciliation compares the amount paid by the Company for estimated volumes of wholesale energy supplied to it, against the actual volume of energy supplied and the cost thereof. Where the suppliers hold a collateral deposit, any outstanding amount due to them is off-set against the deposit with any remaining balance potentially recoverable by the Estate.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or via Decision Procedures), tax, litigation, pensions and travel

As mentioned above, we are obliged to comply with all prevailing tax legislation which will include submitting tax computations in respect of any capital gains and/or taxable income arising for each corporation tax accounting period. Where these are particularly complex and/or technical, we may be obliged to employ a tax advisor for this purpose. Moreover, as and when appropriate to do so, we will submit VAT reclaims to HMRC to recover VAT charged on costs and expenses incurred in the course of the Liquidation. As explained in Section 8 below, we have and will continue to engage the services of Wilder Coe to complete and submit VAT returns as it is more cost effective to do so.

Whilst these items of work are of no direct financial benefit to creditors, they are nevertheless a statutory and/or regulatory compliance requirement.

The cost of this further work

As set out in our final revised fees estimate which is attached at Appendix 2, in addition to our time costs incurred to date of £562.5K, we anticipate further time costs will be incurred of approximately £8.6K.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses at Appendix 3.

## 8. OTHER RELEVANT INFORMATION

Use of other professionals

As explained in our report in support of our revised fees estimate dated 13 May 2020, the services of the following professionals were used, and, as far as is stated below, these firms continue to be engaged in the Liquidation:

- BSB are a specialist debt recovery firm and have been engaged to collect unpaid consumer account balances. BSB were engaged in the administration on a commission basis whereby BSB receive a percentage of gross collections on a ratcheted basis, and their engagement is continuing in the Liquidation;
- Simplexion provide the 'Bill Finder' software under licence to the Company which enables BSB to access and modify customer bills to aid the customer account collection process, and also provide server hosting services for the Bill Finder platform. Simplexion were engaged on a monthly fixed fee but their services are no longer required and were terminated in the Period;
- Wilder Coe are the Company's bookkeepers and are remunerated on a time costs basis in accordance with their standard charge out rates. We are continuing their services in the Liquidation to deal with the Company's tax affairs; and
- Irwin Mitchell ("IM") are a firm of solicitors who were engaged to provide advice, as and when required, in respect of investigations into the Company's affairs prior to the administration. IM were also instructed in the Period to provide advice in respect of certain claim adjudication matters, and remain available to provide further advice as, when and if required.

Investigations and reporting on directors conduct

A liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for



Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects in the course of the preceding Administration.

#### Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at [www.begbies-traynorgroup.com/privacy-notice](http://www.begbies-traynorgroup.com/privacy-notice). If you require a hard copy of the information, please do not hesitate to contact us.

## 9. CREDITORS' RIGHTS

#### Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

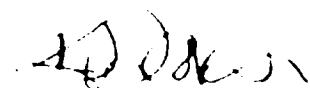
## 10. CONCLUSION

By way of summary, in order to progress the Liquidation to closure we set out below the matters still to be completed:

- Collect in the final customer account balances while it is economic and beneficial to the Estate to do so;
- Adjudicate the remaining creditor claims and collect in the balance of collateral deposit refunds;
- Reclaim all remaining input tax (VAT) and de-register the Company for VAT purposes;
- Conclude our investigation into any claims against third parties which may be economic and beneficial to the Estate;
- Submit final outstanding CT returns and computations both for the pre-appointment and Liquidation periods and obtain clearance from HMRC to conclude the Liquidation;
- Declare and issue the second and final distribution to unsecured creditors;
- Prepare our second 12 month report and final report and account, of the Liquidation, resign from office and obtain our release as Office-Holders.

In the meantime and in relation to the DMP, creditors are requested to consider the final revised fees estimate and to complete and submit their voting forms by no later than the Decision Date, which is 23:59 on Friday, 30 April 2021.

We will report again in approximately twelve months' time or at the conclusion of the Liquidation, whichever is the sooner.



Kirstie Jane Provan  
Joint Liquidator

Dated: 13 April 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS INCORPORATING THE ESTIMATED OUTCOME STATEMENT

Period: 18 March 2020 to 17 March 2021

	Realised/(Paid) in the administration (15/03/19 to 17/03/20)	Realised/(Paid) in the CVL (18/03/20 to 17/03/21)	Realised/(Paid) (15/03/19 to 17/03/21)	Estimated Future Realisations/ (Costs)	Estimated Final Outcome	Note
				£	£	
Unencumbered Assets						
Consumer debtors - net of debt collection charges	1,634,881.78	109,137.76	1,744,019.54	30,000.00	1,774,019.54	
Funds received from Gocardless net of processing charges	126,155.47	-	126,155.47	-	126,155.47	
	1,761,037.25	109,137.76	1,870,175.01	30,000.00	1,900,175.01	
Funds received from administration	-	1,862,845.44	1,862,845.44	-	-	
Other Debtors - Main energy supply rebates; return of collateral	9,120.00	67,692.89	76,812.89	Uncertain	76,812.89	1
Interactive Brokers refund	3,208.47	-	3,208.47	Uncertain	3,208.47	
VAT refund	197,216.65	15,035.15	212,251.80	-	212,251.80	
Investigation costs funding	-	200,000.00	200,000.00	-	200,000.00	2
Cash at Bank - Lloyds Bank plc	641,533.11	350.93	641,884.04	-	641,884.04	
Cash at Bank - HSBC Bank PLC	29,648.70	-	29,648.70	-	29,648.70	
Bank interest	7,183.04	1,582.98	8,766.02	Uncertain	8,766.02	
Refund of bank charges	-	46.05	46.05	-	46.05	
OFGEM refund	2,554.33	-	2,554.33	-	2,554.33	
Contribution from SSE to billing and collection costs	84,249.86	-	84,249.86	-	84,249.86	
Other debtors - Northumbria Energy Ltd / Euston Energy Ltd	Uncertain	-	-	Uncertain	Uncertain	
	2,735,751.41	2,256,691.20	3,129,597.17	30,000.00	3,159,597.17	
Less: Administration costs and expenses						
Pre-appointment Fees and Expenses - Begbies	(19,940.00)	-	(19,940.00)	-	(19,940.00)	
Pre-appointment Fees and Expenses - AABRS	(2,494.50)	-	(2,494.50)	-	(2,494.50)	
Administrators' Fees - Begbies	(318,803.00)	(4,071.50)	(322,874.50)	-	(322,874.50)	
Administrators' Fees - AABRS	(37,200.00)	(712.50)	(37,912.50)	-	(37,912.50)	
Administrators' Disbursements	(755.15)	-	(755.15)	-	(755.15)	
Liquidators' Fees - Begbies	-	(40,450.50)	(40,450.50)	(40,572.00)	(81,022.50)	3
Liquidators' Fees - AABRS Limited	-	(40,000.00)	(40,000.00)	(34,409.00)	(74,409.00)	3
Liquidators' disbursements	-	(70.34)	(70.34)	Uncertain	Uncertain	
Corporation tax	(256.69)	-	(256.69)	-	(256.69)	
Utility, IT & Billing Contractors	(159,389.72)	-	(159,389.72)	-	(159,389.72)	
Data Supplier/Billing System Fees	(104,562.65)	-	(104,562.65)	-	(104,562.65)	
Server hosting and data flows	(55,863.00)	(11,290.06)	(67,153.06)	-	(67,153.06)	
Accountancy Fees	(9,793.65)	(956.00)	(10,749.65)	(1,200.00)	(11,949.65)	
Stationery and postage	-	(356.53)	(356.53)	-	(356.53)	
Investigation Costs - Begbies	(40,000.00)	(35,000.00)	(75,000.00)	-	(75,000.00)	4
Payments from CID costs fund	-	(73,023.96)	(73,023.96)	(126,976.04)	(200,000.00)	2
Investigation disbursements - Begbies	(982.62)	-	(982.62)	-	(982.62)	
Debt collection commission	(102,818.42)	(7,122.32)	(109,940.74)	(3,000.00)	(112,940.74)	
Statutory advertising	(87.48)	(189.00)	(276.48)	-	(276.48)	
Bank charges	(70.00)	(30.00)	(100.00)	(150.00)	(250.00)	
Pre-appointment Legal Fees and Expenses - Irwin Mitchell	(6,588.00)	-	(6,588.00)	-	(6,588.00)	
Legal Fees - Irwin Mitchell	(23,435.50)	(10,800.00)	(34,235.50)	-	(34,235.50)	
Contingency for unforeseen expenses	-	-	-	-	-	
	(883,040.38)	(224,072.71)	(1,107,113.09)	(206,307.04)	(1,313,420.13)	
Surplus available to preferential creditors	1,852,711.03	2,032,618.49	2,022,484.08	(176,307.04)	1,846,177.04	
Preferential creditors					NIL	
Net Property					Not Applicable	
Surplus available to unsecured creditors					1,846,177.04	
First distribution to unsecured creditors					(1,208,135.99)	
Estimated second and final distribution to unsecured creditors					638,041.05	5
Unsecured Creditors						
Agreed claims					(10,896,492.84)	
Claims under adjudication					(513,738.80)	
					(11,410,231.64)	
Employees' unsecured claims					NIL	
Shortfall as regards unsecured creditors					(9,564,055)	
Estimated return to creditors - Pence in the Pound					16	1

## Notes

1. An anticipated collateral refund of c.£105K is anticipated, however, until such time as the respective main supplier claim has been finalised recoveries from this source are stated as 'uncertain'. Should the full rebate be received, we anticipate that the total estimated final recovery for creditors will increase to 17 pence in pound.
2. Receipts and payments in relation to the CID cost fund are for illustrative purposes only, and do not effect the pool of funds available to unsecured creditors.
3. The Liquidators' future fees of £74.9K are reflected in the final revised fees estimate, and comprise £4.6K in respect of the existing approved fees estimate, together with the additional £70.3K for which we are seeking creditor approval.
4. Investigation costs were capped at £40K and increased to £75K with the requisite approval of creditors.
5. This is an estimate only and is predicated on the provisions set out in this EOS.

## TIME COSTS AND DISBURSEMENTS

- A. Begbies charging policy;
- B. Begbies Time Costs Analysis for the Period;
- C. AABRS charging policy;
- D. AABRS Time Costs Analysis for the Period; and
- E. Estimated final increase to our approved fees estimate;

## A. BEGBIES CHARGING POLICY

### Introduction

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### Office holder's fees in respect of the administration of insolvent estates

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### Expenses incurred by office holders in respect of the administration of insolvent estates

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at £150 per meeting; Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile
- Printing, photocopying and stationery

#### BEGBIES CHARGE-OUT RATES

Begbies is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows. Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. Time is recorded in 6 minute units.

Grade of staff	Rate (£/Hr) From 18 March 2019	Rate (£/Hr)* Prior to 18 March 2019
Partner/Consultant	645-710	495-550
Director	515	395
Senior Manager	440	365
Manager	410	315
Assistant Manager	315	285
Senior Administrator	290	250
Administrator	220	220
Trainee Administrator	160	160
Higher/complex tax matters	600	600

#### B. BEGBIES TIME COSTS ANALYSIS FOR THE PERIOD

[illegible]

## C. AABRS CHARGING POLICY

### Charge out rates

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. A schedule of AABRS Limited charge-out rates effective from 1 September 2019 is as follows:

Grade of staff	Rate (£/Hr) From 1 September 2019	Rate (£/Hr) Prior to 1 September 2019
Director	750	475
Manager	315 – 550	240 – 290
Other Senior Professionals	275 – 310	170 – 230
Assistants and Support Staff	175 – 260	60 - 160

Our rates were reviewed on 1 September 2019. Details of our previous rates are available at <http://www.aabrs.com/resources/charge-out-rate/>.

Rates vary between individuals, reflecting experience and qualification. Please note that support staff time is charged to the case at the rate indicated. Rates are subject to review and may increase periodically. Any change in rates will be advised to creditors.

### Recovery of Expenses

An expense is a directly attributable cost to the estate which is neither an office holder's remuneration nor a distribution to creditors or members. Expenses can include disbursements, payments met by the office holder and subsequently recovered from the estate, and are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 - expenses are payments to independent third parties and do not have to be approved prior to payment. When reporting to the creditors committee and creditors during the course of the liquidation the actual expenses incurred will be compared with any original estimate provided and with any material difference explained.

Category 2 - expenses are payments to associates, or parties with a professional or personal relationship which may give rise to a conflict, or payments which have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration. This will include any case related travel or subsistence incurred by staff working on this case. Where it is necessary for staff to travel from the office, business mileage may be charged at the HMRC rate of 45p per mile.

An estimate of expenses (including disbursements) is provided to creditors when the basis of the office-holder's fees are approved. All costs are subject to VAT, where applicable. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

It is not proposed to recover any Category 2 expenses in relation to this assignment.

### Professional Advisors

On occasion it is necessary for the office holder to engage with specialist professional advisers. Professional advisers are selected with regard to the specific requirements of the case and based upon the office-holders professional judgement of their experience and ability to perform the necessary work and the basis of the fee arrangement to ensure a fair and reasonable cost to the estate.

Expenses incurred in respect of specialist advisers are subject to independent assessment prior to engagement and reported in accordance with current guidance. Unless a significant personal or professional relationship, that may give rise to a potential threat or conflict, has been identified with any Advisor their costs are regarded as category 1 expenses.

### Use of sub-contractors

It is not our policy to use sub-contractors unless there is a specific benefit to the estate. In such circumstances full disclosure will be provided in any report to creditors providing details of the basis of what work is being done, why it is being done and how much it will cost.



D. AABRS TIME COSTS FOR THE PERIOD

Time Entry - SIP9 Time & Cost Summary

B1091 - Brilliant Energy Supply Limited  
Project Code: POST  
From: 18/03/2020 To: 17/03/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	5.00	4.40	0.00	0.00	9.40	6,170.00	656.38
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	22.70	67.60	0.00	0.00	90.60	54,370.00	600.11
Investigations	2.00	0.10	0.00	0.00	2.10	1,556.00	740.48
Realisations of Assets	0.30	2.10	0.00	0.00	2.40	1,380.00	575.00
Tracing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	30.00	74.50	0.00	0.00	104.50	63,475.00	607.42
Total Fees Claimed						40,000.00	
Total Disbursements Claimed						0.00	

## E. ESTIMATED FINAL INCREASE TO OUR APPROVED FEES ESTIMATE

Further to the information set out in this report, the Liquidators anticipate that in addition to their fees estimate dated 13 May 2020 in the sum of £521K, additional fees will be incurred to conclusion of the Liquidation.

We estimate that total time costs to the conclusion of the case will amount to £591K and therefore we are seeking the approval of creditors as to our final revised fees estimate on that basis, further details of which are set out below. Please note that blended hourly rates have been used (as they were for the original estimate) which take account of the various levels of staff that are likely to undertake each area of work, and in respect of the varying charging policies of Begbies and AABRS. These can be seen in the average hourly rate column, and further details of the hourly rates that will be charged for each level of staff from each firm working on the case form part of this appendix.

Details of the work that the Administrators and their staff propose to undertake	Begbies and AABRS							
	Estimated time that would be spent as at 13 May 2020 (fees estimate approved by creditors)	Actual time spent (Administration and Liquidation) to 17 March 2021	Actual costs incurred (Administration and Liquidation) to 17 March 2021	Combined average hourly rate £	Additional time required to closure	Revised estimate of total time that will be spent to closure (Administration and Liquidation)	Revised anticipated total cost to closure £	Combined average hourly rate £
General case administration and planning	350.5	361.1	124,167	343.9	13.0	374	129,265	346
Compliance with the Insolvency Act, Rules and best practice	3014	324.2	94,983	293.0	23.0	347	113,357	298
Investigations	69.1	68.2	31,423	460.7	-	68	31,423	461
Investigations - Contentious Insolvency Division	264.1	264.1	75,000	284.0	-	264	75,000	284
Realisation of assets	273.1	2714	106,429	392.1	8.0	279	109,049	390
Trading	-	-	-	-	-	-	-	-
Dealing with all creditors' claims (including employees), correspondence and distributions	156.8	219.6	105,099	478.6	18.0	238	113,794	479
Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decisions procedures, meetings, tax, litigation, pensions and travel	70.8	69.0	25,494	369.5	10.0	79	29,329	371
<b>Total hours</b>	<b>1,485.8</b>	<b>1,578</b>			<b>72</b>	<b>1,650</b>		
<b>Total time costs £</b>	<b>520,885</b>		<b>562,593</b>				<b>591,218</b>	
<b>Overall average hourly rate £</b>	<b>351</b>			<b>357</b>				<b>358</b>

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at [www.begbies-traynorgroup.com/work-details](http://www.begbies-traynorgroup.com/work-details).

Dated: 13 April 2021

## STATEMENT OF EXPENSES

Set out below is a table of the expenses incurred in both the preceding Administration as well as the Liquidation to date. This has been illustrated in such a manner so as to provide creditors with a full understanding of the expenses incurred in order to progress the matter as a whole, as well as the expenses incurred in each insolvency process, in reference to our initial anticipated expenses in the first approved fees estimate. As mentioned in this report and following the revisions to SIP 9, we are also obliged to seek creditor approval of our final revised expenses estimate, and a resolution to this effect has been sent to creditors under separate cover, for approval.

Type of expense	Cumulative costs incurred in the Administration	Costs incurred in the Liquidation	Total cumulative costs (Administration and Liquidation) to 17.03.2021	Anticipated estimated future costs in the Liquidation	Anticipated estimated total costs	INITIAL estimated total costs	Variance Not exceeded est. (Exceeded est.)
	£						
Directly incurred expenses(*) (bond, insurance, travel, postage and room hire)	755	70	825	UNCERTAIN	825	6,724	NIL
Stationery and postage (paid from Estate)	NIL	357	357	UNCERTAIN	357	N/A	NIL
Advertisements	87	189	276	UNCERTAIN	276	180	(96)
Consultancy Fees	319,815	11,290	331,105	NIL	331,105	96,500	(136,605)
Data supplier fees, CRM system charges						98,000	
Server hosting and data flows						N/A	
Accountancy fees	9,793	956	10,749	1,200	11,949	7,500	(3,249)
Legal fees & disbursements	30,024	10,800	40,824	NIL	40,824	20,000	(20,824)
Debt collection fees and commission	102,819	7,122	109,941	3,000	112,941	UNCERTAIN	NIL
Bank charges	70	30	100	150	250	200	NIL
Corporation tax	257	NIL	257	NIL	257	N/A	NIL
Investigation costs	40,983	35,000	75,983	NIL	75,983	40,000	(35,983)
Total	504,603	65,814	570,417	4,350	574,767	269,104	(196,757)

(\*) Formerly referred to as 'disbursements'

The expenses that we have incurred so far (in respect of the combined total of the Administration and the Liquidation to date) have exceeded our initial expenses estimate and there will be further expenses to pay before the case concludes. The reasons why the estimate has been exceeded are as follows:

Consultancy fees, data supplier fees and CRM system charges: Additional costs of £136K have been incurred to date although we do not anticipate any further costs in this regard. However, this has been mitigated by securing a contribution to these costs from SSE of £84K. This results in a variance in respect of the total estimated costs of £52K.

Legal fees and disbursements: While this figure includes the pre-appointment legal costs incurred in relation to placing the Company into administration, it also includes £10.8K in respect of advice provided by Irwin Mitchell to assist the adjudication of creditor claims and clarification as to the recoverability of certain collateral deposits.

Investigation costs: Total anticipated investigation costs are higher than anticipated due to the enhanced scope of the investigation work which we were obliged to undertake. Please note that creditors agreed an increase to our initial £40K cap in respect of certain investigation expenses to £75K, and the additional £35K has now been drawn.

With reference to the additional investigation work being carried out by the CID team as set out in Section 4, we would reiterate that this work is being funded by a third party and carried out pursuant to terms of engagement entirely separate from the Liquidation, and therefore it does not affect the pool of funds available for distribution to unsecured creditors and is not reflected in the expenses estimate.

Dated: 13 April 2021