

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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09/04/2020

#143

COMPANIES HOUSE

1 Company details

Company number 0 9 3 1 0 4 2 7

Company name in full Eversmart Energy Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew James

Surname Stone

3 Administrator's address

Building name/number 1 St Peter's Square

Street Manchester

Post town M2 3AE

County/Region

Postcode

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 1 St Peter's Square

Street Manchester

Post town M2 3AE

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

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Period of progress report

From date	d	1	d	3	m	0	m	9	y	2	y	0	y	1	y	9
To date	d	1	d	2	m	0	m	3	y	2	y	0	y	2	y	0

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X

A. S. [Signature]

X

Signature date

d	0	d	8	m	0	m	4	y	2	y	0	y	2	y	0
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AM10

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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 **Mariya Patel**

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 or email 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



Joint
Administrators'
progress
report for the
period 13
September
2019 to 12
March 2020

Eversmart Energy Ltd - in
Administration

8 April 2020

Deemed delivered: 8 April
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 5).

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+JJ83050026.html>. We hope this is helpful to you.

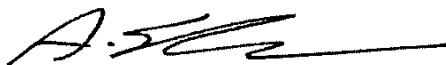
Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

- Contract Natural Gas Limited, ('CNGL') being the holder of a qualifying floating charge, lodged the notice of appointment at the High Court of Justice, The Business and Property Courts in Manchester on 13 September 2019 and we were duly appointed.
- This progress report covers the period from the date of our appointment to 12 March 2020.
- We delivered our statement of proposals ('proposals') to all known creditors on 11 November 2019. They were deemed approved without modification on 22 November 2019.
- The Company ceased to trade prior to the date of the administration as a consequence of the SoLR process being initiated by Ofgem. Our strategy has focused on the realisation of the Company's principal asset, being its debtors' ledger and this process is ongoing. (Section 2 - Progress to date).
- The Secured creditor, CNGL, will suffer a significant shortfall in respect of the funding provided to the Company. (Section 3 - Dividend prospects).
- We anticipate the preferential creditors will be repaid in full. (Section 3 - Dividend prospects).
- Based on current estimates, it is likely that a distribution will be made to the unsecured creditors, however we are not yet able to confirm the quantum or timing of a dividend. (Section 3 - Dividend prospects).
- The administration is currently due to end on 12 September 2020, although an extension to the administration is considered to be a very likely possibility.
- Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+JJ83050026.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Andrew Stone
Joint Administrator

2 Progress to date

This progress report covers the period from the date of our appointment to 12 March 2020. However, please refer to our proposals where the relevant information has previously been disclosed. This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals, notice of which was issued to all known creditors on 8 November 2019.

2.1 Strategy and progress to date

Strategy

As detailed in our proposals, in the early hours of 11 September 2019 and following a request from the director, the Office of Gas and Electricity Markets ('Ofgem') revoked the Company's Electricity Supply Licence and transferred all of its customers to Utilita Energy Limited ('Utilita') under the Supplier of Last Resort ('SoLR') process, to ensure that no customers lost supply.

As a consequence of the SoLR process being initiated, combined with the revocation of the Company's licence, it was not possible to trade the business whilst in administration.

The Company's principal assets were: - (1) book debts due from customers for energy supplied to the date of the SoLR transfer; and (2) cash balances held in the Company's pre-appointment bank accounts. Accordingly, our key priorities have been to secure these cash balances and to maximise realisations from the Company's debtor book for the benefit of the creditors as a whole.

Debtor collection – agreement with Utilita

As part of the SoLR process, Utilita are responsible for the following: -

- Taking over the supply to customers;
- Honouring any credit balance; and
- Billing the new account correctly.

In the light of Utilita's responsibilities and the fact that they already had robust credit control procedures in place, we concluded that Utilita were best placed to assist us in collecting the Company's book debts and as such, we entered into a Debt Service Agreement ('DSA') with them, shortly after our appointment.

Leasehold premises

The Company occupied leasehold premises in Manchester under a licence with the landlord. We had a short-term need to occupy these premises following our appointment, primarily to assist Utilita in satisfying their obligations under the SoLR, but also to collate Company information required to implement our strategy. As such, we entered into a temporary agreement with the landlord and concurrently, we granted a licence to occupy to Utilita.

The premises were returned to the landlord in mid-October 2019 and during the period of our occupation, the rent was re-charged to Utilita.

2.2 Asset realisations

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

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

Cash at bank and cash pending analysis

At the date of our appointment, £1,884,388 was held in the Company's pre-appointment bank account with Barclays Bank plc ('Barclays'). Immediately following our appointment, we contacted Barclays to add debit markers to the account to prevent any further payments being made and to request an immediate transfer of all balances to the administration bank account.

Our current analysis shows that £952,707 of the funds received from Barclays relate to receipts for pre-SoLR energy supply, whilst the analysis of the remaining amount from Barclays is ongoing. In addition, further amounts of £38,740 and £1,328 have been received from PayPoint plc and Barclays, respectively and the analysis of these funds is also ongoing.

Security deposit from Utilita and contribution to costs

To enable Utilita to meet their obligations under the SoLR process and to maximise realisations from the Company's debtor book, it was imperative that certain systems (primarily I. T. related) were retained. As such, and in accordance with the DSA, Utilita paid us an initial sum of £193,094 to pay the suppliers of these critical systems.

In addition, Utilita paid us a security deposit of £50,000 to be held in escrow, to guard against any default by Utilita relating to their ongoing contractual agreement to meet supplier payments and also any other amounts due by Utilita to the Company.

Office furniture

The Company owned a limited amount of office furniture and Gordon Brothers (a firm of specialist valuers) were engaged to value and dispose of these assets. An offer of £2,500 was received from the Director and Gordon Brothers recommended that we accept this offer to avoid any costs for storage and removal. The sale consideration was received in full before the sale was completed.

Investigations

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

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

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.

IT systems

As detailed in section 2.2 above, we retained certain I.T. systems to facilitate the smooth transition of the customer base to Utilita and also to maximise book debt realisations. To date we have paid £125,790 to the suppliers of these systems, but these costs are covered in full by Utilita under the terms of the DSA.

Finance subcontractors

Following our appointment we identified two individual sub-contractors who provided the Company with key financial systems expertise and who had retained knowledge of the Company's accounting systems. During the period, we have paid £3,080 to these individuals.

Payroll

As detailed in our proposals, a certain number of employees transferred to Utilita under TUPE regulations. The Joint Administrators agreed to pay these employees' wage arrears and associated employee taxes for the period from 1 September to 11 September 2019 as part of a commercial agreement that was reached during the negotiations of the DSA. Accordingly, we paid £33,121 in payroll costs and associated taxes to the transferred employees.

Rent

During the period of this report, we have paid rent totalling £8,968, which related to the Company's beneficial occupation of the leasehold premises in Manchester. Again, these costs are covered in full by Utilita under the terms of the DSA.

Non-domestic business rates

We have paid £1,562 to Trafford Council in relation to non-domestic business rates.

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.

Legal fees

During the period, no fees have been paid to the solicitors that have been engaged in this matter. Legal fees have been incurred in drafting the DSA, advising on contract novations and also general advice as matters have arisen.

Agents' fees

Gordon Brothers were engaged to value and dispose of the small quantity of office equipment that was owned by the Company. In addition, Gordon Brothers provided general advice on certain of the finance agreements that the Company had entered into, prior to our appointment.

I.T. systems

Certain of the I.T. systems provided by third parties to the Company have been required by Utilita to satisfy their obligations under the SoLR. In addition, these same systems have

been required to enable the book debts of the Company to be collected. As a result, we have entered into short term agreements with the suppliers and in turn, these costs will be recharged to Utilita.

3 Dividend prospects

3.1 Secured creditors

CNGL holds fixed and floating charges over all of the Company's assets and this charge was created on 11 January 2019. As at the date of our appointment, CNGL were owed in excess of £9,100,000.

Following our appointment, we engaged Shoosmiths to independently confirm the validity of our appointment and to review the security granted by the Company in favour of CNGL. Shoosmiths not only concluded that we had been validly appointed, but also confirmed that CNGL had valid security.

Based on our current forecasts, there is no prospect of CNGL being fully repaid in this matter.

3.2 Preferential creditors

We estimate the amount of preferential claims to be approximately £10,489 based on a proof of debt form that has been received from the RPO. We are currently in the process of determining if the employees of the Company have preferential claims in their own right.

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

3.3 Unsecured creditors

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

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

4.1 Joint Administrators' remuneration and disbursements

During the period the preferential creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided with our proposals and KPMG's usual charge-out rates for work of this nature;

- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4.

Subsequent to the period covered by this report, we have obtained approval from CNGL to the above resolutions.

Time costs

From the date of our appointment to 12 March 2020, we have incurred time costs of £373,272. These represent 1,044 hours at an average rate of £357 per hour. Please be advised that no fees have been drawn or paid at the time of writing.

Disbursements

During the period, we have incurred disbursements of £7,309. None of these have yet been paid.

Additional information

We have attached (Appendix 4) 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 our appointment to 12 March 2020. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals dated 8 November 2019:

Pre-administration costs				
	Disclosed unpaid costs (£)	Partially Approved (£)	Paid in the period (£)	Outstanding (£)
Joint Administrators' pre-administration costs	66,744.75	66,744.75	-	66,744.75
Pinsent Masons legal costs	25,788.50	25,788.50	-	25,788.50
Total	92,533.25	92,533.25	-	92,533.25

On 28 November 2019, we obtained approval from the preferential creditors to pay all of these pre-administration costs as an expense of the administration.

Subsequent to the period covered by this report, we have obtained approval from the Secured creditor to pay the pre-administration costs as an expense of the administration.

5 Future strategy

5.1 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:

- In conjunction with Utilita, we will finalise the customer billing and continue with the debt recovery process;

- Agreeing and settling all third party, legal and agents' costs as appropriate;
- Making distributions to CNGL;
- Agreeing and paying the claims of the preferential creditors;
- Adjudicating upon the unsecured creditors and facilitating a Prescribed Part dividend;
- Finalising all tax and VAT affairs of the Company to include submission of tax and VAT returns, settlement of any liabilities and seeking tax clearance;
- Attending to all statutory and compliance obligations.

5.2 Discharge from liability

The preferential creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon the filing of our final receipts and payment account with the Registrar or Companies.

Subsequent to the period of this report, we have also obtained approval from CNGL.

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

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

5.3 Extension of the administration period

The administration is currently due to end on 12 September 2020. Whilst we will progress the above noted outstanding matters as quickly as practicable we will not be in a position to finalise the administration before its automatic end. This is mainly as a result of the number of individual debtor balances that will require collection. The Company had circa 40,000 customers and although not all of these are debtors, there will still be a significant number of debts to collect.

We therefore intend to extend the administration period for a further 12 months to 12 September 2021 by with the creditors consent in due course.

5.4 Future reporting

We will provide a further progress report within one month of 13 September 2020.

Appendix 1 Statutory information

Company information	
Company name	Eversmart Energy Ltd
Date of incorporation	13 November 2014
Company registration number	09310427
Present registered office	1 St Peter's Square, Manchester, M2 3AE
Administration Information	
Administration appointment	The administration appointment granted in High Court of Justice, The Business and Property Courts in Manchester, 000921 of 2019
Appointor	Contract Natural Gas Limited
Date of appointment	13 September 2019
Joint Administrators' details	Andrew Stone and Will Wright
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £1,214,589. Estimated Prescribed Part is £245,918. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 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	12 September 2020

Appendix 2 Joint Administrators' receipts and payments account

Eversmart Energy Ltd - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 13/09/2019 To 12/03/2020 (£)	From 13/09/2019 To 12/03/2020 (£)
ASSET REALISATIONS			
	Deposit from Utilita	50,000.00	50,000.00
	Contribution to costs	193,094.00	193,094.00
14,057.00	Furniture & equipment	2,500.00	2,500.00
	Cash pending analysis	933,009.65	933,009.65
	Cash from PayPoint plc	38,740.00	38,740.00
	Cash at bank	952,707.56	952,707.56
		<u>2,170,051.21</u>	<u>2,170,051.21</u>
OTHER REALISATIONS			
	Bank interest, gross	4,007.62	4,007.62
	Sundry refunds	714.45	714.45
		<u>4,722.07</u>	<u>4,722.07</u>
COST OF REALISATIONS			
	Finance subcontractors	(3,080.00)	(3,080.00)
	IT systems	(125,790.25)	(125,790.25)
	Heat & light	(375.74)	(375.74)
	Storage costs	(14.40)	(14.40)
	Rent	(8,967.35)	(8,967.35)
	Rates	(1,562.21)	(1,562.21)
	Other property expenses	(472.26)	(472.26)
	Wages & salaries	(33,121.46)	(33,121.46)
	Bank charges	(142.50)	(142.50)
		<u>(173,526.17)</u>	<u>(173,526.17)</u>
FLOATING CHARGE CREDITORS			
(9,725,235.00)	Floating charge	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS			
(2,523,788.00)	Trade & expense	NIL	NIL
(62,731.00)	Employees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(1.00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

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

<i>Statement of affairs (€)</i>	<i>From 13/09/2019 To 12/03/2020 (€)</i>	<i>From 13/09/2019 To 12/03/2020 (€)</i>
(12,297,698.00)	2,001,247.11	2,001,247.11
REPRESENTED BY		
Floating ch. VAT rec'able		27,739.99
Floating charge current		1,945,044.04
Floating ch. VAT payable		(39,019.00)
Floating ch. VAT control		1,803.26
		1,935,568.29

Appendix 3 Schedule of expenses

Schedule of expenses (13/09/2019 to 12/03/2020)			
Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
Cost of realisations			
Finance subcontractors	3,080.00	1,000.00	4,080.00
IT systems *	125,790.25	236,945.19	362,735.44
Heat & light	375.74	218.37	594.11
Storage costs	14.40	500.00	514.40
Rent	8,967.35	0.00	8,967.35
Rates	1,562.21	0.00	1,562.21
Other property expenses	472.26	0.00	472.26
Wages & salaries	33,121.46	0.00	33,121.46
Joint Administrators' fees	0.00	373,271.90	373,271.90
Legal fees	0.00	26,132.00	26,132.00
Agents' fees	0.00	2,500.00	2,500.00
Bank charges	142.50	0.00	142.50
TOTAL	173,526.17	640,567.46	814,093.63

*As detailed in section 2.4 above, these costs will be recharged to Utilita in accordance with the terms of the DSA.

The Joint Administrators are entitled to receive remuneration for their services; pending agreement of the basis of the Joint Administrators' remuneration, it has been accrued on a time cost basis. Where appropriate, this will be adjusted once creditors have approved the basis.

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 Mariya Patel at 1 St Peter's Square, Manchester, M2 3AE.

However, please note that in light of the UK Government's recent instructions to stay at home, *apart from for essential travel, our staff are currently working remotely with no access* to our offices. For this reason please send any such requests by email to mariya.patel@kpmg.co.uk

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

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

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

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

If you are unable to access this guide and would like a copy, please contact Mariya Patel on 0113 231 3566.

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 2019 £/hr	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	655	690
Director	590	590	620
Senior Manager	535	535	560
Manager	445	445	467
Senior Administrator	310	310	325
Administrator	225	225	236
Support	140	140	147

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 from the date of our appointment to 12 March 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	1,215.11		NIL		1,215.11
External printing	97.78		NIL		97.78
Meals	735.75		NIL		735.75
Mileage	NIL		386.45		386.45
Software licence fees	1,020.00		NIL		1,020.00
Postage	298.07		NIL		298.07
Sundry	190.00		NIL		190.00
Telecommunications	133.32		NIL		133.32
Travel	3,232.05		NIL		3,232.05
Total	6,922.08		386.45		7,308.53

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

Category 2 disbursements have been approved by the preferential creditors in the same manner as our remuneration. Subsequent to the period of this report we have obtained approval from the Secured creditor, CNGL, in relation to the drawing of any Category 2 disbursements.

Narrative of work carried out for the period 13 September 2019 to 12 March 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of CNGL regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up an administration bank account and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets; ■ liaising with Utilita regarding debtor recoveries; ■ seeking legal advice in relation to book debt collections; ■ reviewing the inter-company debtor position between the Company and other group companies.

Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues; ■ performing land registry searches.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment;
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 –Time costs analysis (13/09/2019 to 12/03/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
Notification of appointment	0.50	222.50	445.00
Cashiering			
General (Cashiering)	28.40	7,895.50	278.01
Reconciliations (& IPS accounting reviews)	1.00	590.00	590.00
General			
Books and records	84.70	21,888.75	258.43
Fees and WIP	5.55	2,062.75	371.67

SIP 9 –Time costs analysis (13/09/2019 to 12/03/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Statutory and compliance			
Appointment and related formalities	56.50	16,019.00	283.52
Bonding & Cover Schedule	1.30	512.50	394.23
Budgets & Estimated outcome statements	15.80	7,938.00	502.41
Checklist & reviews	58.50	16,133.50	275.79
Pre-administration checks	8.00	3,560.00	445.00
Reports to debenture holders	2.80	1,595.50	569.82
Statutory advertising	3.00	1,770.00	590.00
Statutory receipts and payments accounts	11.20	4,053.00	361.88
Strategy documents	25.35	9,335.05	368.25
Tax			
Initial reviews - CT and VAT	6.90	3,270.00	473.91
Post appointment corporation tax	17.60	6,255.00	355.40
Post appointment VAT	17.20	9,355.40	543.92
Creditors			
Creditors and claims			
Dealing with former customer queries	177.90	52,193.75	293.39
Notification of appointment	2.20	495.00	225.00
Pre-appointment VAT / PAYE / CT	3.90	1,295.50	332.18
Secured creditors	2.50	1,001.90	400.76
Statutory reports	49.80	19,816.80	397.93
Employees			
Correspondence	31.05	7,820.40	251.86
Pension funds	2.15	648.00	301.40
Pensions reviews	9.65	2,916.00	302.18
Investigation			
Directors			
Correspondence with directors	5.70	2,117.50	371.49
D form drafting and submission	29.90	11,821.50	395.37
Directors' questionnaire / checklist	3.70	1,199.00	324.05
Statement of affairs	1.80	801.00	445.00
Investigations			
Correspondence re investigations	4.20	1,869.00	445.00
Review of pre-appt transactions	2.60	1,264.50	486.35
Realisation of assets			
Asset Realisation			

SIP 9 –Time costs analysis (13/09/2019 to 12/03/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Cash and investments	26.15	9,084.05	347.38
Debtors	155.95	70,749.75	453.67
Health & safety	0.40	178.00	445.00
Insurance	2.20	765.60	348.00
Leasehold property	16.70	4,681.50	280.33
Office equipment, fixtures & fittings	12.00	4,680.00	390.00
Other assets	6.30	1,923.50	305.32
Rent	1.70	646.50	380.29
Vehicles	2.00	890.00	445.00
Trading			
Cash & profit projections & strategy	2.50	1,550.00	620.00
Queries from customers	103.70	40,131.70	387.00
Employee Matters / PAYE	2.70	1,201.50	445.00
Negotiations with customers	11.00	4,895.00	445.00
Negotiations with suppliers / landlords	7.00	3,115.00	445.00
Purchases and trading costs	17.80	8,113.50	455.81
Trading Management	5.00	2,950.00	590.00
Total in period	1,044.45	373,271.90	357.39

Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	1,044.45	373,271.90
Carry forward time (appointment date to SIP 9 period end date)	1,044.45	373,271.90

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

All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Glossary

Bank	Barclays Bank Plc
Company	Eversmart Energy Ltd - in Administration
DSA	Debt Service Agreement
Gordon Brothers	Gordon Brothers International LLC
Joint Administrators/we/our/us	Andrew Stone and Will Wright
KPMG	KPMG LLP
Licence	Electricity Supply Licence
Ofgem	Office of Gas and Electricity Markets Government Office
Pinsents	Pinsent Masons LLP
Secured creditor/CNGL	Contract Natural Gas Limited
Shoosmiths	Shoosmiths LLP
SoLR	Supplier of Last Resort
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Utilita	Utilita Energy Limited

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 6 Notice: About this report

This report has been prepared by Andrew Stone and Will Wright, the Joint Administrators of Eversmart 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.

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

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