

# AM10

## Notice of administrator's progress report



Companies House

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

### 1 Company details

Company number 0 9 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 KPMG LLP

Street 1 St Peter's Square

Post town Manchester

County/Region

Postcode M 2 3 A E

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 KPMG LLP

Street 15 Canada Square  
Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

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

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*A. S. [Signature]*

X

Signature date

<sup>d</sup>  
0

<sup>d</sup>  
8

<sup>m</sup>  
1

<sup>m</sup>  
0

<sup>y</sup>  
2

<sup>y</sup>  
0

<sup>y</sup>  
2

<sup>y</sup>  
0

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

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



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

Eversmart Energy Ltd - in  
Administration

8 October 2020

Deemed delivered: 8 October  
2020

# Notice to creditors

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

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

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

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

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

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+JJ83050026.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 7).

# Contents

<b>1</b>	Executive summary	<b>1</b>
<b>2</b>	Progress to date	<b>2</b>
<b>3</b>	Dividend prospects and dividends paid	<b>4</b>
<b>4</b>	Joint Administrators' remuneration, disbursements and pre-administration costs	<b>5</b>
<b>5</b>	Future strategy	<b>7</b>
Appendix 1	Statutory information	8
Appendix 2	Joint Administrators' receipts and payments account	9
Appendix 3	Schedule of expenses	11
Appendix 4	Joint Administrators' revised fee estimates	12
Appendix 5	Joint Administrators' Charging and Disbursements Policy	15
Appendix 6	Glossary	20
Appendix 7	Notice: About this report	22

# 1 Executive summary

This progress report covers the period from 13 March 2020 to 12 September 2020.

We have continued to progress the administration in line with the strategy outlined in our proposals and progressing realisation of the Company's principal asset comprising its debtors' ledger. The billing process is nearing completion, with the key focus being collecting the remaining sums due from the Company's customers (Section 2 - Progress to date).

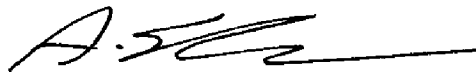
The secured creditor, CNGL, will suffer a significant shortfall in respect of the funding provided to the Company (Section 3 - Dividend prospects and dividends paid).

We anticipate the preferential creditors will be repaid in full. (Section 3 - Dividend prospects and dividends paid).

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 the dividend because we have not finalised the realisation of all of the Company's assets, nor have we begun the process of agreeing the unsecured claims. (Section 3 - Dividend prospects and dividends paid).

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

Please note: you should read this progress report in conjunction with our previous progress report[s] and proposals issued to the Company's creditors which 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 13 March 2020 to 12 September 2020. This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our first progress report, notice of which was issued to all known creditors on 8 April 2020.

### 2.1 Strategy and progress to date

#### Strategy

As previously reported, on 11 September 2019 the Company's Electricity Supply Licence was revoked by the Regulator, Ofgem, and all of its customers were transferred to Utilita under the Supplier of Last Resort ('SoLR') process. Consequently, the Company ceased to trade.

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. Since our appointment, 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

It was considered that Utilita (acting in their capacity as SoLR) were best placed to assist us in realising the Company's debtor book and as such, we entered into a Debt Services Agreement ("DSA") with them on 13 September 2019. Since that date, Utilita have utilised their existing credit control department to realise the Company's debtors and in return, have been paid on an incentivised ratchet basis.

### 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.

#### Debt collection

During the period of this report, Utilita have continued to assist with the realisation of the Company's debtor book under the contractual terms of the DSA. At the same time, we have been working closely with Utilita to reconcile the funds that had been received from the Company's pre-appointment bankers and GoCardless. This reconciliation exercise is now complete. We are pleased to report that £1,235,491 has been collected from the Company's debtor book during the period. The debtor collection process is currently still ongoing.

#### Contribution to costs

You may recall from previous reports that under the terms of the DSA, the Company was obliged to pay certain costs to suppliers of the Company to facilitate the SoLR Transfer but also to maximise realisations from the Company's debtor book. Under the terms of the DSA, a significant amount of these costs could be passed on to Utilita and during the period of this report, £224,698 (net of expenses incurred) has been received in this regard.



## Funds to be paid to UEL

As part of the reconciliation exercise mentioned above, it became apparent that £566,923 had been received by us from the Company's pre-appointment bankers and GoCardless, when in fact these funds were due to Utilita for post SoLR energy supplies that they had made. As such, it was agreed that these funds were contractually due to Utilita and a corresponding payment was made as part of the customer account reconciliation process.

## Retention and Retention monies

You will note from the R & P in Appendix 2 that £60,000 has been received during this reporting period and categorised as "Retention". Also, you will see that a further amount of £140,000 has been received and categorised as "Retention monies". The total of these two amounts (£200,000) has been set aside pending completion of the final billing exercise by Utilita. Based on our current calculations, £60,000 will be retained in the Administration and the balance of £140,000 will need to be paid to Utilita.

## Bank interest

£1,598 of bank interest has been received during the period of this report.

## Sundry refunds

£62,893 of sundry refunds have been received during this reporting period and these relate to numerous receipts from other energy companies, together with payments from merchant providers.

## Investigations

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors. No such course of action has been found.

## 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

During the reporting period we made payments totalling £332,897 to certain I. T. suppliers who were critical to the success of the SoLR transition and also the collection of the Company's debtors. Under the terms of the DSA, these costs are recoverable from Utilita and a final invoice will be issued to them during the period of our next report.

### Utilita Commission

As mentioned earlier in this report, Utilita were considered best placed to assist with the realisation of the Company's debtor book. In accordance with the terms of the DSA, Utilita are contractually entitled to earn commission and during the period of this report they have been paid £327,297.

#### Solicitors' fees

£15,216 has been paid to our Solicitors during the period of this report. These costs relate to a number of different matters arising since the outset of the Administration and include advice around contract novations & terminations, interpretation of the DSA and the treatment of certain supplier claims.

In addition, we have paid pre-Administration legal costs totalling £32,821 as detailed in section 4.2 below.

#### Funds paid to UEL

Please see the section above entitled 'Funds to be paid to UEL'.

#### Bank Charges

We have paid £323 of bank charges in the period and this is as a consequence of having to pay suppliers by bank transfer rather than cheque, due to Covid-19 restrictions.

## 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.

#### 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.

Agent fees of £3,000 are due to be paid to Gordon Brothers in the next period.

## 3 Dividend prospects and dividends paid

### 3.1 Secured creditor

Please refer to our proposals for details of the security held and indebtedness at the date of our appointment.

During the period, we have made an interim distribution of £400,000 to CNGL and this all relates to floating charge realisations, taking into account provisions for the preferential claims and the Prescribed Part.

We anticipate that the Secured Creditor will suffer a significant shortfall in respect of funding it provided to the Company.

## 3.2 Preferential creditors

At present, we are aware of preferential claims totalling £11,611 and this figure has been taken from a recent proof of debt form received from the RPS. We are currently in the process of determining whether the employees of the Company have preferential claims in their own right. Based on the information available, we estimate the total amount of preferential claims could exceed the above figure.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. We will shortly commence a claim agreement process and will write to all preferential creditors in due course under a separate cover.

## 3.3 Unsecured creditors

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

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

## 4.1 Joint Administrators' remuneration and disbursements

During the period the Secured Creditor has 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 5.

As previously advised, on 28 November 2019 we obtained approval from the preferential creditors to the above.

### Time costs

From 13 March 2020 to 12 September 2020, we have incurred time costs of £230,251. These represent 557 hours at an average rate of £413 per hour.

### Remuneration

During the period we have drawn remuneration of £200,000 (less bank transfer fee) on account of our time costs, all of which were incurred in the prior period.

## Disbursements

During the period, we have incurred disbursements of £234 none of which have been paid to date.

## Additional information

It has become apparent during the period that we will exceed our previous fees estimate. We have attached a revised fees estimate at Appendix 4. Our time costs are expected to increase, primarily due to additional time invested in the debt collection process with Utilita and extending the administration for a further 12-month period in order to enable us to conclude the asset recovery process for the benefit of creditors. At present we do not propose to seek approval in respect of our increased time costs but reserve our right to do so at a later date.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 13 March 2020 to 12 September 2020. We have also attached our charging and disbursements policy.

## 4.2 Pre-administration costs

In our proposals we disclosed pre-administration legal fees to be £25,788 relating to the services provided by Pinsents. Additional pre-administration legal costs of £7,032 have been brought to our attention and these legal fees were incurred by Shoosmiths, who were providing advice to the director of the Company in relation to the SoLR regime and the interaction with the subsequent administration process.

An updated table of pre-administration costs is set out below:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Total (£)
Joint Administrators' pre-administration costs	66,744.75	66,744.75	66,744.75	66,744.75
Pinsent Masons' pre-administration legal costs	25,788.50	25,788.50	25,788.50	25,788.50
Shoosmiths' pre-administration costs*	7,032.00	7,032.00	7,032.00	7,032.00
Total	99,565.25	99,565.25	99,565.25	99,565.25

\* Shoosmiths pre-administration costs are inclusive of counsel's fee of £990.00.

On 28 November, we obtained approval from the preferential creditors to pay the Joint Administrators' and Pinsents' pre-administration costs with a subsequent approval from the Secured creditor obtained on 25 March 2020. A requisite approval to pay Shoosmiths' pre-administration legal costs was sought and obtained from the Secured and preferential creditors on 13 July 2020.

## 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 continue with the debt recovery process;
- Agreeing and settling all third party, legal and agents' costs as appropriate;
- Making further 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 Extension of the administration

During the period Secured and preferential creditors granted a 12 month extension to the period of the administration to enable us to complete the final billing process and to conclude the administration.

The administration is currently due to end on 12 September 2021.

### 5.3 Future reporting

We will provide a further progress report within one month of 13 March 2021 or earlier if the administration has been completed prior to that time.

## 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	<p>Estimated Net Property is £1,224,016. Estimated Prescribed Part is £247,803.</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).</p>
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.</p>
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 2021

## Appendix 2 Joint Administrators' receipts and payments account

### Eversmart Energy Ltd - in Administration

#### Abstract of receipts & payments

Statement of affairs (£)		From 13/03/2020 To 12/09/2020 (£)	From 13/09/2019 To 12/09/2020 (£)
ASSET REALISATIONS			
	Deposit from Utilita	NIL	50,000.00
	Contribution to costs	224,698.22	417,792.22
	Funds to be paid to UEL	566,923.01	566,923.01
14,057.00	Furniture & equipment	NIL	2,500.00
	Retention	60,000.00	60,000.00
	Book debts	1,235,491.20	1,274,231.67
	Cash pending analysis	(986,094.13)	NIL
	Retention monies to be repaid	140,000.00	140,000.00
	Cash at bank	NIL	899,622.61
		1,241,018.30	3,411,069.51
OTHER REALISATIONS			
	Bank interest, gross	1,597.65	5,605.27
	Sundry refunds	62,893.49	63,607.94
		64,491.14	69,213.21
COST OF REALISATIONS			
	Finance subcontractors	100.00	(4,080.00)
	Administrators' fees	(199,980.00)	(199,980.00)
	Utilita commission	(327,296.75)	(327,296.75)
	IT systems	(332,897.05)	(456,287.30)
	Legal fees	(15,216.48)	(15,216.48)
	Pre administration legal fees	(32,820.50)	(32,820.50)
	Heat & light	(218.37)	(594.11)
	Storage costs	(51.71)	(66.11)
	Funds paid to UEL	(566,923.01)	(566,923.01)
	Statutory advertising	(73.00)	(73.00)
	Rent	NIL	(8,967.35)
	Rates	NIL	(1,562.21)
	Other property expenses	NIL	(472.26)
	Insurance of assets	(1,628.48)	(1,628.48)
	Wages & salaries	NIL	(33,121.46)
	Bank charges	(322.50)	(465.00)
		(1,477,327.85)	(1,649,554.02)

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

Statement of affairs (£)		From 13/03/2020 To 12/09/2020 (£)	From 13/09/2019 To 12/09/2020 (£)
FLOATING CHARGE CREDITORS			
(9,725,235.00)	Floating charge	(400,000.00)	(400,000.00)
		(400,000.00)	(400,000.00)
UNSECURED CREDITORS			
(2,523,788.00)	Trade & expense	NIL	NIL
(62,731.00)	Employees	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(1.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(12,297,698.00)</b>		<b>(571,818.41)</b>	<b>1,430,728.70</b>
REPRESENTED BY			
	Floating ch. VAT rec'able		208,914.84
	Floating charge current		1,308,315.61
	Floating ch. VAT payable		(83,862.66)
	Floating ch. VAT control		(2,639.09)
			<b>1,430,728.70</b>



## Appendix 3      Schedule of expenses

Schedule of expenses (13/03/2020 to 12/09/2020)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Administrators' fees	0.00	230,250.80	<b>230,250.80</b>
Utilita commission	81,538.47	0.00	<b>81,538.47</b>
IT systems *	93,551.86	5200.00	<b>98,751.86</b>
Storage costs	14.40	0.00	<b>14.40</b>
Bank charges	322.50	0.00	<b>322.50</b>
<b>TOTAL</b>	<b>175,427.23</b>	<b>235,450.80</b>	<b>410,878.03</b>

\*As detailed in section 2.4 above, these costs are fully rechargeable to Utilita in accordance with the terms of the DSA.

## 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](mailto:Mariya.Patel@kpmg.co.uk).

## Appendix 4 Joint Administrators' revised fee estimates

		Approved estimated time costs for the engagement			Additional estimated time costs for the engagement			Revised total estimated cost (£)
Note		Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)	Additional estimated hours	Additional estimated time cost (£)	Additional estimated hourly rate (£)	
	Administration & Planning							
	Bankrupt/Director/Member							
	Cashiering - processing receipts, payments and bank reconciliations	0.50	222.50	445.00	0.00	0.00	445.00	222.50
Note 1		225.10	74,475.00	330.85	(131.00)	(2,728.10)	337.37	31,746.90
Note 2	General - books & records, fees & work in progress	153.10	48,213.25	314.91	(41.15)	(14,878.75)	297.76	33,334.50
Note 3	Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	304.70	107,331.00	352.25	33.45	7,532.15	339.68	114,863.15
Note 4	Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	131.00	44,609.50	340.53	(18.00)	2,544.10	417.29	47,153.60
	Creditors							
	Committees - committee meetings and reports to the committee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Note 6								
Note 5	Creditors and claims - general correspondence, notification of appointment, statutory reports	505.40	155,002.50	306.69	109.45	62,250.35	353.34	217,252.85
Note 7	Employees - correspondence	66.75	22,619.00	338.86	7.80	(2,168.20)	274.32	20,450.80
	Investigations							
Note 8	Directors - correspondence, statement of affairs, questionnaires	23.00	8,234.00	358.00	18.10	7,705.00	387.81	15,939.00
Note 9	Investigations - director conduct and affairs of the Company	26.10	8,969.50	343.66	(18.80)	(5,718.00)	445.41	3,251.50
Note 10	Realisation of Assets							
	Asset Realisation - including insurance of assets	434.55	168,937.75	388.76	(73.20)	(7,151.25)	447.73	161,786.50
	Trading							
	Trading - purchases, sales, cash projections	29.20	12,994.00	445.00	79.45	38,164.30	470.85	51,158.30
	Total	1,899.40	651,608.00	343.06	(33.90)	45,551.60	373.71	697,159.60

Below is further detail of the work to be undertaken for this engagement. Whilst specific notes have been detailed below to give more context around the fees estimate, these should be read in conjunction with our proposals and the report as a whole.

#### Note 1

This work involves liaising with the Company's pre-appointment bankers to add debit markers to the pre-appointment account to prevent any payments being made. Further, this work includes liaising with the Company's pre-appointment bankers to obtain bank statements for the period leading up to the appointment of Administrators. This work also involves maintaining the administration bank account including weekly bank reconciliations and processing the large volume of transactions anticipated during the course of administration.

#### Note 2

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

#### Note 3

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

#### Note 4

This work involves engaging our in-house experts to undertake a review of the Company's VAT and tax affairs, with a view to identifying any potential recoveries for the benefit of creditors. This work includes completion of quarterly VAT Returns for the duration of the Administration and submission of Corporation Tax Returns. Prior to closure of the administration the Company will need to be deregistered for VAT and Tax clearance sought.

#### Note 5

Notifying the creditors of our appointment, attending to creditors and customers enquiries, preparing our statutory reports. We have had to deal with a high volume of enquiries from customers and former customers of the Company in respect of which we continued to liaise with Utilita to ensure that these queries are dealt with in a timely manner and that correct information is passed on. Our work will also include dealing with and agreeing creditors' claims and payment of dividends (available funds permitting).

#### Note 6

There is currently no creditors committee in this matter.

#### Note 7

Activities include the processing of the payroll, processing employee claims and attending to their queries, liaising with the Redundancy Payments Office, and supporting employees through the administration and redundancy processes.

#### Note 8

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

#### Note 9

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

#### Note 10

Our time costs spent in realising the Company's assets, most notably finalisation and collection of the Company's debtor book. Our work also included reconciling the cash balances received from the pre-administration account relating to debtors. Time costs will also be incurred in identifying, quantifying and pursuing the Company's other assets which include a small quantity of office

equipment, certain security bonds (likely to be subject to offset) and prepayments.

**Note 11**

Although the Company is not trading in Administration, time-costs have been incurred (and will be incurred) in maintaining certain of the Company's systems and IT infrastructure to facilitate the debt recovery process, including liaising with key suppliers to secure required services and the giving of certain commitments to suppliers.

## Appendix 5 Joint Administrators' Charging and Disbursements Policy

### Joint Administrators' charging policy

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

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

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

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/w.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Mariya Patel on 0113 2313566.

### 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

## Table of charge-out rates

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

## Policy for the recovery of disbursements

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

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

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

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

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of partner's car – 60p per mile.

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

We have incurred the following disbursements (excluding VAT) during the period 13 March 2020 to 12 September 2020.

<b>SIP 9 - Disbursements</b>					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	62.11		NIL		<b>62.11</b>
Postage	172.25		NIL		<b>172.25</b>
<b>Total</b>	<b>234.36</b>		<b>NIL</b>		<b>234.36</b>

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 Secured and preferential creditors in the same manner as our remuneration.

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

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets; posting information on a dedicated web page; preparing statutory receipts and payments accounts; obtaining approval from the Secured and preferential creditors of a 12-month extension of the administration; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	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; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of CNGL regarding the progress of the administration and case strategy.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions; dealing with post appointment tax compliance.
Shareholders	responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by CNGL; dealing with the ongoing storage of the Company's books and records.
Asset realisations	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.
Creditors and claims	updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims; agreeing secured claims; arranging distributions to the secured creditors; drafting our progress report.

## Time costs

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	<b>25.60</b>	8,189.20	319.89
Reconciliations (& IPS accounting reviews)	<b>28.10</b>	11,738.30	417.73
General			
Books and records	<b>2.80</b>	1,076.60	384.50
Fees and WIP	<b>15.90</b>	6,983.40	439.21
Statutory and compliance			
Budgets & Estimated outcome statements	<b>30.50</b>	14,789.60	484.90
Checklist & reviews	<b>57.15</b>	15,818.90	276.80
Extension related formalities	<b>25.45</b>	7,852.90	308.54
Reports to debenture holders	<b>5.80</b>	2,708.60	467.00
Statutory receipts and payments accounts	<b>3.00</b>	708.00	236.00
Strategy documents	<b>5.10</b>	1,457.70	285.82
Tax			
Initial reviews - CT and VAT	<b>0.40</b>	94.40	236.00
Post appointment corporation tax	<b>27.10</b>	11,670.40	430.64
Post appointment VAT	<b>27.80</b>	11,193.40	402.64
<b>Creditors</b>			
Creditors and claims			
Agreement of preferential claims	<b>1.50</b>	700.50	467.00
General correspondence	<b>15.10</b>	6,463.60	428.07
Payment of dividends	<b>0.40</b>	224.00	560.00
Secured creditors	<b>5.20</b>	1,931.40	371.42
Statutory reports	<b>36.60</b>	15,416.60	421.22
Employees			
Correspondence	<b>5.50</b>	1,298.00	236.00
Other			
Queries from customers	<b>69.95</b>	29,259.40	418.29
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>0.90</b>	420.30	467.00
Debtors	<b>93.85</b>	46,368.80	494.07
Insurance	<b>10.20</b>	4,416.90	433.03



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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Leasehold property	<b>0.80</b>	373.60	467.00
Other assets	<b>0.70</b>	230.00	328.57
Trading			
Employee Matters / PAYE	<b>0.50</b>	118.00	236.00
Negotiations with suppliers / landlords	<b>5.30</b>	2,475.10	467.00
Post trading related matters	<b>2.80</b>	1,307.60	467.00
Purchases and trading costs	<b>53.05</b>	24,965.60	470.61
<b>Total in period</b>	<b>557.05</b>	<b>230,250.80</b>	<b>413.34</b>

Brought forward time (appointment date to SIP 9 period start date)	1,044.45	373,271.90
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	557.05	230,250.80
Carry forward time (appointment date to SIP 9 period end date)	1,601.50	603,522.70

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 6      Glossary

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

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

## Appendix 7      Notice: About this report

This report has been prepared by 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.

We are bound by the Insolvency Code of Ethics.

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

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

[www.kpmg.com](http://www.kpmg.com)

© 2020 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at [www.kpmg.com/uk](http://www.kpmg.com/uk)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.

