

# AM22

## Notice of move from administration to creditors' voluntary liquidation



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 5 2 3 0 6 6

Company name in full Green Network Energy Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name High Court of Justice, The business and Property

Courts in Birmingham

Court case number 0 0 0 0 3 1 2 0 2 1

### 3 Administrator's name

Full forename(s) Matthew James

Surname Cowlshaw

### 4 Administrator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

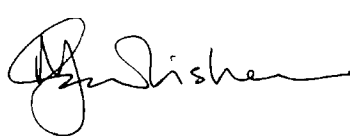
# AM22

Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name ①</b>	
Full forename(s)	Ian Colin	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Wormleighton	
<b>6</b>	<b>Administrator's address ②</b>	
Building name/number	60 St Martin's Lane	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	London	
Post town	WC2N 4JS	
County/Region		
Postcode		
Country		
<b>7</b>	<b>Appointor/applicant's name</b>	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Joint	
Surname	Administrators	
<b>8</b>	<b>Proposed liquidator's name</b>	
Full forename(s)	Matthew James	
Surname	Cowlshaw	
Insolvency practitioner number	0 0 9 6 3 1	
<b>9</b>	<b>Proposed liquidator's address</b>	
Building name/number	156 Great Charles Street	
Street	Queensway	
Post town	Birmingham	
County/Region		
Postcode	B 3 3 H N	
Country		

AM22

Notice of move from administration to creditors' voluntary liquidation

<b>10</b>		<b>Proposed liquidator's name<sup>①</sup></b>	
Full forename(s)	Ian Colin		
Surname	Wormleighton		
Insolvency practitioner number	0	1	4 2 3 0
		<b>① Other liquidator</b> Use this section to tell us about another liquidator.	
<b>11</b>		<b>Proposed liquidator's address<sup>②</sup></b>	
Building name/number	156 Great Charles Street		
Street	Queensway		
Post town	Birmingham		
County/Region			
Postcode	B	3	3 H N
Country			
		<b>② Other liquidator</b> Use this section to tell us about another liquidator.	
<b>12</b>		<b>Period of progress report</b>	
From date	d 0 2	m 0 8	y 2 0 2 1
To date	d 3 1	m 0 1	y 2 0 2 2
<b>13</b>		<b>Final progress report</b>	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
<b>14</b>		<b>Sign and date</b>	
Administrator's signature	Signature X  X		
Signature date	d 3 1	m 0 1	y 2 0 2 2

**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 **Narinder Aheer**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street  
Queensway**

Post town **Birmingham**

County/Region

Postcode **B 3 3 H N**

Country

DX

Telephone **+44 121 619 0120**

**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 and dated 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)**



The Global CEO Advisory Firm

Court Case No. 31 of 2021  
High Court of Justice Business and Property  
Courts in Birmingham  
Company Number: 09523066

Registered Office:  
c/o Teneo Financial Advisory Limited,  
156 Great Charles Street  
Queensway  
Birmingham  
B3 3HN

# Green Network Energy Ltd (in administration) ("the Company") ("GNE")






Final progress report to creditors pursuant to rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

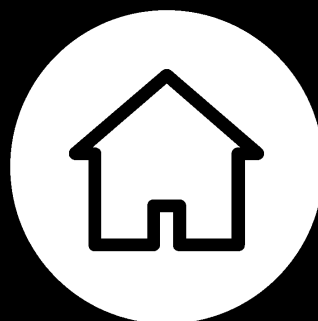
31 January 2022

Matthew James Cowlishaw and Ian Colin Wormleighton ("the Joint Administrators") were appointed Joint Administrators of the Company on 2 February 2021 by SmartestEnergy Limited ("SEL") of The Columbus Building, 7 Westferry Circus, London, E14 4HD. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

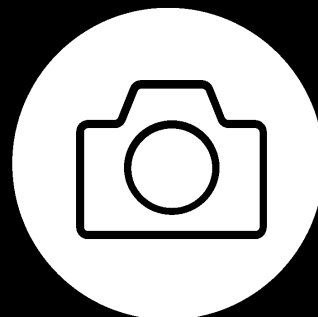
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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## Key messages



Key messages

Joint Administrators  
of the Company

Matthew James Cowlshaw  
Ian Colin Wormleighton

Teneo Financial Advisory Limited  
156 Great Charles Street  
Queensway  
Birmingham  
B3 3HN

Contact details

Email:  
[GNEadministration@teneo.com](mailto:GNEadministration@teneo.com)  
Website: [www.ips-docs.com](http://www.ips-docs.com)  
Tel: 0121 619 0141



Purpose of administration
Achievement of the Joint Administrators' Proposals
Costs

- The purpose of the administration was to achieve a better result for the Company's creditors as a whole than a liquidation.
- On 27 January 2021 the energy regulator Office of Gas and Electric Markets ("Ofgem") initiated the Supplier Of Last Resort ("SoLR") process resulting in the transfer of all of the Company's customers to EDF Energy Limited ("EDF") on 31 January 2021. The Company subsequently went into administration on 2 February 2021.
- We entered into a transitional service agreement ("TSA") with EDF to support the change of supply and account migration process in addition to the generation of final bills for customers.
- We have completed an orderly wind down of the business with all live customer accounts being successfully transferred to EDF.
- We have continued to resolve various billing disputes and have issued final bills to c.98% of customers.
- Following the end of the transitional service agreement ("TSA") there were c.2% accounts which had not received final bills by 30 September 2021. Rather than continue to incur the costs of keeping the Company's billing system and associated operations running, we agreed that EDF would issue final bills to these customers as this was the most efficient and cost-effective way to conclude the final billing process.
- We have also entered into an agreement to sell the Company's book debts associated with customer account debit balances to EDF. Please see page 7 for further details.
- Following the sale of the Company's book debts to EDF, we continue to work with EDF to reconcile the final consideration amount as the final billing process has progressed. Please see page 7 for further details.
- A number of employees were retained to support the customer migration process, final billing and inbound customer queries. These employees were made redundant during the period.
- Fixed charge proceeds of £28.5m have been received through a combination of cash at bank on appointment and book debt receipts which have been duly paid to the secured creditor, see pages 8 and 9 for further details.
- Floating charge realisations achieved in the period since our last report total £51k, bringing total floating charge realisations in the administration (excluding customer receipts) to £18.3m, as shown in receipts and payments account. This is comprised of £14.3m book debt receipts, £1.8m cash at bank, £3.9m pre-appointment VAT refund, £42k chattel assets, £22k other receipts and a £2.8m contribution from EDF Energy under the transitional service agreement ("TSA").
- Our remuneration was fixed on a time costs basis. Please see pages 16 and 17 for further details.
- We have incurred total time costs of c.£3.7m. We have drawn fees of £2.5m plus VAT. Please see pages 16 and 17 for further details.
- Category 1 expenses in respect of third-party costs and expenses of £129.4k plus VAT have been incurred since our last report. Category 1 expenses of £128 plus VAT, classified as disbursements, have been incurred during the period. Please refer to page 10 for details of the total costs.
- Category 2 expenses of £280 plus VAT, categorised as disbursements, have been incurred since our last report. Please refer to page 18 for details of the total costs.

Key messages

Outcome for Creditors
Extension to and end of the administration period

- Secured creditors – The secured creditors have been repaid in full.
- Preferential creditors – There will be sufficient realisations to enable payment of preferential claims in full during the subsequent Creditors’ Voluntary Liquidation (“CVL”).
- Secondary preferential creditor – The secondary preferential creditor will be paid in full during the subsequent liquidation.
- Unsecured creditors – It is likely that there will be a distribution for unsecured creditors over and above the value of the distribution that would have been available under the Prescribed Part, which will be made during the subsequent CVL.
- The period of the administration was not extended and we will now file the relevant documents, including this final report, with the Registrar of Companies in order that the Company be placed into CVL. Formal notification of the CVL will be provided to all creditors shortly after this filing has been made with the Registrar of Companies.





Summary Proposals

Steps taken	6
Costs	10



## Summary of the Joint Administrators' Proposals

### The Joint Administrators' Proposals

Our Proposals for the administration include:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- assessing the affairs of the Company and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Company or its management;
- continuing with enquiries into the conduct of the directors of the Company and continuing to assist any regulatory authorities with any investigation into the affairs of the Company;
- agreement of the claims of any secured, preferential and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application; and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration.
- that, if the Company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the appropriate body was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to page 18 for details.



## Summary Proposals

## Steps Taken

### The Joint Administrators' Proposals

Our Proposals were approved by the creditors of the Company on 13 April 2021.

Extensions to the administration

It was not necessary to extend the period of the administration.

Background

On 25 January 2021, the Directors notified Ofgem it was their intention to invoke the Supplier of Last Resort ("SoLR") process which Ofgem subsequently commenced on 27 January 2021.

Following a competitive tender process, on 31 January 2021, EDF Energy was announced as the SoLR with all domestic and non-domestic customers transferring from the Company to EDF Energy.

This process allowed EDF Energy to continue to supply customers without disruption and honour any outstanding credit balances for domestic and non-domestic customers.

Following the SoLR announcement and once it became clear that the Company would be unable to pay its debts as they fell due, the Directors filed a Notice of Intention ("NOI") to appoint the Company's incumbent restructuring advisors as Administrators on 29 January 2021.

Under the terms of their qualifying floating charge and prior to the expiration of the NOI, Smartest Energy Limited ("SEL") instead elected to appoint Matthew James Cowlshaw and Ian Colin Wormleighton as Joint Administrators of GNE on 2 February 2021.

Steps taken during the administration

Given the SoLR process and the requirement to transfer the customers from the Company to EDF it was not possible to trade the business as a going concern.

As such, the Joint Administrators implemented a wind down strategy in order to maximise the value of the Company's assets which primarily consist of the customer book debts.

The key elements of this wind down strategy comprised of:

1. Securing a sale of the customer book debts to EDF which maximised value for creditors compared to the alternative of collecting out the book debts through the administration process. Please see page 8 for further information.

2. **Entering a Transitional Services Arrangement ("TSA")** with EDF for the provision of services including:

- to support the change of supply process and migration of customer accounts;
- to produce a final bill for all live and term customers accounts;
- the bulk transfer of Direct Debit mandates from GNE to EDF;
- the provision of management information and key data to support in the customer migration and final billing process; and
- dealing with customer correspondence to resolve inbound disputes and queries relating to account transfers.

For the provision of services agreed under the TSA, a cost sharing arrangement between the Joint Administrators and EDF was agreed.

Total amounts paid to suppliers during the TSA period equal c.£4.5m. To date, EDF have contributed c.£2.8m towards these costs.

We are in the process of reconciling and agreeing all costs incurred under the TSA with EDF. Please see the receipts and payments account on pages 11 and 12 for further detail.

At the end of the TSA period, there were c.2% customer accounts awaiting a final bill. Following detailed cost analysis, it was agreed by the Joint Administrators that the most cost efficient method to conclude final billing was for EDF to issue the remaining final bills.

3. Retaining employees to support the TSA. The Company had 210 employees at appointment of which 174 were initially retained to assist with the delivery of the TSA wind down along with one IT contractor. All the remaining employees were made redundant by November 2021. The Company's IT contractor and an external billing contractor continue to support the Joint Administrators in managing the IT infrastructure and reconciliations of the final billing process.



## Summary Proposals

## Steps Taken

### Steps taken during the administration (continued)

4. Liaising with key suppliers to maintain operational infrastructure primarily in relation to the IT environment to ensure billing capabilities were maintained. Once GNE concluded the final billing process, these agreements came to an end and this workstream has been completed.
5. Agreeing a customer communications strategy with EDF which included retaining a third-party call centre to support with inbound customer contact. This workstream concluded on 30 September 2021.

### Book debts

As reported previously, after extensive negotiations, on 19 March 2021, the Joint Administrators agreed to sell all customer book debts due to the Company to EDF.

GNE is continuing to finalise customer accounts as at the date of SoLR. The latest reconciliation of customer accounts indicates that as at the date of the SoLR, GNE's sales ledger included estimated billed and unbilled customer debts of:

- Domestic customer: £66.6m; and
- Non-domestic customers: £1.5m.

This includes a total of £13.1m of 'term' debt for customers who have left GNE both prior to 31 January 2021 and since 31 January 2021.

The consideration was calculated based on:

- the customers final account balance at the date of SoLR based off an industry generated meter reading; and
- a pence in pound consideration based on the classification of a customer (e.g. live customer who has transferred to EDF vs a customer who left GNE pre or post the SoLR date) at the date the customer is transferred to EDF under the change of supply process.

Based on the current estimated customer debt position at 31 January 2021 and customer classification, revised for the latest reconciliation of the debt position, the estimated consideration for the book debt is c.£35-c.£40m. Approximately £30m has been collected to date.

The final consideration will be confirmed once all final bills have been produced and, should there be variance in the final bill value compared to the current estimated position, an adjustment to the consideration payable by EDF will be made.

The Joint Administrators are continuing to liaise with EDF in relation to the status of the remaining final bills. We currently understand this process is expected to be concluded over the next couple of months.

An initial consideration amount of c.£17m was received on completion of the sale plus an additional £3m which was initially retained by Santander and has since been released to the administration. A further c.£5.5m was released in May 2021 and c.£4.5m has been received during the period. The remaining consideration is due to be paid at milestone dates throughout the final billing process before a final payment being made 12 weeks following the last final customer bill being raised. We currently expect to conclude the book debt reconciliation by the July 2022. As stated opposite, consideration to date totals £30m which is split between fixed and floating charge realisations per our receipts and payments account on pages 11 and 12.

The outstanding consideration will be collected in the subsequent CVL and we will provide further updates in future reports.

### Chattel assets

As at the date of appointment, the Company owned a quantity of tangible assets including employee laptops, desks, chairs, office equipment, fixtures and fittings across its trading premises.

On exiting the premises, we appointed agents to dispose of the fixtures and fittings, primarily office equipment. During the period since our last report £41.9k was received with regard to these assets.

### Leasehold property

The Company operated from the ground and third floor of a leasehold property based in Croydon, with the lease held by the parent company Green Network UK PLC ("GNUP").

As previously reported, we exited the ground floor premises, consolidating the IT infrastructure on to the third floor.

The Joint Administrators have entered into a tenancy agreement with GNUP for occupation of the third floor through to the end of November 2021. During the period the Joint administrators exited the third-floor premises and handed the property back to the landlord.



## Summary Proposals

## Steps Taken

### Steps taken during the administration (continued)

#### Pre-appointment VAT return

Prior to our appointment the Company submitted VAT returns to HM Revenue and Customs ("HMRC") for the period of 1 November 2020 – 30 November 2020 and 1 December 2020 – 31 December 2020.

These returns have generated a refund for the Company totalling £3,863k. These funds have been received into the administration bank account.

In the period we have liaised with relevant VAT specialists in relation to the VAT return for the final pre-appointment period of 1 January 2021 – 1 February 2021. This work has continued during the period, and we expect to be able to submit the return to HMRC during the subsequent liquidation.

#### Cash at Bank

At the date of our appointment, the Company held cash totalling £18,925k across 7 bank accounts. This is split between fixed and floating charge bank accounts as shown on pages 11 and 12, and outlined below:

£17,041k - Cash held in Santander fixed charge bank account and subject to Smartest's fixed charge security. £12,766k was received on appointment and the remaining £4,275k was received post SoLR and therefore has formed part of the reconciliation with EDF as part of the sale of the book debts. (This forms part of the balance shown as 'EDF customer receipts (held in escrow)' on page 11 and 12);

£54k – Cash held in Santander floating charge bank accounts; and

£1,829k - Cash held in Barclays floating charge bank accounts.

These funds have been transferred to the administration interest-bearing bank accounts following our appointment. No additional funds were received during the period since our last report.

#### Pre-appointment Group Recharge

£4.5k has been received in the first six months of the administration in relation to an intercompany recharge.

### Credit Cover deposits

The Company had lodged £4.5m of credit cover deposits with key suppliers.

The Administrators are in the process of corresponding with these suppliers in order to recover any equity from these funds.

Given the terms and conditions of the agreements, the suppliers are likely to set-off the security deposits owing to them, albeit there may be some balances to be released back to the Administration estate once final industry reconciliations have been undertaken. During the appointment we have received £16.7k, further funds may be received during the subsequent liquidation.

### Statutory tasks

During the appointment we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management actions, including updating the insolvency creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the Proposals;
- Appointment notifications, including notifying the relevant parties of the appointment;
- Confidential report to the Insolvency Service on the directors' conduct;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.



Summary  
Proposals

Costs

Third party costs incurred during the report period

**Joint Administrators’ – Category 1 Expenses**

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

Please see below and opposite for details of Category 1 expenses incurred during the report period and a summary of all Category 1 expenses incurred since our appointment and the position with regard thereto:

**Legal Costs:**

- We instructed Eversheds Sunderland LLP (“Eversheds”), a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, to advise on the following legal matters and to prepare required legal documentation in relation to:
  - Validity of Appointment review in respect of our appointment as Administrators of the Company;
  - Prepare / review bulk change deed to support the transfer of customer direct debit mandates to EDF;
  - Prepare / review data sharing arrangement;
  - Prepare / review the Transitional Services Agreement between the Company and EDF;
  - Prepare / review the sale and purchase agreement for the customer book debts;
  - Initial advice in relation to continued occupation of the Croydon Property;
  - Legal claims against the Company.

To date costs of £130.1k (plus VAT) have been incurred and they have estimated that their further fees will be in the region of £5-10k (plus VAT). Eversheds incurred costs and were paid £118.8k (plus VAT) in the period since our last report and any outstanding balance will be settled during the subsequent liquidation.

**Agents’ Costs**

- We instructed Wyles Hardy & Co. Ltd, agents with the appropriate expertise and experience, to undertake a review of the Company’s chattel assets and support in the sale of certain fixtures and furniture located on the ground floor of the Company’s leasehold premises. During the period they have incurred costs of £5.9k plus VAT. For the period of the appointment, their costs have amounted to £10.6k plus VAT, which was settled in the period since our last report.

**Disbursements – Category 1**

Category 1 disbursements are payments made by us direct to third parties and for which no approval is required and which are summarised in the table below:

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total incurred during the appointment	Paid	Unpaid
Travel	750	48	48	24	24
Postage/Couriers	2,000	80	1,222	1,222	-
Specific Penalty Bond	230	-	230	230	-
IT Expense	300	-	157	157	-
Total disbursements	3,280	128	1,657	1,633	24

**Joint Administrators’ – Category 2 Expenses**

These are payments:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; and also
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited (“Teneo” and “the Transaction”) on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 18.

All costs have been paid, as shown in the receipts and payments account on page 11 and 12.

All professional costs were reviewed and analysed in detail before payment was approved.



## Summary Proposals

## Receipts & Payments Account

A receipts and payments account is provided on the next page, detailing the transactions in the final period of the administration since our last report to 1 August 2021, and also summarising the transactions for the entire period of the administration.

### Notes to receipts and payments account

#### A - Bank interest

All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

#### B - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HMRC in due course.

#### C - Accruals

Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

#### D – Book debts

Book debts of £30m represent the consideration paid by EDF to date as part of the book debt sale to date. Given the nature of SEL's security, these were fixed charge realisations to the extent to which they were required to settle SEL's debt (with the surplus reported within floating charge assets section of the receipts and payments account).

#### E – Customer receipts held on behalf of EDF

Amounts collected from customers post appointment on behalf of EDF. Monies have subsequently been transferred to EDF following the debt book sale in line with the debt sale agreement. The balance remains in escrow held to pay future book debt consideration and TSA costs as shown on the next page.

#### F – Trading costs

A number of costs in relation to wind down of the Company have been incurred, totalling c.£6.56m, as part of the delivery of the TSA for EDF as detailed on page 7.

#### G – Ransom creditors

£16.7k has been paid in respect of two critical suppliers.

#### H – Funds received in error

In the period a reconciliation of customer receipts received identified that £78k in fact related to funds received in error. These amounts were subsequently repaid in the period.

#### I – Reconciliation

As mentioned above during the reconciliation process further book debts were identified, these have now been moved from EDF customer receipts (held in escrow) to book debts.

**Rounding note** - In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



## Summary Proposals

## Receipts & Payments Account

Green Network Energy Ltd - In Administration  
Joint Administrators' final receipts and payments account  
2 February 2021 to 31 January 2022

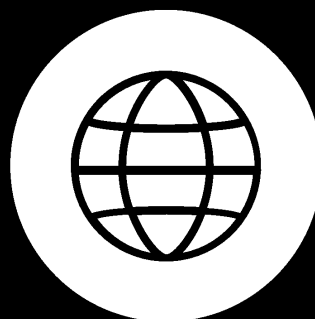
£	SoA values	Notes	Period	To date
<b>Receipts</b>				
Cash at Bank (Fixed)	12,798,237		-	12,766,406
Book Debts (Fixed)	-	D	-	15,787,122
<b>Total receipts</b>	<b>12,798,237</b>		<b>-</b>	<b>28,553,527</b>
<b>Payments</b>				
Fixed Charge Distribution - SmartestEne			-	28,553,527
<b>Total payments</b>			<b>-</b>	<b>28,553,527</b>
<b>Balance</b>				<b>-</b>
<b>Receipts</b>				
Pension Refund			-	133
Chattel Assets	-		41,985	41,985
Book Debts	38,017,779	D	4,450,900	14,250,386
EDF Customer Receipts (to be returned)	-	E	-	26,043,956
EDF TSA contribution	-	E	-	2,802,714
VAT Refund	6,921,166		-	3,864,023
Cash at Bank	2,139,012		-	1,883,910
Pre-appointment group recharge	-		-	4,503
Pre-Appointment Deposits	-		-	16,714
Bank Interest Gross	-	A	1,084	1,530
Funds Received in Error	-	H	78,832	85,352
EDF Customer Receipts (held in Escrow)	-	I	(4,520,935)	7,048,605
Sundry Refunds	-		(408)	433
Other Receivables	551,284		-	-
<b>Total receipts</b>	<b>47,629,241</b>		<b>51,458</b>	<b>56,044,246</b>
<b>Payments</b>				
Wages & Salaries			742,418	3,084,280
Other Payroll Costs			2,874	8,284
Metering			2,701	213,969
Rent			447,820	447,820
Call Centre Costs			196,978	649,093
Other Comms			10,457	28,600
IT Costs			731,122	2,110,137
Payroll Preparation			286	286
Information Request Costs			-	846
Contractors			141,546	186,919
Printing			14,996	28,970
Ransom Creditors		G	-	16,786
Payment of Funds Received in Error		H	78,832	85,352
Payment of EDF Customer Receipts		E	-	26,043,956
Pre-Appointment Administrators' Fees			20,969	20,969
Pre-Appointment Legal Fees			4,852	4,852
Administrators' Fees			2,500,000	2,500,000
Administrators' Expenses			1,699	1,699
Legal Fees			118,833	118,833
Agent Fees			10,551	10,551
Postage & Redirection			-	519
Statutory Advertising			-	99
Insurance of Assets			1,195	3,848
Bank Charges			591	701
<b>Total payments</b>			<b>5,028,721</b>	<b>35,567,366</b>
<b>Balance</b>				<b>20,476,880</b>
<b>Made up of:</b>				
Floating Chge Deposit A/c		A		19,743,532
Trade Creditors		C		(159,074)
VAT Receivable		B		892,422
<b>Balance in hand</b>				<b>20,476,880</b>



## Information for creditors

Outcome for creditors

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## Information for creditors

### Outcome for creditors

#### Secured creditors

The Company's records show SEL and Santander UK PLC as the Company's secured creditors ("the Secured Creditors").

At the date of our appointment, the following amounts were owed to them:

- SEL – c.£28.5m
- Santander UK PLC – Currently uncertain in value

The value of the debt owed to Santander is contingent as it is dependent on the value of chargeback claims received. To date we have not received any notification of any claim to date.

Both creditors are secured by way of fixed and floating charges granted by the Company on 29 September 2020 and 30 November 2020, respectively.

A deed of priority between the Secured Creditors confirms that Santander's security interests rank behind that of SEL's.

SEL have been paid in full from fixed charge realisations in the period of the administration.

SEL

The debenture granted to SEL includes a fixed charge over cash held in a specific account in addition to certain debtors. Legal advice obtained from Eversheds LLP has confirmed the validity of this charge.

Following the sale of the debt book, there were sufficient fixed charged realisations to pay SEL in full under their fixed charge security. c.£28.5m was paid to SEL on 22 March 2021.

Santander UK PLC

Santander's security provides cover in respect of chargeback risk on the merchant service facility provided. The exact quantum of the debt is currently being calculated but we note that this risk has been reduced as the customer Direct Debit ("DD") mandates were transferred to EDF as part of the change of supply process. An update will be provided in during the subsequent CVL.

#### Preferential creditors

Preferential claims consist of amounts owed to employees and HMRC for arrears of wages, holiday pay, pension contributions and payroll taxes. The directors' statement of affairs estimated preferential claims totaling c.£756.9k. However we, as Joint Administrators, have not yet adjudicated this figure but would anticipate that this number will be lower once all claims have been received and agreed.

To date we have received 169 preferential claims totaling c.£478.2k, which is in line with expectations as detailed in our Proposals. On present information it is likely that these claims will be paid in full during the subsequent CVL.

#### Secondary Preferential Creditor

Secondary preferential debts are debts due to HMRC in respect of deducted taxes, including VAT, PAYE, student loan repayments, employee NICs and CIS deductions. We estimate that HMRC will have a secondary preferential claim of c.£637.2k in respect of VAT, PAYE, student loan repayments, employee NICs and CIS deductions. On present information we anticipate that sufficient funds will become available to enable this claim to be paid in full during the subsequent CVL.

#### Prescribed Part

As detailed in our Proposals, the Secured Creditors will be paid in full and unsecured creditors will receive a dividend over and above the value of the distribution that would have been available under the Prescribed Part.

#### Unsecured creditors

The director's statement of affairs shows 153 unsecured creditors with estimated non-preferential claims totaling £115.9m. We have received 42 claims to date for a total of £66.4m.

On present information we anticipate that there will be sufficient funds to enable a distribution to be made to unsecured creditors, this will be completed in subsequent liquidation.

#### End of the administration

The administration will end when the appropriate Notice has been registered at Companies House, following which the Company will move into CVL to enable payment of a dividend to unsecured creditors and to allow other outstanding matters to be finalised.

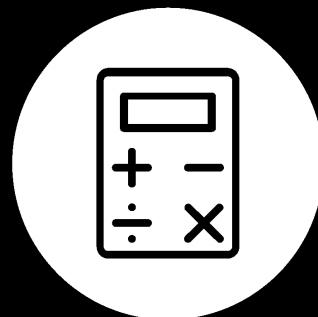




## Remuneration and expenses

Joint Administrators' remuneration

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## Remuneration and expenses

### Joint Administrators' remuneration

#### Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at [www.ips-docs.com](http://www.ips-docs.com).

Should you require a paper copy, please send your request in writing to us at the address on the cover page and this will be provided to you at no cost.

#### Basis of remuneration

The basis of our remuneration was fixed on 18 October 2021 by creditors by reference to the time properly given by the Joint Administrators and their staff plus VAT thereon.

Please also note that our approved fee basis was inclusive of the costs in respect of work delivered by Deloitte LLP and as detailed further on page 18.

#### Time costs – Fees drawn

We have drawn a total of £2.5m plus VAT in respect of our time costs as shown in the receipts and payments account on page 12.

#### Time costs - analysis of actual against Estimate

Please refer to page 17 where we have updated the Fees Estimate to provide details of our actual time costs for the period of the report and for the entire period of our appointment.

As you will see our total time costs to 25 January 2022 are c£3.7m made up of 5,170.4 of hours at a blended charge out rate of £720 across all grades of staff.

#### Time costs have exceeded initial estimate

As can be seen on page 17 our actual time costs are higher than we initially anticipated, which can be attributed to the following:

- The change of supply and final billing process for all 360k customers has taken longer than initially expected due to complexities in agreeing a suitable approach with EDF for customer account migration and the final billing (which includes ensuring correct tariffs are used for customer bills), daily update calls and meetings with both the GNE operational teams and EDF, and a greater than anticipated level of billing exceptions which required a suitable action plan to be agreed and higher levels of manual processes. This has resulted in additional time input from the administration team monitoring trading, dealing with final billing processes and liaising with EDF in order to work through the issues. The ongoing complexities has required more senior grades of staff to perform the work.
- Additional cashiering tasks have been carried out in relation to dealing with the volume of receipts into GNE's bank account, returning certain funds to EDF, processing payroll and supplier payments and liaising with Santander in relation to minimum funds to be held and closure of bank accounts.
- Higher volume than anticipated of customer queries regarding the SoLR process and final billing process.

Although our actual time costs to date are higher than we anticipated, at this stage, we do not intend to draw fees in excess of the c£3.5m as provided for in our Fee Estimate.



## Fees Estimate and Joint Administrators' time costs for the period 2 February 2021 to 25 January 2022

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period			Actual Time and Costs since		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	154.0	535	82,405	51.0	613	31,209	182.3	556	101,284
	Case supervision	162.7	723	117,594	131.5	796	104,628	255.1	783	199,794
	Case reviews	10.5	509	5,341	2.4	380	912	2.4	380	912
	Case closure matters	26.5	558	14,780	4.3	884	3,802	4.3	884	3,802
Statutory & compliance	Compliance & IFS diary	28.4	600	17,031	8.2	948	7,726	27.0	718	19,367
	Insurance	14.2	707	10,034	-	-	-	9.2	692	6,371
	General reporting	128.0	641	81,982	36.5	792	28,936	116.5	687	80,018
	Regulatory & other legislation	6.5	729	4,740	-	-	-	-	-	-
Initial actions	Appointment matters	20.6	645	13,282	-	-	-	20.6	645	13,282
	Securing assets	2.5	1,025	2,563	-	-	-	2.5	1,025	2,563
	Notifications	47.6	611	29,044	-	-	-	47.6	611	29,044
Investigations	CDDA reporting	50.0	399	19,910	-	-	-	50.0	399	19,910
	Investigations	87.3	461	40,257	4.3	936	4,024	56.6	371	20,980
Total of above categories		738.6	594	438,962	238.1	761	181,237	773.8	-	497,326
Taxation	Tax	41.8	625	26,116	12.3	1,007	12,388	14.1	958	13,465
	VAT	69.3	683	47,332	17.2	768	13,202	44.5	770	34,237
Asset realisations	Book debts	416.9	984	410,209	86.0	1,025	88,149	421.7	1,018	429,282
	Chattel assets	64.6	774	50,019	24.0	1,100	26,400	53.6	1,017	54,532
	Other assets	46.8	768	35,908	37.9	755	28,559	69.6	754	52,509
	Property	41.0	828	33,950	0.7	815	571	29.0	917	26,579
	Sale of business	113.8	1,026	116,704	-	-	-	115.6	1,022	118,171
Trading	Day 1 control of trading	66.4	759	50,346	-	-	-	66.4	759	50,346
	Ongoing trading	1,878.0	684	1,284,633	854.2	701	599,165	2,391.7	682	1,631,073
	Monitoring trading	372.4	899	334,561	9.0	1,100	9,900	201.4	1,047	210,901
	Closure of trade	136.5	666	90,875	7.5	815	6,113	7.5	815	6,113
Employees	Correspondence	257.4	699	179,931	79.2	604	47,888	254.7	656	166,975
	Employment tribunals	8.0	532	4,277	1.0	650	650	4.5	452	2,051
	Pensions	9.5	580	5,532	10.2	650	6,608	15.2	609	9,264
Correspondence	Creditors	188.3	657	123,754	78.6	687	53,993	155.7	780	121,421
	Shareholders	13.3	1,041	13,849	3.5	835	2,893	16.8	999	16,742
	Customers	287.2	608	174,627	287.5	454	130,646	529.7	522	276,512
Distributions	Secured creditors	20.0	763	15,261	-	-	-	5.0	986	4,928
	Preferential creditors	80.0	489	39,110	-	-	-	-	-	-
	Unsecured creditors	17.0	489	8,311	-	-	-	-	-	-
Total fees estimate		4,866.9	716	3,484,265	1,746.9	692	1,208,361	5,170.4	720	3,722,426

Remuneration and expenses  
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators' Category 2 Expenses (including disbursements)

As described on page 10, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Specific approval is required before these expenses can be drawn from the administration estate.

Details of our Category 2 expenses and the position with regard thereto are given below, all figures are shown exclusive of VAT.

Mileage was calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total incurred during the appointment	Paid	Unpaid
Mileage	500	280	280	67	214
Total disbursements	500	280	280		214

Prior to the move of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited, ("the Transaction"), work being delivered by other Deloitte service lines was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made). We had thus included the anticipated costs for such services being delivered by Deloitte LLP in our fees estimate as approved by creditors.

Following the Transaction, Deloitte costs were required to be treated as Category 2 disbursements and thus required creditor approval. For avoidance of doubt however, all such costs were paid out of our approved remuneration, i.e. have not been charged as an additional cost.

Deloitte LLP – Services being provided

We have detailed below the services which have been or continue to be provided by Deloitte LLP, the costs of which are included in our fee estimate and will thus be paid out of our approved remuneration:

- Deloitte Tax/VAT – were engaged to assist with undertaking work in connection with submitting returns. Although approval was sought from creditors regarding this workstream, no time has been charged in relation to this work and we do not expect any time to be charged during the CVL.

- Deloitte Global Financial Advisory India ("DJV") – are engaged to assist with general case management and administration. Their work, which is no longer ongoing, was charged on a time costs basis. Their total costs are £2.4k and which will be paid out of our approved remuneration.
- Deloitte Forensics – were engaged to assist with undertaking work in connection with data collection and storage. Their work, which is ongoing, is charged on a time costs basis. Their total costs are £32.8k which will be paid out of our approved remuneration.

Deloitte LLP Charge out Rate Bands (£/hour)

Grade	Rate (£/hour)
Partners	1430 - 1475
Directors	1205 - 1240
Associate Directors	1095 - 1130
Managers/Assistant	94 - 400
Consultants	565 - 845
Associates	135 - 340
Administrators/Analy	90 - 370
Agent	34



## Remuneration and expenses

### Detailed information

#### **Creditors' right to request information**

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

#### **Creditors' right to challenge remuneration and/or expenses**

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



## Progress of the administration

### Pre-administration costs

#### Pre administration costs

We included the following statement of pre administration costs in our Proposals:

In the following paragraphs we have provided an explanation of the work carried out by us and by Eversheds in the period prior to the administration and which was carried out with the intention of helping to achieve the objective of the administration, being a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

#### Joint Administrators' pre-appt costs

Please note that this work was primarily performed by senior, experienced staff due to the complex nature of the engagement not least the regulatory requirements in relation to the SoLR process.

- Liaising with lawyers in relation to preparation and signing of appointment documents;
- Developing employee strategy;
- Liaising with Company side advisors to develop Administration strategy post appointment;
- Collating company data, financial information and stakeholder records in preparation for the administration appointment;
- Analysis and advice from a tax perspective on immediate tax actions required by the administrators on appointment;
- Liaising with the Secured Creditors and investor.

This work was required to be completed pre-appointment primarily in order to ensure a smooth transition of customers in the SoLR process and thereby preserving the value of customer accounts.

In relation to this work, our time costs were £20,969 plus VAT.

#### Eversheds' pre-appt costs

During planning for the administrations, we were provided with legal assistance by Eversheds, who were instructed by us to validate the security position in respect of Smartest for a QFC appointment, draft appointment documents, obtain FCA consent for the administration, make various applications to Ofgem, and liaise with the Court.

For these services Eversheds have charged £4,852 plus VAT.

#### Approval to draw pre administration costs

Approval for these amounts was given by the unsecured creditors on 18 October 2021. These costs have been paid full during the period as shown in the receipts and payments account on pages 11 and 12.





This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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