

AM03

Notice of administrator's proposals



Companies House

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1	Company details	
Company number	0 9 8 4 4 9 9 0	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Goto Energy (UK) Limited	
2	Administrator's name	
Full forename(s)	Neil John	
Surname	Mather	
3	Administrator's address	
Building name/number	Tower Bridge House	
Street	St Katharine's Way	
Post town	London	
County/Region		
Postcode	E 1 W 1 D D	
Country		
4	Administrator's name ①	
Full forename(s)	Michael	① Other administrator Use this section to tell us about another administrator.
Surname	Pallott	
5	Administrator's address ②	
Building name/number	Tower Bridge House	② Other administrator Use this section to tell us about another administrator.
Street	St Katharine's Way	
Post town	London	
County/Region		
Postcode	E 1 W 1 D D	
Country		

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Qualifying report and administrator's statement ^①



I attach a copy of the qualifying report



I attach a statement of disposal

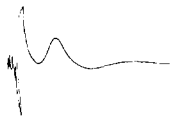
^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature



Signature date

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AM03

Notice of Administrator's Proposals



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 Yasmin Mohamud

Company name Mazars LLP

Address Tower Bridge House
St Katharine's Way

Post town London

County/Region

Postcode E 1 W 1 D D

Country

DX

Telephone 020 7063 4000



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- ☐ 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.



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DX 33050 Cardiff.



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Goto Energy (UK) Limited
– In Administration

Administrators' Statement
of Proposals

6 December 2021



mazars

Confidential

Preface

Administrators' Statement of Proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Proposals")

Goto Energy (UK) Limited – in Administration ("the Company")

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report should not be referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Company and without personal liability.

The Administrators' contact details are as follows:

N Mather and M Pallott
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

In accordance with rule 3.35(e) of the Insolvency (England and Wales) Rules 2016, the Proposals are deemed delivered to creditors on 8 December 2021.

Future reports


A progress report covering the first six months of the Administration will be circulated to creditors during May 2022.

Should you have any queries in relation to this matter, please do not hesitate to contact Yasmin Mohamud at this office.

Yours faithfully

For and on behalf of

Goto Energy (UK) Limited Ltd – In Administration



Neil Mather
Joint Administrator

6 December 2021

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

The affairs, business and property of the Company are being managed by the Joint Administrators.

The Joint Administrators act as agents of the Company and without personal liability.

Glossary of Terms

BDO	BDO LLP
Directors	Evan Salway and Nikki Goode
EES	Enigys Energy Services Limited
Enigys	Enigys Trading Limited
EOS	Estimated Outcome Statement
Eversheds	Eversheds Sutherland
Evolve	Evolve IS Limited
Goto / Company	Goto Energy (UK) Limited – in Administration
HMRC	HM Revenue & Customs
IA86	The Insolvency Act 1986, as amended
Joint Administrators	Neil Mather and Michael Pallott of Mazars LLP
Kreston	Kreston Reeves LLP
LSH	Lambert Smith Hampton
Mazars	Mazars LLP
Ofgem	Office of Gas and Electricity Markets
Pentins	Pentins Business Advisers Ltd
Proposals	The Joint Administrators' Statement of Proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986
Shell	Shell Energy Retail Limited
SOLR	Supplier of Last Resort

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01

Introduction & Background

Introduction & Background

Statement to creditors

This statement is addressed to the creditors of Goto Energy (UK) Limited and includes the Joint Administrators' Proposals, in accordance with Paragraph 49 of Schedule B1 of the IA1986.

In accordance with Paragraph 3(1) of Schedule B1 to the IA1986, the statutory purpose of an Administration comprises three hierarchical objectives:

- a. rescuing the Company as a going concern;
- b. achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- c. realising property in order to make a distribution to one or more secured or preferential creditors.

Shortly before the Joint Administrators appointment, a high level financial review of the Company was undertaken by BDO, a firm of licensed insolvency practitioners. They advised the directors in a letter dated 15 October 2021 that the Company was insolvent on both a cashflow and balance sheet basis. The Directors concluded that the company would need to enter into administration.

As the Company is a licensed energy supplier, pursuant to section 163 of the Energy Act 2004, the Directors had a duty to provide notice of their intention to appoint Administrators under the IA86 to Ofgem and the Secretary of State. Following this, Ofgem took formal steps to revoke the Company's supply licenses and initiated the SOLR process, thereby transferring all customers to a new supplier prior to the appointment of the Joint Administrators. There was therefore no longer a business to rescue as a going concern by the time of the appointment of administrators.

Neil Mather of Mazars met with the directors on 20 October 2021 and was instructed to take steps to place the company into administration. Further details are included in the section below titled 'Circumstances giving rise to the Administrators' appointment'.

On reviewing the position we concluded that the purpose of the Administration was objective (b), achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). This would be achievable by maintaining business operations for a short period, in order to reconcile both the debit and credit accounts of the Company, assist in the transfer of customer data to the new SOLR (thereby maximising realisations of customer accounts with debit balances) and to realise the remaining assets of the Company.

Statutory Information

Neil Mather was appointed Administrator of the Company jointly with Michael Pallott, also of Mazars, on 25 October 2021. Both are authorised to act as Insolvency Practitioner's in the UK by the Institute of Chartered Accountants in England and Wales.

Identification details for the Company and the Administrators are attached at Appendix A.

The EU Regulation on Insolvency Proceedings (Regulation (EU) No 2015/848 of 20 May 2015) applies to this Administration and the proceedings are centre of main interests ("COMI") proceedings as the Company's COMI is in the United Kingdom.

All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone.

Details of the Company's Directors having held office in the three years preceding Administration are provided below:

Director	Date appointed	Date resigned	Shares held
Evan Salway	10 October 2018	-	-
Nikki Goode	7 August 2018	-	-
Secretary	Date appointed	Date resigned	Shares held
Lisa Goode	8 August 2018	-	-

Circumstances giving rise to the Administrators' appointment

Company history

The Company was incorporated on 28 October 2015 under company number 09844990 and changed its name from Queensbury Energy Limited to Goto Energy (UK) Limited on 9 August 2018. The directors of the Company are Nikki Daniel Edward Goode and Evan William Salway.

The Company is a 100% subsidiary of Enigys. The ultimate controlling party and beneficial owner of Enigys is Nikki Goode. The Directors of the Company are also directors of Enigys.

The Company's registered office was Office 23, 2nd Floor, Innovation Way, Discovery Park, Sandwich, CT13 9FF. The Company also traded from these rented premises, in addition to other offices (numbered 42 and 47) in the same building, with 40 salaried employees.

We are advised that the Company has granted no security over its assets and no charges are registered at Companies House in respect of the same.

The nature of the Company was to supply gas and/or electricity to the UK mainland market, which included approximately 46,107 domestic meter points (equating to approximately 23,050 domestic customers). The Company was licensed by Ofgem to supply gas and electricity.

The Company has no generating capacity of its own and so purchased all electricity and gas needed for consumption by its customers from the wholesale market. At the time of the Administration, Vattenfall UK ('Vattenfall') was the Company's wholesale energy provider and key trading partner. Prior to Vattenfall, SmartestEnergy Limited ('SE') provided electricity to the Company.

Energy was purchased from Vattenfall via an associated entity, EES, who was licensed to ship gas for the Company and had been doing so since 31 July 2021. Prior to this, the shipping function was performed by Kal Portfolio Trading Limited ('KPT').

The Company historically agreed its forward energy prices with SE and KPT in order to hedge against expected demand volumes and the volatility of energy prices. However, as at 30 September 2021, all of the Company's hedges had been delivered by SE/KPT and there were no outstanding hedges.

The energy delivered under those hedges was not sufficient to meet the additional consumption of its customers (against forecasts for consumption by those customers) due to the increased use of energy caused by the prevalence of home working and home schooling during the Covid-19 pandemic. SE and KPT had not been prepared to enter into hedges with the Company to meet that increase in demand, nor indeed, enter into further hedges with the Company for the supply of energy in the usual course, due to the Company's relatively small size, market volatility and the perceived credit risk of the Company.

Accordingly, the Company had been operating on an entirely unhedged basis since 1 October 2021 and had been purchasing energy at the prevailing market prices, therefore being exposed to the volatility of market prices.

As a result of the above, the Company was adversely impacted by the unprecedented increase and volatility in the price of wholesale gas and electricity prices. Combined with the regulatory price cap for consumers, the Company was unable to generate a profit from its customer portfolio and was unable to discharge its liabilities as they fell due.

In order to secure the Company's long term viability, the Directors considered making attempts to seek funding from various banks under the Government's Covid-19 Recovery Loan Scheme ('RLS'). An application was made to the Company's bank account provider, Barclays, in the summer of 2021 for the sum of £7,000,000. This amount was thought to be sufficient to settle its outstanding trade liabilities, including an outstanding Ofgem liability, which had fallen due on 31 August 2021 and was then due for late payment plus interest by 31 October 2021.

Circumstances giving rise to the Administrators' appointment

Company history (continued)

Unfortunately, the Company's funding application was rejected by Barclays on 6 October 2021, due to the volatility of the wholesale energy market, meaning that the Company's cashflow requirements were materially uncertain and, depending on the wholesale price for energy from day to day, it was likely that the outstanding trade liabilities, and forecast liabilities, could not be met by the RLS loan.

The Directors made further attempts to secure funding from other equity lenders, however for the reasons stated above, these were also unsuccessful.

The Company had previously been supported by Enigys via intercompany loans. According to the Directors' Statement of Affairs, as at 25 October 2021, £2,014,572.61 was owed to Enigys by the Company. Enigys was not prepared to invest any further funds into the Company.

Further pressures in October 2021 were:

- The Company was unable to provide Ofgem with the requested assurances that the Company would be in a position to pay the Ofgem liability, under the Renewable Obligations Scheme, by the late payment deadline of 31 October 2021. As such, Ofgem issued a draft final order to the Company which, if it were finalised on 22 October 2021, would have required the Company to repay the Ofgem liability in accordance with its licencing requirements; and
- On 11 October 2021, a statutory demand was served by SE in connection with a Supplier Energy Trading Services Agreement for £448,408.72. The Directors disputed the amount claimed, however acknowledged that the Company would be unable to satisfy any part of the claim, due to the financial position of the business.

The Directors instructed BDO on 8 October 2021 to undertake an advisory role and assist them in considering the options available to the Company. After a review of the Company's management information and explanations provided by the Directors, it was confirmed in a letter dated 15 October 2021 that without substantial injection of funds, the Company was insolvent on both a cashflow and balance sheet basis (for the reasons set out above).

As a result, the Directors concluded that the best outcome for creditors was for the business to cease to trade and the Company to enter the SOLR process.

Ofgem has the power to revoke a supplier's license in certain circumstances, which includes a supplier being unable to pay its debts within the meaning of section 123(1) or (2) of the IA86. Upon revoking a license, Ofgem has the power to direct any gas or electricity licensee (a SOLR) to take over responsibility for supplying energy to a failed supplier's customers.

The Directors instigated this process by applying to Court and giving 14 days notice to Ofgem and the Secretary of State of the insolvency of the Company, and their intention to approve a board resolution appointing Administrators.

On 21 October 2021 the Company's Electricity Supply Licence was revoked by Ofgem, and all of its customers were transferred to Shell under the SOLR process. Consequently, the Company ceased to trade.

Circumstances giving rise to the Administrators' appointment

Initial advice and meetings

On 20 October 2021, Neil Mather of Mazars met with the Directors to discuss the financial position of the Company. This followed an introduction by the Company's auditors, Kreston Reeves.

It was confirmed that the Company had ceased making all non-essential payments and Ofgem would imminently be appointing Shell as the new SOLR. Based on the circumstances, it was agreed that Administration would be the best course of action (for the reasons already outlined).

Consequently, Mazars were formally instructed on 21 October 2021 to take the necessary steps to place the Company into Administration. Eversheds were instructed to prepare the necessary documentation to appoint Administrators by the Company. Neil Mather and Michael Pallott of Mazars were appointed as Joint Administrators on 25 October 2021.

Actions Taken Since Appointment

Overview

Since the Joint Administrators appointment, the key priorities have been to secure the cash balances and to maximise realisations from the Company's debtor book for the benefit of the creditors as a whole. In addition, the Administrators have strived to ensure that the transition of the customers and data to Shell has been managed effectively and in a timely manner.

Trading on in Administration

As a consequence of the SOLR process being initiated, it was not possible to trade the business whilst in Administration, as the customers had been transferred to Shell, however, it was necessary to retain certain staff (see further below) to achieve the transition of customers and data to Shell and to ensure that final customer accounts were captured and any amounts owing fully reconciled.

Employees

Immediately following our appointment, we worked with the Directors to identify which employees would be able to assist in dealing with ongoing customer issues and finalising the debit/credit position of the customer accounts. It was agreed that of the 40 employees who remained in the business, 18 could be made redundant or allowed to leave and the remaining 22 would be kept on.

Evolve, who are ERA specialists, were instructed to assist in speaking with staff on the first day of the Administration and assisting them submit their claims to the Redundancy Payments Service ('RPS'). Letters were issued to employees informing them of the Joint Administrators' appointment and also (where appropriate) their respective redundancies.

As the Administration progressed, employees were made redundant on a piecemeal basis as the business allowed, with the final employee being made redundant on 19 November 2021. All relevant forms have now been submitted to the RPS in order to facilitate the payment of employee claims.

Leasehold Property

The Company traded out of Offices 23, 42 and 47 of 2nd Floor, Innovation House, Discovery Park, Ramsgate Road, Sandwich, CT13 9ND, however only Offices 42 and 47 were leased in the Company's name, while Office 23 was leased under the name of Enigys.

The Company had a rental agreement for the period 1 July 2019 to 30 June 2022. Annual rent was £31,445 per annum exclusive of VAT and was payable quarterly in advance. A rent deposit was held by the landlord for £3,145 and rent was paid up until 31 December 2021. The benefit of this meant that the Joint Administrators were not required to pay occupational rent during the period staff were retained.

It is prohibited under the terms of the lease to assign or sublet the premises. As such, there is no value in this lease and so the property will be returned to the landlord.

Transition to Shell

As indicated above, Shell were appointed by Ofgem to be the SOLR and their appointment was effective from 21 October 2021. Following the Joint Administrators appointment, they sought to meet with Shell to understand their requirements.

It became clear that Shell already held certain information via the SOLR process, but this was limited and therefore they were heavily reliant on the Company being able to furnish them with comprehensive customer data in order to achieve an effective transition.

Actions Taken Since Appointment

Transition to Shell (continued)

For the approximately 23,000 customers, around 22,000 had credit balances with the remaining customers having debit balances. All customers transferred across to Shell and although under the SOLR process they have to honour those customers with credit balances, they are not obliged to take on the debt arising from those customers with debit balances.

We explained that to ensure an effective, and the least disruptive experience for customers, it would not be ideal if the Administrators were having to contact the 1,000+ customers regarding outstanding accounts, at the same time that Shell were also communicating with them in relation to new accounts. For this reason, it was considered in the customers' best interests for the value of the customers' debit accounts to also be assigned to Shell.

It was clear that due to the high level of due diligence carried out by the Company before accepting a new customer, the Company's robust debt collection policies, and the fact that our appointment took place just after summer (when most energy accounts in the UK would be in a credit position), the level of accounts with outstanding debit balances within the previous 90 days was minimal compared to similar energy companies which had gone through the SOLR process. The debit balances totalled £77,811, compared to the credit balances that totalled in excess of £7m. As such, the costs of maintaining staff and trading operations to collect these debts, compared to taking an upfront payment immediately from funds held, was not considered cost effective or commercially viable.

Consequently, an agreement was reached with Shell where they would acquire the debit balances at the point of transfer with the consideration being 62.5% of those balances due less than 90 days (see Section 2 for further details).

Shell's offer was discussed with the Directors of the Company and Enigys, who according to the Director's Statement of Affairs was the largest creditor. They agreed that this offer was fair and were in agreement that the Joint Administrators should accept this final offer.

As Shell was now effectively taking on all active customers, it was agreed that the quickest and most cost effective solution to produce the final invoices up to the date of the SOLR transfer (21 October 2021) was to use industry standard projection data to estimate the final customer bills up to midnight on 20 October 2021. Shell could then use this data to set up their own new customer accounts and would be able to resolve any corrections after the transfer.

On 4 November 2021 these final invoices were produced, resulting in a variable direct debit run to reclaim as much of these outstanding sums as possible direct to the Administration, prior to the assignment. As a result of this and other standard monthly direct debit payments, the amount of £221,516 was received into the Administration following our appointment on 25 October 2021. The total of outstanding customer accounts in debit amounted to £77,811 and this was therefore transferred to Shell.

We were in regular communication and dialogue with Shell during this process and entered into two agreements, which encapsulated the sharing of the customer data and a debt assignment. These were duly executed on the 15 and 25 November respectively.

To advise and to assist in drawing up the legal documents, we instructed Eversheds, who have experience and have advised other insolvency practitioners on SOLR transfers. Furthermore, Eversheds are one of Shell's panel lawyers. Eversheds sought agreement from us and Shell that there was no conflict in them advising the Administrators given this background. All parties were satisfied.

To achieve a smooth and effective transition of customer data, it was necessary to retain core staff to be able to undertake the following tasks:

- Billing – to ensure all approximately 23,000 customers had final bills drawn up to 20 October 2021;
- Direct debits and other payments – to make sure these were processed and queries arising from these answered promptly and effectively;

Actions Taken Since Appointment

Transition to Shell (continued)

- Customer service – to ensure all customer queries regarding the SOLR process, account and payment queries were dealt with in a timely manner;
- Ensure all Company data was brought up to date and that the various data files to be shared with Shell were complete, accurate and secure in line with GDPR legislation; and
- Final reconciliations were undertaken to ensure the Company's records agreed with monies collected through GoCardless (the Company's agent dealing with direct debit collections) to ensure that the allocation of monies owing to the Company and Shell were properly captured.

On 15 November 2021 the customer data was transferred to Shell and once final matters relating to the transfer had been finalised, the remaining staff were made redundant on 19 November 2021.

02

Assets

Assets

Assets already realised

Cash at Bank

The Company operated two bank accounts with Barclays Bank Plc.

The Director's Statement of Affairs estimated that the Company's cash at bank, as at the date the Company entered into Administration on 25 October 2021, was £461,341.

The sum of £501,760 has been received from Barclays Bank Plc in this respect.

Once bank account statements up to the date of the account closures has been received, we will be able to reconcile the positive variance between these two amounts.

VAT Receivable – Pre-Administration

An amount of £82,557 was received into the Company's bank account from HMRC, in respect of the monthly VAT return submitted prior to the Administration for September 2021. This matches the amount listed in the Director's Statement of Affairs.

The Joint Administrators are currently taking advice from Pentins regarding the treatment of both the pre and post appointment VAT (see below section titled 'Retention for Potential VAT Liability' for further information).

Pentins currently calculate that a final VAT return for the period 1 October 2021 to 24 October 2021 will result in VAT being payable for the sum of £13,625, so no further pre-appointment VAT refunds are anticipated.

Computer and Office Equipment

LSH who are RICS certified valuation agents, attended the Company's premises on 29 October 2021 and valued all chattel assets of the business.

Due to the current surplus of computer and office equipment in the marketplace, as a result of people working from home because of Covid-19, LSH only attributed a combined realisable breakup value of £3,400 for these assets.

After negotiations with the Directors of the Company, on behalf of Enigys, an offer of £5,000 was received in relation to both the computer equipment and office equipment, with an allocation of £2,000 and £3,000 respectively.

Under the recommendation of LSH, this offer was accepted and has been received in full.

In accordance with Statement of Insolvency Practice 13, the additional information I should confirm is as follows:

- The transaction concluded on 16 November 2021.
- The name of the purchaser is Enigys.
- No committee was consulted as the independent professional advice was clear as to the commerciality of this deal. Furthermore, there would have been a risk of losing this offer, if the Administrators had waited to see if a creditors' committee would be formed in order to seek their approval.
- Other alternatives were considered, such as putting the assets to auction, however due to the low value of the assets and the additional costs of marketing these items, it was unlikely that further realisations would be achieved.

Assets

Assets already realised continued

GoCardless Receipts

As previously advised, GoCardless is a direct debit platform utilised by the Company to collect and manage monthly direct debits paid by customers. Prior to our appointment, GoCardless had frozen the Company's account with them, pending the appointment of Administrators. During that period, the direct debit mandate was still active and customer payments continued to be taken.

After negotiations with GoCardless and Shell (as referred to earlier in the report), funds which had been received by GoCardless both pre and post our appointment were subsequently released to us. This was conditional on the Administrators agreeing (and approved by Shell) that GoCardless could retain monies to cover their fees and potential claims from customers (chargebacks) and these totalled £189,665.

Further to the legal agreements between the Administrators and Shell, Shell and GoCardless entered into an agreement to novate all customers direct debit mandates across to Shell. This process is likely to take 4-6 weeks.

The total receipts collected by GoCardless in this regard amounted to £2,300,476 and to date, £2,110,811 has been paid to the Administration after deduction of £189,665 referred above (and see below for more information).

The total funds received by GoCardless has been analysed and is broken down as follows:

Pre 21 October 2021

The Directors' Statement of Affairs, dated 25 October 2021, stated that the realisable value on the Company's GoCardless account on 21 October 2021 was £303,175.

This was confirmed with the Company's invoicing and customer relationship management software, Junifer Utilities CIS ('Junifer'), and £303,175 was allocated from the funds received.

Between 21 October 2021 and 24 October 2021

Further funds were received between the date of the appointment of Shell as the SOLR (21 October 2021) and the date of the appointment of Administrators (25 October 2021) totalling £124,985.

Legal advice from Eversheds confirmed that as the SOLR was not a formal transfer of customers, no formal novation of customer balances had taken place. As such, the Joint Administrators were entitled to all funds received from customers in the period prior to the Administration.

Relating to Debit Account as at 25 October 2021

Per the legal advice received, the only customer funds attributable to the Administration during this period related to funds received against customer accounts in debit, as at the date of the final estimated invoicing on 21 October 2021.

The total received in this regard was £221,516.

Sale of Customer Debit Balances to Shell

As referenced in Section 1, we reached agreement with Shell to assign all debit balances in place at the point of transfer (25 November 2021). The consideration was agreed at 62.5% of debit balances less than 90 days old.

The sum received in relation to this totals £48,632.

Monies Held by GoCardless – Fees and Chargebacks

As referenced above, £189,665 has been retained by GoCardless to account for any potential fees or chargebacks by customers. These funds were deducted from monies payable to Shell in relation to customer credit balances, and so, once the direct debit mandate change has concluded in c.4-6 weeks from 12 November 2021, the balance of these funds will be received into the Administration and then immediately paid to Shell.

Assets

Assets already realised continued

Funds Held on Trust for Shell

For all funds received during the Administration with reference to customers whose accounts were in credit, these amounts are being held on trust for Shell, and shall be paid to them once fully reconciled. This applies to any additional funds received by GoCardless or Barclays, following the sale of the customer debit balances.

As at 6 December 2021, the Joint Administrators were holding £1,345,213 on trust for Shell and this amount was transferred to them at that date. We anticipate small residual balances being received over the next few weeks, which will be transferred to Shell, together with the balance of the GoCardless retention once finalised.

Retention for Potential VAT Liability

As previously advised, the Joint Administrators are currently taking advice from Pentins regarding both the pre and post appointment treatment of VAT. As there was a risk that VAT would be payable from the final invoices raised in the Administration, against both debit and credit account customers up to 21 October 2021, the Joint Administrators have held back £67,261 from the funds due to Shell, in order to accrue for this potential liability. Once any appropriate deductions have been accounted for, which includes the potential pre-appointment VAT liability of £13,625 mentioned previously, the balance of these funds will be paid to Shell.

Sundry Refund

A deposit for pre-appointment advisory costs was paid to Mazars by the Company prior our appointment in the sum of £10,000. Upon appointment, Mazars paid these funds into the Administration and will seek approval from creditors to draw these against outstanding pre-appointment costs.

Assets

Assets remaining to be realised

Outset Legal – Client Account

The Company's parent, Enigys, holds a licence with Gentrack UK limited ('Gentrack') for the use of a customer relationship management system known as Junifer. This system allowed for accurate and timely invoicing of customers and was used solely by the Company and not Enigys.

A dispute arose with Gentrack relating to support services that the Company argued Gentrack had not provided under the agreement dated 11 October 2018 (the 'Agreement'). As a result, the Company withheld payment of two invoices payable to Gentrack dated 31 March 2021 and 9 June 2021 until the dispute was settled.

Per the contractual dispute resolution mechanism set out in the Agreement, the matter was taken to mediation to be held on 14 October 2021. However, due to the ongoing insolvency issues the Company faced at the time, the Company and Enigys were not represented at the mediation.

Prior to this and as part of a separate settlement agreement, the Company agreed to pay the sum of £171,600, representing the total of the disputed invoices, into the client account of its legal representatives, Outset Legal LLP ('Outset'). These funds are held as security pending the outcome of the dispute, or per a Final Court Order should mediation fail.

The Joint Administrators are currently liaising with Gentrack and are seeking independent legal advice regarding this dispute. As a result, the current estimated to realise figure for this matter is uncertain.

Prepay – National Grid

The Director's Statement of Affairs attributes a value of £317,066 to being owed by the National Grid, which is in relation to collateral for anticipated energy consumption. It should be noted however that the National Grid will also likely have a claim in the Administration for outstanding infrastructure, distribution and use of system costs, the total of which is currently unknown.

As a result of this, we have listed the estimated future realisation value of this asset as uncertain.

SmartestEnergy ('SE')

As stated earlier in this report, SE previously provided electricity supplies to the Company until 31 July 2021. Following this, on 11 October 2021, a statutory demand was served by SE for outstanding sums in connection with a Supplier Energy Trading Services Agreement for £448,408.72.

The Directors dispute SE's claim and believe that the Company has a net legal claim against SE for £354,066, which is the value the Directors have included in their Statement of Affairs.

The Joint Administrators will investigate this claim and shall seek legal advice on the matter. Due to the disputed nature of this claim, we have listed the estimated future realisation value of this asset as uncertain.

Assets

Assets remaining to be realised

Other Debtors: Tomorrowfield Limited ('Tomorrowfield')

Tomorrowfield is an associated entity of the Company, set-up in March 2021 to undertake activities that are not permitted within an EIS structure, specifically under standard industry code (SIC) 35110 - Production of electricity.

An office located at Office 39, 2nd Floor, Innovation Way, Discovery Park, Sandwich, CT13 9FF was leased in the name of Tomorrowfield, but was paid for by the Company and later reconciled through the intercompany accounts. The Company also utilised this office occasionally as part of its trading operations, particularly during the height of the Covid-19 outbreak in Q2 2021, when space for desk and social distancing needed to be maximised.

After a review undertaken by the Company's accountants, it was identified that an intercompany balance of £11,934 was owed to the Company in relation to this informal agreement.

Although Tomorrowfield is currently a dormant company, the Directors acknowledge that this liability is payable and so have offered to settle this debt with an offer of 50% of the outstanding sum. As it is acknowledged that the Company utilised this room regularly, the Joint Administrators have accepted this offer and are in the process of finalising this agreement.

Soldo Expense Account

The Company utilised a pre-paid company card with Soldo in order to pay general expenses for the Company. It is anticipated that this account is in credit, however the exact quantum is currently unknown.

The Joint Administrators await clarification on any monies that may be due to the Company.

American Express ('Amex') Merchant Account

For customers who paid via an Amex card, these payments are held by Amex for a short period then remitted to the Company's bank account.

The Joint Administrators have written to Amex and requested details of any Company funds they are holding on behalf of the Company, however as at the date of this report, no response has been received.

The Joint Administrators will continue to pursue Amex.

Aged Debtor Ledger

The Company's aged debtor ledger, relating to former customers who were not transferred to Shell, were either being pursued or were subject to repayment plans with the assistance of Lovetts Solicitors ('Lovetts'). The value of debtors outstanding with Lovetts totals £6,986.06.

Due to the age of these debts, the very small amounts being collected under the repayment plans and the personal situations of some of the debtors, the Joint Administrators are unlikely to collect the vast majority of this ledger.

The Joint Administrators will liaise with Lovetts and review the collectability of the ledger.

Potential VAT Refund – Period in Administration

Further to the VAT calculation work being undertaken by Pentons in relation to the final invoicing, as previously advised, Pentons calculate that a VAT refund will be payable into the Administration for £2,861 for the period 25 October 2021 to 31 October 2021.

03

Investigations

Investigations

Overview

The Joint Administrators are required to investigate the affairs of the Company and the conduct of the Directors in the period leading up to the Administration. An initial investigation into the Company's affairs has been undertaken by the Joint Administrators in accordance with Statement of Insolvency Practice 2.

The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation, which may lead to any recoveries for the benefit of creditors. In addition, the findings are reported to the Insolvency Service in accordance with the Company Directors' Disqualification Act 1986, and an appropriate report will be filed in due course.

Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action against any person concerned in the Company's affairs.

Work undertaken to date

- Liaising with the Directors in respect of the Company's history, financial position and the events leading up to insolvency;
- Making arrangements with the Directors to obtain Company records in their possession;
- Communication with HMRC to obtain further information on their liabilities of the Company;
- Making requests of the Company's former accountants, Pentins, for copies of the Company's management information held on their Xero and DEXT systems; and
- A review of the records currently provided.

Further work to be undertaken

The Joint Administrators' initial review is ongoing and further work to be undertaken is detailed below, but not limited to:

- Taking possession of further books and records and Electronically Stored Information ("ESI") for review;
- Further review of the bank account and banking information will be undertaken to establish if further investigations are required in respect of antecedent transactions;
- Identify any additional third parties who may have information and records relating to the trading and financial history of the Company that will assist our work;

Investigations

- Examine the conduct of the Directors;
- Liaising with various creditors to establish their claims and the extent of their debt over the last two years of trading; and
- Identify any other assets and property currently owned an/or previously disposed of by the Company.

In the event that any questionable transactions are identified, it will be necessary to conduct further investigations. If required, solicitors will be instructed to assist in the decision regarding the pursuit of any further recoveries by the Joint Administrators. If a potential recovery action is identified, it may be necessary to instruct professional agents to assist in gathering evidence and exploring further the existence and value of assets. If the Joint Administrators encounter resistance in making recoveries, formal legal action may be appropriate.

At this stage it is difficult to estimate the likely time costs and expenses that may be incurred in the aforementioned work.

This investigation exercise is conducted having regard to the level of assets available to fund any further investigations or actions, and the materiality of any matters that might be identified.

04

Liabilities

Liabilities

Secured Creditors

There are no secured creditors of the Company.

Preferential Creditors

Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Administration.

The Company employed 40 employees, 18 of which were made redundant on our appointment. During the Administration, 22 employees were kept on for varying periods to assist the Joint Administrators with debt collection matters and to deal with customer issues.

According to the Directors' statement of affairs, preferential claims were estimated to be £46,311.54.

As all employees had been paid up to 31 October 2021, there were no claims for arrears of wages prior to the Administration.

Evolve undertook a review of the Company's HR software, Breath, and calculated the employees' outstanding holiday entitlement up to the date of the Joint Administrators' appointment or their redundancy. This totalled £30,857.

As indicated in the Estimated Outcome Statement included at Appendix D, it was clear that all preferential creditors would be paid in full in the Administration. As such, in order to reduce payroll costs and the time spent dealing with a preferential distribution later on, it was decided to pay all employees their outstanding holiday pay at the same time the Administrators were paying employees their wages for the period of the Administration.

On 25 November 2021 all amounts that would represent preferential claims were paid in full. No further claims are expected.

Secondary Preferential Creditor – HM Revenue & Customs ('HMRC')

From 1 December 2020, certain debts owing to HMRC at the date of insolvency rank as a secondary preferential creditor. These debts include PAYE, Employee NIC, Student loan deductions and VAT. They are to be paid in priority to any prescribed part, any floating charge creditors and unsecured creditors.

The Joint Administrators have been advised by the Directors that there are no outstanding PAYE, Employee NIC or student loan deductions.

As stated earlier in the report, Pentins are currently reviewing the pre-appointment VAT position of the Company and anticipate an outstanding VAT liability owing to HMRC for £13,625. Should this be substantiated and agreed, based on the current Estimated Outcome Statement at Appendix D, HMRC will receive a preferential distribution in full for this amount

Prescribed Part

In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Where a relevant floating charge was created on or after 6 April 2020, this maximum fund increases to £800,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

As there is no floating charge, the Prescribed Part does not apply in this instance.

Liabilities

Unsecured Creditors

According to the Directors' Statement of Affairs ('SOFA'), unsecured creditors are estimated to total £3,329,838. Of this amount, £2,014,573 is owed to Enigys via an intercompany loan.

As at the date of these Proposals, claims have been received from six creditors totalling £419,214.18.

Although no formal claim has been received from the Redundancy Payments Service yet, the Joint Administrators anticipate that the total amount paid to employees in relation to notice pay and redundancy pay will be £51,331.37 and £40,994.83 respectively.

Attached at Appendix C is a revised list of creditors, which includes the claim of Enigys accidentally omitted from the Directors' original list of creditors and corrects the claim value of a separate creditor listed with a credit balance. The list also provides details of the creditor claims received, or are anticipated to be received imminently, since the date of our appointment. At this stage, no claim has been agreed and so all are subject to adjudication by the subsequently appointed liquidator.

As at the date of this report, unsecured creditor claims in respect of the SOFA and claims received (offsetting those creditors where the claim received differs from the SOFA figure) totals £3,852,210.50.

Creditors should be aware that it is likely claims may be received from Ofgem, in relation to renewable obligations and other industry liabilities, as well as Shell for a potentially subrogated claim for the refund of customer credit balances. The Joint Administrators have been advised that such claims should be mitigated via mutualisation of the energy sector over the next 18 months, however at this stage, the validity of such claims in the Administration would be unknown due to the complex and evolving nature of this matter. Specialist legal advice where necessary will be obtained before any such claim is accepted.

As per the Estimated Outcome Statement at Appendix D, it is anticipated that there will be a distribution to unsecured creditors. Unfortunately, due to the uncertain value of a large portion of assets, as well as the potential creditor claims detailed above, the exact quantum of the final dividend is uncertain, however as an indicator based on current known assets and claim values, the current estimated dividend will total 22p in the £.

05

Estimated Outcome to Creditors

Estimated Outcome to Creditors

Estimated outcome statement

Attached at Appendix D is an Estimated Outcome Statement ("EOS") which illustrates the estimated outcome for unsecured creditors on the basis of the asset realisations and expenses currently anticipated.

The EOS is based on the following key assumptions:

- That the Pre-Administration costs as set out in section 8 are approved to be drawn as an expense of the Administration;
- That the Administrators' remuneration is approved as set out in section 8;
- That the Pre-Administration costs and Administrators' remuneration are approved by creditors upon request. Where such costs are not approved by creditors in the first instance, an application to Court may be required to approve these costs which is likely to have additional cost implications;
- No additional costs or expenses are incurred or required to be incurred of which the Administrators are not currently aware;
- The costs and expenses currently anticipated are in line with estimates provided; and
- Creditors should note however that, as previously advised, the following factors will vary the outcome for creditors:
 - The amount realised for assets marked in the EOS with an uncertain realisable value; and
 - The total of claims received from suppliers, Ofgem and Shell, as well as the outcome of any legal review of those claims and the associated costs of that work.

Additionally, should the Administrators' investigation work identify any additional assets of which they are not currently aware, or any rights of action against any particular parties, these may lead to additional realisations in the Administration. Such recoveries are not accounted for in the EOS and will need to be considered separately, as there are likely to be additional cost implications in respect of their recovery.

Other Key Information

Other Key Information

Statement of Affairs

In accordance with paragraph 47 of Schedule B1 of the Insolvency Act 1986, the Directors were requested to prepare and submit a Statement of Affairs by 9 November 2021. I can confirm that this was received in time.

A copy of the Statement of Affairs is attached at Appendix B for your perusal.

Receipts & Payments Account

Attached as Appendix D is a summary of my receipts and payments for the period from 25 October 2021 to 6 December 2021 which shows that there is currently £1,535,492 of net floating charge realisations, however £189,665 has not yet been received in the Administration, as it is being held back by GoCardless for fees/chargebacks. As such, the Joint Administrators are currently holding funds of £1,345,827. These funds are held at Barclays Bank Plc in an interest bearing account.

It should be noted (per the details provided in section 2) that out of the funds showing in the receipts and payments account:

- The receipt titled 'Monies Held by GoCardless' totalling £189,665, which relates to funds that are being held back by GoCardless for fees/chargebacks, will be payable to Shell upon receipt;
- £1,345,243 relates to the funds held on trust for Shell, of which, £1,345,213 has already been paid across to Shell; and
- £67,261 of the funds held is in relation to a retention for a potential VAT liability. Once our accountants have finalised the Company's pre and post Administration VAT returns, the balance of this sum will be payable to Shell (or payable to HMRC).

As such, the current funds held in the Administration's bank account for the benefit of creditors currently totals £1,278,536.

Duration

The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment. However, pursuant to paragraph 76 of Schedule B1 of the Insolvency Act, 1986 this may be extended by either:

- an application to Court for a specified period, or
- by consent of the creditors for a specified period not exceeding one year.

It is unlikely at present that an extension of the Administration will be sought in this case, but creditors will be kept advised of developments.

Proposed Exit Route

Based on current projections, it is proposed that the Administration will convert to Creditors' Voluntary Liquidation on the basis that there will be sufficient funds to pay a dividend to unsecured creditors. At the appropriate time, the Administrators will provide a final report and file a notice under Paragraph 83 of Schedule B1 of the Insolvency Act 1986 to move the Company from Administration to Creditors' Voluntary Liquidation.

It is proposed that the Administrators, Neil Mather or Michael Pallott, (or if appropriate their successors) be appointed as Joint Liquidators. However, in accordance with paragraph 83(7) of Schedule B1 of The Insolvency Act 1986, and Rule 3.60 of the Insolvency (England and Wales) Rules 2016, creditors may nominate a different person to act as Liquidator, provided that the nomination is made after the receipt of these proposals and before the decision date for their approval, which is 21 December 2021.

07

Approval of the Administrators' Proposals

The Proposals

In accordance paragraph 49 of Schedule B1 to the Insolvency Act 1986, my Proposals must be approved by a decision of the creditors. In order to assist creditors with making this decision, I have briefly summarised my Proposals below:

- That the Joint Administrators continue to realise the Company's assets as outlined in Section 2;
- That the Joint Administrators continue to investigate, and if appropriate, pursue any claims that an office holder and/or the Company may have under The Companies Act or Insolvency Act against any parties concerned with the affairs of the Company as disclosed in Section 3;
- That the Joint Administrators conclude the Administration and place the company into Creditors' Voluntary Liquidation, with the appointment of Neil Mather and Michael Pallott (or if appropriate, their successors) as Joint Liquidators. In accordance with section 231 of the Insolvency Act 1986, the Joint Liquidators are to act jointly and severally.

At the same time as seeking a decision from the creditors regarding my Proposals, I am also required to invite the creditors to form a committee. Details of the functions of the committee are provided in the next section. Creditors can provide their decision in respect of the approval of the Proposals and their requirement for a committee on the attached voting form.

In the event that creditors decide not to form a committee, I am required to request additional decisions from the creditors in respect of the following matters:

- The approval of the pre-administration costs as set out in section 8 below.
- The approval of the Administrators' remuneration as set out in section 8 below
- The approval of the Administrators' category 2 expenses as set out in Section 8 below

These decisions are set out in detail on the attached voting form and it would assist me if creditors could indicate on the voting form their decision by deleting either approved or rejected on the voting form (as appropriate) and returning the signed voting form back to this office by post or by e-mail, to the addresses provided on the voting form. A proof of debt must have also been submitted in respect of all voting forms, otherwise the voting form will marked as invalid. The deadline for voting forms and proofs of debt is 21 December 2021.

As noted on the Important Information section on the attached Notice regarding the requirement for decisions from the creditors, creditors can request that a physical meeting be called if, within five business days from the date of delivery of this notice 10% of the value of the creditors, 10% of the number of the creditors, or 10 creditors request such. In the event that a physical meeting is convened, the decision by correspondence procedure currently in place will be superseded.

The Proposals

The **Creditors'** Committee

The function of a committee is to assist the Administrators in discharging their duties and to receive information from time to time on the conduct of the administration and the implementation of the proposals. Where appropriate, the Administrators will seek the committee's sanction to proposed actions.

A creditors' committee can only be formed if sufficient creditors are willing to be members of the committee. The committee must be formed of at least three, but not more than five eligible members.

Further information on the role of the committee, its formation and eligibility to act is provided in the guide entitled "Creditors' Committees and Commissioners – A Guide for Creditors" which is available to download from the website <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/> or which is available upon request.

08

Administrators' Remuneration & Expenses

Administrators' Remuneration

Approving the Costs of the Administration

As the Company has sufficient property to enable a distribution to be made to unsecured creditors, approval of the following is to be sought from the creditors' committee, however if a committee is not formed, a decision of the below is to be sought from creditors generally:

- Pre-Administration Costs; and
- Basis of the Administrators' Remuneration.

These cost relate to time properly spent in dealing with the matters set out in these proposals

Pre-Administration costs

The pre-administration costs total £11,066 plus VAT. A summary of the costs incurred is provided in the table below:

Pre-Administration Costs			
Firm	Costs Incurred (£)	Disbursements (£)	Total (£)
Mazars	10,000	52	10,052
Eversheds	800	214	1,014
	10,800	266	11,066

Description of the work undertaken pre-Administration

Mazars were engaged by the Company on 21 October 2021 to assist in relation to the Company's affairs, in attending meetings with the Directors to explain the Administration procedure, in dealing with the formalities of placing the Company into Administration and liaising with the solicitors instructed to assist in completing such formalities.

Further work was also undertaken in respect of contacting relevant parties on behalf of the Company with a view to carrying out these functions, consenting to act, reviewing statutory paperwork in relation to the Administration appointment and preparing to carry out immediate post-appointment duties. The disbursement incurred relates to travel costs for the initial meeting and the initial visit to site.

An amount of £10,000 was paid to Mazars client account in relation to these costs but these monies were not drawn and so have been paid into the estate account.

Approval of the pre-administration costs is not part of the Proposals and agreement of the costs will be sought from the creditors' committee, or unsecured creditors generally.

Mazars time costs in relation to the above described pre-appointment work totals £18,004. However, per the engagement letter agreed with the Directors on 21 October 2021, Mazars capped their costs at a fixed fee of £10,000 plus VAT. As such, Mazars are only seeking to recover the agreed fixed fee plus disbursements, which relate to travel costs at the initial meeting with the Directors.

Eversheds were engaged based on their experience of work in restructuring and insolvency matters. Work carried out by Eversheds included taking initial instructions, setting up file, AML checks, drafting and reviewing appointment documents including board minutes and resolution, reviewing the articles of association, filing appointment documents at Court and serving appointment documents.

If approval is received, the payment of these costs will be treated as an expense of the Administration.

Administrators' Remuneration

Basis of **Administrators'** remuneration

In accordance with rule 18.16 of the Insolvency (England and Wales) Rules 2016, the basis of our remuneration may be fixed:

- a. as a percentage of the value of property with which are being dealt with; or
- b. by reference to the time properly given by our staff in attending to matters arising in the administration; or
- c. as a set amount; or
- d. as a combination of any one or more of the above.

As noted earlier, the creditors' committee is required to approve the Administrators' remuneration, however where a committee is not formed, a decision in this regard is to be sought from the creditors. Having considered the nature of the work involved in concluding the matters remaining per the Proposals, I would request that my fees be approved on the basis of time properly spent in dealing with these matters.

Where a time-cost basis is sought, I am required to provide the creditors with various additional information to include:

- Details of the work already undertaken and why that work was undertaken prior to the approval of the fee basis
- Details of the work yet to be undertaken and why that work is required
- Whether the work which has or will be undertaken provides a financial benefit to creditors
- Details of the rates of the staff proposed to work on this engagement
- Details of the anticipated time each part of the work will take to conclude and the costs of the work

This additional information is contained in the Fees Information Pack ("the Fees Pack") attached at Appendix E.

Creditors will note that the Fees Estimate totals £270,071.50. This estimate acts as a cap for my fees and I will be unable to take any additional fees without the approval of the unsecured creditors.

The Fees Estimate assumes that the Administration will not exceed 12 months and will not require extending. However, if the Administration needs to be extended, or there are issues realising the assets in section 2 or significant time is spent adjudicating creditor claims in the subsequent liquidation, it is possible that I will exceed my fee estimate, however at present I am unable to give an indication of by how much.

My firm's Rates and Expenses policy included within the Fees Pack (at Appendix E4) is subject to change, as charge out rates may increase over the period of the administration of the case, in common other professional firms. Details of any changes will be provided as part of my reporting throughout the life of the case. All staff that work on the case, including the cashiers, support and any secretarial staff charge their time directly to the assignment in 6 minute units.

Creditors can find additional information relating to Administrator's fees in a copy of the publication "A creditors guide to Administrators' Fees" which is available to download from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/> or alternatively will be provided free of charge upon written request to this office.

Administrators' Remuneration

Costs already incurred

As noted in the Fees Pack attached, I have already undertaken substantial work on this case prior to seeking fee approval, so as to ensure the security of the assets, an effective and timely transition of data and information to Shell for the benefit of approximately 23,000 customers, to satisfy regulatory requirements of Ofgem and to adhere to various statutory deadlines.

Attached within Appendix E1 is a summary of my time costs to date, together with a comparison to my Fees Estimate. As at close of business on 2 December 2021, 454.80 hours have been spent dealing with the administration of this case, at a total cost of £180,991.50 representing an average hourly rate of £397.96.

My Detailed Fees Estimate (included at Appendix E2) explains what work has already been done in respect of these costs incurred as well as work that is yet to be done.

Expenses

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.
- Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

The Joint Administrators are seeking the approval of the payment of Category 2 expenses in accordance with this firm's Rate and Expenses Policy, attached at Appendix E4.

In accordance with Rule 18.16 of the Insolvency (England & Wales) Rules 2016, prior to the determination of the basis of my remuneration, I must provide creditors with details of the expenses I consider are likely to be incurred.

The EOS attached at Appendix D and the Expense Estimate attached at Appendix E3 within the Fees Pack provide details of the expenses I consider will be, or are likely to be incurred on this matter, together with an explanation as to why it is necessary to incur each expense. Including my remuneration, these are anticipated to total £404,046.

Details of any expenses already paid can be found in the attached Receipts and Payments account at Appendix D.

I have reviewed the expenses incurred to date and I am satisfied that they are fair and reasonable and proportionate in the circumstances of the case.

Expenses incurred but not yet paid predominantly comprise the fees and disbursements of my professional advisors. These are broken down in schedule E3.

Appendices

A	Identification Details
B	Statement of Affairs
C	Schedule of Trade & Expense Creditors
D	Estimated Outcome Statement & Receipts and Payments Account up to 6 December 2021
E	Fees Information Pack
E1	Fees Estimate
E2	Detailed Fee Estimate
E3	Expenses Estimate
E4	Rates & Expenses Policy

Appendix A: identification details

Details relating to the Company

Company name	Goto Energy (UK) Limited
Previous names	Queensbury Energy Limited
Trading name	As above
Company number	09844990
Registered office	Tower Bridge House St Katharine's Way London E1W 1DD
Previous registered office	Office 23, 2nd Floor Innovation Way Discovery Park Sandwich CT13 9FF
Trading address	Office 23, 2nd Floor Innovation Way Discovery Park Sandwich CT13 9FF
Court	The High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)
Court reference	001942 of 2021

Details relating to the Joint Administrators

Date of appointment	25 October 2021
Joint Administrators	N Mather and M Pallott of Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD IP No(s) 008747 and 023650
Joint Administrators' functions	All acts required to be done by the joint administrators, may be done by either or both, acting jointly or alone.
Joint Administrators' address	Tower Bridge House St Katharine's Way London E1W 1DD
Appointed by	The Directors
Joint Administrator's contact telephone number	020 7063 4000

Appendix B: Statement of Affairs

Goto Energy (UK) Limited - Estimated Statement of Affairs as at 25 October 2021

	Notes	Book Value £	Estimated to Realise £
Assets			
Assets subject to fixed charge:			
-		-	-
Assets subject to floating charge:			
-		-	-
Uncharged Assets:			
Computer Equipment		-	2,000.00
Office Equipment		-	3,0000.00
GoCardless Receipts pre 21 October 2021		303,175.00	303,175.00
Bank Accounts		461,340.86	461,340.86
Outset Legal - Client Account		171,600.00	171,600.00
Prepay - National Grid		317,066.14	317,066.14
Smartest Energy		354,066.00	354,066.00
VAT Refund (Sept)		82,556.96	82,556.96
Other Debtors: Tomorrowfield Limited		11,934.17	11,934.17
		1,701,739.13	1,706,739.13
Estimated total assets available for preferential creditors:		1,701,739.13	1,706,739.13
Liabilities			
Preferential Creditors			
Employees' Wage Arrears and Holiday Pay		-	(46,311.54)
HMRC – VAT/PAYE		-	TBC
		-	(46,311.54)
Estimated surplus as regards preferential creditors:		-	1,660,427.59
Debts secured by floating charges pre-september 2003		-	-
Other Pre 15 September 2003 Floating Charge Creditors		-	-
Estimated prescribed part of net property where applicable (to carry forward)		-	-
Estimated total assets available for floating charge Creditors		-	1,660,427.59
Debts secured by floating charges post 15 September 2003		-	-
Estimated surplus of assets after floating charges		-	1,660,427.59
Estimated prescribed part of net property where applicable (brought down)		-	-
Total assets available to unsecured creditors		-	1,660,427.59
Unsecured Creditors			
Unsecured non-preferential claims			
Purchase Ledger			(195,789.20)
Purchase Ledger unposted invoices to 26 October 2021			(1,119,476.26)
Enigys Intercompany			(2,014,572.61)
Estimated deficiency as regards non-preferential creditors			(1,623,098.94)
Shortfall to floating charge holders (brought down)			-
Estimated deficiency as regards creditors			(1,623,098.94)
Issued and called up capital			-
Estimated total deficiency as regards creditors			(1,623,098.94)

Appendix C: Schedule of Trade & Expense Creditors

Schedule of trade & expense creditors				
Key	Name	Address	SoA Amount	Claims Received
CA00	AIG	58 Fenchurch Street, London EC3M 4AB	1,220.11	-
CA01	AXA PPP Healthcare	5 Old Broad St London EC2n 1AD	924.36	-
CB00	B@CE holdings	Manor Royal, Crawley RH10 9QP	9,518.46	-
CB01	Brakkn	14A Commercial Road, Bournemouth BH2 5LP	282.00	-
CC00	Cadent Gas Shipper	Caldwell Lane, Hitchin SG4 0SL	164,734.88	-
CC01	Cadent Gas Limited	Ashbrook Court,Prologis Park,Central Boulevard,Coventry,CV7 SPE	-	324,753.38
CC02	Callisto	Abel Smith House Gunnels Wood Rd Stevenage SG1 2ST	57,849.83	-
CC03	calvin metering	5th Floor 1 Marsden St Manchester M2 1HW	16,545.18	-
CC04	Capital Meters	Suites 3&4 Warners Mill, Silks way, Braintree CM7 3GB	1,724.20	-
CC05	Cortex Metering Ltd	Ship Canal House 98 King St, Manchester M2 4WU	655.23	-
CD00	Datagraphic	Butlers Leap, Rugby, CV21 3RQ	18.82	-
CD01	DCUSA	3rd floor, Northumberland House, 303-306 High Holborn WC1V 7JZ	236.98	-
CD01	Discovery Park Management	Innovation House, Discovery Park, Ramsgate Road, Sandwich, CT13 9FF	225.67	-
CE00	Enigys Trading Limited	Office 23, Innovation House, Discovery Park, CT13 9FF	2,014,572.61	-
CE01	E.On	Sherwood Park, Little Oak Drive, Annesley Notts NG15 0DR	6,881.39	-
CE02	Eastern Power Networks	Frederick Road, Salford M6 6QH	35,483.47	-
CE03	EDF Energy	GSO Business park, East Kilbride G74 5PG	8.88	4,304.19
CE04	electricity network company	Synergy House Woolpit Business Park, Woolpit Bury St. Edmunds, Suffolk IP30 9UP	2,050.01	-
CE05	Electricity North West	Borron St Portwood Stockport SK1 2JD	22,293.24	22,449.01
CE06	Electricity Settlements Company	Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX	1	-
CE07	Elaxon	4th floor 350 Euston Rd London NW1 3AW	1,457.74	-
CE08	Energy assets	6 Almondale Way, Livingston, EH 6GA	20.00	-
CE09	Energy Services Online	14 Marchwood Crescent London W5 2DZ	360.00	-
CE10	Enigys	Office 23, Innovation House, Discovery Park, CT13 9FF	15,000.00	-
CE11	Esg Global	Brisance House Euxton Lane Euxton Chorley PR7 6AQ	10106.78	-
CE12	ESP connections	Bluebird House Mole Busines Park Leatherhead KT227BA	700.31	-
CE13	ESP electricity	Unit 22 Mole Business Park Randalls Road, Leatherhead KT22 7BA	728.34	-
CE14	ESP networks	Unit 22 Mole Business Park Randalls Road, Leatherhead KT22 7BA	25.84	-
CE15	ESP pipelines	Unit 22 Mole Business Park Randalls Road, Leatherhead KT22 7BA	12.41	-
CE16	Experian	Sir John Peace Building Experian way, Nottingham NG80 iZZ	1105.8	-
CF00	Fulcrum Electricity Assets	2 Europa View Sheffield Bus Park Sheffield S91 1XH65	25.78	-
CG00	GoCardless	Goswell Road, London EC1V 7EN	7380.24	-
CG01	GoCompare.Com	Quay House, Bath, BA1 1UA	2,500.00	-
CG02	GTC Pipelines	Synergy House Woolpit Bus Pk Bury St Edmunds IP30 9UP	3,535.80	-

Appendix C: Schedule of Trade & Expense Creditors

Schedule of trade & expense creditors				
Key	Name	Address	SoA Amount	Claims Received
CH00	Harlaxton Energy Networks	Toll Bar Road, Marston Grantham NG32 2HT	8.75	-
CH01	Hiddleston Trade Marks	Polhill Business Centre, London Road, Polhill, Kent, TN14 7AA	246.00	-
CH02	Horizon Energy Infrastructure	Brewery House 34-44 Gigant St Salisbury SP1 2AP	1,349.72	3,607.55
CI00	Igloo Trading Solution	1 Phipp St Shoreditch London EC2A 4PS	6,600.00	-
CI01	independent pipelines	Synergy House Windmill Avenue, Woolpit, Bury St. Edmunds, England, IP30 9UP	3,366.29	-
CI02	Independent Power Networks	Synergy House Woolpit Business Park, Woolpit Bury St. Edmunds, Suffolk IP30 9UP	552.58	1,930.32
CK00	KAL Portfolio Services	CPK House, 2 Horizon Place, Nottingham Business Park, Nottingham NG8 6PY	56,427.75	-
CL00	Lastmile Electricity	Fenick House, Lister way, Hamilton International Technology Park Glasgow, G72 0FT	1,182.89	-
CL01	London Power Networks	Frederick Road, Salford M6 6QH	15,211.49	-
CL02	Lovetts	Bramley House, The Guildway, Guildford, Surrey, GU3 1LR	317.02	-
CL03	Low Carbon Contracts Company	2-6 Salisbury Sq, London EC4Y 8JX	67,224.92	-
CL04	Lowri Beck	Mayors Quay, Wigan WN3 5BB	652.66	-
CM00	Macquarie Leasing	Suites 3&4 Warners Mill, Silks way, Braintree CM7 3GB	30,460.26	-
CM01	Magnum Meter Finance	Atria, Spa Road, Bolton BL1 4AG	31.16	-
CM02	Maple	Walton Park Portsmouth PO6 1UJ	2,935.12	-
CM03	Matrica	docklands business centre, 10-16 Tiller Road, London E14 8PX	5,884.80	-
CM04	Meter Corp	Communication House Victoria Avenue Camberley GU15 3HX	172.32	-
CM05	Money Supermarket	St David's Park, Ewloe, CH5 3UZ	9,198.00	-
CM06	Morrison Data Services	Abel Smith House Gunnels Wood Rd Stevenage SG1 2ST	33,430.26	-
CM07	My Business Profile	Sir John Peace Building Experian way, Nottingham NG80 iZZ	59.98	-
CN00	National Grid	1-3 Strand, London WC2N 5EH	23,474.37	-
CN01	National Grid Electricity System Operator	1-3 Strand, London WC2N 5EH	193,747.17	-
CN02	Northern Gas Networks	44 Spring Bank, Hull HU3 1	45,087.12	-
CN03	Northern Powergrid	Lloyds Court, 78 Grey St Newcastle upon Tyne, NE1 6AF	43,066.39	-
CO00	Ombudsman Services	3300 Daresbury Park, Warrington WA4 4 HS	816.00	-
CO01	outset breathe	Outset (UK) Limited Vinters Business Park New Cut Road Maidstone ME14 5NZ	291.99	-
CO02	outset primed	Outset (UK) Limited Vinters Business Park New Cut Road Maidstone ME14 5NZ	651.03	-
CQ00	Quadrant Pipelines	Synergy House Windmill Avenue, Woolpit, Bury St. Edmunds, England, IP30 9UP	90.97	-
CS00	scotia gas	1 Forbury Place, 43 Forbury Road reading RG1 3JH	392.24	-
CS01	Scottish & Southern Electricity Networks	10th Floor 320 Vincent St Glasgow G2 5AD	40,904.55	-
CS02	Scottishpower	5th floor Link Building Adelaide exchange Adelaide St, belfast BT2 8GD	18,625.27	-
CS03	Seopa		50.00	-
CS04	Shell Energy	Shell Energy House, Columbus House, Westwood Way, Westwood Business Park, Coventry CV4 8HS	3.60	-

Appendix C: Schedule of Trade & Expense Creditors

Schedule of trade & expense creditors				
Key	Name	Address	SoA Amount	Claims Received
CS05	Smart DCC	65 Gresham St London EC2V 7NQ	49,061.84	-
CS06	Smart Meter Assets	6th floor, 1 Aldermanbury Sq, London EC2V 7HR	20,810.66	-
CS07	Sms Energy Services	Prennau House Copse Walk Pontprennau Cardiff CF23 8XH	58.17	-
CS08	SMS Meter Assets	6th floor, 1 Aldermanbury Sq, London EC2V 7HR	13,423.66	-
CS09	South Eastern Power Networks	Frederick Road, Salford M6 6QH	33,684.36	-
CS10	southern gas networks	2 Leeson Hill, Orpington BR5 2TN	96,148.01	-
CS11	SP Distribution	8th Floor, 320 Vincent St, Glasgow G2 5AD	20,695.74	-
CS12	SP Energy Networks	8th floor 320 st vincent st, Glasgow G2 5AD	542.47	-
CS13	SP Manweb	3 Prenton Way, Prenton CH43 3ET	21,521.45	-
CS10	Spaa	3rd floor, Northumberland House, 303-306 High Holburn, London WC1V 7JZ	1,444.32	-
CS11	SSE Electricity	Ty Calon Cardiff Gate Business Park, Cardiff CF23 8BA	827.36	-
CS12	Stratford Place Utilities	Unit 8 Perglow Centre Marsh Lane Ware SG12 9QL	183.67	-
CU00	UK Power networks	Energy House Hazelwick Plaza, 3 bridges, Crawley, RH10 1EX	196.84	-
CU01	Utility Metering Services	Suites 3& 4 warners Mill, Silks Way Braintree CM7 3GB	6,428.70	-
CV00	Vantage Meters	82 Heathfield North, twickenham, TW2 7QW	2,232.30	-
CW00	Wales & West Utilities	Spooner Close Celtic Springs Coedkernow Newport NP10 8FZ	28,963.98	-
CW01	Western Power Distribution	Electricity House, Elliott Road, Plymouth, PL4 0YU	76,879.21	-
CX00	Xoserve	Landsdowne Gate, 65 New Road, Solihull, B91 3DL	4,439.24	-
CY00	Yu Energy	CPK House, 2 Horizon Place, Nottingham Business Park, Nottingham, NG8 6PY	-	62,169.73
EE00	Employee's Notice Pay	-	-	51,331.37
EE01	Employee's Redundancy Pay	-	-	47,629.45
Total			3,358,240.01	518,175.00

Appendix D: Receipts and Payments and Estimated Outcome Statement

Goto Energy (UK) Ltd - In Administration Joint Administrators' Summary of Receipts & Payments and Estimated Outcome Statement As at 6 December 2021				
	Book value	Receipts & Payments to 6 December 2021	Estimated Future Receipts & Payments	Estimated Final Outcome
	£	£	£	£
Uncharged Assets				
Cash at Bank	461,341	501,760	-	501,760
VAT Refund - Pre Appointment	82,557	82,557	-	82,557
Computer Equipment	2,000	2,000	-	2,000
Office Equipment	3,000	3,000	-	3,000
GoCardless Receipts pre 21 October 2021	303,175	303,175	-	303,175
GoCardless Receipts Between 21 October 2021 and 24 October 2021	-	124,985	-	124,985
GoCardless Receipts Relating to Debit Accounts at 25 October 2021	-	221,516	-	221,516
Sale of Customer Debit Balances to Shell	-	48,632	-	48,632
Monies Held by GoCardless - Fees and Chargebacks	-	189,665	-	189,665
Funds Held on Trust for Shell	-	1,345,243	-	1,345,243
Retention for Potential VAT Liability	-	67,261	-	67,261
Sundry Refund	-	10,000	-	10,000
Outset Legal - Client Account	171,600	-	Uncertain	Uncertain
Prepay - National Grid	317,066	-	Uncertain	Uncertain
SmartestEnergy	354,066	-	Uncertain	Uncertain
Other Debtors: Tomorrowfield Limited	11,934	-	5,967	5,967
Soldo Expense Account	-	-	Uncertain	-
American Express Merchant Account	-	-	Uncertain	-
Aged Debtor Ledger	-	-	Uncertain	-
VAT Refund - Period in Administration	-	-	2,861	2,861
	1,706,739	2,899,793	8,828	2,908,621

Appendix D: Receipts and Payments and Estimated Outcome Statement

Costs of realisation				
Administrators' Remuneration - Pre Appointment	-	10,000	10,000	
Administrators' Expenses - Pre Appointment	-	52	52	
Administrators' Remuneration - Post Appointment	-	270,072	270,072	
Administrators' Expenses - Post Appointment	-	2,319	2,319	
Legal Fees - Pre Appointment	-	800	800	
Legal Expenses - Pre Appointment	-	214	214	
Legal Fees - Post Appointment	-	67,393	67,393	
Agents' Fees - ERA	-	2,775	2,775	
Agents' Fees - Valuation of Business	2,067	-	2,067	
Employee Expenses	111	-	111	
Employee Wages	16,910	-	16,910	
HM Revenue & Customs - PAYE	-	22,872	22,872	
Pension Contributions	-	1,892	1,892	
Accountancy Fees - Payroll	-	570	570	
Accountancy Fees - VAT	-	6,000	6,000	
Monies Held by GoCardless - Fees and Chargebacks	-	189,665	189,665	
Funds held on Trust for Shell	1,345,213	30	1,345,243	
Retention for Potential VAT Liability	-	67,261	67,261	
	-	1,364,301	641,914	2,006,214
Net floating charge realisations	1,706,739	1,535,492	(633,085)	902,407
Preferential creditors - holiday pay	46,312	30,857	-	30,857
HMRC secondary preferential creditors - VAT	-	-	13,625	13,625
Net realisations available to unsecured creditors	1,753,051	1,566,350	(619,460)	857,924
Unsecured creditors			3,852,211	3,852,211
Estimated recovery to unsecured creditors (%)			22%	

Appendix E1: Fees Estimate

FEES ESTIMATE

My total Fees Estimate as at 6 December 2021 to conclude this matter is £270,071.50. I have provided below a breakdown of how these costs will be split between the different functions my staff and I are likely to perform on this case. I have also included a similar breakdown of the actual time spent and costs incurred to date.

Description of Work	Fees Estimate			Actual as at 2 December 2021		
	Total Time (hours) (£)	Total Costs (£)	Blended Hourly Rate (£)	Total Time (hours) (£)	Total Costs (£)	Blended Hourly Rate (£)
Administration & Planning	133.9	59,210.00	442.20	100.9	44,950.00	445.49
Taxation	19.9	7,760.00	389.95	7.9	2,760.00	349.37
Investigations	39.9	12,476.00	312.68	13.9	3,036.00	218.42
Realisation of Assets	79.6	34,964.00	439.25	50.6	21,184.00	418.66
Trading	108.8	54,868.00	504.30	104.8	53,168.00	507.33
Employees	65.5	22,028.00	336.31	61.5	20,328.00	330.54
Creditors	43.3	17,252.00	398.43	25.3	9,952.00	393.36
Reporting	91.9	32,120.00	349.51	50.9	14,820.00	291.16
Distributions	30.0	12,040.00	401.33	-	-	-
Cashiering	31.6	9,404.00	297.59	22.6	6,484.00	286.90
Statutory & Compliance	25.4	7,949.50	312.97	16.4	4,309.50	262.77
Totals	669.8	270,071.50	403.21	454.8	180,991.50	397.96

Attached to this Fees Estimate is a detailed summary of the work that has been incurred to date and that is anticipated to be incurred, together with an explanation as to why the various tasks are required.

Creditors will note that a blended hourly charge-out rate has been provided. This is calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate. Details of the hourly rates of staff anticipated to work on this case can be found on the Rates and Expenses policy attached to this report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such.

Exceeding the Fees Estimate

The Fees Estimate has been based on previous examples of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which is anticipated to be necessary.

The Joint Administrators do not anticipate having to seek further fees at this stage, however, as indicated in our report, these costs do not reflect the costs of any litigation or substantial time costs being incurred adjudicating creditor claims in a subsequent liquidation. Should these circumstances change, then the Joint Administrators shall consider seeking a further estimate in the future if necessary.

The above estimate also assumes that this Administration will remain open for 12 months and then move to Creditors' Voluntary Liquidation.

Appendix E2: Detailed Fee Estimate

Description of work

Administration and Planning

To date, the Administrators have undertaken the following work in this Category:

- Case acceptance and ethical reviews;
- Completing case strategy notes;
- Filing of key documents and correspondence associated with the Administration;
- Initial planning & strategy meetings with the Administrators and their staff regarding all matters generally in the Administration;
- Holding strategy meetings and engaging in correspondence with solicitors & directors;
- Researching key matters which will affect the Administration, such as claims from Ofgem/Shell, the effect of mutualisation in an Administration and other key issues.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system; and
- Calculating values for bordereau of case.

Future work in this category is expected to include:

- Ongoing strategy meetings between the Administrators, their staff and advising solicitors;
- Documenting decisions; and
- Managing and maintaining the case on the firm's client systems and specialist insolvency software systems.

This work is necessary to ensure that the case is administered correctly and in line with statutory requirements.

It is not expected that this work will result in a direct financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Appendix E2: Detailed Fee Estimate

Taxation

To date, the Administrators have undertaken the following work in this category:

- Notifying HM Revenue & Customs ("HMRC") of our appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations;
- Liaising with accountants and former directors to further to understand position; and
- Reviewing VAT Tax computations prepared by the Company's former accountants for both the pre and post appointment periods.

Future work in this category is expected to include:

- Establishing the full extent of HMRC's claim in the Administration. Such enquiries will assist the Administrators' own investigations;
- Distributing a second class preferential dividend to HMRC once their claim has been substantiated;
- Agreeing both pre and post Administration VAT, as required by statute;
- Deregistering the Company for VAT once appropriate, in line with VAT regulations; and
- Seeking tax clearance for closure of the Administration.

The majority of this work derived no direct financial benefit for creditors; however, it is required to ensure the Company is administered in line with legislative requirements. Further work regarding HMRC's claim will assist with the adjudication process for when the time is appropriate for a preferential distribution to be.

Appendix E2: Detailed Fee Estimate

Investigations

To date, the Administrators have undertaken the following work in this category;

- Initial review of Company information and documentation regarding the affairs of the Company and the conduct of its Directors;
- Preparing and issuing questionnaires to the directors and former directors in accordance with statutory requirements; and
- Liaising with solicitors, directors and former directors in respect of the Company's background and financial position.

Further work in this category is expected to include:

- Ongoing investigation into the affairs of the Company and the conduct of its Directors;
- A review of the Company's books and records, to identify any potential transactions that were outside the ordinary course of business;
- Reviews of the creditor questionnaires received and investigation into any matters notified;
- Recovery of further books and records outstanding; and
- Reporting to the Insolvency Service on the Directors as required.

This work is required by statute, and unless any assets or rights of action are identified by the Administrators, there is generally no financial benefit to creditors in carrying out the work. However, should the Administrators' investigations reveal additional assets or rights of action, then these may lead to additional realisations but the costs of pursuing these actions are likely to increase. In this case, further information will be provided to creditors under separate cover in due course.

Appendix E2: Detailed Fee Estimate

Realisation of Assets

The Company's assets are as stated in section 2. To date, the Administrators have undertaken the following work in this category:

- Email insurers upon appointment to arrange open cover on the assets until the asset position has been confirmed;
- Liaising with the directors to understand the asset position of the Company;
- Contacting Banks, expense account operators and merchant service providers regarding funds being held;
- Instructing asset valuation agents to attend site and value assets;
- Reviewing and agreeing sale of chattel assets;
- Liaising with GoCardless regarding customer debit balances and funds held;
- Calculation and analysis of funds provided by GoCardless to ensure appropriate funds are maintained in the Administration;
- Review legal dispute with Gentrack with directors, solicitors and Gentrack;
- Liaise with directors of Tomorrowfield Limited to negotiate settlement of outstanding debt;
- Discussions with director regarding all potential refunds due to the Company from suppliers; and
- Review of aged debtor ledger and associated correspondence with Bank.

Further work in this category is expected to include:

- Further liaise with Gentrack and legal advisors regarding the dispute and funds held in Outset Legal's Client account;
- Review the aged debtor ledger and agree appropriate collection strategy;
- Make contact with National Grid and SmartestEnergy regarding their claims and negotiate the refund to the Administration of the funds held;
- Finalise settlement offer with Tomorrowfield Limited;
- Continue liaising with expense account and merchant service providers in order to acquire credit balances being held; and
- Arrange the return of the leasehold property back to the landlord.

This work is anticipated to result in a financial benefit for the Administration estate, due to the realisation of the assets of the Company and reduction in creditor claims.

Appendix E2: Detailed Fee Estimate

Trading

To date, the Administrators have undertaken the following work in this category:

- Held strategy meetings with the director's regarding maintaining staff and operations while discussions with Shell were held;
- Attendance on site by the Administrator and his staff to oversee operations;
- General trading related work, such as dealing with day to day employee, customer and other issues;
- Ensuring the Administrators details are included on the website and correspondence;
- Meetings and correspondence with Shell, GoCardless, Eversheds, Company employees and the directors regarding the transfer of data in line with the SOLR process;
- Working with employees to understanding the company software and process for producing final invoices and reconciling customer balances; and
- Negotiations with Shell regarding the sale of the customer debit balances.

Further details in relation to this work have been provided in the section titled 'Actions Taken Since Appointment'

Further work in this category is expected to include:

- Dealing with any outstanding issues resulting from the data transfer;
- Ensuring all outstanding matters relating to the operation of the site are finalised; and
- Receiving and forwarding funds from GoCardless to Shell in line with agreement.

This work has resulted in a financial benefit for the Administration estate, due to the realisation of the outstanding customer debit balances. The work has also resulted in the smooth transition of customer information to Shell, in line with the expectations of Ofgem.

Appendix E2: Detailed Fee Estimate

Employees

To date, the Administrators have undertaken the following work in this category.

- Undertaking a S120 search for relevant pension schemes;
- Requesting further details from directors regarding pension schemes;
- Writing to employees and dealing with any queries they may have in respect of their claims;
- Reviewing employment contracts;
- Dealing with general employee issues and queries;
- Arranging the payment of employee expenses;
- Establishing any amounts owed to employees and liaising with external payroll providers;
- Instructing agents to deal with redundancies, outstanding pension matters and assisting employees submit claims to the RPO;
- Liaising with the Pensions Protection Fund and the Pensions Regulator and issuing statutory forms;
- Instructing accountants to process staff payroll and produce P45's for all employees;
- Calculating and arranging payment of employees outstanding holiday pay, as well as for wages accrued during Administration; and
- Liaising with the Redundancy Payments Service and agreeing forms RP14, RP14a in relation to the employee's claims.

Further work in this category is expected to include:

- Assessing and adjudicating unsecured claims received by the Redundancy Payments Service and employees;
- Investigating potential claims in respect of unpaid pension contributions.

The majority of this work derived no direct financial benefit for creditors; however, it is required to ensure the Company is administered in line with legislative requirements.

Creditors

To date, the Administrators have undertaken the following work in this category in order to deal with creditors appropriately:

- Requesting an initial list of creditors for initial notification purposes;
- Writing to creditors notifying of the Administration and requesting for creditor questionnaires to be completed to assist with our investigations; and
- Dealing with creditor and customer queries.

Future work in this category is expected to include:

- General correspondence with creditors & responding to queries that arise;
- Logging creditor claims; and
- Requesting further information from creditors in support of their claims as required.

This work derived no financial benefit for creditors, however, it is necessary to comply with the regulations placed upon the Administrators.

Appendix E2: Detailed Fee Estimate

Reporting

To date, the Administrators have undertaken the following work in this category:

- Issuing the initial notification to all known creditors and members; and
- Drafting the Administrators' Statement of Proposals.

Future work in this category is expected to include:

- Issuing the Administrators' Statement of Proposals to all creditors;
- Arranging and reporting the outcome of any decision procedures;
- Preparing and issuing six monthly progress reports as required by statute;
- Drafting and issuing the final progress report; and
- Drafting and issuing progress reports in the subsequent liquidation.

It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Distributions

As part of the subsequent liquidation, the following work is anticipated in this category:

- Adjudication of creditor claims and reviewing of support documentation;
- Seeking legal advice on complex and disputed claims;
- Calculations of dividend amounts;
- Writing to creditors providing notice of an intended dividend, agreeing claims, rejecting claims and payments of dividends;
- Advertising for creditors to submit claims and notice of intended dividends; and
- Preparation of paperwork to control and facilitate payment of dividends.

This work is required in order to ensure that creditors are paid the correct amount outstanding to them in a timely manner.

Appendix E2: Detailed Fee Estimate

Cashiering

To date, the Administrators have undertaken the following work in this category:

- Set up of case details on our insolvency software system;
- Setting up bank accounts;
- Analysing receipts to ensure appropriate reconciliation with our receipts and payments account; and
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

Future work in this category is expected to include:

- Bank account maintenance, including monthly reconciliations; and
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors, however, it is required in order to ensure that the estate bank account is operated in accordance with the guidance issued by our regulatory bodies.

Statutory and Compliance

To date, the Administrators have undertaken the following work in this category:

- Preparation and lodgement of statutory appointment documents;
- Initial notices following appointment;
- Advertising the appointment of Administrators in the London Gazette;
- Considering the proposals and appropriate decision processes;
- Submitting Statement of Affairs to Companies House;
- Case bordereau submissions; and
- Requesting submission of a Statement of Affairs from the director; liaising with the Director with regards to its completion.

Future work in this category is expected to include:

- Case monitoring and statutory compliance, including internal case review;

It is not expected that this work will result in a direct financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

Appendix E3: Expense Estimate

Type of Expenditure	Requirement for Expenditure	Likely Cost (£)
Category 1 Expenses		
Professional advisors' costs	(All costs are quoted net of VAT)	
Legal fees and expenses - Pre-Appointment	Eversheds were instructed to provide assistance and prepare the necessary paperwork to place the Company into Administration and further details can be found at Section 8 of the report. Their time costs in this regard were £800 and their disbursements totalled £214.	1,014
Legal fees – Post-Appointment (Eversheds)	Eversheds were instructed to provide advice and assistance with the preparation of agreements relating to the transfer of customer data and sale of customer debit balances with Shell, as part of the SOLR process. Their fees have been agreed on a time costs basis and they did not incur any disbursements. This firm of lawyers was chosen based on their experience in insolvency matters.	27,393
Legal fees – Post-Appointment (Other)	<p>Further legal fees will need to be incurred should there be a requirement to:</p> <ul style="list-style-type: none"> • Adjudicate creditor claims received from Ofgem or other suppliers in the subsequent liquidation; • Provide advice in relation to the legal dispute with Gentrack; • Assist in the recovery of funds held by the National Grid and SmartestEnergy; and • Provide advice and potentially assist in the collection of the aged debtor ledger. <p>For the above services, an appropriate legal advisor who is either already involved in the current matter (on behalf of the Company) or who is experienced in similar issues will be instructed. For this, the amount of £40,000 plus VAT has been provisioned.</p>	40,000
Agent's fees – Valuation of Business	Lambert Smith Hampton ("LSH") were instructed to provide an independent professional valuation of the chattel assets of the Company, due to their experience in providing such valuations in an insolvency scenario. LSH has confirmed their independence to this firm and also to the Company.	2,067
Agent's fees – ERA	Evolve IS Limited were instructed to assist with employee redundancies, calculating employee claims, the preparation of RP14 and RP14a forms, as well as the work associated with the Company's pension scheme (completing statutory notifications and completing an RP15 form).	2,775

Appendix E3: Expense Estimate

Type of Expenditure	Requirement for Expenditure	Likely Cost (£)
Category 1 Expenses		
Professional advisors' costs	(All costs are quoted net of VAT)	
Accountancy Fees – Payroll	Kreston Reeves ('KR') previously acted for the Company in preparing their monthly payroll. As such, in order to reduce the costs of onboarding a new accountancy firm, KR were instructed to process the payroll in relation to the staff wages accrued during the Administration and the outstanding holiday pay for all staff. In addition, KR have also prepared the P45's for all employees.	570
Accountancy Fees – VAT	Pentins Business Advisors Ltd ('Pentins') previously acted for the Company by processing their financial management data and preparing the quarterly VAT returns. As such, the Joint Administrators have instructed Pentins to prepare the Company's pre and post appointment VAT returns, along with providing advice in relation to the treatment of VAT on invoices produced during the Administration.	6,000

Appendix E3: Expense Estimate

Type of Expenditure	Requirement for Expenditure	Likely Cost (£)
Category 1 Expenses		
Other	(All costs are quoted net of VAT)	
Corporation Tax	It is likely that corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account.	Uncertain
Employee Expenses	Certain staff members, key to the trading of the business, were allowed to reclaim personal mileage from the Company as part of their employment. Two mileage receipts were received and have been paid in full.	111
Employee Wages	This expense relates to the staff wages incurred during the period of the Administration, as set out in detailed previously in this report. All staff wages have now been paid in full.	16,910
HM Revenue & Customs - PAYE	RTI submissions in relation to the payments to employees for outstanding holiday pay, and wages incurred during the Administration, have been made to HMRC. Further to this, the amount of £22,872 is now outstanding to HMRC for PAYE.	22,872
Pension Contributions	Pension contributions were also deducted from the payments to employees listed above. These will be payable to the Company's pension provider in due course.	1,892
Joint Administrators' Disbursements	<p>Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.</p> <p>Expenses incurred or expected to be incurred in this manner include:</p> <ul style="list-style-type: none"> • Postage - costs payable to a third party provider, PostWorks Limited, for postage charges re circulars to creditors - £200 • Specific bond - a legal requirement to take out a specific bond in respect of the value of the assets - £743 • Accommodation – hotels for staff who worked on site - £667 • Travel Costs – Train fares and parking - £129 • Statutory Advertising – of our Appointment and subsequent decision procedure - £199 • Subsistence – for staff while trading on site - £267 <p>Some of these expenses have been incurred, but none have yet been paid.</p>	2,205

Appendix E3: Expense Estimate

Category 2 Expenses

These expenses require approval in the same manner as the office holder's remuneration.

Mileage	This expense represents the costs of the office holder and their staff in travelling to the Company's office. These expenses have been incurred as a disbursement by this firm and are to be re-charged to the estate.	£857
Remuneration		
Joint Administrators' Pre-appointment costs	The Joint Administrators' pre-appointment time costs total £18,004, plus VAT, however they are proposing to draw a fixed fee of £10,000 plus VAT. Further details of the breakdown of these costs is provided at Section 8 of the report.	£10,052
Joint Administrators' remuneration	Managing of the Company's affairs in order to achieve the objective of the Administration. Realising the Company's assets and performing those tasks required as dictated by statute, best practice and ethical requirements.	£270,072

Total For All Estimated Fees and Expenses	£404,046
Notes	

1. Professional Advisors

The office holder's choice of the professional advisors listed above was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

The office holders have reviewed the costs incurred to date and are satisfied that they are reasonable in the circumstances of the case.

2. Category 2 Expenses

The office holders have reviewed the expenses which have been or are likely to be incurred in this matter and do not consider that there are any instances where payments could reasonably be perceived as presenting a threat to the office holders' objectivity or independence by virtue of a professional or personal relationship, including to an associate, and which require approval as a Category 2 Expense, other than those listed above.

Appendix E4: Rates and Expenses Policy

Charge-out rates

Details of the current charge-out rates of the personnel working on this case are set out below:

	Partner	Director	Associate Director / Manager	Senior Executive / Executive	Cashier / Support Staff
Current charge out rate per hour effective from 1 September 2021 - Range (£)	640	520	400-460	200-360	140 - 160

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Specialist departments within our Firm, (Tax and VAT) may charge a number of hours if and when their expert advice is required. The rate ranges above incorporate these different rates.

Expenses

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

•Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

•Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

It is proposed that the following Category 2 expenses incurred in administering the case be charged:

- Mileage will be charged at relevant HM Revenue & Customs prevailing rates, currently 45p per mile.

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of more than 42,000 professionals – 26,000+ in Mazars' integrated partnership and 16,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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