



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

### 1 Company details

Company number 1 0 6 1 1 0 8 2

Company name in full Simplicity Energy Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Allan

Surname Kelly

### 3 Administrator's address

Building name/number Suite 5, 2nd Floor

Street Bulman House

Post town Regent Centre

County/Region Newcastle Upon Tyne

Postcode N E 3 3 L S

Country

### 4 Administrator's name ①

Full forename(s) Matt

Surname Higgins

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Suite 5, 2nd Floor

Street Bulman House

Post town Regent Centre

County/Region Newcastle Upon Tyne

Postcode N E 3 3 L S


Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>																
From date	d	0	d	4	m	0	m	2	y	2	y	0	y	2	y	1	
To date	d	0	d	3	m	0	m	8	y	2	y	0	y	2	y	1	
<b>7</b>	<b>Progress report</b>																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
<b>8</b>	<b>Sign and date</b>																
Administrator's signature	Signature 												X				
Signature date	d	2	d	6	m	0	m	8	y	2	y	0	y	2	y	1	

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Allan Kelly**

Company name **FRP Advisory Trading Limited**

Address **Suite 5, 2nd Floor**

**Bulman House**

Post town **Regent Centre**

County/Region **Newcastle Upon Tyne**

Postcode **N E 3 3 L S**

Country

DX **cp.newcastle@frpadvisory.com**

Telephone **0191 605 3737**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

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**Where to send**

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The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

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**FRP**

**SIMPLICITY ENERGY LIMITED  
(IN ADMINISTRATION) ("THE COMPANY")**

High Court of Justice, Business & Property Courts Insolvency & Companies List,  
(ChD) NO. CR-2021-000198

The Administrator's Progress Report for the period 04 February 2021 – 03  
August 2021 pursuant to Rule 18.3 of the Insolvency (England and Wales)  
Rules 2016

26 August 2021

Contents and abbreviations



Section	Content
1.	Progress of the Administration in the period
2.	Estimated Outcome for the creditors
3.	Administrators’ remuneration, disbursements, expenses and pre-appointment costs
Appendix	Content
A.	Statutory information regarding the Company and the appointment of the Administrators
B.	Form AM10 - formal notice of the progress report
C.	A schedule of work
D.	Details of the Administrators’ time costs and disbursements for the Period and cumulatively
E.	Receipts and payments account for the period and cumulative
F.	Statement of expenses incurred in the Period

The following abbreviations may be used in this report:	
<b>FRP</b>	FRP Advisory Trading Limited
<b>The Company</b>	Simplicity Energy Limited (In Administration)
<b>The Administrators</b>	Allan Kelly and Matt Higgins of FRP Advisory Trading Limited
<b>The Period</b>	The reporting period 04 February 2021 – 03 August 2021
<b>CVL</b>	Creditors’ Voluntary Liquidation
<b>SIP</b>	Statement of Insolvency Practice
<b>QFCH</b>	Qualifying floating charge holder
<b>HMRC</b>	HM Revenue & Customs
<b>BGE</b>	British Gas Evolve
<b>SoLR</b>	Supplier of Last Resort
<b>Ofgem</b>	Office for Gas and Electricity Markets
<b>CNG</b>	Contract Natural Gas

## 1. Progress of the Administration

### Work undertaken during the period

This progress report has been prepared from information available at the time of its preparation. Due to the global outbreak of Covid 19 and the UK's response to this, requiring working from home and necessarily a lack of access to physical files or other information, we should advise that we may not have all the information required to ensure this report is both complete and accurate. Where there are errors and/or omissions we will endeavour to correct these where possible in our next report to you.

I attach at **Appendix C** a schedule of work undertaken during the period together with a summary of work still to be completed.

### Trading

Whilst there are transactions marked on the R&P as trading (as staff had been retained to finalise customer accounts) no 'trading' took place as the Company's licence to supply was revoked prior to the Administrators' appointment. Further details are provided in our schedule of work.

The schedule of work details the work required to realise the following assets:

- Debtors
- Security Deposits
- Funds in Transit

I confirm that I have not subcontracted any work that could be undertaken by the Administrators.

Attached at **Appendix E** is a receipts and payments account detailing both transactions for the period of this report and also cumulatively since my appointment as Administrator.

Payments made from the estate are fair and reasonable and proportionate to the insolvency appointment and are directly attributable to this insolvency.

No payments have been made to associates of the Administrators without the prior approval of creditors as required by SIP9.

### Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the schedule of work attached. I can confirm that my review is currently ongoing.

### Extension to the initial period of appointment

The Administration has not been extended.

### Anticipated exit strategy

It is anticipated the Administration will exit into Creditors Voluntary Liquidation.

## 2. Estimated Outcome for the creditors

**FRP**

The estimated outcome for creditors was set out in the Administrators proposals.

### **Outcome for the secured creditors**

It is estimated that the secured creditor will be paid in full.

### **Outcome for the preferential creditors**

It is estimated that the preferential creditors will be repaid in full.

### **Outcome for the unsecured creditors**

It is expected that unsecured creditors will receive a distribution in excess of the prescribed part. The precise quantum and timing of the distribution are subject to finalisation of asset realisations and the costs the insolvency process.

### **Prescribed Part**

As noted above it is anticipated that the unsecured creditors will receive a distribution in excess of the prescribed part, therefore s176A of the Act does not apply.

3. Administrators’ remuneration, disbursements, expenses and pre-appointment costs



Administrators’ remuneration

Following circulation of the Administrators’ proposals the creditors passed a resolution that the Administrators’ remuneration should be calculated on a time cost basis. Details of remuneration charged during the period of the report are set out in the statement of expenses attached.

A breakdown of our time costs incurred during the period of this report and to date is attached at **Appendix D**. The remuneration anticipated to be recovered by the Administrators based on time costs, is likely to exceed the sum provided in the fees estimate circulated to creditors with the proposals.

This is due to a significantly higher level of customer queries being received and requiring processing and response from the Administrators, and the exercise to finalise billing of customer accounts requiring higher than anticipated levels of involvement from the Administrators due to the existence of more complex issues that anticipated. The Administrators will shortly seek the approval of creditors to an increase in their fees estimate.

The Administrators are unable to draw fees based on time costs exceeding the total amount set out in the fees estimate without further approval of the creditors. Approval will be sought under separate cover if required.

Administrators’ disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Administrators’ expenses

An estimate of the Administrators’ expenses was set out in the Administrators’ proposals. I attach at **Appendix F** a statement of expenses that have been incurred during the period covered by this report. It is currently expected that the expenses incurred or anticipated to be incurred are likely to exceed the details previously provided. This is in part because the final billing exercise has taken longer than anticipated due to more complex issues that require manual intervention arising. It is also in part due to the proposals not including provision for debt collection fees for Credit Style due to a typographical error by the Administrators. A table is provided below that highlights expenses that will materially exceed the estimate provided in the Proposals.

Expense	Estimated cost per initial estimate £	Revised anticipated costs £	Paid to date £
Direct Wages	116,639	260,000	223,689
IT costs	35,000	68,794	90,000
Debt Collection Fees	0	220,000	192,249

When instructing third parties to provide specialist advice and services, or having the specialist services provided by the firm, the Joint Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work being undertaken. This is reviewed



3. Administrators’ remuneration, disbursements, expenses and pre-appointment costs



by the Joint Administrator periodically throughout the duration of the assignment. The specialists chosen may regularly be used by the Joint Administrator and usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment.

We have engaged the following agents or professional advisors:

Professional Advisor	Nature of work	Basis of fees
Womble Bond Dickinson	Legal advice	Time costs
Credit Style	Debt Collection	15% of realisations
Cartwrights Accountants	Payroll	Time costs
Birch Associates	Subcontract labour re finalisation of customer accounts	Day rate
Smart IBS Ltd	Subcontract labour re finalisation of customer accounts	Day rate

following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Administrators’ pre-appointment costs

The Administrators pre appointment remuneration and costs were approved by creditors on 14/04/2021. The total amount approved, as set out in our proposals and correspondence with creditors, is £29,076.46.

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix F** only). Further details of these rights can be found in the Creditors’ Guide to Fees which you can access using the following link <https://creditors.frpadvisor.com/info.aspx> and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks

## Appendix A

### Statutory Information

**FRP**

#### **SIMPLICITY ENERGY LIMITED (IN ADMINISTRATION)**

##### **COMPANY INFORMATION:**

Other trading names:	None
Company number:	10611082
Registered office:	C/O FRP Advisory Trading Ltd Suite 5 Bulman House Gosforth Newcastle upon Tyne NE3 3LS
Previous registered office:	Spaces 100 Avebury Boulevard Milton Keynes MK9 1FH
Business address:	Spaces 100 Avebury Boulevard Milton Keynes MK9 1FH

##### **ADMINISTRATION DETAILS:**

Administrators:	Allan Kelly & Matt Higgins
Address of Administrators:	FRP Advisory Trading Limited Suite 5, 2nd Floor, Bulman House, Regent Centre, Newcastle Upon Tyne, NE3 3LS
Date of appointment of Administrators:	04 February 2021
Court in which administration proceedings were brought:	High Court of Justice Business & Property Courts Insolvency & Companies List (ChD)
Court reference number:	CR-2021-000198
Appointor details:	Roger Stoney, Director, c/o Bulman House, Regent Centre, Newcastle upon Tyne, NE3 3LS
Previous office holders, if any:	None
Extensions to the initial period of appointment:	None
Date of approval of Administrators' proposals:	14 April 2021

## Appendix B

CH Form AM10 Formal Notice of the Progress Report

**FRP**



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# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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Company name **FRP Advisory Trading Limited**

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Appendix C  
A schedule of work

**FRP**

**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

The table below sets out a detailed summary of the work undertaken by the office holder(s) during the reporting period together with an outline of work still to complete. Where work undertaken results in the realisation of funds (from the sale of assets; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.



## Simplicity Energy Limited (IN ADMINISTRATION)

## Schedule of Work

Note	Category	
1	<b>ADMINISTRATION AND PLANNING</b> <b>Work undertaken during the reporting period</b>	<b>ADMINISTRATION AND PLANNING</b> <b>Future work to be undertaken</b>
	<b>General Matters</b>	
	<ul style="list-style-type: none"> <li>Regularly reviewed the conduct of the case and the case strategy and updating as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management.</li> <li>Dealt with all routine correspondence and emails relating to the case.</li> <li>Overseeing and controlling the work done on the case by case administrators.</li> <li>Liaising with the Redundancy Payments office on behalf of the employees as required.</li> <li>Implementing a specific penalty bond.</li> <li>Completion of regular reconciliations of the case bank accounts.</li> </ul> <p>This work does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</p>	<ul style="list-style-type: none"> <li>Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management.</li> <li>Ongoing liaison with third parties that may be required.</li> <li>Reviewing the adequacy of the specific penalty bond on a quarterly basis.</li> <li>Dealing with all routine correspondence and emails relating to the case.</li> <li>Maintaining and managing the office holders' estate bank account.</li> <li>Undertaking regular bank reconciliations of the bank account containing estate funds.</li> <li>Undertaking periodic reviews of the progress of the case.</li> <li>Overseeing and controlling the work done on the case by case administrators.</li> <li>Preparing and issuing progress reports to creditors and members (as applicable).</li> <li>Filing final returns at Companies House and /or Court (as applicable).</li> </ul>
	<b>Regulatory Requirements</b>	
	<ul style="list-style-type: none"> <li>Review of completion of money laundering risk assessment procedures and Know your client checks in accordance with the Money Laundering Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are</li> </ul>

## Simplicity Energy Limited (IN ADMINISTRATION)

### Schedule of Work

	<ul style="list-style-type: none"> <li>We have considered if there are any other case specific matters to be aware of prior to or on appointment, for example health and safety; environmental concerns; particular licences or registrations; tax position profile of the client or its stakeholders. As the Company ceased to trade. No health and safety issues were identified. There were no environmental concerns.</li> <li>Liaised with and provided updates to Ofgem in relation to progress of the supplier of last resort procedure.</li> <li>Regular review and update of conduct of the case and strategy</li> <li>Continued liaising with Ofgem regarding their interest in the matter, in particular progress and completion of the SoLR process.</li> <li>Cancelling insurance on assets as they are sold / we cease to have an insurable interest.</li> <li>This work does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</li> </ul>	<p>attended to and to ensure the case is progressing. This aids efficient case management.</p> <ul style="list-style-type: none"> <li>Ongoing liaison with third parties that may be required.</li> <li>Reviewing the adequacy of the specific penalty bond on a quarterly basis.</li> <li>Dealing with all routine correspondence and emails relating to the case.</li> <li>Maintaining and managing the office holders' estate bank account.</li> <li>Undertaking regular bank reconciliations of the bank account containing estate funds.</li> <li>Undertaking periodic reviews of the progress of the case.</li> <li>Overseeing and controlling the work done on the case by case administrators.</li> <li>Preparing and issuing progress reports to creditors and members (as applicable).</li> </ul> <p>Filing final returns at Companies House and /or Court (as applicable).</p>
	<b>Ethical Requirements</b>	
	Prior to the Joint Administrator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. Further ethical reviews are carried out periodically and no threats have been identified in respect of the management of the insolvency appointment over the period of this report.	Ongoing review of ethical issues
	<b>Case Management Requirements</b>	
	<ul style="list-style-type: none"> <li>Monitored case strategy and documented this.</li> <li>Maintained the office holder's estate bank account.</li> <li>Maintained the office holder's cashbook.</li> <li>Reviewed specific penalty bond</li> </ul>	<ul style="list-style-type: none"> <li>Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management.</li> </ul>

## Simplicity Energy Limited (IN ADMINISTRATION)

## Schedule of Work

	<p>This work does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</p>	<ul style="list-style-type: none"> <li>• Maintaining the office holder's estate bank account.</li> <li>• Maintaining the office holder's cashbook.</li> <li>• Undertaking regular bank reconciliations of the bank account containing estate funds.</li> <li>• Reviewing the adequacy of the specific penalty bond on a quarterly basis.</li> </ul>
2	<p><b>ASSET REALISATION</b> <b>Work undertaken during the reporting period</b></p> <p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>Insurance has been arranged by the IP to ensure available assets are protected until such time as they are realised.</p> <p>The Company was a domestic energy supplier with c 50,000 customers and it ceased trading on 30 January 2021. Restarting trade was not possible due to:</p> <ul style="list-style-type: none"> <li>- Supply licenses being revoked by Ofgem on 30 January 2021</li> <li>- All customers transferring to British Gas Evolved under the SoLR process at this time</li> <li>- The Company was cashflow insolvent and ongoing trading was not viable nor would lead to any recovery for creditors</li> </ul> <p><i>Finalisation of Customer Accounts</i></p> <p>We retained back office functions including 23 staff in order to maintain the Company's IT platform and operate customer service functions with a view to finalising customer accounts to crystallise credit and debit balances. This</p>	<p><b>ASSET REALISATION</b> <b>Future work to be undertaken</b></p> <p><i>Finalisation of customer accounts</i></p> <p>The Administrators will work with the subcontractors to finalise the outstanding customer accounts, and to extract data from the Company's customer management systems in such a format that it is possible for the Administrators to retain access to the data without the requirement for payment of large ongoing licence fees.</p> <p><i>Funds in transit</i></p> <p>The Administrators will continue to liaise with Go Cardless regarding deductions, and subsequent settlement, of the remaining cash cover they are holding.</p> <p><i>VAT</i></p> <p>The Administrators will consider whether a VAT bad debt relief claim is appropriate at conclusion of the debt collection exercise.</p> <p><i>Debtors</i></p> <p>As the book debts are collected and queries received, the Joint</p>

**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

<p>activity continued until 12 March 2021 at which point the majority of customer information had been collated and updated to allow for the final billing exercise to proceed. On 12 March 2021 the Company's remaining staff were dismissed. The Administrators have retained the services of two subcontractors to assist with finalisation of the billing exercise, resolution of queries and transfer of data to BGE as the SoLR. They are being paid on a day rate for time worked.</p> <p>The Simplicity team sought final meter reads from customers in order to finalise these accounts, issue final bills, notify customers of outstanding balances and provide credit balance information to BGE. The exercise has required the ongoing use of Simplicity's IT systems (which are primarily cloud based and subject to payment of licence fees) and use of the Company's premises. The premises were vacated on 31 March 2021.</p> <p>The Company's accountants, Cartwrights, have provided payroll services during the period as the Administrators believed this would be the most cost-efficient way of processing payroll in this matter. Costs associated with this exercise are shown in the 'Trading Account' section of the R&amp;P.</p> <p>The exercise has required close co-ordination with BGE to facilitate a successful transfer of the customers and to deal with customer issues arising as a consequence of the SoLR process.</p> <p>Only a small number of accounts remain unbilled (c100) due to technical errors. The Administrators are working with the subcontractors and IT suppliers to resolve these errors and finalise these accounts, which should be complete within four weeks of the date of this report.</p> <p>The exercise to finalise customer accounts has cost a total of £317k to date, which has released the debtor ledger of c£3.9m to be available for collection</p>	<p>Administrators will continue to liaise with Credit Style to review any queries with a view to maximising the return to creditors. This will involve the review of</p> <ul style="list-style-type: none"> <li>• Full and final settlements for accounts with disputes</li> <li>• Tracing customers who have left premises where appropriate</li> <li>• Reviewing the success of the collection campaigns</li> <li>• Reviewing Change of Tenancy Cases (COT) implementing tracing and a separate campaign to reflect the varying levels of data for these cases</li> <li>• Instigation of legal action to collect book debts as and when appropriate</li> </ul> <p>The Administrators will review what other assets may be available to realise for the benefit of creditors.</p> <p><i>Refunded security deposits</i></p> <p>The Administrators will continue to pursue settlement and/or reconciliation of outstanding security deposits.</p>
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**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

<p>and allowed for the successful transfer of customer accounts (and credit balances) to British Gas Evolve which has mitigated claims customers may otherwise have had for Simplicity breaching contract.</p> <p><i>Funds in Transit</i></p> <p>The Administrators have further liaised with the Company's Direct Debit provider regarding the release of some £2.8m of funds they are currently holding. Following investigation c£850k relates to monies drawn after the Administrators' appointment that has created or increased a credit balance. The Administrators have entered into a 'cash cover agreement' with Go Cardless which provides that Go Cardless will release the net balance of c£1.9m to the Administrators only retaining c£65k for 6 months against possible direct debit guarantee claims. Shortly after the period of this report the Administrators received the funds of £1.9m from Go Cardless.</p> <p><i>Debtors</i></p> <p>The final billing exercise is principally complete. The debtor ledger totals c£3.9m. c£900k of this relates to change of tenancy customers, which in our experience can be difficult to collect in an Administration. The remaining balance of c£3m remains outstanding over c15,000 accounts.</p> <p>The Administrators considered retaining some of the Company's staff to facilitate the collection, however the Administrators did not believe that the Company had sufficient resources to manage a collection exercise of this type and the exposure to fixed costs not linked to realisations could result in costs incurred being in excess of realisations. The Administrators have therefore concluded that the instruction of a third party debt collection agent is appropriate. The Administrators have instructed Credit Style Ltd to assist in</p>	
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**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

<p>this regard. Credit Style has provided debt collection services to a large number of insolvent energy companies and the Administrators are satisfied that they have the necessary systems, experience and expertise to efficiently manage the collection of the debtors. Credit Style will be paid 15% of realisations they make plus VAT plus certain tracing / legal fees as are agreed and may be appropriate from time to time. This ensures that creditors will have certainty that the estate will benefit from the debt collection exercise without it having to bear the burden of fixed IT, wages and other costs.</p> <p>During the period of their appointment the Administrators have received payments of £1.675m.</p> <p>During the course of Credit Style's collection exercise a large volume of queries have arisen from customers regarding their outstanding balances / meter readings / tariffs etc. This has required significant input from the Administrators who have acted as liaison between Credit Style and the subcontractors resolving the queries, in addition to resolving certain queries directly.</p> <p>The Administrators have written off very limited balances so the majority of the remaining book value of the debtors (c£2.225m) remains outstanding. The Administrators are continuing to resolve outstanding queries for debtors which should result in further collections, and are liaising with Credit Style regarding strategies for maximising realisations from the ledger.</p> <p><i>Plant and Machinery</i></p> <p>The Company's plant and machinery (primarily office and IT equipment) with a book value of £39k has been sold on behalf of the Administrators' by agents Gordon Brothers for £11k, which has been received in full by Gordon Brothers.</p>	
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**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

	<p>The purchaser was Smart IBS Ltd which should be treated as a connected party for the purpose of SIP13 as it is a company under the control of the Company's Director. Gordon Brothers valued the assets at £9k on an ex situ basis and £20k on an in situ basis. Gordon Brothers had offered the plant and machinery to their database of contacts and received offers from other parties, and after best and final offers were elicited the connected party offer was highest and Gordon Brothers recommended acceptance. The administrators are not aware that the purchaser received any independent advice.</p> <p><i>Refunded Security deposits</i></p> <p>The Company had lodged security deposits of £1.269m with 10 suppliers. £131k has been received, £760k is still being pursued (but is likely to be set off against outstanding creditor balances) and the remained has already been set off against monies owed by the Company to the suppliers in question, reducing (or eliminating) the value of their creditor claims.</p> <p><i>Cash at bank and in hand</i></p> <p>The Administrators have recovered the Company's cash at bank and in hand in full.</p>	
3	<b>CREDITORS</b> <b>Work undertaken during the reporting period</b>	<b>CREDITORS</b> <b>Future work to be undertaken</b>
	<ul style="list-style-type: none"> <li>• Notice of appointment sent to all known creditors.</li> <li>• Liaising with all creditors as appropriate.</li> <li>• Significant time has been spent liaising with British Gas Evolve regarding calculation of and transfer of customer credit balances they</li> </ul>	

**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

	<p>are honouring under the SoLR process. Due to the number of customers and the complex nature of the data required to be transferred to allow for the credit balances to be honoured by British Gas Evolve this has required a large amount of attention from the Administrators for the purpose of verifying and validating the data.</p> <ul style="list-style-type: none"> <li>• Liaising with employees regarding any claims they have.</li> </ul>	
4	<b>INVESTIGATIONS</b> <b>Work undertaken during the reporting period</b>	<b>INVESTIGATIONS</b> <b>Future work to be undertaken</b>
	<ul style="list-style-type: none"> <li>• The Administrators have considered whether any matters have come to light in the period that require further investigation. No matters have been identified, however our initial investigation is not yet complete.</li> <li>• The Administrators have liaised with the directors regarding provision of information relating to their management and control of the Company.</li> <li>• The Administrators have taken steps to take control of the Company's records (which are held electronically).</li> <li>• The Administrators have complied with their duties to submit a return to DBEIS regarding the conduct of the Directors, as well as complying with all other duties regarding notification of the conduct of directors.</li> </ul>	<p>Further consideration of any matters identified in our initial investigations.</p> <p>Consideration of whether any matters have come to light which require notification to the DBEIS, Secretary of State or National Crime Agency.</p>
5	<b>STATUTORY COMPLIANCE AND REPORTING</b> <b>Work undertaken during the reporting period</b>	<b>STATUTORY COMPLIANCE AND REPORTING</b> <b>Future work to be undertaken</b>
	<ul style="list-style-type: none"> <li>• Dealt with creditors' correspondence, emails, telephone conversations</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that all known creditors are on the case management data</li> </ul>



**Simplicity Energy Limited (IN ADMINISTRATION)****Schedule of Work**

	<p>regarding their claim.</p> <ul style="list-style-type: none"> <li>• Post appointment notice to all relevant parties.</li> <li>• As part of the Ofgem's SoLR process BGE is obliged to absorb the credit balances for domestic customers so the customer has no detrimental impact. Time spent calculating and liaising with BGE in this regard is reported under the 'Trading' heading. This has required significant input from the Administrators as larger than anticipated volumes of customers have contacted the Administrators notifying them of issues with their accounts which affect the value of their credit balances. These issues have been various but most often have involved disputes over meter readings which require manual intervention to consider and often review of supporting evidence to allow proper consideration of the disputes. To date BGE has been notified of c35,000 credit balances which total c£5m with a small number remaining that require review and updating.</li> <li>• Drafting and issuing the administrators' proposals.</li> <li>• Managing the decision procedure for seeking the creditors approval of the Administrators' proposals and related resolutions</li> <li>• Notifying creditors and other appropriate parties of the approval of the administrators' proposals.</li> </ul>	<p>base,</p> <ul style="list-style-type: none"> <li>• Dealing with creditor correspondence, emails and telephone conversations,</li> <li>• Providing statutory reports to all creditors, employees and stakeholders,</li> <li>• Dealing with creditor correspondence, emails, and telephone conversations, regarding claims,</li> <li>• Agreement of creditors' claims and liaising with creditors,</li> <li>• Agreement of the claims of the preferential creditors and payment of dividend to the preferential creditors,</li> <li>• Finalisation of credit balances with customers and BGE.</li> </ul> <p>Providing statutory reports to creditors, employees and stakeholders. Filing progress reports with Companies House and Court, if appropriate.</p>
6	<p><b>TRADING</b> <b>Work undertaken during the reporting period</b></p> <p>The Administrators retained certain of the Company's employees to assist with finalisation of customer accounts and to assist with reviewing and resolving customer queries. The administrators have therefore had to spend time dealing with suppliers, landlords and other parties necessary to continued trade, along with payment of review, approval and payment of relevant invoices for services used by the administrators following their appointment. Further details are provided in the 'asset realisation' section above.</p>	<p><b>TRADING</b> <b>Future work to be undertaken</b></p> <p>None</p>

Simplicity Energy Limited (IN ADMINISTRATION)

Schedule of Work

7	<b>LEGAL AND LITIGATION</b> <b>Work undertaken during the reporting period</b>	<b>LEGAL AND LITIGATION</b> <b>Future work to be undertaken</b>	
	Liaised with Womble Bond Dickinson on advice including but not limited to, the SolR process, the transfer of credits to British Gas Evolve, review of the debt collection agreement and drafting of a service agreement for British Gas Evolve for the Administrators to provide assistance to BGE in calculation of certain customer balances.	None known at present	

Appendix D

Details of the Administrators’ time costs and disbursements for the period and cumulative

**FRP**

## FRP

### Simplicity Energy Limited (In Administration)

Time charged for the period 04 February 2021 to 03 August 2021

	Appointment Takers / Partners	Managers / Directors	Other Professionals	Junior Professional & Support	Total Hours	Total Cost £	Average Hly Rate £
<b>Administration and Planning</b>	<b>24.70</b>	<b>94.50</b>	<b>23.30</b>	<b>17.10</b>	<b>161.60</b>	<b>40,332.00</b>	<b>249.58</b>
A&P - Case Control and Review		2.60	0.10		2.70	611.50	226.48
A&P - Case Accounting		0.80	11.40	3.80	16.00	2,267.50	141.72
A&P - Strategy and Planning	7.70	2.40	0.20		10.30	3,235.50	314.13
A&P - Admin & Planning	13.00	88.60	1.60	0.30	103.50	29,846.00	288.37
A&P - Media	3.40				3.40	1,173.00	345.00
A&P - Case Accounting - General			8.00		8.00	1,080.00	135.00
A&P - IT – Admin / planning and acquisition			1.00		1.00	180.00	180.00
A&P - General Administration	0.60		2.40	13.00	16.00	1,834.50	114.66
A&P - Insurance		0.10			0.10	23.00	230.00
A&P - Fee and WIP			0.60		0.60	81.00	135.00
<b>Asset Realisation</b>	<b>54.40</b>	<b>486.80</b>	<b>73.50</b>	<b>126.80</b>	<b>741.50</b>	<b>164,490.00</b>	<b>221.83</b>
ROA - Debt Collection	54.40	452.50	73.30	126.80	707.00	156,458.50	221.30
ROA - Chatel Assets		2.10			2.10	598.50	285.00
ROA - Asset Realisation Floating		30.90			30.90	7,107.00	230.00
ROA - Legal-asset Realisation		1.30			1.30	299.00	230.00
ROA - Freehold/Leasehold Property			0.20		0.20	27.00	135.00
<b>Creditors</b>	<b>5.10</b>	<b>109.90</b>	<b>85.05</b>	<b>11.00</b>	<b>211.05</b>	<b>40,280.75</b>	<b>190.86</b>
CRE - Employees		14.70	6.00	3.50	24.20	5,025.50	207.67
CRE - Unsecured Creditors	2.80	90.50	78.55	7.50	179.35	33,153.75	184.86
CRE - Secured Creditors	2.30	1.80	0.50		4.60	1,374.00	298.70
CRE - Landlord		0.50			0.50	142.50	285.00
CRE - TAX/VAT - Pre-appointment		2.40			2.40	585.00	243.75
<b>Investigation</b>		<b>11.00</b>	<b>3.10</b>	<b>4.60</b>	<b>18.70</b>	<b>3,814.00</b>	<b>203.96</b>
INV - IT – Investigations		11.00	2.50	0.60	14.10	3,373.00	239.22
INV - CDDA Enquiries			0.60	4.00	4.60	441.00	95.87
<b>Statutory Compliance</b>	<b>0.90</b>	<b>28.40</b>	<b>20.95</b>		<b>50.25</b>	<b>9,948.25</b>	<b>197.98</b>
STA - Statutory Compliance - General		4.60	0.70		5.30	1,152.50	217.45
STA - Statutory Reporting/ Meetings		23.00	14.70		37.70	7,489.00	198.65
STA - Pensions- Other			3.90		3.90	589.50	151.15
STA - Tax/VAT - Post appointment	0.90	0.80	1.65		3.35	717.25	214.10
<b>Trading</b>	<b>22.00</b>	<b>40.40</b>			<b>62.40</b>	<b>16,882.00</b>	<b>270.54</b>
TRA - Trading - General	20.90	40.40			61.30	16,502.50	269.21
TRA - Legal-trading	1.10				1.10	379.50	345.00
<b>Total Hours</b>	<b>107.10</b>	<b>771.00</b>	<b>207.90</b>	<b>159.50</b>	<b>1,245.50</b>	<b>275,747.00</b>	<b>221.39</b>

### Disbursements for the period

04 February 2021 to 03 August 2021

	Value £
<b>Category 1</b>	
Bonding	1,100.00
Subscriptions	60.00
<b>Grand Total</b>	<b>1,160.00</b>

Mileage is charged at the HMRC rate  
prevailing at the time the cost was incurred

FRP Charge out rates	From
<b>Grade</b>	<b>1st May 2016</b>
Appointment taker / Partner	320-345
Managers / Directors	230-320
Other Professional	135-210
Junior Professional & Support	75-105

Appendix E

Receipts and payments account for the period and cumulative

**FRP**

Simplicity Energy Limited  
(In Administration)  
Joint Administrators' Trading Account

Statement of Affairs £	From 04/02/2021 To 03/08/2021 £	From 04/02/2021 To 03/08/2021 £
OTHER DIRECT COSTS		
Sub Contractors	5,632.00	5,632.00
Direct Wages	223,689.53	223,689.53
	<u>(229,321.53)</u>	<u>(229,321.53)</u>
TRADING EXPENDITURE		
Indirect Labour	11,368.50	11,368.50
Professional Fees	730.38	730.38
IT Costs	68,794.64	68,794.64
	<u>(80,893.52)</u>	<u>(80,893.52)</u>
TRADING SURPLUS/(DEFICIT)	<u>(310,215.05)</u>	<u>(310,215.05)</u>

**Simplicity Energy Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 04/02/2021 To 03/08/2021 £	From 04/02/2021 To 03/08/2021 £
	SECURED CREDITORS		
(1,618,191.67)	Contract Natural Gas Ltd	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	114.39	114.39
	BGE Service Fees	6,000.00	6,000.00
2,200,000.00	Book Debts	1,675,121.25	1,675,121.25
690,000.00	Cash at Bank	701,353.84	701,353.84
	Cash in Hand	40,000.00	40,000.00
2,100,000.00	Funds in transit	(96.00)	(96.00)
11,500.00	Furniture & Equipment	11,300.00	11,300.00
	Trading Surplus/(Deficit)	(310,215.05)	(310,215.05)
	Refunded Security Deposits	131,264.54	131,264.54
	Suspense Account	23.79	23.79
		2,254,866.76	2,254,866.76
	COST OF REALISATIONS		
	Administrators' Disbursements	1,155.00	1,155.00
	Agents/Valuers Fees (Post)	192,249.57	192,249.57
	Bank Charges - Floating	10.00	10.00
	Insurance of Assets	1,532.16	1,532.16
	Joint Administrators' Fee (Pre)	10,000.00	10,000.00
	Legal fees - Pre-Administration	3,213.46	3,213.46
	Legal Fees (Post Administration)	48,577.00	48,577.00
	Preparation of S. of A.	5,750.00	5,750.00
	Professional Fee	50.00	50.00
	Settlement with Employee	1,583.00	1,583.00
	Statutory Advertising	81.00	81.00
		(264,201.19)	(264,201.19)
	PREFERENTIAL CREDITORS		
(19,194.38)	Preferential Creditors	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(151,799.00)	HMRC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(5,200,000.00)	Consumer Credit Balances	NIL	NIL
(25,100.77)	Customer Compensation Creditors	NIL	NIL
(3,584.46)	Employees & RPO	NIL	NIL
(32,717.00)	HM Revenue & Customs	NIL	NIL
(391,452.96)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(2,440,550.24)		1,990,665.57	1,990,665.57
	REPRESENTED BY		
	Current Floating Int Bearing		1,902,296.57
	Vat Control Account		(6,618.68)
	Vat Payable - Floating		(2,260.00)
	Vat Recoverable - Floating		97,247.68
			1,990,665.57





## Appendix F

Statement of expenses incurred in the Period

**FRP**

**Simplicity Energy Ltd (In Administration)**  
**Statement of expenses for the period ended**  
**3 August 2021**

<b>Expenses</b>	<b>Period to 3 August 2021 £</b>
Office Holders' remuneration (Time costs)	275,747
Office Holders' disbursements	-
Agents fees	192,250
Bank Charges	10
Insurance of Assets	1,532
Legal Fees	48,577
Professional fee	50
Statutory Advertising	81
Bond	1,100
Travel	186
Computer Consumables	6
Subscriptions	60
Subcontractors - trading	5,632
Direct wages - trading	223,690
Indirect labour - trading	11,369
Professional fees - trading	730
IT costs - trading	68,795
<b>Total</b>	<b>829,814</b>

Simplicity Energy Limited (In Administration)  
The Administrators' Progress Report