

Rule 1.26/
1.54**The Insolvency Act 1986**Notice to Registrar of
Companies of Supervisor's
Abstract of Receipts and
Payments**Pursuant to Rule 1.26(2)(b) or
Rule 1.54 of the
Insolvency Rules 1986****R.1.26(2)(b)/
R.1.54****For Official Use**

To the Registrar of Companies

Company Number

03257256

Name of Company

Energy Holdings (No.3) Limited

I / We
David John Pike
10 Fleet Place
London
EC4M 7RBJames Robert Tucker
10 Fleet Place
London
EC4M 7RB

supervisor(s) of a voluntary arrangement taking effect on

31 March 2005

present overleaf my/our abstract of receipts and payments for the period from

31 March 2021

to

30 March 2022

Number of continuation sheets (if any) attached

Signed _____ Date 17 August 2023

Interpath Ltd
5th Floor, 130 St Vincent Street
Glasgow
G2 5HF

Ref: U04948E/JEM/RL/J/JC

For Official Use

Insolvency Section

Post Room

RECEIPTS		£
Brought forward from previous Abstract (if any)		474,414,487.77
Transfer from Liquidator		45,630,915.00
Carried forward to * continuation sheet / next abstract		520,045,402.77
PAYMENTS		£
Brought forward from previous Abstract (if any)		474,414,487.77
8th Distribution		45,630,915.00
Carried forward to * continuation sheet / next abstract		520,045,402.77

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed.

interpath

**TXU Europe Limited and certain
subsidiaries – in
administration/liquidation and/or
under voluntary arrangements**

Supervisors' Progress Report to Creditors

Prepared for the period 31 March 2021 to 30 March 2022



Contents

Glossary	Group structure	Introduction and summary update	Creditors and distributions	Contacts	Notice: about this report
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Glossary

TXUEL	TXU Europe Limited	TXUA	TXU Acquisitions Limited
CVA	Company Voluntary Arrangement	TEG	The Energy Group Limited
Holding Companies	TXUEL and those subsidiaries for which CVAs were approved on 31 March 2005	EH1	Energy Holdings (No.1) Limited
Interpath	Interpath Ltd	EH2	Energy Holdings (No.2) Limited
Operating Companies	TXUEG and its subsidiaries	EH3	Energy Holdings (No.3) Limited
The Companies	The companies listed in Appendix 1	EH4	Energy Holdings (No.4) Limited
TXUEG	TXU Europe Group Plc	EH5	Energy Holdings (No.5) Limited
ATL CVA / TXUEL Group	TXUEL and its subsidiaries	Finco II	TXU Finance (No.2) Limited
BTL CVA	TXUEG and its subsidiaries	EFC	TXU Eastern Funding Company
BTL Companies	TXUEG and its subsidiaries	EGOBV	Energy Group Overseas BV
		EGHBV	Energy Group Holdings BV
		TEG(HO)	TEG (Head Office) Limited

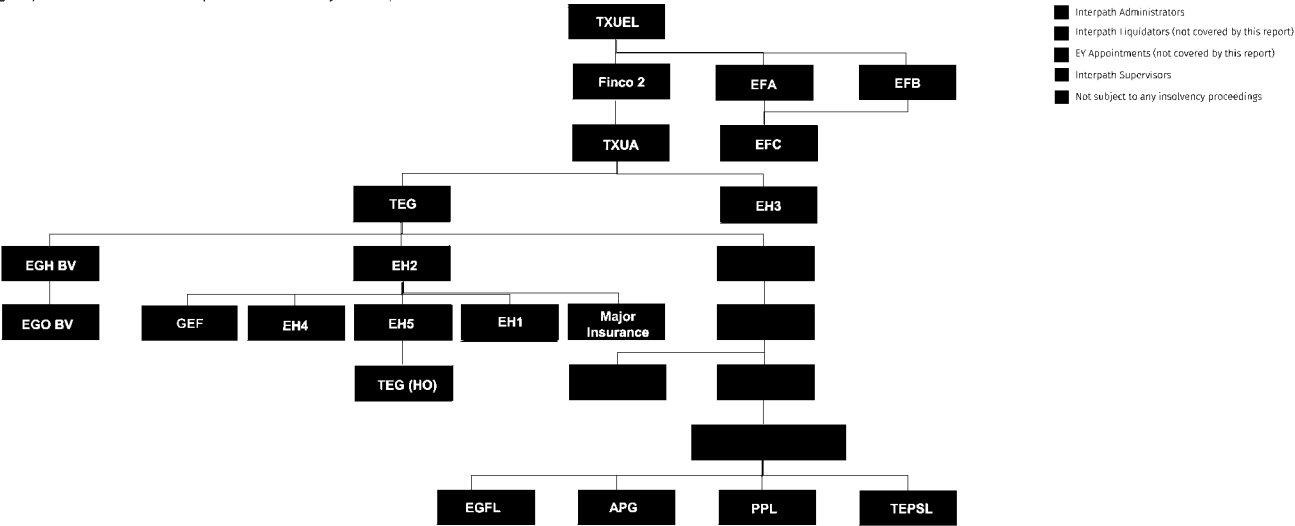


Group structure



Group structure

Simplified group structure for the companies covered by this report:





Introduction and summary update

Introduction and summary update

Background

- This report covers the progress made in the CVAs for the period 31 March 2021 to 30 March 2022.

Outstanding matters and recent developments

- Realisations by Holding Companies are now derived from distributions made by TXUEG to TEG.
- The issues which had effectively blocked further BTL distributions were resolved as a result of the Court Order made in March 2021 following the TXU UK officeholders application to Court for an order for directions. Full details of those issues and the steps taken to resolve them are set out in our earlier reports.
- The decision of the Court paved the way for the settlement (in accordance with the terms of the BTL CVA) of the claims received and the distribution of the bulk of the funds held BTL to TEG.
- Following the decision of the Court the BTL officeholders formulated the following plan to deal with the remaining BTL issues:
 - Progressing the known TXU UK employee claims;
 - Obtain tax clearance;
 - Releasing to TEG the £16.9m ring fenced at TXUEG;
 - Releasing the Escrow funds held on behalf of TXU Europe Energy Trading Ltd;
 - Declaring and paying a ninth BTL distribution of the majority of funds held;
 - A Court Application to approve the procedural closure steps and paying any remaining surplus funds to TEG.
- The first five workstreams have been completed and in September 2021 TEG received £67,661,402 from TXUEG, this represented the release of the £16.9m ringfenced at TXUEG and a payment on account of £50.7m representing the surplus funds in the TXUEG liquidation. These payments coincided with the ninth and final BTL CVA distribution. The TXUEG liquidators reserved £3,284,000 in respect of accrued costs and the closing costs and expenses for the BTL Companies CVAs, Administrations and liquidations. TEG may receive a further distribution of surplus funds on completion of the BTL insolvency process which are expected to conclude in late 2022.
- The ninth BTL CVA distribution included making payments to Top-Up Creditors pursuant to Annex 5 to the BTL CVA pursuant to which, creditors of certain BTL CVA Companies were entitled to receive an additional 5p in the pound on their Allowed BTL CVA Claims. The funds to make those payments were held in the Top-Up Escrow Accounts, separate accounts held jointly in the name of TXUA and TXU Europe Energy Trading Ltd (a BTL company) (together the Top-Up Escrow Agents). As such TXUA has had a significant role in administering the making of the Top-Up payments.
- The ATL officeholders prepared the final tax returns and applied for tax clearance for the ATL companies. These returns took into account the tax planning steps undertaken in order to mitigate the impact of the tax changes introduced in April 2017 outlined in our previous report. Tax clearance was received in mid-October.
- An eighth ATL CVA distribution of £65,101,586 was declared and paid on 16 December 2021.

Introduction and summary update (cont.)

Outstanding matters and recent developments (cont.)

- The logistics of the payment of the eighth ATL CVA distribution were significantly complicated by a number of factors arising mainly by virtue of the passage of time since the previous distribution in 2013.
- The ATL officeholders have retained approximately £4m to cover outstanding costs as at November 2021 of £1.6m, the costs to completion of the ATL insolvency processes and to enable an economic final (ninth) ATL distribution to creditors.
- Going forward the ATL workstreams include:
 - Conclusion of the BTL insolvencies where Interpath office holders are appointed (Eastern Group Finance Ltd (in liquidation), Anglian Power Generators Ltd, Peterborough Power Ltd and TXU Europe Power Services Ltd (all in administration).
 - Liaising with the BTL officeholders on the conclusion of the BTL insolvencies and the payment by TXUEG of the maximum surplus funds to TEG.
 - Dealing with any ATL unclaimed distributions.
 - Declaring and paying the ninth ATL distribution.
 - Planning the timely conclusion of the ATL insolvency processes having regard to the applicable legislation and the terms of the CVA and considering whether, given the passage of time and the current circumstances the CVA closure procedures should be amended.
 - Liaison with the Creditor Committees.
 - Statutory creditor reporting.
 - Closing the 80 ATL bank accounts.

Realisations and distributions to creditors

- The Holding Companies have to date received £537.6 million from TXUEG.
- The total amount distributed by the Supervisors of the Holding Companies to external (non-group) creditors is £948.5 million. In the CVA proposal the estimated total distribution to external (non-group) creditors was £569 million.
- We estimate that TEG may receive a further £500,000 from the TXUEG on conclusion of the BTL insolvency processes.
- It is our intention to declare and pay a ninth and final ATL distribution soon after receipt of funds detailed above by TEG and to conclude the ATL insolvency proceedings.
- Details of the distributions paid to date and future estimated distributions assuming TEG receives the surplus funds from TXUEG, are shown on page 10 of this report.



Creditors and distributions

Creditors and distributions

Claims received and agreed or rejected pursuant to the CVA, their values as at 19 November 2002 and 7 January 2005 and the amounts distributed in respect of such claims are set out in the table below. The differences in the values of claims as at 19 November 2002 and 7 January 2005 relate to movements in foreign currency exchange rates and capitalised interest. Some claims are set at 19 November 2002 values because of their particular nature.

Distributions, estimated future distributions and estimated outcome range						
£m – Agreed claims	Claims 19 November 2002	Claims 7 January 2005	Distributions paid prior to December 2021	8 th Distribution December 2021	Estimated future distributions	Estimated total outcome
EGOBV Bonds	329.8	335.1	329.8	2.5	0.63	332.93
EFC Bonds	1,376.9	1,487.4	324.8	38.3	1.3	364.4
Revolving Credit Facility	693.5	825.8	169.3	20.0	0.7	190.0
Holders of TXUA Loan Notes	19.1	20.5	4.2	0.6	-	4.8
Barcap Claim	19.4	21.6	19.4	0.2	-	19.6
TXUEL other creditors	111.2	120.6	25.8	3.2	0.2	29.2
EFC	3.3	3.3	-	-	-	-
TXUA other creditors	3.3	3.3	0.7	0.1	-	0.8
TEG other creditors	3.3	3.3	0.5	0.1	-	0.6
EGOBV other creditors	3.3	3.3	0.4	0.1	-	0.5
EH2 other creditors	6.7	6.7	3.4	-	-	3.4
EH3 other creditors	5.3	6.1	2.7	-	-	2.7
EH5	6.6	6.6	2.4	-	-	2.4
Total	2,581.7	2,843.4	883.4	65.1	2.8	951.33

Creditors and distributions (cont.)

We make the following observations in relation to the table at page 10:

- The estimated outcome is illustrative only and should not be relied upon as guidance as to the actual outcomes for creditors. The EGO BV bonds have received a total of 100p in the £ as a result of their claims at EGO BV, TXUEL and EH3. Similarly the Barcap Claim has received a total of 100p in the £ on its claim as a result of its claims at EH3 and TXUEL.
- It is likely that there will be one further payment to creditors; when funds are received by the Holding Companies from the Operating Companies and when the issues which remain to be dealt with within the TXUEL Group have been resolved.
- Due to the complex matrix of intercompany indebtedness distributions are made with the assistance of the model which reflects the terms regarding distributions set out in the CVAs. The gross intercompany distributions calculated by the model are considerably inflated due to its iterative nature. The figures shown represent the output from the model for external third party creditors.
- The 7th ATL distribution was declared and paid in 2013. Due to the length of time since that distribution a process was implemented to update creditor details prior to the 8th ATL distribution. This included a process whereby Bondholders were asked to confirm their account details were current and active and were reflected in their KYC records. Approximately 90% of Bondholders responded by the 14 December 2021 deadline, they then received their respective entitlements under the 8th ATL distribution via the Clearing Systems. This process has been repeated in order to enable Bondholders who had not initially responded to confirm, thereby enabling the officeholders to complete the distribution of the respective Bondholders' entitlements to the 8th ATL distribution. The repeated process has recently completed and was successful in reaching nearly all Bondholders who had not responded by the initial deadline. Payments are now being made to those Bondholders via the Clearing Systems.

Contacts

The contacts at Interpath in connection with this report are:

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This report has been prepared by the Supervisors of TXJEL and certain subsidiaries, solely to comply with their statutory duties to report to creditors under Rule 1.26(2) of the Insolvency Rules 1986. Its purpose is to provide creditors with an update on the progress of the CVAs for the period 31 March 2021 to 30 March 2022 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other reason, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt or any financial interest in TXUFI or any other company in the TXUFI Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance to the actual outcomes for creditors.

Any person who chooses to rely on this report for any purpose or in any context other than under Rule 1.26(2) of the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Supervisors assume no responsibility and accept no liability in respect of this report to any such person.

The appointments of the Supervisors are personal to them and, to the fullest extent possible by law, Interpath Ltd assumes no responsibility and accepts no liability to any person in respect of this report or the conduct of the CVAs.

David John Pike and James Robert Tucker are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept and processed only for matters relating to the appointment. For further information, please see our Privacy policy at –

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