

AM10

Notice of administrator's progress report



Companies House



1 Company details

Company number 0 5 8 5 7 4 6 7

Company name in full Spark Energy Supply Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Blair Carnegie

Surname Nimmo

3 Administrator's address

Building name/number c/o KPMG LLP

Street Saltire Court

20 Castle Terrace

Post town Edinburgh

County/Region

Postcode E H 1 2 E G

Country United Kingdom

4 Administrator's name ①

Full forename(s) Alistair

Surname McAlinden

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o KPMG LLP

Street Saltire Court

20 Castle Terrace

Post town Edinburgh

County/Region

Postcode E H 1 2 E G

Country United Kingdom

② Other administrator
Use this section to tell us about
another administrator.

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6 Period of progress report

From date	d 2	d 8	m 1	m 1	y 2	y 0	y 1	y 9
To date	d 2	d 7	m 0	m 5	y 2	y 0	y 2	y 0

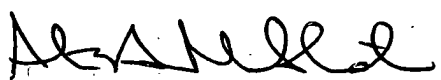
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X  X

Signature date

d 2	d 3	m 0	m 6	y 2	y 0	y 2	y 0
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AM10

Notice of administrator's progress report



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 Yarima Conway

Company name c/o KPMG LLP

Address Saltire Court

20 Castle Terrace

Post town Edinburgh

County/Region

Postcode E H 1 2 E G

Country

DX

Telephone 0141 309 2645



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

All information on this form will appear on the public record.



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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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Joint
Administrators'
progress
report for the
period 28
November
2019 to 27
May 2020

Spark Energy Supply Limited
- in Administration

23 June 2020

Notice to creditors

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

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

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

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

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+SIB2842725.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

- This progress report covers the period from 28 November 2019 to 27 May 2020.
- The asset realisation process has continued to focus on maximising recoveries from the Company's debtor ledgers. During the period we recovered a gross amount of approx. £0.6 million which brings total recoveries from book debts to approx. £5.1 million.
- We are not aware of any secured or preferential creditors.
- We expect that a dividend will be payable to the unsecured creditors. However, the timing and quantum of this amount is currently unknown and will depend on the number of unsecured claims received, the outcome of the debt collection process and the costs of the administration.
- The administration is currently due to end on 27 November 2020. We intend to request a 12 month extension of the administration from the Court. If any creditor wishes to object to this then they should do so in writing no later than 14 August 2020.
- Our remuneration has previously been agreed by the creditors. We intend to draw a third interim fee of £134,031.90 plus disbursements of £148.08 plus VAT on both. If any creditor wishes to object they must do so within 8 weeks of receipt of this report.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+SIB2842725.html>.
- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Alistair McAlinden
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows information provided previously and should be read in conjunction with our Proposals and previous progress reports.

2.1 Strategy and progress to date

The Company ceased trading prior to the administration and as such the administration strategy has comprised a statutory wind up process and realisation of assets. The Company's key asset was a portfolio of debts owed by customers up to the date of the administration. We have engaged in the services of five DCAs to make contact with customers and request payment.

Different processes have been undertaken in relation to the recovery of debts where customers have left the Company prior to the administration (the "Ended" ledger) and where customers had been supplied immediately up to the date of administration (the "Live Ended" ledger).

Throughout the period it was noted that realisations from both Live Ended and Ended debts were significantly decreasing compared to the previous period. This is to be expected as even the most recent debts (Live Ended) are now 18 months old.

The collection of Live Ended debts has been a challenging process and has been hampered by initial customer payments being applied towards energy to be supplied by Ovo / SEL. Ended debts have been through numerous debt collection cycles.

We are now in the later stages of the debt collection process and are therefore exploring our options to maximise realisations and complete the process. We are in correspondence with the creditors' committee in relation to the various strategic options open to us at this time.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

During the period, the Joint Administrators recovered gross book debts of approx. £0.6 million. This brings overall debt recoveries to approx. £5.1 million. The rate of debt recoveries has slowed significantly from the previous period as we move towards the end of the debt recovery process. As noted above we have revisited the debt collection strategy of the Ended Ledger in order to maximise recoveries in the next period.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

DCA commission is the most substantial cost we have incurred. We have agreed a 'no recovery no fee' arrangement with all of our DCAs and as such there is no risk to the Company's estate. During the period we have paid DCA commission of approx. £0.2 million, taking the total to approx. £0.9 million for the entire administration to date.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached at Appendix 3.

In our Proposals we enclosed an expenses estimate for the whole period of the administration of approx. £0.2 million. This excluded DCA costs, which were not possible to estimate given the dependency on outcome of the debt collection process

We submitted a revised expenses estimate with our last progress report for the period ending 27 November 2019 which increased this estimate to approx. £0.9 million. The increase was entirely attributable to DCA costs.

Our current expectation for expenses in the administration, attached at Appendix 4, is now approx. £1.1 million, and again the increase is attributable to additional DCA costs.

Our expense estimates do not include future DCA costs as these are dependent on future asset realisations.

3 Dividend prospects

3.1 Secured creditors

We are not aware of any secured claims against the Company.

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

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

3.4 Creditors' Committee

As previously disclosed, a Creditors' Committee was formed on 27 September 2019. No committee meetings were held during the period although we have had various informal discussions with committee members. We have recently provided the committee with a written update and expect to have a formal meeting in relation to the Company's debt collection strategy in the near future.

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements

Basis of Remuneration

The creditors have previously approved that:

- Our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fee estimate provided in appendix 3 of our Proposals and the charge out rates set out in Appendix 6 of our Proposals.
- Disbursements for services provided by KPMG (defined as category 2 disbursements in SIP 9) will be charged in accordance with KPMG's policy as set at Appendix 5 of our Proposals.

In our Proposals we enclosed a fee estimate for our costs for the whole period of the administration. This estimate was for 3,240.50 hours at a total estimated cost of £1,203,632.50.

Time costs and disbursements

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 28 May 2019 to 27 November 2019. We have also attached our charging and disbursements policy.

From 28 November 2019 to 27 May 2020, we have incurred time costs of £134,031.90. These represent 420.1 hours at an average rate of £319.05 per hour.

Remuneration

During the period we drew a second interim fee of £279,487.75 and disbursements of £522.71 plus VAT on both. Fees drawn to date total £990,677.25.

We now intend to draw a third interim fee of £134,031.90 and disbursements of £148.08 plus VAT on both. As this is within the previously approved fee estimate then no further approval is necessary.

Revised fee estimate

The debt collection process has created a greater amount of work for our team than was originally anticipated at the time of the administration appointment. As such, we have incurred a higher level of time cost. We attach a revised fee estimate at Appendix 5 which shows that we now estimate the total time required in the administration to be 4,122.80 hours with a total estimated cost of £1,500,129.35. We will apply to the creditors' committee to approve this revised fee estimate.

Other information

In the event that any creditor wishes to object to our remuneration, recovery of disbursements, or revised fee estimate, we provide details of the relevant processes at Appendix 6.

5 Future strategy

5.1 Extension of administration

An administration order is typically made by the court for a period of one year, and in this case the administration was originally scheduled to end on 27 November 2019. We previously sought, and obtained, consent from the unsecured creditors to extend the administration for a further period of one year, and the administration is currently scheduled to end on 27 November 2020.

There are a number of matters outstanding in relation to the administration, principally being the debt collection and adjudication of creditors' claims. It is likely that these matters will not be complete by the current administration end date.

It is therefore our intention to apply to court to extend the period of administration for a further year, such that the end date will be 27 November 2021.

If any creditor wishes to object to this, they should inform us in writing, explaining the reasons for their objection, no later than 14 August 2020.

5.2 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Finalise the realisation of the debtor ledgers;
- Provide regular updates on progress to the creditors' committee;
- Attend to all statutory matters as and when they fall due;
- Completing all ongoing VAT and corporation tax returns in accordance with HMRC regulations;
- Perform adjudication of all unsecured creditor claims, following which make a dividend to unsecured creditors;
- Apply to court for a 12 month extension of the administration to 27 November 2021.

5.3 Discharge from liability

The creditors have granted approval that we be discharged from liability of any actions of the Joint Administrators upon filing our final receipts and payments account with the Registrar of Companies.

5.4 Future reporting

We will provide a further progress report within one month of 27 November 2020 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Spark Energy Supply Limited
Date of incorporation	26 June 2006
Company registration number	05857467
Present registered office	KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 010108 of 2018
Appointor	Directors
Date of appointment	28 November 2018
Joint Administrators' details	Alistair McAlinden and Blair Carnegie Nimmo
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	27 November 2020

Appendix 2 Joint Administrators' receipts and payments account

Spark Energy Supply Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 28/11/2019 To 27/05/2020 (£)	From 28/11/2018 To 27/05/2020 (£)
ASSET REALISATIONS			
60,000.00	Stock	NIL	24,000.00
16,839,000.00	Book debts	572,852.68	5,141,359.23
	Shares and investments	5,154.80	5,154.80
495,000.00	VAT refunds (pre-app'ent)	NIL	NIL
		578,007.48	5,170,524.03
OTHER REALISATIONS			
	Bank interest, gross	7,948.24	19,996.93
		7,948.24	19,996.93
COST OF REALISATIONS			
	Sundry refunds	NIL	(408.50)
	Statement of affairs work	NIL	(1,850.00)
	Administrators' fees	(279,487.75)	(990,677.25)
	Administrators' expenses	(522.71)	(6,012.13)
	Debt Collection costs	(202,563.81)	(855,123.96)
	Agents'/Valuers' fees (2)	NIL	(270.00)
	Legal fees	NIL	(79,431.50)
	Court fees	NIL	(235.00)
	Communications, printing and postage	NIL	(43,430.94)
	Statutory advertising	NIL	(71.00)
		(482,574.27)	(1,977,510.28)
UNSECURED CREDITORS			
(84,738,000.00)	Trade & expense	NIL	NIL
		NIL	NIL
(67,344,000.00)		103,381.45	3,213,000.68
REPRESENTED BY			
	Floating ch. VAT rec'able		87,891.13
	Floating charge current		3,125,109.55
			3,213,000.68

Appendix 3 Schedule of expenses

Schedule of expenses (28/11/2019 to 27/05/2020)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Administrators' fees	-	134,031.90	134,031.90
Administrators' expenses	-	148.08	148.08
Debt Collection costs	202,563.81	-	202,563.81
TOTAL	202,563.81	134,179.98	336,743.79

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Joint Administrators' fees estimate

The Joint Administrators' fees estimate in our Proposals and last Progress report provided a total fee estimate of £1,203,632.50 comprising 3,240.50 hours at an average hourly rate £371.43.

We attach a revised fee estimate at Appendix 5 which shows that we now estimate the total time required in the administration to be 4,122.80 hours with a total estimated cost of approximately £1.5 million. We will apply to the creditors' committee to approve this revised fee estimate.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Yarima Conway at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh.

Appendix 4 Joint Administrators' expenses estimate

Expenses estimate					
Expenses category	Note	Initial Estimate in Proposals (£000's)	Paid to date (£000's)	Future estimate (£000's)	Total Estimate (£000's)
Debt collection agents	1	TBC	855	TBC	855
Books and records storage	2	5	-	5	5
Consultancy costs	3	5	-	5	5
Facilities costs	4	10	-	10	10
Invoice processing and logistics	5	75	43	32	75
Legal costs	6	100	79	21	100
Statement of affairs costs	7	2	2	-	2
Statutory and administrative costs	8	10	-	10	10
Total costs		207	979	83	1,062

Note 1

The above table excludes future debt collection agents' commission and intermediary transaction charges. At present, it is not possible to estimate the quantum of these future expenses as they will depend on future sums recovered from the Company's debtor ledger. An update on these expenses will be provided in future progress reports.

Note 2

Storage costs will be payable in order to ensure the Company's books and records are properly and securely stored.

Note 3

We have made a provision for consultancy costs that may be required in relation to the administration process.

Note 4

Estimated facilitates costs for the use of premises adjacent to the SEL premises, throughout the administration process.

Note 5

In order to begin the debtor collection process, we required agents to process and send out final invoices. We may have additional external costs if further mailshots are necessary.

Note 6

Legal costs and disbursements will be incurred for general legal advice, provided by Shepherd and Wedderburn, throughout the course of the administration.

Note 7

Actual costs to assist with the preparation of the Company's estimated statement of affairs as at the date of our appointment.

Note 8

Estimated costs for appointment advertising, bank charges, mailings, travel, sustenance and other administrative costs which might be incurred.

Appendix 5 Joint Administrators' revised fee estimate

Estimated time costs for Spark Energy Supply Limited – in Administration				
	Notes	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Cashiering	1	121.70	40,767.60	334.98
General	2	23.30	12,050.10	383.63
Statutory and compliance	3	325.55	146,271.00	449.30
Tax	4	194.65	67,011.60	344.27
Creditors				
Committees	5	115.90	46,759.80	403.45
Creditors and claims	6	623.15	226,229.05	363.04
Employees	7	3.30	905.00	274.24
Investigations				
Directors	8	16.30	7,024.00	430.92
Investigations	9	46.15	12,852.40	278.49
Realisation of Assets				
Asset Realisation	10	2,643.80	940,258.80	325.34
Total		4,122.80	1,500,129.35	358.77

Whilst specific notes have been provided below to give more context around the fees estimate, these should be read in conjunction with the report as a whole.

Below is further detail of the work to be undertaken for this engagement:

Note 1

We are required to comply with our statutory obligations throughout the duration of the administration. Time is spent planning, updating the strategy for the administration, and ensuring all other statutory requirements are addressed.

Note 2

A bank account has been opened and is being maintained in the administration; receipts and payments are processed and reconciled.

Note 3

Time is being spent reviewing pre-appointment tax and VAT returns, preparing and submitting post-appointment statutory returns and dealing with general tax and VAT issues

throughout the administration. Furthermore, time will be spent to consider whether a VAT bad debt relief claim should be submitted in relation to debts that have not been paid.

Note 4

General time will be spent on administration matters, such as handling and accessing the Company books and records.

Note 5

We have established a creditors committee and provide the committee with regular reports on the progress of the administration, in addition to that provided to the general body of creditors.

Note 6

Liaising with creditors regarding the progress of the administration, responding to general enquiries, preparing creditor reports, seeking approval for the administrators' proposals, adjudicating on creditor claims and paying a dividend to creditors.

Note 7

Whilst there are no employees we were required to carry out standard checks with regards employees and pension schemes as part of the administration process. It is unlikely that any further time will be spent on this.

Note 8

Liaising with the Directors regarding the Statement of Affairs; the request that the Directors' Questionnaires are completed; and other general queries about the Company's operations. It is unlikely that any further time will be spent on this.

Note 9

As part of our statutory obligations, we are required to formally investigate the affairs of the Company and the conduct of Directors prior to the Joint Administrators' appointment.

Note 10

Estimated time costs to realise the Company's assets, most notably the debtors' collection process. This includes correspondence with previous customers and debt collection agencies.

Appendix 6 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

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

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

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

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

If you are unable to access this guide and would like a copy, please contact Yarima Conway on 0141 309 2645.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

Charge-out rates (£) for: Spark Energy Supply Limited – in Administration		
Grade	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	690
Director	590	620
Senior Manager	535	560
Manager	445	467
Senior Administrator	310	325
Administrator	225	236
Support	140	147

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

Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

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

We have incurred the following disbursements from 28 November 2019 to 27 May 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	26.34		NIL		26.34
Meals	4.50		NIL		4.50
Mileage	NIL		15.20		15.20
Postage	102.04		NIL		102.04
Total	132.88		15.20		148.08

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Narrative of work carried out for the period 28 November 2019 to 27 May 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ updating bonding and complying with statutory requirements; ■ Meetings and correspondence with Ofgem; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ drawing remuneration in accordance with the basis which has been approved by unsecured creditors; ■ liaising with the joint appointee in relation to the debt collection strategy; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with debtors; ■ exploring the possibility of a sale of the Company's ledgers of debts; ■ seeking legal advice in relation to book debt collections; ■ liaising with SEL, Ovo and DCAs regarding debtor recoveries;
Creditors and claims	<ul style="list-style-type: none"> ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ correspondence and telephone conversations with creditors committee; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ agreeing unsecured claims; ■ drafting our progress report.

Time costs

SIP 9 –Time costs analysis

SIP 9 –Time costs analysis (28/11/2019 to 27/05/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	2.60	831.50	319.81
Reconciliations (& IPS accounting reviews)	1.40	452.00	322.86
General			
Books and records	0.70	157.50	225.00
Fees and WIP	2.30	560.60	243.74
Statutory and compliance			
Checklist & reviews	2.30	572.40	248.87
Mail redirection	2.40	563.10	234.63
Strategy documents	30.70	10,238.40	333.50
Tax			
Post appointment corporation tax	3.10	1,536.70	495.71
Post appointment VAT	43.20	13,622.30	315.33
Creditors			
Committees			
Reports	11.40	3,387.80	297.18
Creditors and claims			
Agreement of unsecured claims	15.00	6,435.10	429.01
General correspondence	10.60	3,118.00	294.15
Statutory reports	25.30	7,666.70	303.03
Realisation of assets			
Asset Realisation			
Cash and investments	0.40	94.40	236.00
Debtors	267.90	84,367.40	314.92
Office equipment, fixtures & fittings	0.80	428.00	535.00
Total in period	420.10	134,031.90	319.05

Brought forward time (appointment date to SIP 9 period start date)	2,660.10	990,677.25
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	420.10	134,031.90
Carry forward time (appointment date to SIP 9 period end date)	3,080.20	1,124,709.15

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

Appendix 7 Glossary

Company	Spark Energy Supply Limited - in Administration
Joint Administrators/we/our/us	Alistair McAlinden and Blair Carnegie Nimmo
KPMG	KPMG LLP
DCA	Debt collection agency
Ended Debts	Debts which relate to customers who left Spark Energy Supply Limited prior to the Supplier of Last Resort Process
Proposals	The Joint Administrators' Proposals document dated 18 January 2019
Ovo	Ovo Energy Limited and its subsidiaries
Live Ended Debts	Debts which relate to customers who continued to be customers of Spark Energy Limited after the Supplier of Last Resort Process
Shepherd and Wedderburn	Shepherd and Wedderburn LLP
SEL	Spark Energy Limited
SESL	Spark Energy Supply Limited – in Administration
SOLR	Supplier of Last Resort Process

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

Appendix 8 Notice: About this report

This report has been prepared by Alistair McAlinden and Blair Carnegie Nimmo, the Joint Administrators of Spark Energy Supply Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Alistair McAlinden and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

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

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