

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number 05857467

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) Alistair

Surname McAlinden

3 Administrator's address

Building name/number KPMG LLP

Street Saltire Court

20 Castle Terrace

Post town Edinburgh

County/Region

Postcode EH1 2EG

Country United Kingdom

4 Administrator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

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

5 Administrator's address ②

Building name/number KPMG LLP

Street Saltire Court

20 Castle Terrace

Post town Edinburgh

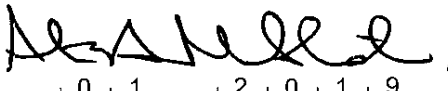
County/Region

Postcode EH1 2EG

Country United Kingdom

② **Other administrator**
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AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
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Administrator's Signature	<div>Signature</div> <div>✕</div> <div></div> <div>✕</div>		
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AM03

Notice of Administrator's Proposals



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Contact name Lorelle McLennan

Company name KPMG LLP

Address

Saltire Court

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Country United Kingdom

DX

Telephone +44 (0) 131 222 2000



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Joint Administrators' Statement of Proposals

Spark Energy Supply Limited - in Administration

18 January 2019

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

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 statement of proposals is attached (Appendix 8).



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1 Executive summary

- This report comprises the Joint Administrators Statement of Proposals document, and has been prepared following the appointment of Blair Nimmo and I as Joint Administrators of the Company on 28 November 2018, after an application made by the Company Directors.
- Prior to the administration, the Directors had requested that Ofgem run a SOLR process, and as a result of this the Company's customers transferred to Ovo. Separately Ovo had also acquired the rest of the Group entities including those which held the IT hardware, brand names, leasehold property and all employees. (Section 2 - Background and events leading to the administration).
- The Company ceased trading prior to the administration and the administration process will comprise a wind down of the Company's affairs, realising the assets for the benefit of the creditors. The main asset is the Company's debtor book and we have recovered £0.26 million to date. (Section 3 - Strategy and progress of the administration to date).
- We do not expect there to be any secured or preferential creditors, and as such we expect there will be funds available to pay a dividend to unsecured creditors. The amount and timing of the dividend will depend on the outcome of the debt collection process, and the overall level of creditors' claims admitted to rank. (Section 4 - Dividend prospects).
- We intend to seek approval of these Proposals by a decision via written correspondence, and attach a "Notice of seeking decision of creditors by correspondence". Creditors should complete and return this form no later than 23.59 hours on 5 February 2019 (Section 6 – Approval of proposals).
- Our fees will be approved either by a creditors' committee (if one is formed) or by a decision making process of unsecured creditors (if no committee is formed). We propose 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 fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5; and that disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5. (Section 7 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- We expect that the administration will end with the dissolution of the Company (Section 5 - Ending the administration).
- This document in its entirety is our Statement of Proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Alistair McAlinden
Joint Administrator

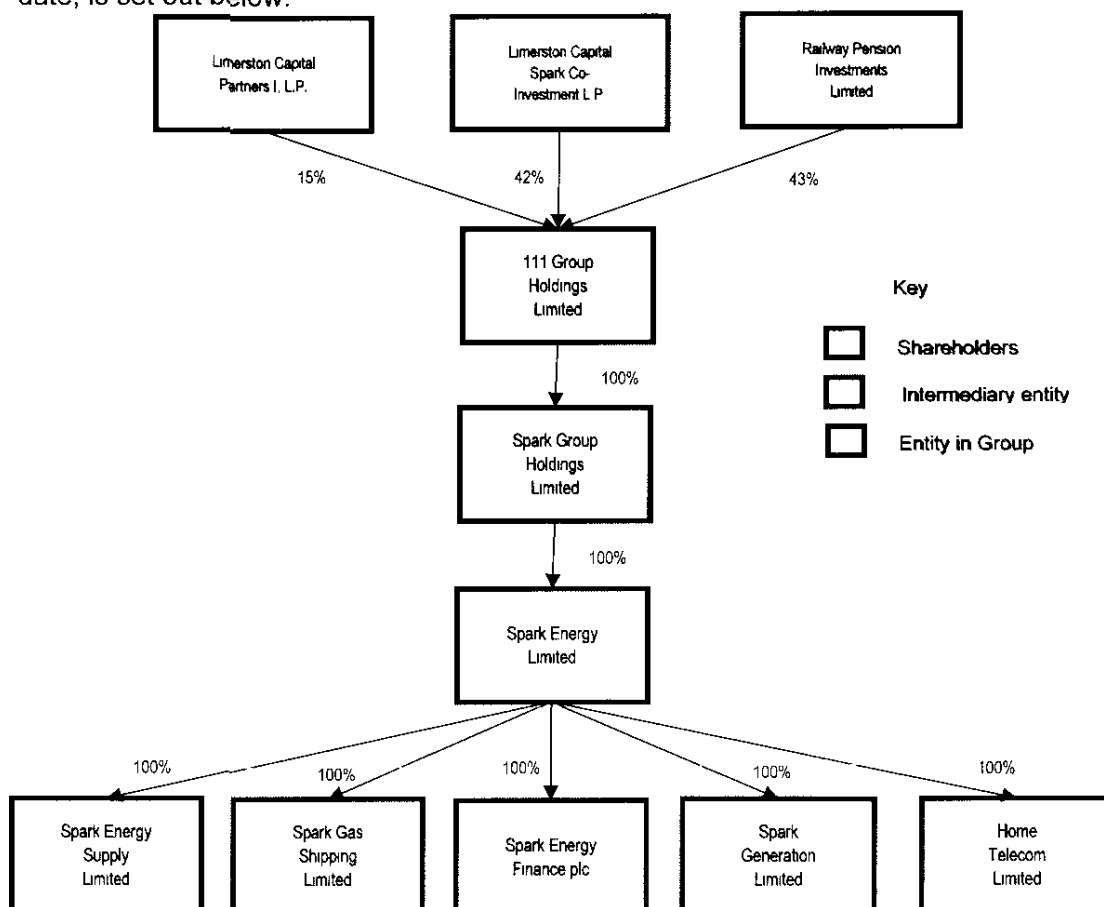
2 Background and events leading to the administration

2.1 Background information

The Company was a retail energy supplier, and traded from its headquarters in Selkirk, Scottish Borders, since its incorporation in June 2006. Its operations grew steadily over time, benefitting from market deregulation encouraging new retail energy companies to enter the market and challenge the market dominance of the “Big 6” energy companies. At the time of the administration the Company had approximately 280,000 customers.

The Company’s key route to market, which facilitated this growth, was agreements it entered into with some of the UK’s largest letting agencies. When a landlord’s property became vacant, the letting agency would replace the incumbent energy supplier with the Company, who would then supply energy to the property for the vacant period, and often continue once a new tenant had taken over the property.

The Company formed part of a group of companies. Within the Group, the Company held the customer contracts, the Ofgem licences and the energy operational contracts. All employees were engaged by SEL, which is the entity that also collected the Company’s revenue on its behalf, and paid for the Company’s supplies, with the transactions being reflected via inter-company accounts. The group structure shortly before the administration date, is set out below.



The other entities in the Group (which we have defined as being SEL and all of its subsidiaries, but excluding entities in the corporate structure above SEL) operate as follows:

- Spark Energy Limited ("SEL") – holds all Group leasehold property interests, IT hardware, brands, and employees. Main holding company for other Group entities. Acts as 'clearing' entity for Group with all cash transactions processed through this entity and re-charged via intercompany accounts. Group funding arrangements made through SEL.
- Spark Energy Finance plc – received funding of £2 million by issuing bonds on the Bermudan stock exchange, and loaned this to SEL. Other than transactions relating to this funding arrangement, no further trading.
- Spark Gas Shipping Limited – holds certain regulatory licences.
- Home Telecom Limited – operates a retail telecommunications business.
- Spark Generation Limited – dormant, non-trading, no assets.

In addition there are two further entities, relating to the Group's ownership.

- Spark Group Holdings Limited ("SGHL") – an intermediate holding company, non-trading.
- 111 Group Holdings Limited ("111GHL") – the top holding company. 111GHL is owned by two funds controlled by a private equity house, and a limited company which makes investments in trust for a large pension fund (together, "the Shareholders").

The Group has always been a private company, and has went through various changes in share ownership between 2006 and 2016, at which point it was owned by approximately 170 investors (a mix of individuals, companies, trusts and pension schemes). In August 2016 these investors sold the shares in SEL to SGHL, using funds provided by the Shareholders via 111GHL. This created the current structure as shown in the chart.

2.2 Funding and financial position of the Company

The funding provided by the Shareholders to 111GHL and SGHL was used to purchase the shares in SEL from the previous shareholders. There were no funds introduced to SEL or any other Group entity, and the funding position of 111GHL and SGHL is completely separate to the Group. There are also no material intercompany balances between 111GHL, SGHL and the Group.

Instead the Group was funded by three sources:

1. Macquarie Bank Limited ("Macquarie") had provided SEL with a £50 million working capital facility, a forward contract facility allowing the Group to fix a proportion of its energy purchases in advance (together, a Wholesale Energy Trading Agreement or "WETA") and a £15 million debt finance facility to help cover Winter working capital requirements. Macquarie also acted as agent for the Group in the commodity markets.

Macquarie's debt due by SEL had been guaranteed by the Company and others in the Group.

2. Royal Bank of Scotland plc ("RBS") had provided SEL with a £0.5 million revolving credit facility. This debt had been guaranteed by the Company.
3. Bonds issued by Spark Energy Finance plc on the Bermudan stock exchange totalling £2.0 million.

The last audited accounts prepared prior to the administration were dated 30 June 2017 and showed turnover of £158.6 million, gross profit of £17.4 million and an operating profit of £4.3 million. It had net assets of £8.6 million. The most recent management accounts show that the Company continued to be profitable and in a positive net asset position up to the point of insolvency.

2.3 Events leading to the administration

Aborted sale of business

In Q1 2018, the Shareholders sought to exit their investment and 111GHL appointed Lazard & Co. Limited ("Lazard") to present the shares of SEL for sale. KPMG Transaction Services, operating from our London office, were also engaged by 111GHL to assist in the presentation of financial information to support the proposed sale of SEL's shares by 111GHL and SGHL.

We understand that the opportunity was circulated by Lazard widely within the sector, and also to potential private equity investors, however with increasing uncertainty around the sector, no interest materialised that was acceptable to the Shareholders, and this process ended in Q3 2018.

Funding issues and Macquarie action

The Group operated a consolidated cashflow with all receipts and payments made by SEL on behalf of other Group entities. Working capital and commodity hedging facilities were provided by Macquarie. The Group had two material factors affecting its cashflow in Q3 2018:

1. The Group's business is seasonal, with an increased working capital requirement in the Winter months where customer consumption is in excess of customer receipts (which under direct debit agreements are typically the same each month of the year). The Group estimated the additional working capital required to be approximately £15 million; and
2. *The industry wide Renewables Obligation Certificate liability, which for the Group totalled £14.4 million, fell due on 31 October 2018.*

The Group's cashflows in Q3 2018 showed sufficient headroom to meet these obligations. Also at this time, it was known that Ofgem would introduce an industry wide Energy Price Cap with effect from 1 January 2019, although the precise rates to be used had not been confirmed

The Company Directors advise that Macquarie requested a revised set of Group financial projections be prepared, setting out the illustrative financial outcome that might transpire in the event that the Energy Price Cap was introduced at a certain level. These projections

showed a potential future breach of facilities, and on 9 October 2018 Macquarie advised the Group that it would cease to provide its facilities.

On 19 October 2018 Macquarie liquidated all of the Group's forward hedge contracts, and utilised the proceeds to repay its indebtedness. Macquarie continued to acquire energy on behalf of the Group as agent, however it only did so on the basis that it was placed in funds on the same day as the energy purchased, such that it had no exposure. Macquarie's debt was repaid in full on 19 October 2018 and it agreed to remove its security.

As a result of the action taken by Macquarie, the Group no longer had a working capital facility. Furthermore it was operating in an unhedged position, having to acquire energy at spot prices on the market which were higher than the hedged position on which the Group had set prices and pursued its operational strategy.

The Group revisited its short term cashflow forecasts, which showed it would run out of cash by the end of November 2018. In light of this position, the Group triggered a process to explore its strategic options.

Options pursued by the Group

1. Shareholder funds

The Group requested whether its current shareholders would consider injecting fresh capital and/ or loans, however the Shareholders advised that no new funds were available.

2. WETA finance

The Group approached a number of specialist finance companies who already provided working capital and other loan facilities to businesses operating in this sector. Whilst various companies expressed an interest in providing such a facility, the application and credit processes could not be completed in time prior to the Group running out of cash.

3. Senior secured finance

The Group discussed the potential for new senior secured finance to be provided, including from mainstream banks and distressed private equity funders. Once more, several parties expressed a willingness to engage, however no funders came forward with an acceptable funding package that could have been delivered prior to the time that the Group was expected to run out of cash.

4. Public sector finance

The Group approached a number of public sector bodies for loan finance, however all such applications were rejected.

5. Sale and merger options

The Group had been involved in the aborted sale process instructed by the Shareholders earlier in 2018. Since that formal process ended, the Group's Directors had direct discussions with several trade purchasers. Whilst many expressed an interest in acquiring parts of the business, no offers for the Group as a whole were forthcoming.

Indeed, the only offer that was received that was considered deliverable within the timeframes available was from Ovo Energy Limited ("Ovo"). This offer was for the shares of the Group but excluding the Company (more details below).

In the absence of any shareholder funding, new external finance or business sale/ merger options that included a solvent sale of the Company, the Directors had no option but to take the following actions on 23 November 2018:

- a. Resolve to appoint administrators to the Company, and lodge a Notice of Intention to Appoint Administrators to the Company; and
- b. Request Ofgem to run a Supplier of Last Resort ("SOLR") process;

Ofgem SOLR process

Ofgem ran a SOLR process, commencing on 23 November 2018, and on 27 November 2018 it was announced that a bid from Ovo had been successful. The effect of this transaction was to transfer all of the Company's customers and ongoing energy supplies to Ovo, with effect from 00.01am on 28 November 2018 (for electricity) and 05.01am on 28 November 2018 (for gas).

As part of this, Ofgem applied to the Business and Property Courts of England & Wales to de-regulate the Company and withdraw its energy licences. This took effect on 28 November 2018.

The combination of these events meant that the Company had no energy licences, no customers and no ongoing trade.

Sale to Ovo

On 27 November 2018, after Ofgem announced that Ovo had been successful in acquiring the customers and ongoing supply, the following transactions took effect:

1. SGHL acquired the share capital of the Company.
2. Ovo acquired the share capital of SEL.
3. Certain assurances were provided by Ovo to assist any insolvency practitioner that may subsequently be appointed.

As a result of this transaction, Ovo acquired the entities which held all of the Group's leasehold property, IT hardware, brands, and employees. As this was a share purchase, Ovo also took on liability for the creditors of all of the Group entities, other than the Company. By acquiring the shares of SEL, Ovo also took control of the infrastructure required to pursue the Company's debtors. This has shaped the administration strategy.

The alternative to this transaction would have been for all of the Group's entities to enter formal insolvency processes, which the Group Directors consider would have resulted in the loss of all employment for all 440 employees, and a worse financial return for creditors of the various entities in the Group.

The entities excluded from the sale to Ovo were 111GHL, SGHL and the Company. 111GHL and SGHL are not subject to insolvency proceedings.

2.4 Pre-administration work

KPMG has had no direct relationship with the Company prior to the administration, however we have undertaken had two recent engagements as follows.

1. On 9 February 2018, KPMG Transaction Services were engaged by 111GHL to assist in the presentation of financial information to support the proposed sale of SEL's shares by 111GHL and SGHL.
2. On 30 October 2018, KPMG was engaged by SEL. The scope of the assignment was to assist the directors of SEL in relation to contingency planning in relation to the possibility that SEL and/ or some of its subsidiaries enter a formal insolvency process. We were not engaged to market the Group's business and assets for sale, nor to source new finance for the Group.

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that date.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised above, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.5 Appointment of Joint Administrators

On 28 November 2018, once the Ofgem SOLR transfer had taken effect, the sale to Ovo had completed, and the Company's energy licences were revoked, the Directors of the Company lodged a Notice of Appointment of Administrators at the High Court of Justice, and Blair Carnegie Nimmo and I were duly appointed as Joint Administrators.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

The effect of the Ofgem SOLR process was to transfer all of the Company's customers and ongoing energy supplies to Ovo in the early hours of 28 November 2018. The administration appointment took effect later that day. The Company's energy supply licences were revoked immediately prior to the SOLR transfer becoming effective.

With no customers, no licences and no means of ongoing supply, the Company had ceased to trade prior to the administration. Accordingly the administration process will comprise a wind down of the Company's affairs, realising the Company's assets for the benefit of its creditors.

The Company did not have any employees. All Group employee contracts are held by SEL, who made payroll payments. SEL also held all of the Group's IT, brand names, website domains, leasehold property, and fixtures & fittings.

Furthermore, all Group receipts and payments were made via the SEL bank account. The Company's bank account was not used and had a balance of £nil at the point of insolvency. Where SEL made a payment or received a sum on behalf of the Company through the SEL bank account, an intercompany balance was created. This intercompany account was never settled and at the insolvency date the Company's books and records showed that the Company owed SEL approximately £21 million.

The only assets of the Company were its debts due by its customers, internally developed software, a debt due by HMRC in relation to VAT, a stock of prepayment meters, and some collateral deposits. Our strategy for each of these assets is set out below.

3.2 Asset realisations

We attach a receipts and payments account at Appendix 2 for the period from the date of our appointment to 11 January 2019. The only realisations to date are approximately £258,000 recovered from customer debtors.

Debtors - overview

The Company's major asset is its debtors ledger, with its books and records showing a total ledger of approximately £72.4 million due by its customers. The Directors' Statement of Affairs shows estimated realisations of £16.8 million. There are a variety of reasons for the estimated realisations being lower:

- Only approximately £31.0 million of the debt is aged under 6 months. £24.4 million is aged 6 to 12 months, with the balance of approximately £17.0 million greater than one year old.
- The balance includes an estimate for the final consumption due by customers who were continuing customers at the date of the administration. These continuing customers are now customers of Ovo with effect from 28 November 2018. It is expected that the handover reading will, on average, result in a lower sum due by customers to the Company.
- Ongoing customers continue to receive energy supplies from Ovo, and are making ongoing payments to Ovo. We expect there will be some confusion when a final invoice arrives to cover energy supplied up to the date of the administration. Some customers will dispute invoices as a result.
- Some of the debts were paid by customers prior to the administration and were held by DCAs, who have claimed set off in relation to outstanding commission due.
- The debtors' ledger is a large balance however it consists of many small balances. For very small sums it may not be economical to pursue every debtor balance.
- Legal action may be required to pursue certain debts. It might be the case that the costs of pursuing some disputed debts will exceed the sum pursued.

Notwithstanding these challenges, we will pursue all of the Company's debts until it is no longer economical to do so. We may consider the sale of a portfolio of parts of the ledger in due course.

Debtors – agreement with SEL

Our immediate priority has been to contact debtors with final invoices. This could have been extremely difficult, as the Company does not have any employees or the IT systems required to extract the relevant information to finalise and send out invoices. Instead, we have reached agreement with SEL to assist with such matters, on a nil cost basis, through to 30 June 2019.

A legal contract has been prepared and signed to document the agreed terms. To date SEL have provided significant assistance to us, enabling a mechanism whereby all customers can be billed, sums received tracked, and for a proper record of account to be maintained.

Debtors – engagement with DCAs

Prior to the administration the Company utilised 10 DCAs for various elements of their debt collection strategy. Given the volume of debt we consider continuing to use a panel of DCAs will be the most efficient and cost effective strategy.

We have been in discussions with all of the Company's panel companies, and also other DCAs with proven track records in the sector. Legal contracts have been agreed.

Software

The Company's books and records showed software with a net book value of £5.8 million. This comprised internally developed software whereby staff salaries and external consultants costs incurred in developing software were capitalised rather than written off to the Company's profit and loss account.

In conjunction with our solicitor and a corporate finance house which specialises in the valuation and sale of intellectual property, we have considered our options in relation to the realisation of the software. It was not considered likely that the sale of the software as a stand-alone asset would generate any funds for the following reasons:

- All of the brands which go with the software, and domain names, are in the name of SEL and, we are advised, not for sale;
- All of the software is bespoke to retail energy companies, and competitors will already have their own systems. It is considered unlikely that a new entrant would pay a material sum for white label software without the benefit of any customers, particularly at a time where industry pressures such as price capping may deter new entrants;
- It is not clear that the Company has clear title to the software, as not all contractor contracts are available to confirm transfer of copyright;
- The software has been developed since 2012 and a proportion of it will be obsolete;
- The Company does not employ the employees or the contractors who have performed the development. Without a working knowledge of the software the administrators would find it difficult to articulate the technical aspects of the software

being presented for sale, and to respond to any potential purchaser's diligence requirements; and

- An agreement would have to be reached with SEL to provide access to the property and the IT hardware on which the software is being run.

It was a fundamental requirement for SEL to acquire the software rights as part of the agreement to assist with the debt collection process. Without this assistance we would have had no means to obtain the information necessary to pursue the debtors, and may have had to enter a costly and time consuming legal process to attempt to compel SEL to assist with the debt collection.

On balance, we concluded that the value enhancement from obtaining SEL's assistance with the debt collection process significantly exceeded the value that may have been obtained from a stand-alone sale of software, and accordingly on 11 January 2019 we sold the software to SEL for a nominal consideration, as part of the wider agreement in relation to debt collection co-operation.

Stock

The Company's books and records showed stocks of approximately 1,700 prepayment meters, with an aggregate book value of approximately £161,000. The manufacture dates range from 2015 to 2018. The stock is all physically located at various third party locations, typically at suppliers who installed the meters at the request of the Company.

The main supplier, who is also a creditor of the Company, advised it would not be interested in purchasing the stock.

We considered repatriating the stock and placing for sale at auction, however the logistical costs would be a relatively high, and there are risks relating to retention of title claims and stock losses.

Instead, in line with advice from our moveable stock agents (GMG Asset Management Limited) we agreed to sell the stock to SEL for £60,000 plus VAT. The consideration will be received in instalments and, as part of the sale, SEL are taking on the retention of title and stock loss risks.

VAT debtor

The Company formed part of the Group's VAT Group. We are working with the Group's finance team in order to submit the relevant return to demand recovery of the balance of approximately £495,000 due to the Company in relation to the pre-administration period.

We are also investigating the possibility of a VAT bad debt relief claim on the Company's older debts, which are considered to be irrecoverable.

Collateral

Prior to the administration the Company had placed collateral deposits with a number of energy sector companies as part of ongoing terms of supply. The aggregate of these deposits was approximately £929,000 at the date of the administration. We have written to all of the counterparties, some of whom have lodged counter claims in relation to sums due by the Company, or liquidated damages claims that have arisen as a result of the Company's

administration. The director's Statement of Affairs shows no recoveries from these deposits, with set off in full applying.

Other assets

The Company's books and records show a balance of £6.9 million of capitalised sales commissions. This comprises sums paid up front to sales intermediaries for new customer contracts, and are amortised over the period of the customer contract. There is no clawback clause and therefore no recovery will be made from this asset.

There are also £2.7 million of "other debtors" disclosed in the Company's accounts. Most of these comprise prepayments and we have written to some parties to request refunds, however we do not expect any meaningful sums to be recovered from this asset class.

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Lorelle McLennan at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom.

3.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4), together with a description of each cost category.

The main cost in the administration will be DCA commission. We have agreed 'no recovery no fee' for all of our DCAs such that there is no cost risk to the Company's estate. The exception to this are a small number of DCAs who provide customer search functionality or home visits.

Commission rates vary considerably depending on the stage of the collection process and the resource each DCA will require to apply to recover debts. The overall quantum of commission payable will also depend on the total sums recovered. We have not been able to provide a meaningful estimate of the commission costs for the administration process.

Other significant costs include our solicitors fees (estimated to be £100,000) and third party costs to assist with the preparation of final invoices (estimated to be £75,000).

The only payments made from the date of our appointment to 11 January 2019 are approximately £7,000 in DCA commissions, as set out in the attached receipts and payments account (Appendix 2).

4 Dividend prospects

4.1 Secured creditors

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

Macquarie had discharged its security prior to the administration.

The Company has granted a debenture dated 28 April 2016 and registered 6 May 2016, including a fixed and floating charge over all undertakings in favour of RBS. According to the Company's books and records, RBS has no debt due by the Company. We have written to RBS who have confirmed that it has no claim against the Company.

Accordingly, we do not expect there to be any secured creditor in this case, and therefore we have not sought to consider the validity of the RBS debenture.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

The Company did not have any employees at the date of the administration, and we are not aware of any preferential claims against the Company.

4.3 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 the payment of associated costs.

The timing of the distribution to unsecured creditors will also depend on the timing of the debt recovery process.

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8, to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

5.2 Discharge from liability

We propose to seek approval from the unsecured creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

See Section 8 for details regarding the decision by correspondence.

6 Approval of proposals

6.1 Decision procedure

Notice of seeking a decision by correspondence is attached to the covering letter. This decision by correspondence procedure is being used to seek approval of our Statement of Proposals.

Creditors' Committee

A Creditors' Committee will be formed if the creditors decide that one should be formed and sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five.

Function of the Creditors' Committee

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a Creditors' Committee is formed it is for that body to approve, for instance:

- the basis of our remuneration
- the drawing of Category 2 disbursements

Members of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

6.2 Decisions

The proposed decisions to be considered as part of the decision by correspondence are as follows:

- approval of our proposals;
- the formation of a Creditors' Committee.

In addition, creditors are also required to vote on the proposed decisions set out in Section 8, and the discharge from liability sought by the Joint Administrators in Section 5.2. Creditors should complete and return the "Notice of seeking decision of creditors by correspondence" form no later than 23.59 hours on 5 February 2019.

However, the votes cast in relation to these additional decisions will only be used if a Creditors' Committee is not formed.

6.3 Creditors' right to request a physical meeting

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the procedures set out below are followed.

Requests for a physical meeting must be made within five business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a physical creditors' meeting, please complete and return the physical meeting requisition form attached to the cover letter.

7 Joint Administrators' remuneration, disbursements and pre-administration costs

7.1 Approval of the basis of remuneration and disbursements

Attached to the covering letter is formal notice of the decision by correspondence which asks the creditors to vote on the proposed decisions with regard to our remuneration and drawing of Category 2 disbursements. Only if a Creditors' Committee is not formed will the votes cast by the creditors be used.

Time costs

From the date of our appointment to 11 January 2019, we have incurred time costs of £176,297.00. These represent 420.35 hours at an average rate of £419.41 per hour.

We have incurred disbursements of £1,709.27 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 11 January 2019. We have also attached our charging and disbursements recovery policy.

7.2 Pre-administration costs

We will not apply for any pre-administration costs to be paid out of the Company's administration estate.

8 Summary of proposals

Rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable, due to the SOLR transaction which took place prior to the administration, which transferred the customers and all ongoing energy supplies to another party. The Company, therefore, did not have any customers or ongoing trade at the point of the administration.

Accordingly our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above,
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- as appropriate, to make distributions to the secured and preferential creditors in the event that such claims arise, and where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, if applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Alistair McAlinden and Blair Carnegie Nimmo, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as

the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;

- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Alistair McAlinden and Blair Carnegie Nimmo, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, or alternatively, the Joint Administrators have received authority from the Court to pay unsecured dividends and all such dividends have been paid, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose 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 fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

Company and Trading name	Spark Energy Supply Limited
Date of incorporation	26 June 2006
Company registration number	05857467
Trading address	Ettrick Riverside, Dunsdale Rd, Selkirk, TD7 5EB
Present registered office	Regent House, 316 Beulah Hill, Upper Norwood, London, SE19 3HF As part of the administration process, we will change the registered office to c/o KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
Company Directors	Chris Gauld Hamish Duncan Adam Osborn
Company Secretary	Debbie Mary Harding

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 010108 of 2018
Appointor	The Directors of the Company
Date of appointment	28 November 2018
Joint Administrators	Alistair McAlinden and Blair Carnegie Nimmo
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
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 2019
Prescribed Part	The Prescribed Part is not applicable on this case because we do not expect there to be a floating charge creditor claim
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations

Appendix 2 Joint Administrators' receipts and payments account

Spark Energy Supply Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (€)		From 26/11/2018 To 11/01/2019 (€)	From 26/11/2018 To 11/01/2019 (€)
ASSET REALISATIONS			
60,000.00	Stock	NIL	NIL
16,839,000.00	Book debts	258,135.58	258,135.58
495,000.00	VAT refunds (pre-appointment)	NIL	NIL
		<hr/>	<hr/>
		258,135.58	258,135.58
COST OF REALISATIONS			
	Debt Collection costs	(7,357.44)	(7,357.44)
		<hr/>	<hr/>
		(7,357.44)	(7,357.44)
UNSECURED CREDITORS			
(84,738,000.00)	Trade & expense	NIL	NIL
		<hr/>	<hr/>
		NIL	NIL
<hr/>		<hr/>	<hr/>
(67,344,000.00)		250,778.14	250,778.14
REPRESENTED BY			
	VAT receivable		1,472.26
	Current bank account		249,305.88
			<hr/>
			250,778.14
			<hr/>

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Notes	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Statutory and compliance	1	390 00	125,700 00	322.31
Cashiering	2	175.00	59,875.00	342.14
Tax	3	143 00	54,225.00	379.20
General	4	51 00	18,430.00	361.37
Creditors				
Employees	5	3.50	1,032 50	295.00
Creditors and claims	6	470 00	143,750.00	305.85
Committees	7	36 00	12,955.00	359.86
Investigations				
Directors	8	38 00	15,120.00	397 89
Investigations	9	44.00	14,345.00	326 02
Realisation of Assets				
Asset realisation	10	1,890 00	758,200 00	401 16
Total		3,240.50	1,203,632.50	371.43

Note 1

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

Note 2

A new bank account has been opened and will be maintained in the administration; receipts and payments will be processed and reconciled.

Note 3

Time will be 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 seeking to recover pre-administration VAT sums due, and 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

Whilst there are no employees we are required to carry out standard checks with regards employees and pension schemes as part of the administration process.

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

We will attempt to establish 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 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.

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. Furthermore, time will be spent on ascertaining whether there is value in the Company's intellectual property, stock and other debtors.

Appendix 4 Joint Administrators' expenses estimate

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

This is an initial indicative high-level estimate of expenses, which is subject to change as the administration progresses.

Note 1

The above table excludes debt collection agents' commission and intermediary transaction charges. At present, it is not possible to estimate the quantum of these expenses as they will be depended on 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 will require agents to process and send out final invoices.

Note 6

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

Note 7

Estimated 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' 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, employee, pensions and health and safety advice 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/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Lorelle McLennan on 0131 451 7771.

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.

Charge-out rates (£) for: Spark Energy Supply Limited – in administration		
Grade	From 01 Nov 2016 £/hr	From 01 Jan 2019 £/hr
Partner	625	655
Director	560	590
Senior Manager	510	535
Manager	425	445
Senior Administrator	295	310
Administrator	215	225
Support	131	140

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 during the period 28 November 2018 to 11 January 2019.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	949.99		NIL		949.99
Meals	358.94		NIL		358.94
Mileage	NIL		309.19		309.19
Travel	91.15		NIL		91.15
Total	1,400.08		309.19		1,709.27

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

Category 2 disbursements are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 28 November 2018 to 11 January 2019

The key areas of work have been:

Statutory and	■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences,
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compliance	<ul style="list-style-type: none"> ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment, ■ issuing regular press releases and posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements, ■ liaising with Ofgem and meeting all regulatory requirements; ■ 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, including the decision to trade and 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
Reports to debenture holders	<ul style="list-style-type: none"> ■ corresponding with the RBS in relation to its security and potential claim
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts, ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks, ■ reviewing and processing employee expense requests, ■ 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"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs, ■ 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"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration, ■ providing copies of statutory reports to the shareholders
Debtors	<ul style="list-style-type: none"> ■ entering into an agreement which requires SEL to provide assistance in relation to the debt recovery process including (a) holding the ledger of record, (b) creating and issuing final invoices for all customers, and (c) updating ledgers for actual meter readings; ■ obtaining a list of customer debtors due to the Company from SEL; ■ negotiating terms with DCAs in relation to pursuing historic debts and final invoices, ■ liaising with DCAs in relation to ongoing debtor collection process.
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; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets, ■ liaising with agents regarding the sale of assets; ■ dealing with issues associated with the sale of stock
Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with, ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.

Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets, ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums.
Pensions	<ul style="list-style-type: none"> ■ ensuring compliance with our duties to issue statutory notices.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors, ■ responding to enquires from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the Directors of the effect of the administration, ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail, ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions, ■ submitting the online director conduct assessment to the relevant authority

Time costs

SIP 9 – Time costs analysis (28/11/2018 to 11/01/2019)							
	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Administration & planning							
Bankrupt/Director/Member							
Notification of appointment		1 80			1.80	918 00	510.00
Cashiering							
General cashiering				1 80	1.80	550 50	305.83
General							
Books and records				4.80	4.80	1,443 00	300 63
Statutory and compliance							
Appointment and related formalities	11 80	13 50		18.70	44.00	18,139 00	412 25
Bonding & Cover Schedule				0 80	0.80	236 00	295.00
Checklist & reviews				1 60	1.60	484 00	302 50
Reports to debenture holders	0 50	0.90			1.40	739 00	527 86
Statutory advertising		0.50		0 40	0.90	379 00	421 11
Statutory receipts and payments accounts				2 30	2.30	517 50	225 00
Strategy documents	15.90	17 60		2 10	35.60	19,835 00	557 16
Tax							
Initial reviews - CT and VAT				1 80	1.80	531 00	295.00
Post appointment VAT	0 70	0 50		13 00	14.20	4,515 75	318 01
Creditors							
Creditors and claims							
General correspondence	4 30	9 80		22 80	36.90	13,545 00	367 07
Notification of appointment		0 50			0.50	255.00	510 00
Pre-appointment VAT / PAYE / CT				3.80	3.80	1,121.00	295 00
Statutory reports	1 10	4 50		15.40	21.00	6,887.50	327 98
Employees							
Correspondence				1 00	1.00	295 00	295 00
Pension funds				0 75	0.75	161 25	215 00
Pensions reviews				0 70	0.70	206 50	295 00
Investigation							
Directors							
Directors' questionnaire /		1.50		0 10	1.60	786 50	491.56

SIP 9 – Time costs analysis (28/11/2018 to 11/01/2019)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
checklist						
Statement of affairs	1 20	5 40	0 90		7.50	3,646.00
Investigations						
Review of pre-appt transactions	2.30	2.90	28 70		33.90	11,089.00
Realisation of assets						
Asset Realisation						
Debtors	38.70	125.10	22 40		186.20	89,668 50
Insurance		0 20			0.20	102 00
Intellectual Property	1 20	1 80	7.70		10.70	3,899.00
Other assets		0.60	2 40		3.00	846 00
Stock		0 60	1 00		1.60	601 00
Total in period	77.70	187.70	154.95	0.00	420.35	176,297.00
Brought forward time (appointment date to SIP 9 period start date)					0.00	0 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					420 35	176,297 00
Carry forward time (appointment date to SIP 9 period end date)					420 35	176,297 00

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.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment. The sums disclosed do not take into account the costs of the Administration process, including asset realisation costs.

Rule 3.31

Statement of Concurrence

Name of Company Spark Energy Supply Limited	Company number 05857467
In the High Court of Justice (full name of court)	Court case number 010108 of 2018

With regards to the Statement of Affairs of
Spark Energy Supply Limited
(the 'Company')


made on 7 January 2019

by Hamish Osborn

Statement of Truth

I Chris Gauld, Ettrick Riverside, Dunsdale Road, Selkirk, TD7 5EB

concur with the Statement of Affairs of the Company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the Company on the date that it entered administration

Full name Chris Gauld
Signed 
Dated 14/01/2019

Rule 3.30

Statement of affairs

Name of Company Spark Energy Supply Limited	Company number 05857467
In the High Court of Justice <small>(full name of court)</small>	Court case number 010108 of 2018

(a) Insert name and
address of registered
office of the company


Statement as to the affairs of (a) Spark Energy Supply Limited (the 'Company'),
Regent House, 316 Beulah Hill, Upper Norwood, London, SE19 3HF

(b) Insert date

On the 28 November 2018, the date that the Company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the Company as at 28 November 2018 the date that the
Company entered administration.

Full name HAMISH OSBORN
Signed 
Dated 7/1/19

A – Summary of Assets

Assets

	Book Value £'000	Estimated to Realise £'000
Assets subject to fixed charge:	NONE	NONE
Total assets subject to fixed charge	NONE	NONE
Less: Amount(s) due to fixed charge holder(s)	NONE	NONE
Shortfall/surplus to fixed charge holder(s) c/d	NONE	NONE
Assets subject to floating charge:		
Total assets subject to floating charge		
Uncharged assets		
Trade debtors	72,410	16,839
Software	5,841	NIL
Capitalised sales commissions	6,915	NIL
Other debtors	2,726	NIL
HMRC (VAT)	495	495
Collateral	929	NIL
Stock	161	60
Total uncharged assets	89,477	17,394
Estimated total assets available for preferential creditors	89,477	17,394

Signature



Date

7/1/19

A1 – Summary of Liabilities

	Estimated total assets available for preferential creditors (carried from page A)	Estimated to realise £'000
	£'000	17,394
Liabilities		
Preferential creditors:-		
Preferential (employee) creditors (No.)	NONE	NONE
Other preferential creditors	NONE	NONE
Estimated deficiency/surplus as regards preferential creditors		17,394
Less uncharged assets	N/A	N/A
Net Property		17,394
Estimated prescribed part of net property where applicable (to carry forward)	N/A	N/A
Estimated total assets available for floating charge holders		17,394
Debts secured by floating charges	NONE	NONE
Estimated deficiency of assets after floating charges		17,394
Estimated prescribed part of net property where applicable (brought down)	N/A	N/A
Uncharged assets		
Total assets available to unsecured creditors		17,394
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Unsecured (trade) (non-preferential) creditors	84,738	
Unsecured (employee) creditors (No.)	NONE	
Unsecured (pre-paid consumer) creditors (No.)	NONE	
Estimated deficiency as regards unsecured creditors		67,344
Shortfall to fixed charge holders (brought down)	NONE	
Shortfall to preferential creditors (brought down)	NONE	
Shortfall to floating charge holders (brought down)	NONE	
Estimated deficiency as regards creditors		67,344
Issued and called up capital		NIL
Estimated total deficiency as regards members		67,344

Signature



Date

7/1/19

COMPANY TRADE CREDITORS

Note: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the company's possession by including a tick in the ROT column below.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £'000	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/ Conditional Sale	Claiming ROT
OFGEM (ROC)		25,722					
TRADE CREDITORS	SEE APPENDIX 1	10,553					
OVO / OFGEM (SOLR LIABILITY)		19,269					
ENERGY ACCRUALS	SEE APPENDIX 2	5,108					
OTHER ACCRUALS	SEE APPENDIX 3	1,160					
HMRC (CORPORATION TAX)		45					
SPARK ENERGY LIMITED		22,085					
SPARK GAS SHIPPING LTD		796					
TOTAL		84,738					

Signature




Date

7/1/19

EMPLOYEE/FORMER EMPLOYEE CREDITORS – NOT to be filed at Companies House or uploaded to the Creditor Portal. A note should be added to the Statement of Affairs uploaded to the Creditor Portal confirming these additional schedules will be made available to creditors on request

Note: You must include all employee's claims *and* show the preferential, unsecured and total debt owed to them. The total employee preferential debt and total employee unsecured debt must also be disclosed in the Summary of Liabilities (above), together with the number of creditors to which the total debts relate.

Name of employee or former employee	Address (with postcode)	Preferential Debt £	Unsecured Debt £	Total Debt £
NONE	N/A	N/A	N/A	N/A
Totals				

Signature  Date 6/1/19

COMPANY PRE-PAID CONSUMER CREDITORS – NOT to be filed at Companies House or uploaded to the Creditor Portal. A note should be added to the Statement of Affairs uploaded to the Creditor Portal confirming these additional schedules will be made available to creditors on request

Note: You must include all pre-paid consumer creditors (ie. customers claiming amounts paid in advance of the supply of goods or services) and show the total debt owed in the Summary of Liabilities (above), together with the number of creditors to which the total debt relates.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £
NONE	N/A	N/A
Total pre-paid consumer creditor debt		

Signature _____ Date 7-1-9

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
SPARK GROUP HOLDINGS LIMITED	WARWICK HOUSE, 25-27 BUCKINGHAM PALACE ROAD, LONDON, SW1W 0PP	1	£1	
TOTALS				

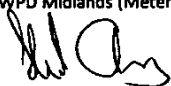
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Date 7/1/19

Creditors 1st draft			Movements	Final Position
Code	Name	£	Creditor	£
ELE02	Elxon Clear Ltd	£3,285		£3,285
NAT01	National Grid Electricity BSUoS	£67,871		£67,871
VUE01	Vuepoint Solutions Ltd	£19,441		£19,441
99901	999 Design	£0		£0
ACL01	Aclara Meters UK	£0		£0
BRI01	British Gas Revenue Protection	£5,820		£5,820
CEE01	Northern PowerGrid Northeast	£105,397	£55,927	£161,324
CEE02	Northern PowerGrid Yorkshire	£156,719		£156,719
CEE03	Northern Powergrid (Smart Meters)	£80,682		£80,682
CGI01	CGI IT UK LIMITED	£12,270		£12,270
CML01	Capital Meters Limited	£14,865		£14,865
CON01	Consumer Helpline	£28,980		£28,980
DCC01	DATA COMMUNICATIONS COMPANY	£0		£0
DCC02	SMART DCC	£0		£0
DCU01	DCUSA Limited	£0		£0
EDF01	Eastern Power Networks plc	£6,994		£6,994
EDF02	London Power Networks plc	£6,596		£6,596
EDF03	South Eastern Power Networks plc	£5,755		£5,755
EDF04	EDF Energy PPMIP	£4,018		£4,018
EDF05	EDF Energy Customer Field Services	£0		£0
ELE01	Electricity North West Ltd	£4,150		£4,150
ELE03	Electralink Ltd	£2,734		£2,734
ELE04	Elxon Limited	£0		£0
ELE05	Electricity Settlements Company Ltd	-£312		-£312
ELE06	Electricity North West DUoS/MAP	£154,230		£154,230
ENC01	The Electricity Network Company Ltd	£17,804		£17,804
ENE01	Energetics Electricity Ltd	£0		£0
EON01	E.ON (Prepayments)	£35,483	£118,198	£153,682
EON02	E.ON UK Energy Services Limited	£470,359		£470,359
ESP01	ESP Electricity Limited	£13,406		£13,406
FIR02	First Utility	£4,487		£4,487
FIT01	Ofgem E-Serve - Feed-in Tariff	£1,199,777		£1,199,777
G4S01	Morrison Data Services Limited	£364,874	£355,205	£720,079
HAR01	Harlaxton Energy Networks	£0		£0
IMP01	Imprimus PLC	£0		£0
IND01	Independent Power Networks	£6,990		£6,990
ITR01	Itron Metering Solutions UK Ltd	£266,691		£266,691
LOW01	Lowri Beck Services Ltd	£27,455		£27,455
LOW02	Low Carbon Contracts Company	£77,307		£77,307
MAC01	Macquarie Leasing Limited	£6,580	£58,441	£65,021
MAC02	MM3	£72,671		£72,671
MAC04	Macquarie Bank Limited	£0		£0
MAC05	Macquarie Meters 5 Limited	£18		£18
MAP01	MAPLECO LTD	£5,196	£3,057	£8,253
MET02	Meter Fit (North West) Limited	£12,899	£23,933	£36,832
MET03	Meter Fit (North East) Limited	£8,966	£14,570	£23,536
MET04	Meter Fit 2 Limited	£2,249	£4,136	£6,386

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MET05	Meter Fit 3 Limited	£13,362	£27,214	£40,575
MET06	Meter Fit Assets Limited	£8,959	£4,545	£13,504
MET07	Meter Fit 4 Ltd	£16,643	£32,107	£48,749
MET08	Meter Fit 5 Ltd	£12,258	£14,725	£26,983
MET09	Meter Fit 10 Ltd	£5,283	£3,409	£8,692
MET10	Meter Fit 20 Ltd	£1,492	£596	£2,088
MET11	Meter Corp	£5,234		£5,234
MRA01	MRA Service Company Limited	£0		£0
NAT02	National Grid TNUoS	£53,077		£53,077
NAT03	National Grid	-£711,603		-£711,603
NAT04	National Grid Smart	£120,740		£120,740
NPO01	Npower North East	£0		£0
NPO02	Npower Yorkshire	£0		£0
NPO03	Npower (Prepayments)	£2,098		£2,098
OFG01	OFGEM WHD	£0		£0
ONS01	Onstream (Macquarie)	£48,113	£93,906	£142,019
PAY05	Paypoint Network UK	£34,023		£34,023
PAY06	Paypoint Collections UK	£2,122		£2,122
PAY07	Paypoint Payment Services	£30		£30
PEE01	Leep Electricity Networks	£0		£0
PLA01	Plastic Card Services Ltd	£0		£0
SEC01	Secure Meters UK Ltd	£81,628		£81,628
SIE01	Siemens Metering Services	£2,307,794	£52,147	£2,359,941
SMA03	Utilita Field Services	£6,056		£6,056
SMA04	Smart Energy GB	£0		£0
SMA06	Smart Meter Assets 1 Ltd	£21,041		£21,041
SMD01	Smart Meter Device Assurance	£0		£0
SMS01	SMS Energy Services	£838		£838
SOU01	Southern Electricity Power Dist Plc	£0		£0
SPA01	SPAA Limited	£0		£0
SPD01	SP Distribution Ltd	£128,904		£128,904
SPD02	SP Dataserve Ltd	£6,414		£6,414
SPE01	Scottish Power Energy Retail Ltd	£3,477		£3,477
SPE02	SP Energy Networks	£0		£0
SPM01	SP Manweb plc	£160,163		£160,163
SPS01	SP Smart Meter	£13,838		£13,838
SSE01	SSE Power Distribution Hydro	£46,049		£46,049
SSE02	SSE Power Distribution Southern	£258,968		£258,968
SSE03	Scottish and Southern Energy plc	£2,933		£2,933
SSE04	SSE MAP	£109,634		£109,634
SSE06	SSE Revenue Protection	£11,930		£11,930
THE10	The Ombudsman Service Ltd	£81,054		£81,054
UKM01	SMS Meter Assets Limited	£87,838	£445,232	£533,070
UKP02	UK Power Distribution	£0		£0
UNI01	Amey Metering Ltd	£3,184		£3,184
UTI01	Utiligroup Limited	£16,802		£16,802
UTI04	Foresight Metering	£4,454		£4,454
WES01	Western Power Distribution S Wales	£75,653		£75,653
WES02	Western Power Distribution S West	£146,869		£146,869
WPD05	WPD - East Midlands	£203,532		£203,532
WPD06	WPD - West Midlands	£188,377		£188,377
WPD07	WPD Midlands (Metering)	£16,955		£16,955



			£0
			£0
CAP01	Capital Meters Limited	£23,073	£23,073
ENE02	ENERGY ASSETS LTD	£823	£823
EXC01	EXOTERIC	£61	£61
LOW06	Lowri Beck	£11,912	£11,912
NAT05	National Grid Smart	£75,313	£75,313
SCO02	Scotland Gas Networks plc (Metering)	£810	£810
SGN01	SGN Metering	£32,560	£32,560
SMA02	Smart Meter Assets 1 Ltd	£10,262	£10,262
SOU02	Southern Gas Networks (Metering)	£2,631	£2,631
WAL02	Wales & West Utilities (Metering)	£1,589	£1,589
			£0
1ST03	1ST LOCATE (UK) LTD	£112,283	£112,283
AIC01	Allied International Credit (UK) Limited	£633,248	£633,248
BWL01	BW Legal Services Limited	£50,809	£50,809
CHA10	Engage Services Ltd	£21,188	£21,188
CRE03	Credit Style Limites	£248	£248
CRE04	Credit Resourse Solutions Ltd	£14,263	£14,263
CUS01	CustomerSure Ltd	£2,398	£2,398
EXP01	Experian UK plc	£21,650	£21,650
J&P01	Judge & Priestley	£15,529	£15,529
OPQ01	OPOS Limited	£41,764	£41,764
PAS02	Pastdue Credit Solutions Ltd	£20,674	£20,674
RES03	Resolvecall Ltd	£36,871	£36,871
SHA03	Shakespeare Martineau	£151	£151
ZIN01	Zinc Group Ltd	£35,399	£35,399
			£0
MON02	Money Expert	£546,654	£546,654
ENE03	TECS	£67,632	£67,632
TRA01	Trade Doubler	£34,756	£34,756
CHO02	Choose Leads	£3,600	£3,600
2LET1	2LET	£20	£20
ACQ01	Acquire	£162	£162
AND08	Andrew Louis	£120	£120
AQA01	AQA Properties	£35	£35
ARD03	Arden Property Managment	£90	£90
ARH01	Archbold & Edwards Ltd	£72	£72
ASC02	Ascend Estates	£1,656	£1,656
ASS01	Assured	£90	£90
BAR04	Barkers Estate	£174	£174
BAR05	Barkers Estate	£678	£678
BAR06	Barkers Estate	£48	£48
BAR07	Barkers Estate	£66	£66
BAR11	Nicholas J	£204	£204
BEL20	Belvoir Boston	£48	£48
BEL22	Belvoir	-£4,662	-£4,662
BEND1	Benham Reeves	£3,474	£3,474
BER01	Berkley Estate	£306	£306
BRA01	Bradshaw	£66	£66
BRE01	Breckon Breckon	£612	£612

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BUR03	Burgh Property	£60	£60
BUT06	Graham Butt	£235	£235
CAS10	Castledene - Bishop Auckland	£132	£132
CAS11	Castledene - Hegartys	£72	£72
CAS12	Castledene - Seanham	£24	£24
CAS13	Castledene - Easington	£54	£54
CAS14	Castledene - Hartlepool	£96	£96
CDM01	Winchester Lettings	£72	£72
CEN01	Century	£105	£105
CEN02	Centrick Property Sales	£2,232	£2,232
CHA08	Chancellors	£10,350	£10,350
CHO01	Choices Estate	£384	£384
CIT04	City Residential	£252	£252
CLU01	Click Lettings	£66	£66
COA02	Coalters Lettings	£126	£126
COL03	Colin Dean	£102	£102
COM03	Complete RPI	£306	£306
CON03	Concentric Company	£162	£162
COU02	Countrywide	£212,730	£212,730
DAV05	David Clarke	£30	£30
DEX01	Dexters	£11,784	£11,784
ELD02	Kipod Ltd	£108	£108
ETI01	Etimon Property	£60	£60
EUR01	Eurolink Group	£6,859	£6,859
FEA01	Featherstone Leigh Limited	£684	£684
FLA01	Flat Company	£132	£132
FOL01	Folio London	£222	£222
FRI02	Friendship, Care	£675	£675
GAS01	Gascoigne Halman Ltd	£2,220	£2,220
GG01	GGHT	£1,770	£1,770
GIB02	Gibbs Gillespie	£3,744	£3,744
GOL02	Golding Estates	£156	£156
GOO03	Goodfellows	£510	£510
GOO04	Good2Rent	£600	£600
GRA01	Grant Property	£450	£450
GRE02	Greater London	£192	£192
GRE03	Green Co Limited	£240	£240
GRE05	Gregor Fortune	£65	£65
HAW03	Hawes & Co	£1,140	£1,140
HEL02	Helena	£3,405	£3,405
HOM09	Homepoint Estate	£138	£138
HOM11	HomeLets	£72	£72
HUN01	Hunter Leahy	£102	£102
JAC03	Jackson Green & Preston	£684	£684
JEW01	Jewel Homes	£192	£192
JOS01	Joseph Rowntree	£120	£120
JPH01	JP Homes	£420	£420
JUL02	Julie Twist	£306	£306
KAR01	Karl Tatler	£444	£444
KEL01	Kelrick Properties	£42	£42
KER01	Kernow Property Services	£90	£90
KIN06	Kings Property	£924	£924

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LAW01	Lawsons Company	£174	£174
LEA03	Leaders	£41,018	£41,018
LIF01	Life Residential	£7,920	£7,920
LIM01	Lime Properties	£438	£438
LIND6	LinnMac Property Ltd	£48	£48
LOM02	Lomond Property	£11,580	£11,580
LON01	Longhurst Havelok	£1,965	£1,965
LOV02	Lovett Sales	£174	£174
LSL01	LSL Property	£38,760	£38,760
LUD01	Ludlow Thompson	£2,616	£2,616
M&M01	M&M Properties	£396	£396
MAC03	Macleod Lettings	£66	£66
MAN03	Mantilla Ltd	£492	£492
MAR08	Martin Co	£426	£426
MAT02	Matthew James	£42	£42
MAT03	Matthew Anthony	£42	£42
MAX01	Maxine Lester	£186	£186
MEA01	Mears Group	£2,808	£2,808
MER03	Merryweathers	£210	£210
MIL03	Miller and Son SW LLP	£180	£180
MON04	Energy Angels Group Ltd	£36,312	£36,312
MOR03	Morgans City Living	£900	£900
NOC01	Nock Deighton	£216	£216
NOR03	Northfields Estates Ltd	£120	£120
ONE03	One Utility Bill	£13,331	£13,331
OUT01	Outlook Property	£1,440	£1,440
OYS01	Oyster Properties	£90	£90
PAR01	Parmars Estates	£115	£115
PAR04	Partner Property 4 U	£65	£65
PET02	Peter Alan	£7,224	£7,224
PHI03	Philip Martin	£312	£312
PRO12	Prospect	£2,580	£2,580
REG04	Regent Global	£120	£120
REI03	Reiver Property	£20	£20
REN01	Rent Connect	£100	£100
ROB02	Robinsons	£72	£72
ROB03	Robert Aston	£72	£72
ROM01	Peter Fuller	£12,830	£12,830
SAL05	Saltouns Limited	£78	£78
SAM02	Samuel Wood	£204	£204
SAW01	Sawyer & Co Sales & Lettings	£240	£240
SBH01	SBHA	£2,445	£2,445
SCO08	Scott Fraser	£486	£486
SEQ01	Sequence Connells	£45,516	£45,516
SEQ02	Connells Office	£27,138	£27,138
SEQ03	Burchell Edwards	£3,588	£3,588
SHA02	Sharman Quinney	£2,082	£2,082
SLA01	Slades Homes	£204	£204
SPI02	Spire Homes	£1,095	£1,095
SPL05	Splendid Property Management	£30	£30
THO03	Thorgills	£12	£12
THO04	Thomas Morris	£792	£792

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TOW05	Townends		£7,332	£7,332
TRI01	Trinity Factors		£186	£186
TUR02	Turner Carr		£144	£144
UTI08	Utility Renewals		£7,029	£7,029
VEN02	BFL Property		£384	£384
VIV01	Vivark Ltd		£3,750	£3,750
WAL02	Walton & Allen		£246	£246
WAT05	Robert Watts Property Management		£168	£168
WIL04	Wilson Tominey		£216	£216
WRI03	Wrights Welwyn		£155	£155
		£6,868,923	£3,683,878	£10,552,801

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Appendix 2
Energy Accruals
Nov-18

Nom code	Creditors 1st draft		Movements	Final Position
	Category	£	SGS	£
6315	Positive Electricity Imbalance	-£154,320		-£154,320
6315	TNUoS	£1,235,930		£1,235,930
6315	Feed-In Tariff	-£901,310		-£901,310
6315	BSUoS	-£171,590		-£171,590
6315	DUoS	-£2,507,570		-£2,507,570
6315	Meter Reading	-£69,760	-£3,300	-£73,060
6315	Data Collection	-£22,550		-£22,550
6315	Smart Data Collection	-£350,153		-£350,153
6315	Environmental Charge	-£129,050		-£129,050
6315	Prepayment Infrastructure	-£125,930	-£25,810	-£151,740
6315	Prepayment Meter Operation	-£11,550	-£41,040	-£52,590
6315	Credit Meter Leasing	-£106,780	-£170,670	-£277,450
6315	Smart Prepayment Infrastructure	-£15,658		-£15,658
6315	Smart Meter Leasing	-£235,170	-£137,950	-£373,120
6315	Smart Meter Installations	-£58,510		-£58,510
6315	Prepayment Meter Leasing	-£134,120	-£202,410	-£336,530
6315	Electralink	-£2,330		-£2,330
6315	Metering Management	£15,960		£15,960
6315	Positive Electricity Imbalance	£1,730		£1,730
6315	TNUoS	£42,700		£42,700
6315	Feed-In Tariff	£16,350		£16,350
6315	BSUoS	£8,320		£8,320
6315	DUoS	£78,520		£78,520
6315	Meter Reading	£63,650		£63,650
6315	Data Collection	-£10		-£10
6315	Smart Data Collection	-£6,865		-£6,865
6315	Environmental Charge	£13,460		£13,460
6315	Prepayment Infrastructure	-£20		-£20
6315	Prepayment Meter Operation	-£10		-£10
6315	Smart Prepayment Infrastructure	£15		£15
6315	Data Collection	£22,550		£22,550
6315	ECO & WHD Costs	-£892,971		-£892,971
6315	ROC Accrued Costs, April 2017 to March 2018 - Interest Payable	-£130,170		-£130,170
		-£4,527,211	-£581,180	-£5,108,391

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Appendix 3
Other Accruals
Nov-18

Grant Description	Creditors 1st draft		Movement		Final Position	
	Balance Sheet Value		additional		£	
Government Grants	£	111,326			£	111,326
Business Intelligence FY17	£	5,151			£	5,151
SMART DCC FY17	£	34,644			£	34,644
Feasibility Study FY17	£	4,063			£	4,063
					£	-
Debt Collection			£	481,000	£	481,000
November Commissions			£	523,885	£	523,885
					£	-
Total 6405	£	155,184	£	1,004,885	£	1,160,069

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Appendix 7 Glossary

111GHL	111 Group Holdings Limited
Company	Spark Energy Supply Limited - in Administration
Court	High Court of Justice
DCA	Debt Collection Agent
Directors	Chris Gauld and Hamish Osborn
Group	The Company together with; SEL Spark Gas Shipping Limited Spark Energy Finance plc Spark Generation Limited Home Telecom Limited
Joint Administrators/we/our/us	Alistair McAlinden and Blair Carnegie Nimmo
KPMG	KPMG LLP
Lazard	Lazard & Co. Limited
Macquarie	Macquarie Bank Limited
Ofgem	The Office of Gas and Electricity Markets
Ovo	Ovo Energy Limited
SEL	Spark Energy Limited
SGHL	Spark Group Holdings Limited
Shareholders	Limerston Capital Partners I, L.P.; Limerston Capital Spark Co-Investment L.P.; and Railway Pension Investments Limited
SOLR	Supplier of Last Resort
RBS	The Royal Bank of Scotland plc
WETA	Wholesale Energy & Trading Agreement

Any references in these proposals 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 statement of proposals

This statement of proposals ('proposals') 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 under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their 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 these proposals.

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.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

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 these proposals or the conduct of the administration.

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