

In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1

Company details

| | |
|----------------------|----------------------------|
| Company number | 07243637 |
| Company name in full | Simply Your Energy Limited |

→ Filling in this form

Please complete in typescript or in bold black capitals.

2

Administrator's name

| | |
|------------------|-----------|
| Full forename(s) | John Dean |
| Surname | Cullen |

3

Administrator's address

| | |
|----------------------|------------------|
| Building name/number | 2 Sovereign Quay |
| Street | Havannah Street |
| Post town | Cardiff |
| County/Region | |
| Postcode | CF105SF |
| Country | |

4

Administrator's name ❶

| | |
|------------------|--------------|
| Full forename(s) | Rachel Helen |
| Surname | Lai |

❶ Other administrator

Use this section to tell us about another administrator.

5

Administrator's address ❷

| | |
|----------------------|------------------|
| Building name/number | 2 Sovereign Quay |
| Street | Havannah Street |
| Post town | Cardiff |
| County/Region | |
| Postcode | CF105SF |
| Country | |

❷ Other administrator

Use this section to tell us about another administrator.

AM03
Notice of Administrator’s Proposals

6 Statement of proposals

| | | |
|-------------------------------------|---|--|
| <input checked="" type="checkbox"/> | I attach a copy of the statement of proposals | |
|-------------------------------------|---|--|

7 Sign and date

| | | | |
|------------------------------|---|---|--|
| Administrator’s Signature | <div>Signature</div> <div>✕</div> | <div>DocuSigned by:</div> <div></div> <div>✕</div> | |
| Signature date | <div>d</div> <div>2</div> <div>d</div> <div>7</div> | <div>C05673676A12475...</div> <div>m</div> <div>0</div> <div>m</div> <div>1</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>2</div> | |

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name **Penny Elvin**

Company name **Menzies LLP**

Address
2 Sovereign Quay
Havannah Street

Post town **Cardiff**

County/Region

Postcode

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Country

DX **DX 200767 Cardiff Bay**

Telephone **029 2049 5444**



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 and dated the form.



Important information

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



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Simply Your Energy Limited t/a Entice Energy - In Administration (“the Company”)

Joint Administrators’ Proposals

Pursuant to Paragraph 49 of the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England & Wales) Rules 2016.

Issued on: 27 January 2022

Delivered to creditors on: 31 January 2022

Please be aware that fraudsters have been known to impersonate administrators of a company that has entered Administration, or as the administrators’ staff or agents.

**If you require any further information or of you have any queries, please contact:
Penny Elvin on EnticeEnergy@menzies.co.uk**

| | |
|---------------------------------------|--|
| Name of Joint Administrators: | John Dean Cullen and Rachel Helen Lai Menzies LLP 2 Sovereign Quay Havannah Street Cardiff CF10 5SF |
| Date of appointment: | 8 December 2021 |
| Date of proposals: | 26 January 2022 |
| Appointed by: | The Director in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986 |
| Actions of the Administrators: | Any act required or authorised under any enactment to be done by an Administrator, may be done by either or both of the Administrators acting jointly or alone. |
| Court reference: | High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List 000395 of 2021 |

John Dean Cullen and Rachel Helen Lai, who act as insolvency practitioners, are licensed in the UK by the Insolvency Practitioners Association.

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

The officeholders are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as data processor on their instructions. Personal data will be kept secure and processed only for matters relating to their insolvency appointment. Full details of our privacy notice are at the following link:
<https://www.menzies.co.uk/legal/>

Menzies LLP
2 Sovereign Quay
Havannah Street
Cardiff
CF10 5SF

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GLOSSARY

Insolvency Act 1986 ("the Act")
Insolvency (England & Wales) Rules 2016 ("the Rules")
Schedule B1 to the Insolvency Act 1986 ("Schedule B1")
Simply Your Energy Limited t/a Entice Energy ("the Company")

1 INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 Rachel Helen Lai and I, both of Menzies LLP, were appointed Joint Administrators of Simply Your Energy Limited ("the Company") on 8 December 2021. The Joint Administrators were appointed by the Board of Directors ("the Board") pursuant to Paragraph 22 of Schedule B1.
- 1.2 This report sets out our proposals in respect of the Administration. A summary of the Company's statutory information is set out in Appendix I.
- 1.3 The Company traded as a domestic electricity supplier in the energy market. The Company operated under an Electricity Supply Licence granted by the Gas and Electricity Markets Authority ("Ofgem"), under Section 6(1)(d) of the Electricity Act 1989. It was a retail utility, supplying electricity to approximately 5,000 domestic customers. The Company's electricity licence was revoked by Ofgem on 28 November 2021 following a hearing on 26 November 2021 whereby the High Court of Justice declared the Company to be insolvent, that the electricity supply licence should be revoked by Ofgem and a Supplier of Last Resort ("SoLR") should be appointed.
- 1.4 Placing the Company into Administration was necessary to facilitate preservation of the debtor balances, through the retention of staff and systems required to finalise customer accounts, which will in turn enable and maximise the collection of the book debts relating to debit balances on customer electricity accounts, thereby assisting with the objective of the Administration as detailed in section 3 below. The Joint Administrators are working closely with ScottishPower Energy Retail Limited ("ScottishPower"), being the appointed SoLR, to ensure an orderly transition of the customers and are undertaking a final billing process. The Joint Administrators are also taking steps to realise the other remaining assets of the Company.
- 1.5 Further to the above, the process that was applied by Ofgem, including the revocation of licences and the transfer of customers to ScottishPower, resulted in an immediate need for the appointment, which an Administration provided. The speed of an Administration appointment also reduced the potential deterioration of the creditor position.
- 1.6 The purpose of the Administration is therefore pursuant to paragraph 3(1)(b) of Schedule B1 to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.7 Based on current known information about the Company's financial position, and after taking into account the anticipated Administrators' fees and expenses, it is anticipated that there will be sufficient realisations to enable a dividend of 31 pence in the £ to be declared to unsecured creditors. As a result, and pursuant to paragraph 51(1) of Schedule B1 of the Act, I am seeking a decision by correspondence from the creditors to consider these proposals.
- 1.8 The Joint Administrators are also seeking decisions by correspondence from the unsecured creditors in respect of their pre-Administration costs and remuneration.

2 BACKGROUND AND EVENTS LEADING TO THE ADMINISTRATION OF THE COMPANY

- 2.1 Creditors should note that, unless otherwise stated, this section of the proposals has been prepared based on information provided to me by the Director of the Company and not from my personal knowledge as Administrator.
- 2.2 The Company was incorporated on 5 March 2010 by Mr Roy John Hunter Richmond and Mr Robert Gerard Gildert. The shares of the Company were purchased by the Company's parent, Entice Energy Supply Limited ("EESL"), in October 2018 and Mr David Mark Crowe was appointed as the sole Director of the Company ("the Director") on 29 October 2018.
- 2.3 Following the purchase of the Company, the Company traded from leasehold premises at Ransom Hall South, Ransom Wood, Mansfield, Nottinghamshire, NG21 0HJ. The Company traded jointly with its parent company, EESL, as "Entice Energy". I will refer to the Company and EESL as "the Group" for the purpose of these proposals.
- 2.4 At the date of the SoLR, 28 November 2021, the Company did not employ any members of staff. The members of staff were engaged by EESL and an annual management charge was paid by the Company to EESL.
- 2.5 The Company did not have any registered charges.
- 2.6 The Company's principal activity was the distribution of electricity. The Company traded as a domestic electricity supplier in the energy market, and it operated under an Electricity Supply Licence granted by Ofgem under Section 6(1)(d) of the Electricity Act 1989. It was a retail utility, supplying electricity to approximately 5,000 domestic customers. The Company's parent company, EESL, supplied its customers with gas.
- 2.7 A summary of the recent trading performance of the Company is set out below:

| | <i>Draft statutory accounts</i> | <i>Statutory accounts</i> | <i>Statutory accounts</i> |
|-------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| | <i>Year ended 30 March 2021</i> | <i>Year ended 30 March 2020</i> | <i>Period ended 30 March 2019</i> |
| | £ | £ | £ |
| Turnover | 1,151,842 | 683,814 | - |
| Gross profit | 13,021 | 154,159 | - |
| Net profit/(loss) | (244,590) | 6,444 | (840) |

- 2.8 I met with the Director to provide ad-hoc insolvency advice at the end of 2019 and in January 2020 and was re-approached by the Director on 27 September 2021. Following an initial meeting with the Director on 27 September 2021, a letter of engagement was issued to EESL on 1 October 2021 and returned on 5 October 2021 to engage my firm, Menzies LLP, to assist in conducting a review of the financial affairs of the Group, consider its financial position, provide ad-hoc insolvency advice and consider the options available to the Group.

- 2.9 The challenges affecting the energy sector in the second half of 2021 and thereafter are well documented, with wholesale prices soaring and a price cap that means suppliers are forced to sell at significant losses for standard variable customers. It is a direct result of the market volatility that the Director sought my advice with regards to the Group's financial position and the options available to it.
- 2.10 The Company's financial challenges occurred as a direct result of the sharp increase in wholesale gas and electricity prices.
- 2.11 In this case, EESL had secured a price hedge agreement with its wholesale gas shipper, Contract Natural Gas Limited ("CNG"). As such, it is considered that EESL would have been able to continue trading were it not for the fact that CNG confirmed that it was unable to continue in the wholesale shipping market and no longer able to honour its price hedge agreements. As a result of this announcement, EESL was facing spot market gas prices of up to three times its hedged prices.
- 2.12 Shortly after the news in respect of CNG was announced, the Company's power trading counterparties EROVA and EDF Trading removed all credit lines and unwound any forward trades, such that the Company also faced having to purchase on the electricity imbalance markets and was required to collateralise its position at Elexon. Elexon is the balancing agent for electricity. This further exacerbated the increase in immediate cash required to operate the business. The Company was unable to pay Elexon what was required in relation to credit cover and entered into credit default with Elexon and was thereby considered insolvent.
- 2.13 As a result, on 28 October 2021 a further engagement letter was issued and Menzies LLP was instructed to assist with placing the Company into Administration on 29 October 2021.
- 2.14 The Company resolved to notify Ofgem of this decision. Ofgem, under the Energy Act 2004, has the ability to (a) revoke the licence of an energy supplier that is insolvent and (ii) direct any gas and electricity supply licensee to take over responsibility for supplying energy to a failed supplier's customers. Ofgem were notified on 22 November 2021.
- 2.15 An application was made by Ofgem to the High Court of Justice and the Company's electricity licence was revoked by Ofgem on 28 November 2021 following a Court hearing on 26 November 2021 whereby the High Court of Justice declared the Company to be insolvent, that the electricity supply licence should be revoked by Ofgem and a SoLR should be appointed.
- 2.16 Following the revocation of the electricity licence on 28 November 2021 by Ofgem and the appointment of ScottishPower as the SoLR on the same date, the Company's electricity supply to customers ceased on 28 November 2021.
- 2.17 The Joint Administrators were appointed by the Board on 8 December 2021.

- 2.18 Prior to the commencement of the Administration, Menzies LLP acted as advisors to the Board as a whole acting on behalf of EESL. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. This prior engagement with EESL and its Board in an advisory capacity may give rise to a self-review, advocacy and familiarity threat to the fundamental principles of objectivity and integrity. A safeguard to these threats is disclosure of this prior relationship to the general body of creditors. Further to the above, it is currently envisaged that the proposed exit route of the Administration is a Liquidation, and should this remain the case, creditors will be given the opportunity to nominate an alternative Insolvency Practitioner(s) as Liquidator. Whilst not formally in office at that time, Rachel Helen Lai and I were still required to act in our dealings with EESL in accordance with the Insolvency Code of Ethics. As required by the Insolvency Code of Ethics, Rachel Helen Lai and I have considered the various threats to our objectivity arising from this prior involvement and we have concluded that those threats are safeguarded to an acceptable level such that we can still act objectively and hence could be appointed Administrators of the Company.
- 2.19 Further to the above, creditors should also note that Rachel Helen Lai and I have also been appointed as Joint Administrators of EESL, being an associated company to the Company. As a result of this concurrent insolvency process, I have identified a further self-review, familiarity and self-interest threat to the fundamental principles of objectivity, integrity and confidentiality. In order to safeguard against the self-review and self-interest threat which may arise as a result of the inter-company position arising in concurrent insolvency processes, I can confirm that I will not rely on votes from associated creditors unless to do so is appropriate in accordance with best practice guidelines and does not give rise to a conflict of interest. I will also consider asking creditors, any Creditors' Committee, solicitors and/or an independent Insolvency Practitioner to review decisions on claims/voting as appropriate in order to safeguard these threats to my fundamental principles. Rachel Helen Lai and I have considered the various threats to our objectivity and integrity arising from the concurrent insolvency process and we have concluded that these threats are safeguarded to an acceptable level such that we can still act objectively and hence could be appointed Administrators of the Company. I believe that there are some benefits and efficiencies to be had by dealing with both companies in the Group.
- 2.20 On 8 December 2021, Rachel Helen Lai and I were appointed by the Board as Joint Administrators of the Company and took over responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs since that date.

3 OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

3.1 As Joint Administrator, Rachel Helen Lai and I are officers of the Court and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration. The purpose of the Administration is to achieve one of the hierarchy of statutory objectives, namely to:-

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

3.2 Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

3.3 As a result, I am seeking to achieve objective (b) for the Company, and will do this through the retention of staff and systems required to finalise customer accounts, which will in turn enable and maximise the collection of the book debts relating to debit balances on customer electricity accounts which will enable a dividend to be paid to the preferential and unsecured creditors. I am also taking steps to realise the other remaining assets of the Company, including the Company's cash at bank.

3.4 Please find my comparative estimated outcome statement at Appendix VIII.

3.5 The insolvency legislation has set a 12-month duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12-months, then I will either apply to the Court or obtain the appropriate creditors' consent to extend the duration of the Administration.

4 ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

4.1 On 28 November 2021, ScottishPower took over the supply of electricity to the Company's live customer base. Following my appointment as Joint Administrator in this matter, I have liaised with ScottishPower on a regular basis to assist in a controlled transition of accounts and to provide relevant information to support the transition.

4.2 A number of staff members have been retained by EESL to assist the Group in the provision of information, collect meter readings from customers, address customer queries and undertake the final billing process. It is anticipated that the Joint Administrators of EESL will recharge an apportionment of the employee costs incurred in the Administration estate of EESL to the Administration estate of the Company, on the basis that these costs have been and will be incurred to facilitate the final trading wind-down process for both members of the Group.

- 4.3 Extensive work is being undertaken to generate bills for all customers up to 27 November 2021 (the end date of supply), in order to determine final customer credit and debit balances. I am working closely with the remaining staff in order to obtain final meter readings from customers, ScottishPower and the Company's main billing system provider, Gilmond Consulting Limited ("Gilmond"), in this regard. I have also engaged a final billing specialist consultant to assist with this process, also being a former employee of EESL. Final bills are in the process of being prepared and issued and are based on a combination of customers' most recent actual readings and estimates up to and including 27 November 2021. Once all final bills have been raised and sent to the customers, I will seek to collect any outstanding debit balances. I have received confirmation that all credit balances will be honoured by ScottishPower.
- 4.4 Following my appointment in this matter, one of my main priorities was to engage with Gilmond to ensure the re-instatement of its systems which had been suspended due to non-payment of invoices by the Company. I, together with ScottishPower, entered into a discussion with Gilmond immediately upon my appointment and came to an agreement of an initial payment of £24,170 plus VAT in order to obtain access to the system and a monthly payment of £34,425 plus VAT to ensure that there was no further disruption to the system and to retain all of the billing features and capabilities whilst the final billing process was being undertaken. I obtained access to the systems on 13 December 2021. It was initially anticipated that the billing process would take approximately 2 months and I would retain access to the system for that period. However, I have recently become aware that it may be necessary to extend this period for two weeks until the end of February. I am currently liaising with Gilmond, the billing consultant and ScottishPower in order to monitor the progress. I would note that the Gilmond costs will be paid from the Administration estate of EESL, on the basis that the contract sits with EESL. However, as above, it is anticipated that the Joint Administrators of EESL will recharge an apportionment of these costs to the Administration estate of the Company, on the basis that these costs have been and will be incurred to facilitate the final trading wind-down process for both members of the Group.
- 4.5 There are a number of matters that I have dealt with following my appointment which have required legal advice. Amongst other matters, I sought legal advice in respect of the notification to customers with credit balances on their accounts of the appointment of Administrators as creditors of the Administration, despite the SoLR and the transfer of credit balances to ScottishPower. I also sought legal advice in respect of net-off across gas and electricity accounts when undertaking the final billing and debt collection process, on the basis that these fuels were supplied to customers from two separate legal entities (the Company and its subsidiary, SYEL) and the complication of the existence of a floating charge registered against the Company. I have liaised with ScottishPower and Ofgem in this regard. My legal advisors in this matter are Shakespeare Martineau LLP ("SHMA").
- 4.6 I have reviewed the costs of the Company and identified critical supply for the work being undertaken. I am liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Any contribution will acknowledge the work that is being undertaken by the Company which ultimately assists ScottishPower in its role as SoLR and aids the smooth transition of customer accounts. I am currently liaising with SHMA in order to draft this agreement. I also entered into a Data Sharing Agreement with ScottishPower immediately following my appointment.

4.7 Following my appointment in this matter, I liaised with the payment processor that facilitates the Company's direct debit payments, Payments Solutions Limited trading as SmartDebit ("SmartDebit"), in respect of ceasing direct debit payments and in order to collect the cash that was being held by SmartDebit following the collection of direct debits from customers. SmartDebit ceased its collections on 15 December 2021. Upon my appointment, I liaised with SmartDebit regarding an initial release of funds and a balance of £30,000 has been received into the estate from SmartDebit in this regard. I am currently in further discussions with them to make the necessary arrangements to allow further funds held by them to be released to the Administration estate. The funds collected from SmartDebit will be fully reconciled. SmartDebit have confirmed that no further direct debit payments will be collected by them. The payment gateway used to facilitate one off payments made by customers in respect of final bills remains in place and these payments will be collected through a payment gateway called Monek Ltd ("Monek") into the Company's pre-appointment bank account. I am liaising with the Company's bankers, Barclays Bank Plc ("the Bank"), in this regard. As with SmartDebit, all one-off payments made through Monek will be fully reconciled.

4.8 In addition, since my appointment, I have undertaken the below summarised tasks which include routine statutory and compliance work. Some of these are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out:

- Undertaken routine statutory and compliance work, such as filing the notice of appointment at Companies House and preparing a Gazette notice, together with notifications to all known creditors;
- Notified HM Revenue and Customs ("HMRC") of the Administration;
- Commenced investigations into the Company's financial affairs;
- Facilitated the payment of the payroll to those employees who continued to work to enable the transition of accounts to ScottishPower, the collection of meter readings, address customer queries and undertake the final billing process;
- Regular email correspondence and calls with those employees retained in respect of the progress of the final billing process;
- Regular email correspondence and calls with ScottishPower;
- Liaised with Jason Hall BSc (Hons) PGDipSurv MRICS of Lambert Smith Hampton ("LSH") in respect of the Company's trading premises and the securing of both electronic and physical records and data. Capturing the data is critical to support the responsibilities of the Administrators and to look into the affairs of the Company prior to it being placed into Administration;
- Liaised with the Company's former finance manager in respect of the Company's management accounting system, Sage, and ensuring that this system was brought up to date to reflect the financial position of the Company as at the date of my appointment on an accruals basis;
- Dealt with creditor correspondence, including dealing with customer queries directed at the Administrators, and recorded claims received;
- Sought legal advice from SHMA as detailed above;
- Liaised with the Company's existing debt collection agents in respect of the services they supply the Company, including their policies for dealing with vulnerable customers. I have spent time considering and cumulating my own strategy for dealing with the debt collection process following the completion of the final billing process and I am considering the best strategy for debt collection, including the most appropriate debt collection agent(s) to engage.

5 FINANCIAL POSITION OF THE COMPANY

- 5.1 Following my appointment as Joint Administrator in this matter I asked the Director to supply his statement of affairs by no later than 25 December 2021. However, this deadline was extended due to the time required to bring the management accounts of the Company up to 8 December 2021, and I am currently liaising with the Director and the Company's former financial manager in this regard.
- 5.2 As such, the Director is still yet to provide his statement of affairs and I have therefore provided at Appendix II an estimate of the Company's financial position as at 8 December 2021, which is known as a statement of affairs, together with a list of names and addresses of all known creditors and the amounts of their debts including in respect of employees. Although this information in respect of employees will be removed before the Proposals are filed at Companies House, I am required to include it with these Proposals by rule 3.35 of the Insolvency (England and Wales) Rules 2016. As a result, this is a valid use of the personal data of the individual creditors and is not a breach of the General Data Protection Regulations (GDPR).
- 5.3 ***However, please note that the unsecured contingent consumer creditors names and addresses have been omitted from the Statement of Affairs schedule circulated with these Proposals, due to the sensitive nature of the customer data. The unsecured contingent consumer creditors relate to credit balances on customer electricity accounts as at the date of the SoLR.***
- 5.4 This estimate is based on the information available to me at this time and I would emphasise that this is an estimate only. Please note, the amounts that are stated as owing have been taken from the Company's underlying records but do not prevent any creditor claiming a different amount. As and when the Director's statement of affairs is received, it will be duly filed at Companies House.
- 5.5 **Assets**
- Intangible assets*
- 5.5.1 The Company's financial statements as at 30 March 2021 detail intangible assets with a book value of £21,598 relating to patents and licences. Due to the withdrawal of licences and the Administration of the Company, it is not anticipated that the intangible assets are realisable for the benefit of creditors. The estimated to realise value in this regard is therefore nil.
- Customer debit balances*
- 5.5.2 A key asset of the Administration estate in the debtor book. The debtor balance relating to the debit balances on customer accounts as at the date of the Administration appointment amounts to approximately £620,000. However this figure may be adjusted once all final bills have been produced. For the purpose of the estimate of the Company's estimated financial position as at 8 December 2021 at Appendix II, I have written down the customer book debt ledger by 25% to reflect the average recoverability rates in the energy market. The estimated to realise value in this regard is therefore approximately £465,000.

- 5.5.3 "Pre-SoLR" accounts relate to customers who switched electricity provider prior to the customers being transferred to ScottishPower. Amounts due from these customers are being collected within the Administration and debt collection agents will be engaged to assist in this regard.
- 5.5.4 SoLR accounts refer to customers whose electricity supply transferred to ScottishPower on 28 November 2021. I am currently preparing and issuing final bills to all SoLR customers. Once this process has been complete, I will seek to collect any final amounts due to the Administration and I will engage debt collection agents in this regard. All one-off payments received into the Company's bank account will be reconciled against customer accounts as part of the debt collection process.
- 5.5.5 Any credit balances on both pre-SoLR and SoLR accounts will be honoured by ScottishPower and I am liaising with ScottishPower to ensure that they have the relevant information in this regard.

Collateral

- 5.5.6 The Company's management accounts detail other debtors in the sum of £27,306.21 relating to collateral debtors. Following my appointment, I conducted an initial review of the Company's collateral debtors to assess any potential recoveries. I have since contacted relevant parties to notify them of the Administration appointment and to being initial negotiations with regard to the collateral they hold. I will continue in dialogue with those parties, particularly regarding future options to accelerate the release of funds held as collateral.
- 5.5.7 For the purpose of the estimated statement of affairs and in order to be prudent, I have included a provision for direct debit indemnity claims in the sum of £10,000.00.

Cash at bank

- 5.5.8 The Company operated a bank account with the Bank. As at the date of my appointment, I liaised with the Bank with regards to the remittance of the cash at bank balance held on the Company's account to the Administration estate bank account. It was understood at that time that the cash at bank balance was approximately £200,678.
- 5.5.9 As at the date of my appointment, the Company owed the Bank a sum of £45,330 in respect of a coronavirus bounce-back loan. The bounce-back loan is expected to be off-set by the Bank against the Company's cash at bank balance.
- 5.5.10 The Bank account remains open in order to receive one off payments from customers in respect of their final debit balances. I am liaising with the Bank in this regard and any post-Administration receipts received into the Company's bank account will be reconciled as part of our debt collection process.

Rent deposit

- 5.5.11 The Group traded from a leasehold premises at Ransom Hall South, Ransom Wood, Mansfield, Nottinghamshire, NG21 0HJ. The lease is in the name of the Company. The Company's management accounts detail a rent deposit in the sum of £700.43. Notice to terminate the lease has been given and my correspondence with the landlord in this regard is ongoing. The estimated to realise value of the rent deposit is uncertain, on the basis that there are outstanding rental payments due to the landlord which might be deducted from the rent deposit.

Intercompany debtor

- 5.5.12 There is an amount owing to the Company from EESL in the sum of £147,687.51 relating to an intercompany loan. EESL is also in Administration and as such, the estimated to realise value of this intercompany loan is uncertain. I will continue to monitor the dividend prospects from the estate of EESL.

Smart Debit receipts

- 5.5.13 I have been notified of approximately £260,000 currently held by SmartDebit by way of direct debit collections from the period 22 November 2021 to the final collection on 15 December 2021. These direct debit collection reports have been shared with ScottishPower and Gilmond and are factored into final bills. I have already received an initial release from SmartDebit in the sum of £30,000 and I am liaising with SmartDebit in respect of the release of further funds to the Administration estate. This will likely take place on an agreed staged basis to protect SmartDebit from any direct debit indemnity claims. There has been no bulk transfer of direct debits to ScottishPower.
- 5.5.14 As discussed above, I am also seeking legal advice in respect of the ownership and entitlement of post-SoLR direct debit receipts, specifically those receipts received in the period post-SoLR but prior to my appointment as Joint Administrator on 8 December 2021. I am liaising with ScottishPower in this regard.

VAT refund

- 5.5.15 The Company's management accounts detail a VAT refund in the sum of £17,509. This amount relates to an accounting entry due to the Company accounting for VAT on a cash basis and the former financial manager of the Company has confirmed that there is no VAT refund due to the Company. The estimated to realise value in this regard is therefore nil.

5.6 Liabilities

Secured creditors

- 5.6.1 The Company has not granted any fixed or floating charges.

Preferential creditors

- 5.6.2 The Company did not have any employees. All employees were employed by the parent company, EESL. I am therefore not aware of any preferential claims in this regard.

- 5.6.3 HMRC are secondary preferential creditor in respect of any monies owed to them in respect of PAYE, employee National Insurance contributions, CIS deductions from pay, Student Loan deductions from pay and VAT. The Company's books and records indicate this secondary preferential debt, as at the date of Administration, to be nil.

Prescribed part

- 5.6.4 Under Section 176A of the Act, where a company has granted a floating charge to a creditor on or after 15 September 2003, a prescribed part of the company's net property, which would otherwise be available to the floating charge creditor, is set aside for the benefit of unsecured non-preferential creditors. A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge.

- 5.6.5 An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000 or £800,000 depending on the date of creation of the floating charge.

- 5.6.6 In this particular case, the Company has not granted any floating charges, so the prescribed part provisions will not apply.

Unsecured creditors

- 5.6.7 The Company's books and records indicate unsecured trade and expense creditors as at the date of Administration to be £998,542.

- 5.6.8 As detailed previously, the Bank is owed £45,330.22 in respect of a bounce back loan. This amount is anticipated to be offset by the Bank against the Company's cash at bank balance.

Contingent consumer creditors

- 5.6.9 The unsecured contingent consumer creditor balance relating to the credit balances on customer electricity accounts as at the date of the Administration amounts to approximately £627,000. However, this figure may be adjusted once all final bills have been produced. All domestic customer credit balances are protected under the SoLR process. ScottishPower has committed to honour these credit balances for all SoLR and pre-SoLR customers who are owed money from the Company. These credit balances will either be applied to the customer's new ScottishPower account or for those pre-SoLR customers, these credit balances will be refunded via cheque. The Company cannot refund any customer credit balances.

- 5.6.10 For those creditors who have not yet submitted a claim, please complete and return the proof of debt form at Appendix VII to me, together with supporting documentation. ***Please note, if you are a former Entice Energy electricity customer, you do not need to complete a proof of debt form.***

6 JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

- 6.1 I attach at Appendix III a summary of the Joint Administrators' receipts and payments for the period 8 December 2021 to the date of these proposals which I have reconciled to the financial records that I am required to maintain. All receipts and payments are shown net of VAT.
- 6.2 The balance of funds is held in an interest-bearing estate bank account.

7 JOINT ADMINISTRATORS STRATEGY TO ACHIEVE OBJECTIVE OF THE ADMINISTRATION AND END OF ADMINISTRATION

- 7.1 As indicated above, the purpose of the Administration is to achieve objective (b), to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole, other than where objective (c) is being pursued where I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.
- 7.2 In order to achieve the objective of the Administration of the Company, I propose to continue to liaise with ScottishPower and Gilmond in respect of the production of final bills and the finalisation of customer accounts. Once this has been complete, I will seek to collect any outstanding debit balances from pre-SoLR and SoLR customers and reconcile the debtor position. I will also continue to realise the other remaining assets of the Company. I will undertake my investigations into the affairs of the Company prior to the Administration and Directors' conduct and will review whether any recovery actions are available to me which may benefit creditors. I will distribute funds to creditors in the prescribed order of priority as and when funds permit.
- 7.3 It is likely that the Administration will end by my placing the Company into a Creditors' Voluntary Liquidation. Further details are set out at section 13 below.
- 7.4 Dividend prospects for secured, preferential and non-preferential unsecured creditors are set out at section 9 below.

8 JOINT ADMINISTRATORS' INVESTIGATIONS

- 8.1 I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist us in this duty. I would stress that this request for information forms part of my normal investigation procedure.

9 DIVIDEND PROSPECTS

Secured creditors

- 9.1 I am not aware of any secured creditors in this matter.

Preferential creditors

- 9.2 I am not aware of any preferential creditors in this matter. However, should any preferential claims be received into the Administration estate, such as from HMRC in respect of VAT, it is anticipated that there will be sufficient realisations to enable a dividend to be paid in the sum of 100p in the £.

Unsecured creditors

- 9.3 Based on current known information about the Company's financial position, it is anticipated that there will be sufficient realisations to enable a dividend of 31 pence in the £ to be declared to unsecured creditors.
- 9.4 Please find my comparative estimated outcome statement at Appendix VIII.

10 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

Joint Administrators' remuneration

- 10.1 Agreement to the basis of the Joint Administrators' remuneration is subject to the specific approval of a Creditors' Committee or, if there is no Committee or the Committee fails to determine the basis of the Joint Administrators' remuneration, the creditors. It is not part of the proposals.
- 10.2 The Joint Administrators are entitled to receive remuneration for their services. Rule 18.16 of the Rules permits remuneration to be fixed either:
- as a percentage of the value of the property with which the Joint Administrators have to deal; or
 - by reference to the time the Joint Administrators and their staff have spent attending to matters arising in the Administration; or
 - as a set amount.

The basis of remuneration may be one or a combination of the bases set out above and different bases or percentages may be fixed in respect of different things done by the Joint Administrators.

- 10.3 The Joint Administrators propose to seek approval from the Creditors' Committee (if one is established) or, in the absence of a Committee, the creditors for their remuneration to be fixed by reference to time properly spent by them and their staff in attending to matters arising in the Administration at the same time I seek a decision from them on whether or not to approve these proposals. When seeking approval for our fees on a time cost basis, I am required to provide a fees estimate, which acts as a cap on our time costs so that I cannot draw remuneration from the estate above the agreed level set out in the estimate without further approval from those who approved the fees.
- 10.4 A fees estimate which sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take, together with a description of the work to be undertaken is attached at Appendix IV. Also included is the blended hourly rate for each activity. This is the projected average cost per hour for the category of work based upon the estimated time to be expended by each grade of staff at their specific charge-out rate.
- 10.5 Our fee estimate in this matter is £171,830 plus VAT at a blended rate of £322.99 per hour.
- 10.6 This estimate has been provided to creditors at a relatively early stage in the Administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holders in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the Administration of the case. If the time costs incurred on the case by the office holders exceed the estimate, or is likely to exceed the estimate, the office holders will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holders cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holders consider it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.
- 10.7 I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.
- 10.8 Our time costs for the period 8 December 2021 to 21 January 2022 total £35,194 plus VAT, which represents a total of 118 hours spent working on the Administration as detailed above, charged at a blended charge out rate of £298.17. An analysis of time costs incurred to date by reference to grade of staff and work done can be found at Appendix V, which also details the charge out rates currently charged. Time is charged in 6-minute units.
- 10.9 The work for which fee approval is being sought includes the work that will need to be undertaken should the Joint Administrators be appointed Liquidators following conversion to Creditors' Voluntary Liquidation.

- 10.10 A creditors' guide to fees charged by an Administrator is available via the following link: <http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. There are different versions available, please refer to the 1 April 2021 version which you can find under the heading "Effective From April 2021". Alternatively, it is available free of charge by contacting Menzies LLP. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

Expenses and Professional and sub-contractors' fees

- 10.11 Appendix IV details the anticipated expenses of the Administration and any subsequent Creditors' Voluntary Liquidation, as well as those incurred and drawn to date. I anticipate that expenses totalling £198,990 will arise in these proceedings, including any shared expenses (see below). When reporting to any Committee and the creditors during the Administration the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action). Appendix IV also provides an explanation of the categories of expenses which may be drawn from the Administration without creditor approval and those which require creditor approval.
- 10.12 Our expenses incurred to date amount to £51,212.13. I have drawn £94.05 from the estate of the company to date.
- 10.13 Expenses have been incurred during the Administration in respect of the final trading wind-down process undertaken by the Administrators and are anticipated to continue to be incurred for a period of 3-6 months, namely the facilitation of the transition of customers to ScottishPower and the production of final bills. Specifically, the lease for the Group's trading premises sits with the Company and as such, I have incurred expenses in respect of rent for the post-appointment period of occupation at the trading premises, which has been necessary to secure and run the IT infrastructure of the Company, specifically the firewall which is located at the trading premises. Further detail in respect of these expenses can be found at Appendix IV.
- 10.14 Please note, it is anticipated that the Joint Administrators of EESL will recharge a 60% apportionment of the trading costs incurred in the Administration estate of EESL to the Administration estate of the Company. This is on the basis that while most of the contracts for critical services are with EESL, including employee contracts, IT infrastructure and Gilmond, these costs have been and will be incurred to facilitate the final trading wind-down process for both EESL and SYEL and I believe fairly represents the number of customers of each company and the value derived from each estate from customer debit balances as a result of this final billing process.
- 10.15 The trading costs to be shared and allocated between the two companies will require creditor approval. If a Creditors' Committee is appointed, it will be for the Committee to approve these costs. If a Committee is not appointed, then I propose to seek approval from the creditors as a whole.

10.16 I estimate the shared trading costs to be as follows:

| Detail of expense | Estimated expense to be incurred (total) | SYEL apportionment (60%) | EESL apportionment (40%) |
|---|---|---------------------------------|---------------------------------|
| Leasehold premises – rent, rates and other property costs | 1,680.00 | 1,008.00 | 672.00 |
| Final billing consultant | 16,000.00 | 9,600.00 | 6,400.00 |
| Employee costs – wages | 22,000.00 | 13,200.00 | 8,800.00 |
| IT systems | 3,500.00 | 2,100.00 | 1,400.00 |
| Gilmond final billing systems | 102,270.00 | 61,362.00 | 40,908.00 |
| Telephone systems | 1,980.00 | 1,188.00 | 792.00 |
| Total | 147,430.00 | 88,458.00 | 58,972.00 |

10.17 I am also liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Any contribution will acknowledge the work that is being undertaken by the Joint Administrators of the Group which ultimately assists ScottishPower in its role as SoLR and aids the smooth transition of customer accounts.

10.18 Where appropriate, I have employed or will be employing professionals to advise us in relation to certain specialist matters. The firms engaged to provide professional advice are chosen on the basis of our perception of their experience and knowledge of the areas on which they are advising, taking into account the complexity and nature of the assignment. I also considered whether the basis on which they will charge their fees represents value for money given the level of work undertaken.

10.19 I have used the following agents, professional advisors and sub-contractors since my appointment as Administrator:

| Professional Advisor | Nature of Work | Fee Arrangement |
|---|-------------------------------|------------------------------------|
| Shakespeare Martineau LLP | Solicitors | Time costs |
| Lance Ashworth QC | Counsel | Fixed fee |
| Courts Advertising Limited | Advertising agent | Fixed fee |
| Marsh Restructuring & Recovery Practice | Insurance/Bond | Fixed fee based on level of assets |
| Incomplex Consultancy Limited | Final billing consultant | Time costs |
| Lambert Smith Hampton | Agent | Time costs |
| Payments Solutions Limited | Direct debit collection agent | Fixed fee per transaction |
| Monek Ltd | Payment gateway | Fixed fee per transaction |

10.20 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money.

- 10.21 SHMA have been instructed to provide advice and assistance with certain post-appointment matters, including but not limited to advice on the status of customers and creditors, advice on the credit balances and post-Administration direct debits received by SmartDebit, drafting consultancy agreements and general GDPR queries. Their time costs for the work undertaken to date equate to £2,192 plus VAT. SHMA were chosen because they already acted for the Company and had an understanding of both the Company's position and the energy industry in general, they have prior experience of SoLR processes, and they have a specialism in insolvency. I therefore concluded that they were very well placed to assist with this matter. Counsel was also engaged to advise on the notification of customers with credit balances on their accounts of the appointment of Administrators as creditors of the Administration and their costs for doing so were agreed at a fixed fee of £1,000 plus VAT.
- 10.22 SHMA is not an associate of the Joint Administrators or their firm as defined in section 435 of the Act. Further, the Joint Administrators have reviewed their and their firm's relationships with SHMA and LSH and consider that it is not one which could give rise to a perception that there is any such association.
- 10.23 It is anticipated that specialist debt collection agents will be engaged to assist with the collection of the outstanding debit balances on customer accounts. I am considering the best strategy for debt collection, including the most appropriate debt collection agents to engage. Debt collection costs in this regard therefore include an estimate of the costs to be incurred by any instructed debt collection agents which has been estimated on a % of realisations basis, along with SmartDebit and Monek's fees which are charged on a fixed fee per transaction basis.
- 10.24 Based on our knowledge of the case to date, I anticipate being able to draw our time costs and expenses in full. The estimated return to creditors is detailed in section 9 above.

11 PRE-ADMINISTRATION COSTS

- 11.1 The Board instructed Menzies LLP to assist them in placing the Company into Administration on 28 October 2021. They agreed that Menzies LLP should be paid pre-Administration costs on a time cost basis estimated at £35,000 plus VAT. A sum of £10,000 plus VAT was paid upfront by the Company pre-appointment.
- 11.2 Following the instruction in respect of the Administration on 28 October 2021, I have incurred total pre-Administration time costs of £22,308. An analysis of these time costs by category and grade of staff is provided at Appendix VI.
- 11.3 I assisted the Board with the appropriate steps to place the Company into Administration. This task is required by statute or regulatory guidance, and whilst it does not produce any direct benefit for creditors, it still has to be carried out. I liaised with the Board and SHMA in respect of the Administration appointment and I liaised with key stakeholders, including but not limited to Ofgem. I also assisted the Board with the preparation of the Director's witness statement and the financials to support said statement necessary to support Ofgem's court application process to remove the Company's licence, allowing the Company into Administration. I commenced discussions with ScottishPower in this matter following the SoLR appointment on 28 November 2021.
- 11.4 This work was done before the Company entered Administration in order to ensure that the correct strategy was adopted which would protect the interests of stakeholders and maximise recoveries.

- 11.5 In addition to our own time costs, the following expenses were incurred:
- 11.6 SHMA were engaged in relation to legal services provided with a view to the Company entering Administration. A summary of the tasks carried out by SHMA are as follows:
- Providing general legal advice as required in preparation for the Administration appointment;
 - Providing advice regarding critical supply and various creditor demands received;
 - Providing advice on the set-off between the Company and SYEL;
 - Providing advice on section 233 of the Act;
 - Providing advice on creditor balances and customers;
 - Liaising with the Company, Ofgem and Menzies LLP regarding the SoLR process generally.
- 11.7 They were chosen based on our perception of their experience and knowledge of the areas on which they were advising, taking into account the complexity and nature of the assignment and the industry in which the Company operated. I also considered whether the basis on which they charged their fees represented value for money given the level of work undertaken. Their pre-appointment time costs in this matter are £2,697.50 plus VAT. These fees have been charged on a time cost basis and were incurred prior to the Company being placed into Administration. This work was done before the Company entered Administration in order to ensure that the correct strategy was adopted which would protect the interests of stakeholders and maximise recoveries.
- 11.8 The following statement sets out the pre-Administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

| Supplier | Incurred | Paid | Outstanding |
|-----------------|------------------|------------------|--------------------|
| | £ | £ | £ |
| Menzies LLP | 22,308.00 | 10,000.00 | 12,308.00 |
| SHMA | 2,697.50 | 0.00 | 2,697.50 |
| Total | 25,005.50 | 10,000.00 | 15,005.50 |

- 11.9 The pre-Administration costs that have already been paid were paid prior to the Administration by the Company.
- 11.10 As I have already indicated, I am seeking a decision from the creditors to approve our proposals. As a result, in the absence of a Committee, it will be for the creditors as a whole to approve the unpaid pre-Administration costs.
- 11.11 In addition to the work completed by SHMA prior to the appointment disclosed above, SHMA also undertook the necessary legal formalities to put the Company into Administration. Their fixed fees as agreed at the outset for providing that work were £2,500 plus VAT and disbursements totalling £75.50 relating to a Court fee and search fees. These amounts will be paid as an expense of the Administration without needing to obtain the approval of creditors.

- 11.12 SHMA are not associates of the Joint Administrators or their firm as defined in section 435 of the Act. Further, the Joint Administrators have reviewed their and their firm's relationship with SHMA and consider that it is not one which could give rise to a perception that there is any such association.

12 JURISDICTION

- 12.1 I consider that the Administration of the Company constitutes "COMI" proceedings since the Company's registered office and its trading addresses are in the United Kingdom.

13 JOINT ADMINISTRATORS' PROPOSALS

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

- 13.2 In order to achieve the objective set out at section 3 above, Rachel Helen Lai and I formally propose to creditors that:

- (a) I will continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular, I will:
- (i) Continue to prepare and issue final customer bills, reconcile payments received from customers and collect any debit balances on pre-SoLR and SoLR customer accounts as at 27 November 2021. I will continue to liaise with ScottishPower accordingly.
 - (ii) Realise the remaining assets of the Company and make distributions to creditors in the prescribed order of priority as and when funds permit.
 - (iii) Investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) Do all such things and generally exercise all our powers as Joint Administrators as I consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- (b) The Administration will end by placing the Company into a Creditors' Voluntary Liquidation, and I propose that Rachel Helen Lai and I are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidators. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals is set out at section 14.

- (c) If, having realised the assets of the Company, the Joint Administrators are of the opinion that
- (1) the Company has no property which might permit a distribution to its unsecured creditors and
 - (2) there are no other outstanding matters to be dealt with in Liquidation,
- then they will end the Administration of the Company by the filing notice of move from Administration to dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar three months after the notice is registered.

14 APPROVAL OF PROPOSALS

- 14.1 Given the financial position of the Company, based on current estimates, it is expected that there may be sufficient funds available to enable a dividend to be paid to unsecured creditors. A decision procedure is therefore required from the creditors to approve my proposals.
- 14.2 I am seeking the following decisions by correspondence from the creditors:
- i. To approve the Joint Administrators' proposals
 - ii. **In the event that a Creditors' Committee is not established**, to approve the pre-Administration costs;
 - iii. **In the event that a Creditors' Committee is not established**, to fix the basis of the Joint Administrators' remuneration; and
 - iv. **In the event that a Creditors Committee is not established**, to approve the payment of shared trading expenses relating to Entice Energy Supply Limited and Simply Your Energy Limited as set out in my proposals.
- 14.3 If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form to me by no later than 23.59 on 14 February 2022, the decision date. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote on the decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 on 14 February 2022.

Please note that I must receive at least one vote by the decision date or the decisions will not be made. I would therefore urge creditors to respond promptly.

Creditors' Committee

- 14.4 Creditors are also invited to determine whether to form a Creditors' Committee ("the Committee"), and a notice of invitation to form a Creditors' Committee and further instructions are enclosed. To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee, further information about of the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>.
- 14.5 The Committee will be formed if sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five. The Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals and its statutory function is to help the Joint Administrators to discharge their responsibilities.

14.6 If the Committee is formed it is for that body to approve:

- The basis of the Joint Administrators' remuneration
- The drawing of certain expenses
- The Joint Administrators discharge from liability in respect of any actions taken during the Administration.

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

Creditors' right to request a physical meeting

14.8 Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

15 FURTHER INFORMATION

15.1 To comply with the Provision of Services Regulations, some general information about Menzies LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.menzies.co.uk/legal/> and <https://www.menzies.co.uk/helping-you/business-recovery/making-a-complaint/>.

15.2 If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available online, they should contact Penny Elvin by email at PElvin@menzies.co.uk.

DocuSigned by:



C05673676A12475...

John Dean Cullen
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

The officeholders are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice is at the following link:
<https://www.menzies.co.uk/legal/>

Appendix I

Statutory Information

| | | | |
|-----------------------------|---|--------------------|------------------|
| Company name: | Simply Your Energy Limited | | |
| Previous name: | Supply Energy Limited | | |
| Trading names: | Entice Energy | | |
| Company number: | 07243637 | | |
| Date of incorporation: | 5 May 2010 | | |
| Trading address: | Unit 50 Ransom Hall South, Ransom Wood, Mansfield, NG21 0HJ | | |
| Current registered office: | 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF | | |
| Former registered office: | Unit 50 Ransom Hall South, Ransom Wood, Mansfield, NG21 0HJ | | |
| Principal trading activity: | Distribution of electricity and gaseous fuels | | |
| Directors: | <i>Name:</i> | <i>Start date:</i> | <i>End date:</i> |
| | David Mark Crowe | 29 October 2018 | N/a |
| | Robert Gerard Gildert | 5 May 2010 | 29 October 2018 |
| | Roy John Hunter Richmond | 5 May 2010 | 29 October 2018 |
| | Simon Paul Yarwood | 30 June 2016 | 25 May 2018 |
| Company secretary: | N/a | N/a | N/a |
| Share capital: | The Company's share capital is as follows: | | |

| | |
|---------------------|---|
| | <i>Per the management accounts as £1 each</i> |
| Ordinary shares | 2 |
| Preferential shares | 0 |
| Total shares | <u>2</u> |

These shares are held by Entice Energy Supply Limited registered number 09473910. The beneficial owner is Mr David Mark Crowe.

Appendix II

Estimated financial position

Simply Your Energy Limited t/a Entice Energy
 Company Registered Number: 07243637
 Statement Of Affairs as at 8 December 2021

A - Summary of Assets

| Assets | Book Value £ | Estimated to Realise £ |
|--|-------------------------|---------------------------------------|
| Assets subject to fixed charge: | | |
| Assets subject to floating charge: | | |
| Uncharged assets: | | |
| Customer Debit Balances | 620,000.00 | 465,000.00 |
| Intangible Assets | 21,598.00 | NIL |
| VAT Refund | 17,509.00 | NIL |
| Collateral | 27,306.21 | 17,306.21 |
| Rent Deposit | 700.43 | Uncertain |
| Intercompany Debtor | 147,687.51 | Uncertain |
| Smart Debit Receipts | 260,000.00 | 260,000.00 |
| Cash at Bank | 200,678.18 | 200,678.18 |
| Barclays Bank Plc | | (45,330.22) |
| Estimated total assets available for preferential creditors | | 897,654.17 |

Simply Your Energy Limited t/a Entice Energy
Company Registered Number: 07243637
Statement Of Affairs as at 8 December 2021

A1 - Summary of Liabilities

| | Estimated to Realise £ |
|--|------------------------------|
| Estimated total assets available for preferential creditors (Carried from Page A) | 897,654.17 |
| Liabilities | |
| Preferential Creditors:- | |
| | NIL |
| Estimated deficiency/surplus as regards preferential creditors | 897,654.17 |
| 2nd Preferential Creditors:- | |
| | NIL |
| Estimated deficiency/surplus as regards 2nd preferential creditors | 897,654.17 |
| Debts secured by floating charges pre 15 September 2003 | |
| Other Pre 15 September 2003 Floating Charge Creditors | NIL |
| | 897,654.17 |
| Estimated prescribed part of net property where applicable (to carry forward) | NIL |
| Estimated total assets available for floating charge holders | 897,654.17 |
| Debts secured by floating charges post 14 September 2003 | |
| | NIL |
| Estimated deficiency/surplus of assets after floating charges | 897,654.17 |
| Estimated prescribed part of net property where applicable (brought down) | NIL |
| Total assets available to unsecured creditors | 897,654.17 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | |
| Trade & Expense Creditors | 998,541.83 |
| Customer Credit Balances | 627,000.00 |
| | 1,625,541.83 |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003) | (727,887.66) |
| Estimated deficiency/surplus as regards creditors | (727,887.66) |
| Issued and called up capital | |
| Ordinary Shareholders | 2.00 |
| | 2.00 |
| Estimated total deficiency/surplus as regards members | (727,889.66) |

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Simply Your Energy Limited t/a Entice Energy
Company Registered Number: 07243637
B - Company Creditors

| Key | Name | Address | £ |
|------|---|---|------------|
| CB00 | Barclays Bank Plc | 1 Churchill Place, London, E14 5HP | 45,330.22 |
| CC00 | Calvin Capital Limited | 5th Floor, 1 Marsden Street, Manchester. M2 1HW | 13,504.27 |
| CC01 | Capital Meters Limited | Macquarie Energy, Resources and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB | 263.76 |
| CC02 | Cortex Metering Solutions Ltd | Macquarie Energy, Resources and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB | 165.53 |
| CD00 | DCUSA Ltd | 3rd Floor, Northumberland House, 303-306 High Holbourne, London, WC1V 7JZ | 304.60 |
| CE00 | EDF Energy Limited | 90 Whitfield Street, London, W1T 4EZ | 5,520.00 |
| CE01 | Electricity North West Limited | Borron Street, Stockport, SK1 2JD | 9,056.89 |
| CE02 | Electricity Settlements Company Limited | Fleetbank House, 2 - 6 Salsbury Square, London, EC4Y 8JX | 17,506.57 |
| CE03 | ElectraLink Ltd | 3rd Floor, Northumberland House, 303-306 High Holbourne, London, WC1V 7JZ | 353.33 |
| CE04 | ELEXON Clear Limited | Unilever House, The Office Park, Springfield Drive, Leatherhead, KT22 7GR | 413,359.53 |
| CE05 | The Electricity Network Company Ltd | Electricity North West Limited, Borron Street, Stockport, SK1 2JD | 1,083.53 |
| CE06 | Energy Assets Group Limited | Ship Canal House, 98 King Street, Manchester, M2 4WU | 119.01 |
| CE07 | E.ON Energy Solutions Limited | Westwood Way, Westwood Business Park, Coventry, CV4 8LG | 9,353.14 |
| CE08 | Erova Energy Limited 15th | Erova Energy, 24 - 26 City Quay, Dublin 2, IRELAND | 113,806.17 |
| CE09 | ESP Electricity Limited | Bluebird House, Mole Business Park, Leatherhead, KT22 7BA | 433.96 |
| CH01 | Harlaxton Energy Networks Ltd | Toll Bar Road, Marston, Grantham, Lincolnshire, NG32 2HT | 19.47 |
| CH02 | Horizon | Magnum Meter Finance Limited, Atria Spa Road, Bolton, Lancashire, BL1 4AG | 913.43 |
| CI00 | Independent Power Networks Ltd | Synergy House, Woolpit Business Park, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP | 71.88 |
| CL00 | London Power Networks Plc | t/a UK Power Networks, London Power Networks PLC, Newington House, 237 Southwark Bridge Road, London, SE1 6NP | 6,350.81 |
| CL01 | Low Carbon Contracts Company Ltd | 10 South Colonnade, Canary Wharf, London, E14 4PU | 5,519.74 |
| CL02 | Last Mile Electricity | | 147.85 |
| CM00 | Macquarie Leasing Limited | 28 Ropemaker Place, London, EC2Y 9HD | 6,063.52 |
| CM01 | Magnum Meter Finance Limited | Atria, Spa Road, Bolton, Lancashire, BL1 4AG | 155.60 |
| CM02 | Maple HoldCo 1 Group | St Lawrence House, Station Approach, Horley, Surrey, RH6 9HJ | 2,533.84 |
| CM03 | Metercorp | Communications House, Victoria Avenue, Camberley, Surrey, GU15 | 19.80 |
| CN00 | National Grid ESO DD ACC | National Grid Electricity System Operator Limited, 1 - 3 Strand, London, WC2N 5EH | 47,889.45 |

Menzies LLP**Simply Your Energy Limited t/a Entice Energy****Company Registered Number: 07243637****B - Company Creditors**

| Key | Name | Address | £ |
|--------|--|---|------------|
| CN01 | National Grid Smart | National Grid Gas PLC, 1 - 3 Strand, London, WC2N 5EH | 308.14 |
| CN02 | Northern Powergrid (Northeast) Limited | Northern Powergrid Holdings Company, Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF | 8,587.00 |
| CN03 | Northern Powergrid (Metering) Limited | 2nd Floor, Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF | 13,048.62 |
| CN04 | Northern Powergrid (Yorkshire) PLC | 98 Aketon Road, Castleford, WF10 5DS | 8,655.33 |
| CO00 | Ofgem | Commonwealth House, 3rd Floor, 32 Albion Street, Glasgow, G1 1LH | 203,711.30 |
| CO01 | On Stream | Macquarie Energy, Renewables and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB | 1,010.35 |
| CR00 | Ransomwood Estates UK Ltd | Unit 50, Ransom Hall, Ransom Wood Business Park, Mansfield, NG21 0HJ | 1,825.28 |
| CS00 | SP Distributions PLC | 320 St Vincent Street, Glasgow, Scotland, G2 5AD | 10,374.79 |
| CS01 | SP Manweb PLC | 3 Prenton Way, Prenton, CH43 3ET | 5,453.90 |
| CS02 | Scottish Hydro Electric Transmission plc | SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ | 8,612.62 |
| CS03 | Smart Meter Asset 1 Ltd | Smart Meter Assets, 6th Floor, 1 Aldermanbury Square, London, EC2V 7HR | 651.64 |
| CS04 | SP Smart Meter Assets LT | SMS Meter Assets Limited, 3rd Floor, 48 St Vincent Street, Glasgow, Lanarkshire, G2 5TS | 3,094.90 |
| CS05 | SMS Meter Assets Ltd | Smart Meter Assets 1 Limited, 6th Floor, 1 Aldermanbury Square, London, EC2V 7HR | 3,548.35 |
| CS06 | South Eastern Power Networks plc t/a UK Power | UK Power Networks Holdings Limited, Newington House, 237 Southwark Bridge Road, London, SE1 | 6,230.30 |
| CS07 | SSE Electricity Limited | 200 Dunkeld Road, Perth, PH1 3AQ | 1,067.67 |
| CS08 | Stratford Place Utilities Limited | Unit 8, Peerglow Centre, Marsh Lane, Ware, Hertfordshire, SG12 9QL | 573.12 |
| CS007Z | Southern Electrics | | 5,729.94 |
| CS0080 | Scottish and Southern Power Distribution Limited | | 5,279.63 |
| CU00 | Eastern Power Networks Plc | t/a UK Power Networks Plc, UK Power Networks Holdings Limited, 237 Southwark Bridge Road, London, SE1 | 10,937.62 |
| CU01 | Utility Metering Services Limited | Macquarie Energy, Resources and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB | 106.53 |
| CW00 | Western Power Distribution (South Wales) plc | Avonbank, Feeder Road, Bristol, BS2 0TB | 45,219.12 |

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Company Registered Number: 07243637
B - Company Creditors

| Key | Name | Address | £ |
|----------------------|------|---------|--------------|
| 47 Entries Totalling | | | 1,043,872,05 |

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B1 - Company Creditors - Employees & Directors

| Key | Name | Address | Pref £ | Unsec £ | Total £ |
|---------------------|------|---------|--------|---------|---------|
| 0 Entries Totalling | | | 0,00 | 0,00 | 0,00 |

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Simply Your Energy Limited t/a Entice Energy
Company Registered Number: 07243637
B2 - Company Creditors - Consumer Creditors

| Key | Name | Address | £ |
|-------------------------|------|---------|---------|
| 3,145 Entries Totalling | | | 627,000 |

Menzies LLP
Simply Your Energy Limited t/a Entice Energy
Company Registered Number: 07243637
C - Shareholders

| Key | Name | Address | Type | Nominal Value | No. Of Shares | Called Up per share | Total Amt. Called Up |
|------------------------------|------------------------------|---|----------|---------------|---------------|---------------------|----------------------|
| HE00 | Entice Energy Supply Limited | - In Administration, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF | Ordinary | 1.00 | 2 | 1.00 | 2.00 |
| 1 Ordinary Entries Totalling | | | | | 2 | | |

Appendix III

Joint Administrators' receipts and payments account

Simply Your Energy Limited t/a Entice Energy
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 26/01/2022

| S of A £ | | £ | £ |
|---------------------|-----------------------------|-----------|------------------|
| | ASSET REALISATIONS | | |
| 465,000.00 | Customer Debit Balances | NIL | |
| NIL | Intangible Assets | NIL | |
| NIL | VAT Refund | NIL | |
| 17,306.21 | Collateral | NIL | |
| Uncertain | Rent Deposit | NIL | |
| Uncertain | Intercompany Debtor | NIL | |
| 260,000.00 | Smart Debit Receipts | 30,000.00 | |
| 200,678.18 | Cash at Bank | NIL | |
| (45,330.22) | Barclays Bank Plc | NIL | |
| | | | 30,000.00 |
| | COST OF REALISATIONS | | |
| | Statutory Advertising | 94.05 | |
| | | | (94.05) |
| | UNSECURED CREDITORS | | |
| (998,541.83) | Trade & Expense Creditors | NIL | |
| (627,000.00) | Customer Credit Balances | NIL | |
| | | | NIL |
| | DISTRIBUTIONS | | |
| (2.00) | Ordinary Shareholders | NIL | |
| | | | NIL |
| (727,889.66) | | | 29,905.95 |
| | REPRESENTED BY | | |
| | VAT Receivable | | 18.81 |
| | Barclays Bank | | 29,887.14 |
| | | | 29,905.95 |

Appendix IV

Joint Administrators' fee estimate, charge out rates and estimated expenses

SIMPLY YOUR ENERGY LIMITED T/A ENTICE ENERGY - IN ADMINISTRATION

APPENDIX IV - FEE ESTIMATE

| Classification of Work Function | Total Hours | Total Time Costs £ | Blended Hourly Rate £ |
|---------------------------------|-------------|-----------------------|--------------------------|
| Administration & Planning | 192.00 | 58,070.00 | 302.45 |
| Realisations of Assets | 110.00 | 36,900.00 | 335.45 |
| Creditors | 90.00 | 27,750.00 | 308.33 |
| Investigations | 30.00 | 9,960.00 | 332.00 |
| Trading | 110.00 | 39,150.00 | 355.91 |
| Estimated Total Hours | 532.00 | | |
| Estimated Total Cost | | 171,830.00 | |
| Estimated Blended Hourly Rate | | | 322.99 |

| CURRENT CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS | |
|---|--|
| From 1 October 2021 | |
| | £ per hour |
| Partner/Director | 450-525 |
| Manager | 270-400 |
| Senior | 240-250 |
| Administrator | 135-200 |
| Support Staff | 105 |
| Note 1 | There may be a number of promotions through the various grades during the period of the administration. |
| Note 2 | Overhead costs are reflected in the charge out rates detailed. |
| Note 3 | The charge-out rates of the Insolvency Practitioners for this assignment are currently £480 and £450 per hour, and the administrator is £230 per hour. |
| Note 4 | Time is recorded in minimum units of 6 minutes. |

NARRATIVE TO SUPPORT FEE ESTIMATE

A description of the work to be undertaken in the Administration of the estate is as follows:

Administration

This represents the work that is involved in the routine administrative functions of the case by myself and my staff, together with the control and supervision of the work done on the case by myself and my managers. It does not give direct financial benefit to the creditors but has to be undertaken to meet my requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow. It is also required for the efficient running of the case and, without which, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient.

Collating information - post appointment:

This includes the preparation of post-appointment documentation including the formalities of appointment and statutory notifications to the Registrar of Companies, HM Revenue & Customs, banks, creditors, shareholders and directors. It also includes statutory advertising, dealing with correspondence, liaising with the Bank and HMRC, securing and reviewing the electronic and physical records of the Company, maintaining physical and electronic case files, reviewing files, strategic case planning and routine case administration.

Specifically, time to date in this matter has been spent issuing the post-appointment notices to creditors, the Director, shareholders, the Bank, Ofgem, ScottishPower and HMRC. I have secured and reviewed the books and records of the Company, both physical and electronic, and I have undertaken a review of the GDPR matters arising from my appointment and I have secured all personal data.

I have also liaised with the former finance manager of the Company in respect of the preparation and completion of management accounts for the period up until 8 December 2021, which has assisted me with the preparation of an estimated statement of affairs as at that date.

Reporting

I am required to report to creditors on my Proposals for the Administration and to convene a decision procedure so that the creditors may consider those proposals and the establishment of a Creditors' Committee. If a Creditors' Committee is not established, then creditors will also be asked to approve the basis of my fees. The content and substance of the Proposals must be made in line with the Act and the Rules, and, with this in mind, sufficient time has been spent in preparing this report following my appointment, to ensure its compliance.

I am obliged to prepare six-monthly progress reports, which provides creditors with an update on the progress of the Administration, including distribution prospects. This is circulated to all known creditors and filed at Companies House within one month of the end of each six-month period following my appointment. I have included time in my fee estimate in respect of the preparation and circulation of one six-monthly progress report and a report on conversion to the Creditors' Voluntary Liquidation.

Once the Administration is ready to be concluded, as detailed in my proposals, I anticipate that the Administration will end by placing the Company into Creditors' Voluntary Liquidation. As Liquidator I am obliged to prepare an annual progress report, which provides an update on the progress of the Liquidation, including distribution prospects. This is circulated to all known creditors and members within two months of each anniversary of my appointment as Liquidator.

The Liquidation is expected to be kept open for one year. However, should I become aware of any additional assets or issues arising during the course of my investigations, the Liquidation may remain open for longer, which will require additional annual progress reports to be circulated. The additional cost in relation to the Liquidators' annual progress reports has not been included in this fee estimate.

Once the Liquidation is ready to be concluded and formal tax clearances obtained, a final report will be prepared and circulated to all known creditors and members to provide an update on the progress of the Liquidation, which must also be filed Companies House.

Cashiering

This includes the opening and maintenance of the Administration floating charge bank account and cashbook, lodging receipts, preparing and processing invoices for payment, reconciling bank accounts, and producing receipts and payments accounts. This work will be ongoing throughout the Administration and subsequent Liquidation. This will also include the time spent reviewing the adequacy of the specific penalty bond.

Further cashiering work will include preparing and filing relevant Corporation Tax and VAT returns, settling any tax liabilities, and seeking formal tax clearances prior to the case closure.

It is envisaged that a dividend will become payable to unsecured creditors. Therefore, time will be spent raising distribution cheques and/or making electronic payments to the relevant creditors.

Asset Realisations

This is the work that needs to be undertaken to protect and then realise the known assets in the case. Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

The fee estimate covers the costs I expect to incur based on my initial review of recovering those assets. If additional assets or potential complexities are subsequently identified which will increase our costs, then creditors will be advised, and a further fee estimate will be provided if necessary.

Time incurred in this matter to date includes the time spent arranging suitable insurance over the trading premises, liaising with the Bank regarding the remittance of funds to the estate account, liaising with SmartDebit regarding the remittance of funds held to the estate account and liaising with the landlord and my agents in respect of the leasehold premises. Future time is expected to be incurred liaising with the landlord in respect of the trading premises and also liaising with the landlord in respect of the rent deposit held. My correspondence with SmartDebit and the Bank is also ongoing.

I have liaised with the Company's existing debt collection agents in respect of the services they supply the Company, including their policies for dealing with vulnerable customers. I have spent time considering and cumulating my own strategy for dealing with the debt collection process following the completion of the final billing process and I am considering the best strategy for debt collection, including the most appropriate debt collection agent(s) to engage.

I anticipate future time in this matter to be spent corresponding with customers and attempting to collect outstanding book debts, supervising the work of debt collection agents instructed on the case to assist in dealing with the collection of book debts, obtaining reports and updates from them on the work done and checking the adequacy of the work done. Extensive time is anticipated to be spent dealing with the collection of the debtor book, which is made up of the debit balances on customer accounts. This position will be finalised once the final billing process has been complete and time has been allocated to liaising with ScottishPower and the billing consultant in respect of the final debtor balances, including both pre-SoLR and SoLR accounts and the provision of bills to facilitate the collection of said debt.

Time will be spent reconciling the Company's bank account in respect of post-Administration receipts and also reconciling the funds held by SmartDebit. I have also and will continue to review the position with regards to collateral held by third parties and liaise with these parties with regards to the release of funds.

I have also allocated time in my fee estimate to monitoring the dividend prospects from the Administration estate of EESL.

Creditors (claims and distribution of funds to creditors)

The time attributed to creditors is for dealing with creditor correspondence and queries as they are received. It also includes maintaining up to date creditor information on our electronic and physical case management files as part of the management of the case and to ensure that notices and reports can be issued to them. If a creditors Committee is formed (minimum of 3 creditors and a maximum of 5), it is envisaged that there will be additional time costs incurred in relation to this, which will include convening meetings, reporting to the Committee and dealing with any correspondence and queries. The office holder is required to undertake this work as part of their statutory functions even though it may not provide a direct quantifiable or financial benefit for the creditors.

I have been made aware of approximately 46 unsecured creditors (not including any of the customers with credit balances).

I have also been made aware of approximately 3,145 customers of the Company who have or are anticipated to have a credit balance on their accounts following the issue of final bills. Whilst these credit balances are protected by the SoLR process and will be honoured by ScottishPower, these customers have been notified of the Administration in their capacity as consumer creditors of the Company under the insolvency legislation. I have sought legal advice in this regard.

Time incurred in this matter to date has been spent dealing with creditor correspondence and maintaining up to date creditor information, including recording claims on my case management system as and when received. I have responded to creditor queries as appropriate, including queries received from former customers of the Company in respect of the SoLR process generally and their debit/credit account balances. I have allocated further time in my fee estimate to general creditor correspondence and maintaining up to date creditor information.

Unsecured Creditors' Claims

I envisage being able to make a distribution to unsecured creditors and so I will need to advertise the intended dividend in the London Gazette and send notice of the intended dividend to all creditors. The unsecured element of the employees' and RPS claims will need to be adjudicated and in addition, all other unsecured creditor claims (including but not limited to trade and expense creditors and HMRC) will be reviewed and further documentation requested if appropriate, prior to agreeing the claims and making a distribution to unsecured creditors.

The work undertaken in respect of the above is required in order to ensure that only those entitled to receive a dividend do so and that any claim to a dividend is valid and adequately evidenced. There will be a direct correlation between the time spent and the number of creditors, which as detailed above is thought to be approximately 46.

Investigations

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the fee estimate includes the costs of undertaking such an initial investigation.

Company Books and Records

It is the officeholder's statutory obligation to ensure that the books and records of the Company are secured. Time costs will be incurred listing these records and also reviewing them in connection with the Directors' conduct report and to identify any matters for further investigation or recovery of assets.

In addition to reviewing the Company's books and records I will also seek and obtain information from relevant third parties, such as the bank, accountants, solicitors, etc.

Directors' conduct report

It is a statutory requirement that a report is prepared on the conduct of each person who acted as a director of the Company within the three years prior to the Administration. This report, which is submitted to the Insolvency Service, is confidential and I am not able to disclose its content to stakeholders. The work undertaken includes the time spent in reviewing the Company records and considering any concerns raised by creditors.

Preparing the report is a statutory requirement which will not necessarily produce a financial benefit to creditors but may identify potential avenues which could lead to a recovery for the benefit of creditors.

Further investigations

The officeholder may also carry out further investigations if potential asset recoveries are identified or to investigate areas of concern raised by creditors. Creditors are requested to advise the officeholder if they are aware of any matters which should be reviewed.

Should my initial review identify potential areas for asset recoveries which will necessitate my incurring additional time costs, creditors will be advised, and a further fee estimate provided. Creditors may also be asked to approve an increase in the fee estimate at this time. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

Trading and wind-down

SoLR appointment

On 28 November 2021, ScottishPower took over the supply of electricity to the Company's live customer base. Following my appointment as Joint Administrator in this matter, time has been incurred liaising with ScottishPower on a regular basis to assist in a controlled transition of accounts and to provide relevant information to support the transition. Meetings have been held regularly and further time has been allocated in my fee estimate to time spent liaising with ScottishPower to facilitate a smooth transition of customer accounts to them.

Time was also spent entering into a Data Sharing Agreement with ScottishPower immediately following my appointment.

Final billing process

Extensive work has been undertaken to generate bills for all customers in order to determine final customer credit and debit balances. I have worked closely with the billing consultant, ScottishPower and the Company's main billing system provider, Gilmond, in this regard. Final bills are in the process of being prepared and issued. Further time has been allocated to this final billing process in my fee estimate in this regard, including the provision of final bills to customers.

Suppliers

Time has also been spent reviewing the costs of the Company and I have identified critical supply for the work being undertaken. I have liaised with various service providers and have dealt with any issues arising from the appointment of Administrators, such as unpaid invoices etc. I am liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Further time has been allocated to these matters in my fee estimate, including the ongoing management of critical service providers and responding to queries and dealing with issues as and when they arise, to ensure that the work required to finalise customer accounts is complete as efficiently as possible.

ESTIMATED EXPENSES

| Details of Expense | Estimated amount £ | Incurred /Accrued to date £ | Paid to date £ |
|--|-------------------------------|--|---------------------------|
| <u>Category 1 Expenses</u> | | | |
| Statutory advertising - various notices relating to the company have to be placed in the London Gazette | 312.00 | 104.00 | 94.05 |
| Specific penalty bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the Company's assets | 420.00 | 420.00 | 0.00 |
| Insurance of assets - it is necessary to insure the Company's leasehold premises until this lease has been terminated/surrendered | 300.00 | 0.00 | 0.00 |
| <u>Professional and Sub-Contractors' Fees</u> | | | |
| Solicitors - SHMA have been engaged to advise on various matters arising in the Administration | 15,000.00 | 2,192.00 | 0.00 |
| Counsel - Counsel were instructed to advise on the customer position as creditors of the estate | 1,000.00 | 1,000.00 | 0.00 |
| Listing and storage of books and records - An agent has been instructed to list and store books and records of the Company throughout the period of the Administration and Liquidation and for one year following the dissolution of the Company | 500.00 | 0.00 | 0.00 |
| Debt collection costs | 93,000.00 | 0.00 | 0.00 |
| <u>Trading costs</u> | | | |
| Trading costs as apportioned between the Company and EESL - see table in the body of my proposals | 88,458.00 | 47,496.13 | 0.00 |
| Totals | 198,990.00 | 51,212.13 | 94.05 |

Note to the estimated expenses

The trading costs to be shared and allocated between the company and EESL will require creditor approval. If a Creditors' Committee is appointed, it will be for the Committee to approve these fees. If a Committee is not appointed, then I propose to seek a decision from creditors.

I am also liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Any contribution will acknowledge the work that is being undertaken by the Company which ultimately assists ScottishPower in its role as SoLR and aids the smooth transition of customer accounts.

EXPENSES

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

Category 1 Expenses

Specific expenditure relating to the Administration of the insolvent estate and payable to a person or persons who are not associates of the office holder is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, sub-contractors' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 Expenses

These are expenses that are directly referable to the Administration of the insolvent estate and are made to associates of the officeholder or have an element of shared costs.

Category 2 Expenses require creditor approval.

Appendix V

Joint Administrators' time costs to 21 January 2022

SIMPLY YOUR ENERGY LIMITED T/A ENTICE ENERGY

APPENDIX V TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 8 DECEMBER 2021 TO 21 JANUARY 2022

| Classification of Work Function | HOURS | | | | | Total Hours | Time Costs | Blended Hourly Rate |
|------------------------------------|----------------------|-----------------|------------------|---------------|---------------|----------------|------------------|------------------------|
| | Partner/ Director | Manager | Senior | Administrator | Support | | | |
| | | | | | | | £ | £ |
| Administration & Planning | 9.30 | 15.70 | 29.00 | 0.90 | 7.20 | 62.10 | 16,905.00 | 272.22 |
| Realisation of Assets | 1.30 | 3.10 | 4.40 | - | - | 8.80 | 2,586.00 | 293.86 |
| Creditors | 4.80 | 4.00 | 5.00 | - | - | 13.80 | 4,653.00 | 337.17 |
| Investigations | - | - | 0.10 | - | - | 0.10 | 24.00 | 240.00 |
| Trading | 11.00 | 9.90 | 12.30 | - | - | 33.20 | 11,016.00 | 331.81 |
| Total Hours | 26.40 | 32.70 | 50.80 | 0.90 | 7.20 | 118.00 | | |
| Total Costs | 12,264.00 | 9,810.00 | 12,192.00 | 162.00 | 756.00 | | 35,184.00 | 298.17 |
| Total Carried Forward | | | | | | 118.00 | 35,184.00 | 298.17 |

| CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS | | |
|---|---|----------------------------|
| | From 1 October 2021 | 1 Oct 2020 to 30 Sept 2021 |
| | £ per hour | £ per hour |
| Partner/Director | 450-525 | 425-525 |
| Manager | 270-400 | 260-360 |
| Senior | 240-250 | 230-250 |
| Administrator | 135-200 | 100-205 |
| Support Staff | 105 | 100 |
| Note 1 | There may have been a number of promotions through the various grades during the period of the administration. | |
| Note 2 | Overhead costs are reflected in the charge out rates detailed. | |
| Note 3 | The charge-out rate of the Insolvency Practitioners for this assignment are currently £480 and £450 per hour, and the administrator is £230 per hour. | |
| Note 4 | Time is recorded in minimum units of 6 minutes. | |

Appendix VI

Pre-appointment time costs

SIMPLY YOUR ENERGY LIMITED T/A ENTICE ENERGY - IN ADMINISTRATION

APPENDIX VI TIME CHARGE OUT SUMMARY FOR THE PERIOD UP TO APPOINTMENT ON 8 DECEMBER 2021

| HOURS | | | | | | | | |
|---------------------------------|----------------------|----------|----------|---------------|---------|----------------|--------------------|-----------------------------|
| Classification of Work Function | Partner/ Director | Manager | Senior | Administrator | Support | Total Hours | Time Costs £ | Blended Hourly Rate £ |
| Administration & Planning | 18.00 | 16.20 | 35.80 | - | 0.30 | 70.30 | 21,916.50 | 311.76 |
| Realisation of Assets | - | 0.30 | - | - | - | 0.30 | 90.00 | 300.00 |
| Creditors | 0.20 | - | 0.20 | - | 1.50 | 1.90 | 301.50 | 158.68 |
| Investigations | - | - | - | - | - | - | - | - |
| Total Hours | 18.20 | 16.50 | 36.00 | - | 1.80 | 72.50 | | |
| Total Costs | 8,529.00 | 4,950.00 | 8,640.00 | - | 189.00 | | 22,308.00 | 307.70 |
| Total Carried Forward | | | | | | 72.50 | 22,308.00 | 307.70 |

| CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS | | |
|---|---|----------------------------|
| | From 1 October 2021 | 1 Oct 2020 to 30 Sept 2021 |
| | £ per hour | £ per hour |
| Partner/Director | 450-525 | 425-525 |
| Manager | 270-400 | 260-360 |
| Senior | 240-250 | 230-250 |
| Administrator | 135-200 | 100-205 |
| Support Staff | 105 | 100 |
| Note 1 | There may have been a number of promotions through the various grades during the period of the administration. | |
| Note 2 | Overhead costs are reflected in the charge out rates detailed. | |
| Note 3 | The charge-out rate of the Insolvency Practitioner for this assignment is currently £480 and £450 per hour, and the administrator is £230 per hour. | |
| Note 4 | Time is recorded in minimum units of 6 minutes. | |

Appendix VII

Proof of debt form

under rule 14.4 The Insolvency (England and Wales) Rules 2016

Simply Your Energy Limited t/a Entice Energy- In Administration (“the Company”)

Company registration number : 07243637

Date of Administration: 8 December 2021

| | | |
|-----|---|---|
| 1. | Name of creditor | |
| 2. | Address of creditor for correspondence. | |
| 3. | If the creditor is a company, provide company registration number | |
| 4. | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation. | |
| 5. | If amount in 4 above includes outstanding uncapitalised interest please state amount. | £ |
| 6. | Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form). | |
| 7. | Particulars of any security held, the value of the security, and the date it was given. | |
| 8. | Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates. | |
| 9. | Details of any documents by reference to which the debt can be substantiated. (Note 1). | |
| 10. | Signature of creditor or person authorised to act on creditor's behalf | |
| | <div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div> | |
| | Date: <div style="border-bottom: 1px solid black; width: 100%;"></div> | |
| | Name in BLOCK LETTERS | |
| | <div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div> | |
| | Position with, or relation to, creditor (e.g. director) | |
| | <div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div> | |
| | Address of person signing (if different from 2 above) | |
| | <div style="border-bottom: 1px solid black; height: 20px; width: 100%;"></div> | |

| | |
|----------------------|---------------------------|
| Admitted to vote for | Admitted for dividend for |
| £ | £ |
| Date | Date |
| Administrator | Administrator |

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Appendix VIII

Comparative estimated outcome statement

Simply Your Energy Limited
Estimated Outcome Statement ("EOS")

Section A - Summary of Assets

| | Administration £ | Creditors' Voluntary Liquidation £ |
|---|---------------------|--|
| Uncharged assets | | |
| Cash at bank | 200,678.00 | 200,678.00 |
| Barclays Bank Plc (bounce back loan) | (45,330.00) | (45,330.00) |
| | 155,348.00 | 155,348.00 |
| Intangible assets | Nil | Nil |
| Intercompany loan | Uncertain | Uncertain |
| Customer debit balances | 465,000.00 | 155,000.00 |
| Collateral | 17,306.00 | Nil |
| VAT liability | Nil | Nil |
| Office deposit | Uncertain | Uncertain |
| SmartDebit receipts | 260,000.00 | 65,000.00 |
| | 897,654.00 | 375,348.00 |
| Less: costs of realisations | | |
| Menzies LLP's pre-appointment fees | 12,308.00 | 10,000.00 |
| Solicitors' pre-appointment fees | 5,273.00 | 0.00 |
| Joint Administrators'/Liquidators' fees | 171,830.00 | 150,000.00 |
| Joint Administrators'/Liquidators' disbursements | 2,000.00 | 2,000.00 |
| Solicitors' post-appointment fees and disbursements | 15,000.00 | 15,000.00 |
| Counsel's fees | 1,000.00 | 1,000.00 |
| Provision for final billing "trading" costs | 88,458.00 | 0.00 |
| Debt collection costs | 93,000.00 | 31,000.00 |
| | 388,869.00 | 209,000.00 |
| Assets available to preferential creditors | 508,785.00 | 166,348.00 |

Simply Your Energy Limited
Estimated Outcome Statement ("EOS")

Section B - Summary of Liabilities

| | Administration | Creditors' Voluntary Liquidation |
|--|---------------------|-------------------------------------|
| | £ | £ |
| Assets available to preferential creditors | 508,785.00 | 166,348.00 |
| Less: | | |
| Preferential creditors (including secondary prefs) | | |
| - Employees wage arrears & holiday pay | 0.00 | 0.00 |
| - Pension | 0.00 | 0.00 |
| - PAYE/NI | 0.00 | 0.00 |
| - VAT | 0.00 | 0.00 |
| NET PROPERTY | 508,785.00 | 166,348.00 |
| Less: | | |
| - Prescribed part | N/a | N/a |
| Available to floating charge creditors | 508,785.00 | 166,348.00 |
| Less: | | |
| Floating charge creditors | N/a | N/a |
| Surplus/deficit to floating charge creditor | N/a | N/a |
| Total available to unsecured creditors | 508,785.00 | 166,348.00 |
| Less: | | |
| Trade and expense creditors | 998,542.00 | 998,542.00 |
| Est customer credit balances (contingent consumer creditors) | 627,000.00 | 627,000.00 |
| | 1,625,542.00 | 1,625,542.00 |
| Estimated outcome for unsecured creditors | 0.31 | 0.10 |