

# AM10

## Notice of administrator's progress report



Companies House

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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 8 4 6 9 5 5 5

Company name in full Bulb Energy Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Matthew James

Surname Cowlshaw

### 3 Administrator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

### 4 Administrator's name ①

Full forename(s) Matthew David

Surname Smith

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2	
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2	

### 7 Progress report

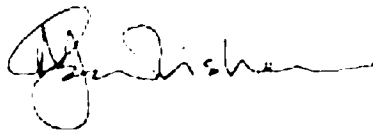
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup>  
2

<sup>d</sup>  
3

<sup>m</sup>  
1

<sup>m</sup>  
2

<sup>y</sup>  
2

<sup>y</sup>  
0

<sup>y</sup>  
2

<sup>y</sup>  
2

**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 **Arjan Beghal**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street  
Queensway**

Post town **Birmingham**

County/Region

Postcode **B 3 3 H N**

Country

DX

Telephone **+44 121 619 0120**

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

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

**Important information**

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**Where to send**

**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.

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# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①  
Attach this to the relevant form.  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Daniel Francis

Surname

Butters

## 3 Insolvency practitioner's address

Building name/number

156 Great Charles Street

Street

Queensway

Post town

Birmingham

County/Region

Postcode

B 3 3 H N

Country



The Global CEO Advisory Firm

Court Case No. 2181 of 2021  
High Court of Justice, Chancery Division, Business  
Property Courts of England and Wales  
Company Number: 08469555

Registered Office: c/o Teneo Financial Advisory Limited,  
156 Great Charles Street  
Queensway  
Birmingham  
B3 3HN






# **Bulb Energy Ltd - in energy supply company administration (“energy administration”) (“the Company”)**

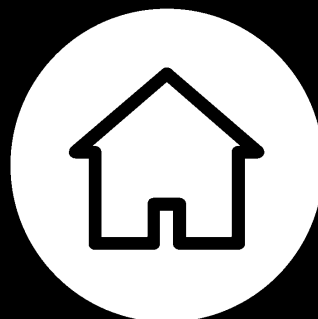
**Progress report to creditors for the period 24 May 2022 to 23 November 2022 pursuant to rule 33 of the  
Energy Supply Company Administration Rules 2013 (“the Rules”)**

23 December 2022

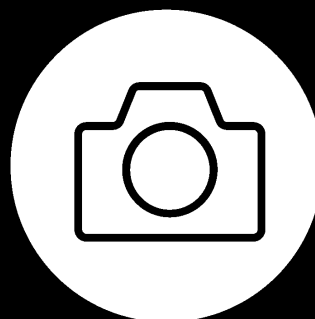
Matthew James Cowlshaw, Matthew David Smith and Daniel Francis Butters (“the Joint Energy Administrators”) were appointed Joint Energy Administrators of Bulb Energy Limited by Order of the Court dated 24 November 2021 on the application of the Gas & Electricity Markets Authority (“GEMA”) of 10 South Colonnade, Canary Wharf, London, E14 4PU with the consent of the Secretary of State (the “SoS”) of Business, Energy and Industrial Strategy (“BEIS”). The affairs, business and property of the Company are managed by the Joint Energy Administrators. The Joint Energy Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited (“Teneo”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 to the Act (as amended) and as applied by section 158(5) of the Energy Act 2004 and as applied by section 96 of the Energy Act 2011, the Joint Energy Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

	Contents	1
	Key messages	2
	Progress of the administration	5
	Remuneration	15
	Appendices	19



## Key messages



## Key messages

### Joint Energy Administrators of the Company

Matthew James Cowlshaw

Matthew David Smith

Daniel Francis Butters

Teneo

156 Great Charles Street

Queensway

Birmingham

B3 3HN

### Contact details

Email: [bulbcreditors@teneo.com](mailto:bulbcreditors@teneo.com)

Website: <https://www.ips-docs.com/case/BULBE0001/TeneoRS2021>

Tel: +44 121 619 0153

	Commentary
<b>Objectives of the energy administration</b>	<p>The objective of the energy supply company administration is, in summary, to secure that:</p> <ol style="list-style-type: none"> <li>1. energy supplies are continued at the lowest cost which it is reasonably practicable to incur; and</li> <li>2. it becomes unnecessary, by one or both of the following means, for the energy supply company administration order to remain in force for that purpose. Those means are: <ul style="list-style-type: none"> <li>– the rescue as a going concern of the Company; and</li> <li>– the transfer as a going concern of so much of that undertaking as it is appropriate to transfer for the purpose of achieving the objective of the energy supply company administration to: <ul style="list-style-type: none"> <li>o another company, or</li> <li>o to two or more different companies.</li> </ul> </li> </ul> </li> </ol>
<b>Progress of the energy administration</b>	<ul style="list-style-type: none"> <li>• The Joint Energy Administrators have continued to deliver the first part of the Energy Administration objective (of continuing to supply energy at lowest reasonable cost) by purchasing energy through the incumbent wholesale supplier, maintaining operations, meeting regulatory liabilities and overseeing control of all financial matters. Please see page 7 for further details.</li> <li>• A further £242m has been drawn down during the period of this report to meet the costs of the Energy Administration under the funding agreement ("AFA") as entered into with the SoS on 24 November 2021. This brings the total drawn down since the start of the Energy Administration to £1,142.5m.</li> <li>• On 28 October 2022, with the approval of SoS, contracts were exchanged for a sale of the Company's business ("the Sale") to a wholly owned subsidiary of Octopus Energy Group Limited via an Energy Transfer Scheme under Schedule 21 of the Energy Act 2004 ("ETS"). On 7 November 2022, the SoS approved the ETS and on 30 November 2022 (following a hearing on 29 November 2022), the Court appointed the effective time of the ETS which occurred outside the period of the report at 11.58pm on 20 December 2022. As a result of challenges raised by certain ESCs, the SoS's decisions to approve the ETS and certain related funding advanced as part of the Sale remain subject to a Judicial Review, which is not expected to conclude until early 2023.</li> <li>• Considerable work was also undertaken during the period to enact industry price rises, driven by the increase in the Ofgem price cap, in the light of ongoing volatility in energy markets, through the April 2022 price change and planning for implementation of Government support schemes for customers (including EBSS and WHD) as part of planning for October 2022 price changes.</li> </ul>
<b>Estimated Timescale</b>	<ul style="list-style-type: none"> <li>• The Company will remain in Energy Administration until such time as a rescue or sale of its business has been achieved and any actions required to be taken by the Joint Energy Administrators or the Company following such sale have been completed, including ensuring the terms of the Sale have been adhered to by the purchaser.</li> </ul>





Key messages

Joint Energy Administrators of the Company

Matthew James Cowlshaw  
Matthew David Smith  
Daniel Francis Butters  
Teneo  
156 Great Charles Street  
Queensway  
Birmingham  
B3 3HN

Contact details

Email: [bulbcreditors@teneo.com](mailto:bulbcreditors@teneo.com)  
  
Website: <https://www.ips-docs.com/case/BULBE00011/TeneoRS2021>  
  
Tel: +44 121 619 0153

	Commentary
Estimated Costs of the Energy Administration	<ul style="list-style-type: none"><li>• In accordance with the Rules, the Joint Energy Administrators made applications to Court to seek approval for both our pre-administration costs of c.£3.2m (plus VAT) and, separately, for our post appointment time costs (for the period to 2 September 2022) of c.£25m (plus VAT). Both applications were heard on 10 November 2022.</li><li>• An order was made on the same date (10 November 2022), adjourning the applications to a High Court Judge for a ruling and final determination, pending which hearing (anticipated to be held in early 2023) it was ordered that interim drawdowns of c£1.7m and c£13.7m plus VAT be allowed, being 55% of our pre administration costs and 55% of our post appointment time costs. Please see page 16 and 17 for further details.</li><li>• Professional fees of c.£4.1m (plus VAT) were paid in the period comprising the costs of legal advisors, Counsel and Lazard. These costs were all incurred on work undertaken to implement the Energy Administration strategy and statutory objective, including work to support the proposed sale of the business.</li></ul>
Prescribed Part	<ul style="list-style-type: none"><li>• It is unlikely that there will be a distribution for unsecured creditors.</li></ul>





## Progress of the administration

Summary	6
Receipts and payments	11
Prescribed Part	14



## Progress of the administration Summary

### The manner in which the affairs and business of the Company have been, and will continue to be, managed and financed since appointment

We have set out on the following pages a summary of the activities undertaken by the Joint Energy Administrators in pursuing the statutory objective, being to secure that:

1. energy supplies are continued at the lowest cost which it is reasonably practicable to incur; and
2. it becomes unnecessary, by one or both of the following means, for the energy administration order to remain in force for that purpose. Those means are:
  - the rescue as a going concern of the Company; and
  - the transfer as a going concern of so much of that undertaking as it is appropriate to transfer for the purpose of achieving the objective of the energy supply company administration to:
    - another company, or
    - to two or more different companies.

### Funding Agreement

As previously advised, the Joint Energy Administrators and the Company have entered into a funding agreement with the SoS, the AFA, which the Joint Energy Administrators were authorised and directed to enter into, by order of the Court on 24 November 2021 and provided an overall funding line of up to c.£1.7bn.

On 3 October 2022 the overall AFA funding limit was increased by £2.2bn ("the Increase") to £3.9bn in recognition of the possibility that additional facilities would likely be required as a result of:

- the delay in the sale process timetable which had subsequently moved out to 31 December 2022 (as an expected long-stop date), the original AFA limit having been based on an April 2022 sale completion date;
- to provide contingency headroom in the event that the sale process did not complete as planned; and
- a spike in wholesale energy costs during August and September 2022 (both driven by wider market volatility and the Russia / Ukraine conflict) . However, since securing the Increase, actual wholesale prices have been lower than those forecast in August and September, thus reducing the likelihood of drawing down the Increase in full.

### Funding Agreement (cont'd)

Additional drawdowns under the AFA in the six month period to 23 November 2022 totalled £242m (excluding temporary letters of credit which have been issued) per the Receipts and Payments account shown later in this report.

Total drawdowns since our appointment, as at 23 November 2022, are c.£1.1 bn.

Once the sealed ETS order was received from the Court on 8 December 2022, an amendment and restatement of the AFA came into effect. This amendment (amongst other things) reduced the limit available for funding general administration expenses from £3.9bn to £2.2bn. This limit includes the £1.1bn drawn to date and was estimated as the potential remaining cost of completing the SAR. However, this limit was also set to reflect a peak in wholesale energy costs and actual remaining costs are expected to be lower.

### Statutory objective – Part 1

#### Overview

The Joint Energy Administrators have continued to deliver the first part of the Energy Administration objective, of continuing to supply energy at the lowest cost reasonably practicable to incur. We have set out the progress of the Energy Administration in this regard during the reporting period below.

#### Financial oversight and control

During the reporting period the Joint Energy Administrators have continued to exercise financial oversight and control over the Company's finances to ensure that the first part of the Energy Administration objective can be achieved. This has included:

- ensuring continuity and frequency of management information;
- processing and authorisation of all receipts and payments;
- cash flow forecasting and making drawdown requests under the AFA in order to continue supplying customers;
- continual assessment of the adequacy of the AFA funding limited, including detailed work to assess the required increase to the limit to £3.9bn in October and input into approval and documentation of this increase;
- complying with all requirements under applicable legislation and the AFA;

## Progress of the administration Summary

### Statutory objective – Part 1 (cont'd)

#### **Financial oversight and control (cont'd)**

- negotiating and agreeing cash collateral / letter of credit requirements with relevant suppliers, including a reduction in the LC required by the wholesale supplier ("the Macquarie LC") in July, with a subsequent increase in October 2022, to reflect the movement in pricing and forecast usage over the period;
- implementing additional controls as and when required and exploring opportunities for minimising costs and improving financial performance of the business; and
- dealing with ongoing tax matters.

We have also undertaken considerable detailed financial analysis during the structuring, negotiation and preparation phases of the sale process, including:

- Preparing detailed counterfactual analysis to demonstrate the estimated outcome of the proposed sale alongside the potential costs of various alternative outcomes; and
- Development of contingency plans in the event a longer SAR trading period was required.

#### **Maintaining Operations**

We have summarised below the actions taken by the Joint Energy Administrators and their team during the reporting period to continue trading the business and to ensure operational stability covering employees, wholesale energy supply, regulatory compliance, customers, suppliers and property.

#### **Employees**

As indicated in our earlier report, employee services are provided to the Company through a Transitional Services Agreement ("TSA") agreed with the Administrators of Simple.

We have continued to review and manage employee requirements in conjunction with Simple to ensure the business has adequate employee resource. This has included recruitment of permanent hires, contractors and the reorganisation of existing employees to address critical areas such as servicing the Bulb customer base.

Working with Simple (as employer) we have supported with necessary changes to the Senior Leadership Team including finalisation of CEO exit and recruitment of new Interim CFO following departure of the previous CFO.

We have also considered alternative solutions, in the event that, the business faced accelerated employee attrition.

### Statutory objective – Part 1 (cont'd)

#### **Employees (cont'd)**

We have had significant input into deal structuring discussions in respect of employee matters, including consultation with employees and TUPE considerations.

Payments made under the TSA in the period total c.£38.7m which includes payments in respect of employees (payroll) and royalties.

#### **Wholesale energy supply**

The Joint Energy Administrators have continued to trade with the incumbent wholesale supplier in line with the power purchasing strategy, as agreed with BEIS, to ensure continuity of supply for customers in line with the primary objective.

This has included:

- ongoing monitoring of trading performance, forecast accuracy and oversight of management's trading strategy to ensure the Bulb trading team minimise spending;
- reporting on a weekly and monthly basis to BEIS on Bulb's trading performance;
- detailed consideration and management of the Company's renewable position;
- purchasing renewable certificates (REGOs and Carbon Offsets) to ensure Bulb was fully renewable and compliant for the renewable compliance year 1 April 2021 – 31 March 2022 (with submission to Ofgem on 1 July 2022);
- consideration and market testing of alternative sources of supply to ensure best value for money;
- continual monitoring and seeking to minimise the quantum of the Macquarie LC, including negotiating a move to mid-month and subsequently weekly payments;
- ensuring payments are reconciled and made on time to both Macquarie and the balancing systems (Elexon and Xoserve);
- inputting into the M&A process, including planning on how to transition energy purchasing and balancing systems on completion of any transaction to a purchaser.

## Progress of the administration Summary

### Statutory objective – Part 1 (cont'd)

#### Regulatory Compliance

As previously reported, the Company is licenced by Ofgem to operate as an energy supplier and remains obligated to comply with all licence conditions.

During the reporting period, the Joint Energy Administrators' team have continued to work with the Company and the regulator to ensure, as far as possible, that the Company remains compliant in order to fully mitigate the risk of any enforcement or revocation action or threat to its status as a licensed energy supplier.

This has included but is not limited to:

- Open and regular fortnightly, tripartite dialogue and communication between the Joint Energy Administrators' regulatory compliance team, the Company and Ofgem to ensure compliance items are up to date and that the regulator is duly informed of any actions required to mitigate issues should they arise; and
- Oversight and support to the Bulb team with the Smart Meter rollout programme including liaising with meter asset providers and meter operators by a dedicated metering team.

The Joint Energy Administrators' energy regulation team has continued to work closely alongside the Company's internal Regulation and Operations teams, Ofgem and other external stakeholders, to drive the timely resolution of identified compliance issues and ultimately ensure that the Company remains compliant with licence conditions including:

- Ongoing review and implementation of appropriate mitigations for all pre-existing and new non-compliance issues including establishing and resolving root causes, member detriment, current status and potential licence breaches.
- Drafting, reviewing and ensuring timely delivery of all outward reporting/RFI's to external stakeholders such as Ofgem, BEIS and Xoserve. During the period we have submitted 25 RFI's and 8 Market Compliance Reviews (Tariff and Customer Accounts, Direct Debits, Customers in Payment Difficulty, Vulnerability, Supplier Control over Material Assets, Customer Service & Complaint Handling, Fit & Proper and Asset Ownership), to Ofgem.

### Statutory objective – Part 1 (cont'd)

#### Regulatory Compliance (cont'd)

- Considering the impact of regulatory issues, key licence conditions and the likely outcome of changes in licence conditions and guidance, provided by Ofgem, throughout the Energy Administration. This has included:
  - The sales process, in respect of licence conditions for change of ownership/control and management;
  - Power and Wholesale purchasing in respect of the requirements to meet environmental renewable claims;
  - Operations in respect of industry obligations and performance in achieving objectives, such as smart meter roll out, faster switching and ECO3;
  - Performing progress reviews and including progress updates within relevant reporting to BEIS and Ofgem; and
  - Ensuring that appropriate documentation is retained on file in relation to key issues and decisions made throughout the SAR.

In respect of licence matters, in the period the Joint Energy Administrators' team has:

- Resolved 11 existing issues; and
- Identified 7 new issues, 5 of which have been fully resolved and work is continuing to resolve the remaining 3.

13 new compliance issues were identified and 28 resolved in the period, which resulted in the compliance register reducing to 18 open issues.

#### Customers

The Joint Energy Administrators have continued to work with the Company's service delivery teams to ensure that customers receive ongoing supply of energy whilst also maintaining suitable levels of customer support and billing. This included but is not limited to the following activities:

- Oversight of the Company's customer service team and outsourced providers to service customer queries, customer complaints, processing of customer refunds, data service access requests and provide relevant information to customers;

## Progress of the administration Summary

### Statutory objective – Part 1 (cont'd)

#### Customers (cont'd)

- Oversight and review of billing and revenue assurance functions to ensure accurate and timely billing and payment adequacy activities;
- Oversight of price change activities both prior to and following the increase to Ofgem's price cap effective in April 2022 and October 2022;
- Oversight and administration of EBSS, EPG and EBRS schemes implemented in October 2022. Provided significant oversight of the EBSS scheme, spot checking eligibility and the Post Office voucher scheme to legacy prepayment meter customers; and
- Onboarding of additional outsourced customer experience support and implementing improvements to customer complaints processes to reflect increase in inflow from increased media coverage and price rises.

#### Suppliers

During the reporting period, the Joint Energy Administrators' team have continued to work with the Company and liaise directly with suppliers to ensure continuity of supply. This has included but is not limited to:

- Oversight and management of relationships with industry specific suppliers such as Distribution Network Operators and Gas Distribution Networks by a dedicated operational supplier team; and
- Oversight and management of relationships with other critical suppliers (such as IT infrastructure) by a dedicated infrastructure supplier team, to ensure continuity of service.

#### Property

The Company continues to occupy its offices on a business-as-usual basis, while the sales process described below is ongoing.

### Statutory objective – Part 2 (cont'd)

#### Sale of business

As discussed in our earlier report we have been working with a third party advisor, Lazard Ltd ("Lazard") and the Administrators of the Company's parent company, Simple, where required, to undertake a joint sale process, with a view to selling either all or part of the business in order to achieve the second part of the objective of the Energy Administration.

The formal sales process commenced in February 2022. Over 70 (industry and financial) parties were identified and contacted regarding the opportunity, with 3 interested parties undertaking detailed due diligence during the second phase of the sales process.

One offer was received on 1 July 2022.

During this period, the M&A workstream moved from overseeing the sales process to negotiating, structuring and documenting the transaction with the bidder. This included:

- Considering and developing appropriate transaction structures to deliver the sale;
- Liaising with legal advisors to the Joint Energy Administrators on the negotiation of legal transactional documentation;
- Attendance on update calls with BEIS to provide regular updates to HMG to assist their understanding of process of the M&A process;
- Assessing the outcome of a sale to the bidder compared to counterfactual scenarios;
- Provision of an interim recommendation paper and a final recommendation paper on the outcome of the M&A process to assist BEIS and other Government bodies with internal processes.

A final recommendation to proceed with the proposed sale of the business and certain assets and liabilities to a wholly owned subsidiary of Octopus Energy Group Limited was put to BEIS on 29 September 2022 and the Sale was approved by the SoS on 28 October 2022.

Transaction documents in relation to the Sale were exchanged on 28 October 2022.

## Progress of the administration Summary

### Statutory objective – Part 2 (cont'd)

#### Sale of business (cont'd)

The structure of the Sale is such that certain assets and liabilities (including customer contracts, the energy licences and customer credit and debit balances) are transferred to a wholly owned subsidiary of the Company (named Bulb UK Operations Limited) ("HiveCo") using an ETS. HiveCo is then immediately sold to a Bidco (named Octopus Energy Retail 2022 Limited) which is a wholly owned subsidiary of Octopus Energy Group Limited. The Sale is to be effected pursuant to an ETS. The ETS was approved by the SoS on 7 November 2022 (after a statutory consultation with Ofgem) and a court hearing was held on 11 November 2022 at which the Joint Energy Administrators requested that the Court appoint an effective time for the ETS.

This hearing was adjourned, due to challenges raised by certain ESCs who have since commenced judicial review proceedings in relation to the SoS's decisions to approve the ETS and certain funding arrangements that form part of the Sale.

The adjourned hearing took place on 29 November 2022, following which the Court set the effective time for the ETS (and therefore completion of the Sale) to occur at 11.58pm on 20 December 2022.

The judicial review proceedings referred to above are scheduled to be heard by the Court in early 2023, after completion of the Sale.

Full details of the ETS and related notices have been notified to creditors and are available on the case website.

### Statutory objective – Part 2 (cont'd)

#### Details of Assets disposed of or sold

As described previously, the Company's claim against Bulb Energia Iberica SL ("Bulb Spain") was assigned to BIHL ("Bulb International Holdings Limited") on 30 December 2021. This took place as part of BIHL's sale of Bulb Spain in return for BIHL agreeing to make the vast majority of the deferred consideration it receives in respect of the sale of Bulb Spain available to the Company.

No further assets have been disposed of or sold in the period.

#### Details of Assets remaining to be realised disposed of or sold

As described above the Joint Energy Administrators are no longer pursuing a rescue of the Company as a going concern. The Sale (as defined) represents the disposal of all of the material assets of the company.

## Progress of the administration

### Receipts and payments

#### Joint Energy Administrators' trading account 24 May 2022 to 23 Nov 2022

£	Notes	To date	Period
<b>Receipts:</b>			
Customer receipts	1	2,785,093,059	1,603,304,246
Cash at bank		80,827,032	-
AFA drawdown	2	1,142,500,000	242,000,000
		<b>4,008,420,091</b>	<b>1,845,304,246</b>
<b>Payments:</b>			
Power & gas wholesale	3	(2,300,508,960)	(789,757,020)
Industry costs	4	(802,470,475)	(431,135,220)
Environmental and social costs	5	(146,557,518)	(106,107,831)
Customer service and billing	6	(24,534,576)	(15,815,572)
Other direct costs	7	(3,887,149)	(2,242,241)
Other operating expenses	8	(35,614,473)	(23,069,513)
Pre-appointment regulatory liabilities	9	(172,359,208)	(97,058,080)
Pre-appointment costs	10	(5,937,377)	(400,348)
TSA payments	11	(78,244,309)	(38,700,450)
Pre-appointment fees	12	(1,045,332)	(1,045,332)
Professional fees	13	(6,502,813)	(4,943,405)
Administrator's fees Post - appointment	14	(16,479,686)	(16,479,686)
		<b>(3,594,141,876)</b>	<b>(1,526,754,698)</b>
<b>Trading cash flow / balance</b>		<b>414,278,215</b>	<b>318,549,548</b>
<b>Made up of:</b>			
Cash		414,278,215	
		<b>414,278,215</b>	

The Joint Energy Administrators' trading account detailing receipts and payments on a gross basis (i.e. inclusive of VAT) in relation to trading of the Company from their appointment on 24 November 2021 to 23 November 2022, as well as the 6 month period 24 May 2022 to 23 November 2022 is provided in the table opposite.

#### Notes to trading account

##### 1. Customer receipts

Customer receipts in the period relate to both credit and pre-payment customers. This is shown net of credit balance refunds made to customers paying by direct debit.

##### 2. AFA drawdown

Relates to cash amounts drawn down under the AFA and does not include any amounts used to provide temporary Letters of Credit with relevant industry parties.

##### 3. Power & gas wholesale

Amounts paid for wholesale gas and power in line with the power purchasing strategy agreed with HMG.

##### 4. Industry costs

Payments to relevant industry parties in respect of the transmission and distribution of both gas and power as well as costs relating to meter rentals, installation and other associated costs to ensure continued supply of energy to customers.

##### 5. Environmental and social costs

Relates to costs due under industry schemes such as WHD and ECO, certain renewable obligations and amounts paid to customers including in relation to manual customer credit balance refunds and customer compensation.

The payments in the period include payments in relation to Renewable Obligation Certificates ("ROC"s) buy-out charges for the 2021-22 obligation period paid in August 2022.

Further notes to the trading account are provided on the following page.



## Progress of the administration

### Receipts and payments

#### Joint Energy Administrators' trading account 24 May 2022 to 23 Nov 2022

£	Notes	To date	Period
<b>Receipts:</b>			
Customer receipts	1	2,785,093,059	1,603,304,246
Cash at bank		80,827,032	-
AFA drawdown	2	<u>1,142,500,000</u>	<u>242,000,000</u>
		<b>4,008,420,091</b>	<b>1,845,304,246</b>
<b>Payments:</b>			
Power & gas wholesale	3	(2,300,508,960)	(789,757,020)
Industry costs	4	(802,470,475)	(431,135,220)
Environmental and social costs	5	(146,557,518)	(106,107,831)
Customer service and billing	6	(24,534,576)	(15,815,572)
Other direct costs	7	(3,887,149)	(2,242,241)
Other operating expenses	8	(35,614,473)	(23,069,513)
Pre-appointment regulatory liabilities	9	(172,359,208)	(97,058,080)
Pre-appointment costs	10	(5,937,377)	(400,348)
TSA payments	11	(78,244,309)	(38,700,450)
Pre-appointment fees	12	(1,045,332)	(1,045,332)
Professional fees	13	(6,502,813)	(4,943,405)
Administrator's fees Post - appointment	14	<u>(16,479,686)</u>	<u>(16,479,686)</u>
		<b>(3,594,141,876)</b>	<b>(1,526,754,698)</b>
<b>Trading cash flow / balance</b>		<b>414,278,215</b>	<b>318,549,548</b>
<b>Made up of:</b>			
Cash		<u>414,278,215</u>	
		<b>414,278,215</b>	

#### 6. Customer Service and billing

Relates to costs associated with the hiring of Contractors and Contractor hours

#### 7. Other direct costs

Amounts paid to debt collection and revenue assurance agencies for collection and protection work.

#### 8. Other operating expenses

Relates to other operating costs incurred as expenses of the Energy Administration.

#### 9. Pre-appointment regulatory liabilities

Amounts paid in relation to certain industry payments as provided for in the AFA.

#### 10. Pre-appointment costs

Essential payments to suppliers that threatened to withdraw services which would have resulted in significant disruption and cost including impacting on the ability to achieve the objective of the administration.

#### 11. TSA payments

Relates to payments made under the TSA agreed with the Administrators of Simple, as follows:

- Employee costs of c.£26.1m in the period; and
- Royalty fees of c.£12.6m in the period.

#### 12. Pre-appointment fees

£1.0m (incl. VAT) was paid, in the period, in respect of the Joint Energy Administrator's pre-appointment fees, which represents 55% of pre-appointment fees incurred. See page 17 for additional detail.

## Progress of the administration

### Receipts and payments

#### Joint Energy Administrators' trading account 24 May 2022 to 23 Nov 2022

£	Notes	To date	Period
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<b>Trading cash flow / balance</b>		<b>414,278,215</b>	<b>318,549,548</b>
<b>Made up of:</b>			
Cash		414,278,215	
		<b>414,278,215</b>	

#### 13. Professional fees

Professional fees paid in the period comprise the costs of legal advisors, Counsel and Lazard. The costs set out below were all incurred on work undertaken to implement the Energy Administration strategy and statutory objective, including work to support the proposed sale of the business:

£	
Legal Advisor fees	3,548,768
Legal Advisor expenses	4,109
Counsel fees	189,200
Counsel expenses	-
Court fees	418
Lazard fees	1,200,000
Lazard expenses	909
<b>Total</b>	<b>4,943,405</b>

#### 14. Administrator's fees post – appointment

C.£16.5m (incl. VAT) of the Joint Energy Administrators' post-appointment fees have been paid during the period, this represent 55% of total post-appointment fees to 2 September 2022. See page 17 for additional detail.

#### VAT

All sums shown opposite are shown gross of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

## **Progress of the administration**

### **Prescribed Part**

#### **Prescribed Part**

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a percentage of the net property and is subject to a statutory maximum of £800,000 per company.

Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the Court may, on our application, disapply it.

Based on current information, we do not anticipate that the Company will have any available net property and therefore no Prescribed Part distribution is likely to be made.

#### **Claims process**

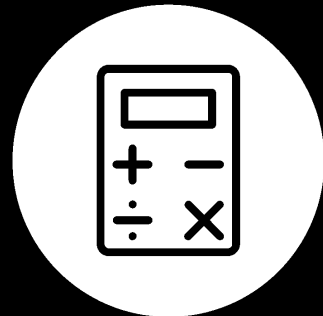
As is it unlikely that there will be a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received at this stage.



## Remuneration and expenses

Remuneration and Expenses including pre-administration costs

16



## Remuneration and Expenses including pre-administration costs

### The Joint Energy Administrators' remuneration – approval and reporting

Pursuant to Rule 76 of the Rules the Joint Energy Administrators' remuneration is to be fixed:

- by the Court;
- on application by the Joint Energy Administrators; and
- by reference to the time properly given by the Joint Energy Administrators and their staff in attending to matters arising in the Energy Administration.

The Joint Energy Administrators must give at least 14 days' notice (of an application to Court to fix their remuneration) to the following, who may appear or be represented:

- a) the SoS;
- b) GEMA; and
- c) the creditors of the Company.

### Reporting and Additional Approval of the Joint Energy Administrators' Proposed Remuneration and expenses

Pursuant to the terms of the AFA, the Joint Energy Administrators are entitled to recover their reasonable and proper remuneration from monies held by them under the AFA at fee rates approved by BEIS prior to the appointment of the Joint Energy Administrators, and subject to the following additional requirements to:

- report to BEIS on a fortnightly basis with details of their and their staff's time costs analysed by grade and activity and applicable charge out rates. Time is recorded in six minute units; and
- agree their reasonable and proper remuneration with BEIS in advance of application to have their remuneration fixed by the Court in accordance with Rule 76 of the Rules (as referred to above); but
- in the event that such agreement is not reached, the Joint Energy Administrators may nevertheless proceed to have their remuneration fixed by the Court.

Pursuant to the terms of the AFA as referred to, the Joint Energy Administrators have reported their time costs and expenses to BEIS on a fortnightly basis, with details of all accruing disbursements.

### Approval of the Joint Energy Administrators' (time costs) Remuneration

#### BEIS Approval

In advance of application to Court to fix their remuneration, and pursuant to the terms of the AFA, the Joint Energy Administrators sought formal approval for their time costs from BEIS as follows:

- On 18 August 2022, BEIS was requested to consider and if thought fit to approve time costs incurred by the Joint Energy Administrators and their staff in the period from 24 November 2021 to 31 March 2022 in the sum of £13,716,774 (plus VAT); and
- On 12 October 2022, BEIS was requested to consider and if thought fit to approve time costs incurred by the Joint Energy Administrators and their staff in the subsequent period from 1 April 2022 to 2 September 2022 in the sum of £11,252,447 (plus VAT).

BEIS confirmed its approval for these time costs (in the aggregate sum of £24,969,221 (plus VAT)) on 12 and 26 October 2022 respectively.

#### Application for Court Approval under Rule 76 of the Rules

On 5 September 2022, the Joint Energy Administrators made application to the Court for an order under rule 76 of the Rules, fixing their remuneration for the period from 24 November 2021 to 2 September 2022 in the sum of £24,969,221 (plus VAT) (the "Remuneration Application").

The Remuneration Application was heard on 10 November 2022 (together with the Pre-Appointment Costs Application discussed on the following page).

The Court ordered that the Remuneration Application be adjourned to a High Court Judge.

Remuneration and Expenses including pre-administration costs

Approval of the Joint Energy Administrators' (time costs) Remuneration (continued)

Application to Court under Rule 76 of the Rules (continued)

In the light of the adjournment, the Court further ordered that the Joint Energy Administrators be authorised to draw and pay £13,733,071.55 (plus VAT) (being 55% of the total amount for which approval was sought in the Remuneration Application) as an interim payment on account of their remuneration for the period from 24 November 2021 to 2 September 2022, this being on the undertaking of the Joint Energy Administrators to repay any monies to the extent that the amounts drawn and paid exceed the amounts ultimately fixed for payment at the final hearing of the Remuneration Application. These monies have now been drawn and paid.

The adjourned Remuneration Application will be heard in early 2023, notice of which will be provided via the case website.

Pre energy administration costs

In the following table, we have provided a summary of the pre-energy administration costs, for the work carried out by legal advisors Linklaters LLP, counsel and ourselves in the period prior to the energy administration. As previously reported in our proposals, this was carried out with the intention of helping to achieve the objective of the energy administration, to secure continuity of supply post appointment and rescue or transfer of the Company as a going concern.

The costs set out below were all incurred on work undertaken to implement the energy administration strategy and statutory objectives.

BEIS Approval

We received approval on 24 November 2021 from BEIS for our pre-appointment costs totaling £3,181,921 (plus VAT) as shown below:

Pre-Administration Rumeration and Expenses

£	
Energy Administrators' Fees	1,583,836
Energy Administrators' Expenses	1,201
Legal Advisor's Fees	1,444,105
Legal Advisor's Expenses	18,553
Counsel Fees	134,226
Counsel Expenses	-
Total Invoiced	3,181,921
Total Paid	871,110
Amount Outstanding	2,310,811

Note: All fees and expenses approved by BEIS on 24 Nov 2021

Court Approval

The Joint Energy Administrators' application to Court for an order under rule 37 of the Rules to approve payment of their pre-energy supply company administration costs of £3,181,920.97 (plus VAT) (the "Pre-Appointment Costs Application") was heard on 10 November 2022 (together with the Remuneration Application referred to in the preceding paragraphs).

Remuneration and Expenses including pre-administration costs

Pre energy administration costs (continued)  
Court Approval (continued)  
The Court ordered that the Pre-Appointment Costs Application be adjourned to a High Court Judge.  
The Court further ordered that, pending final determination of the Pre-Appointment Costs Application, and without prejudice to the ultimate outcome of the same, the Joint Energy Administrators be authorised to draw and pay the sum of £1,750,056.53 plus VAT (being 55% of the total amount for which approval was sought in the Pre-Administration Costs Application) as an interim payment on account of their pre-energy supply company administration costs. Of that £1,750,056.53, £871,110 plus VAT was drawn and paid in the period (being 55% of the Administrators' pre appointment costs). A further c.£0.8m (plus VAT) representing 55% of Linklaters LLP pre-appointment legal fees incurred, were paid on 30 November 2022, which falls outside the period of this report.  
The adjourned Pre-Appointment Costs Application will be heard in early 2023, notice of which will be provided via the case website.

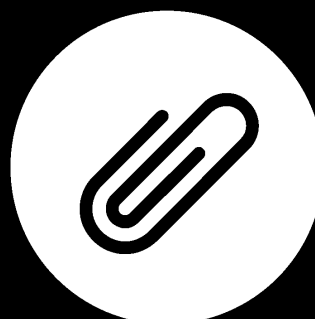
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## Appendices

Glossary

20





## Appendices

### Appendix A

#### Glossary of terms

In these Proposals, the following words have the following meanings:

“**Act**” refers to the Insolvency Act 1986 (as amended);

“**AFA**” refers to the administration funding agreement entered into between the Joint Energy Administrators, Bulb and the SoS on 24 November 2021;

“**Application**” refers to the Court application made by GEMA on 24 November 2021 for an energy supply company administration order in relation to the Company under section 156 of the EA 2004, as applied and modified by section 96 of the EA 2011;

“**BEIS**” refers to the Department for Business, Energy and Industrial Strategy;

“**Company**” refers to Bulb Energy Limited (in energy supply company administration);

“**Court**” refers to the High Court of Justice of England and Wales;

“**CVA**” refers to a company voluntary arrangement;

“**CVL**” refers to a creditors’ voluntary liquidation;

“**EA 2004**” refers to the Energy Act 2004;

“**EA 2011**” refers to the Energy Act 2011;

“**EBSS**” refers to Energy Bills Support Scheme

“**Energy Administration**” refers to the energy supply company administration;

“**ESC**” refers to Energy Supply Company;

“**GEMA**” refers to the Gas & Electricity Markets Authority;

“**HMG**” refers to His Majesty’s Government;

“**Joint Energy Administrators**” refers to “ refers to Matthew James Cowlshaw, Matthew David Smith and Daniel Francis Butters as the joint energy administrators of the Company;

“**Lazard**” refers to Lazard Limited;

“**LC**” refers to Letter of Credit;

“**Macquarie**” refers to Macquarie Bank Limited;

“**Proposals**” refers to this statement of proposals pursuant to paragraph 49 of schedule B1 to the Act (as applied and modified by schedule 20 of the EA 2004);

“**Rules**” refers to the Energy Supply Company Administration Rules 2013;

“**SoS**” refers to the Secretary of State for Business, Energy and Industrial Strategy;

“**Teneo**” refers to Teneo Financial Advisory Limited;

“**TSA**” refers to Transitional Services Agreement;

“**We**” refers to the Joint Energy Administrators’ team; and

“**WHD**” refers to Warm Home Discount



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