

AM10

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
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 Cowlishaw

3

Administrator's address

Building name/number The Colmore Building

Street 20 Colmore Circus Queensway

Post town Birmingham

County/Region

Postcode B 4 6 A T

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 The Colmore Building

Street 20 Colmore Circus Queensway

Post town Birmingham

County/Region

Postcode B 4 6 A T

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	^d 2	^d 4	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2	
To date	^d 2	^d 3	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3	

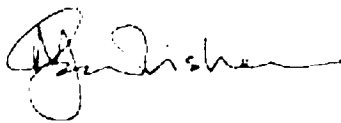
7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	Signature X 	X							
Signature date	^d 2	^d 3	^m 0	^m 6	^y 2	^y 0	^y 2	^y 3	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Arjan Beghal**

Company name **Teneo Financial Advisory Ltd**

Address **The Colmore Building**

20 Colmore Circus Queensway

Post town **Birmingham**

County/Region

Postcode **B 4 6 A T**

Country

DX

Telephone **+44 121 619 0120**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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

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. Attach this to the relevant form. ①
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 The Colmore Building
Street 20 Colmore Circus Queensway
Post town Birmingham
County/Region
Postcode B 4 6 A T
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”)

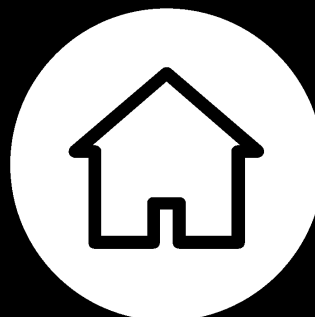
**Progress report to creditors for the period 24 November 2022 to 23 May 2023 pursuant to rule 33 of the
Energy Supply Company Administration Rules 2013 (“the Rules”)**

23 June 2023

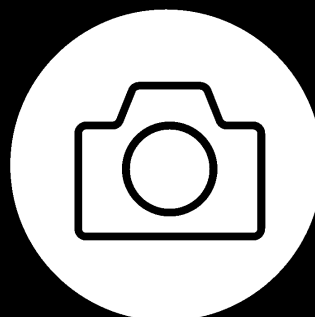
Matthew James Cowlshaw, Matthew David Smith and Daniel Francis Butters (“the Joint Energy Administrators”) were appointed Joint Energy Administrators of Bulb Energy Limited by Order of the Court dated 24 November 2021 on the application of the Gas & Electricity Markets Authority (“GEMA”) of 10 South Colonnade, Canary Wharf, London, E14 4PU with the consent of the Secretary of State (the “SoS”) of Department for Energy Security and Net Zero (“DESNZ”), formerly 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 purpose of section 158(5) of the Energy Act 2004 (as applied by section 96(1) of the Energy Act 2011), each of the joint energy administrators may exercise or perform any of the powers and duties conferred on them jointly or individually.

	Contents	1
	Key messages	2
	Progress of the Energy Administration	6
	Remuneration	17
	Appendices	21



Key messages



Key messages

Joint Energy Administrators of the Company

Matthew James Cowlshaw

Matthew David Smith

Daniel Francis Butters

Teneo

3rd Floor

The Colmore Building

20 Colmore Circus

Queensway

Birmingham

B4 6AT

Contact details

Email: bulbcreditors@teneo.com

Website: <https://www.ips-docs.com/case/BULBE00011/TeneoRS2021>

Tel: +44 121 619 0153



	Commentary
Objectives of the Energy Administration	<p>The objective of the Energy Administration is, in summary, to secure that:</p> <ol style="list-style-type: none">1. energy supplies are continued at the lowest cost which it is reasonably practicable to incur; and2. 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:<ul style="list-style-type: none">– 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 Administration to:<ul style="list-style-type: none">o another company, oro to two or more different companies.
Progress of the Energy Administration	<ul style="list-style-type: none">• The Joint Energy Administrators 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 Company's incumbent wholesale supplier, maintaining operations, meeting regulatory liabilities and overseeing control of all financial matters up until the sale of the business.• On 28th October 2022, the Joint Energy Administrators proposed an Energy Transfer Scheme ("ETS") under Schedule 21 of the Energy Act 2004 (as modified by s.96 of the Energy Act 2011) to effect the transfer of certain of the Company's business assets and liabilities to Octopus (the "Sale"). Following the approval of the ETS by the Secretary of State ("SoS") and the appointment by the Court of an effective time for the ETS, the Sale completed when the ETS took effect at 23.58 on 20th December 2022 ("Completion"). The Sale achieved the second part of the Energy Administration objective (of achieving a going concern transfer).• Under the terms of the Sale certain assets and liabilities (including customer contracts, the energy licences and customer credit and debit balances) were transferred to a wholly owned subsidiary of the Company (named Bulb UK Operations Limited) ("HiveCo") using the ETS. HiveCo was 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 transaction required further Government funding (in addition to the existing Trading Facility) which was provided by amending and restating the AFA between DESNZ and the Company to insert a new facility (the "Post Completion Facility"). In accordance with the terms of the Sale, the Company utilised the Post Completion Facility to (i) pay c.£1.63bn in respect of HiveCo's energy costs from completion of the Sale to 31 March 2023. (these costs were based on an assumed completion date of 1 October 2023 and included c.£1.06bn required as collateral by HiveCo's wholesale energy provider) and (ii) make an equity injection of c.£160m into HiveCo prior to completion in order to offset certain liabilities (mainly customer credit balances) which transferred to it under the ETS. HiveCo is expected to pay an estimated £2.8bn to the Company (the "Wholesale Adjustment Amount") by September 2024 (or if certain conditions are met, September 2025) which in turn will go to repay the amounts drawn under the Post Completion Facility and the Trading Facility.• HiveCo and Bidco will remain in a ring-fenced structure, to ensure no cash leakage to the wider Octopus group, until such time as the amounts due from HiveCo to the Company are paid.• The Company enjoys secured creditor status over the ring-fenced structure, including HiveCo.• As part of the Sale, the Company also entered into a 12 month TSA with HiveCo and granted to HiveCo a 12 month licence to occupy the previous Bulb head office. This will allow HiveCo to terminate or novate certain supplier contracts, which did not transfer under the ETS, during the transitional period.

Key messages

Joint Energy Administrators of the Company

Matthew James Cowlishaw
Matthew David Smith
Daniel Francis Butters
Teneo
3rd Floor
The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Contact details

Email: bulbcreditors@teneo.com
Website: <https://www.ips-docs.com/case/BULBE0001/TeneoRS2021>
Tel:+44 121 619 0153

	Commentary
Progress of the Energy Administration (cont'd)	<ul style="list-style-type: none">As a result of challenges raised by certain ESCs the SoS' decisions to approve the ETS and the necessary funding in relation to the Sale were subject to a Judicial Review ("JR"), which was heard by the Court between 28 February and 2 March 2023.On 31 March 2023, the Court handed down judgment rejecting the JR challenges brought by the claimant ESCs ("Claimants"). Permission to appeal the decision has been requested by the Claimants. For further detail please see page 10.Following the Sale, we are now working to finalise matters in the post Completion phase of the Energy Administration as detailed further on page 11.No further amounts were drawn down under the existing Trading Facility under the AFA during the period of this report. The total drawn down under the AFA under the Trading Facility since the start of the Energy Administration remains at £1.14bn. These amounts are separate from amounts drawn down under the Post Completion Facility (referred to above) in connection with the Sale.



Key messages

Joint Energy Administrators of the Company

Matthew James Cowlshaw

Matthew David Smith

Daniel Francis Butters

Teneo

3rd Floor

The Colmore Building

20 Colmore Circus

Queensway

Birmingham

B4 6AT

Contact details

Email: bulbcreditors@teneo.com

Website: <https://www.ips-docs.com/case/BULBE00011/TeneoRS2021>

Tel:+44 121 619 0153



	Commentary
Estimated Timescale	<ul style="list-style-type: none">The Company will remain in Energy Administration until such time as any actions required to be taken by the Joint Energy Administrators or the Company following the Sale have been completed, including ensuring that the terms of the Sale have been adhered to by the Purchaser.As set out previously, the Sale completed on 20 December 2022 and final payment of all amounts due by HiveCo to the Company is expected by September 2024 (with the potential for a deferral to September 2025, if certain criteria for deferral are met).It is anticipated that once all amounts due by HiveCo to the Company have been paid, the Energy Administration will close following a period to resolve any other outstanding matters.
Estimated Costs of the Energy Administration	<ul style="list-style-type: none">On 5 September 2022, the Joint Energy Administrators made applications 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”) and, separately for an order under rule 37 of the Rules to approve payment of their pre-Energy Administration costs of £3,181,920.97 (plus VAT) (the “Pre-Appointment Costs Application”).Both applications were first heard on 10 November 2022. On that occasion, ICC Judge Barbour adjourned the applications to a one-day hearing before a High Court Judge and authorised the Joint Energy Administrators to draw and pay 55% of the claimed remuneration and pre-appointment costs as an interim payment on account.The applications were then heard by Mr Justice Michael Green on 23 February 2023. The Judge invited the Joint Energy Administrators to prepare terms of reference for the appointment of an insolvency practitioner to act as an independent assessor in relation to the fixing of remuneration and pre-appointment costs. The Judge authorised the Joint Energy Administrators to draw and pay a further 20% of the claimed remuneration and pre-appointment costs.An independent assessor (the “Assessor”) was appointed by the Court on 17 March 2023. The Assessor submitted his final report to the Court on 22 May 2023, concluding that the requests were “<i>fair, reasonable and commensurate with the nature and extent of the work properly undertaken</i>”.A final hearing was scheduled on 9 June 2023 (which is outside the reporting period), at which the Judge confirmed his approval of the pre-appointment costs of £3,181,920.97 (plus VAT) and our post appointment fees of £24,969,221 (plus VAT) for the period to 2 September 2022.A request for approval was made to DESNZ on 8 June 2023 in respect of our remuneration for the period 3 September 2022 to 31 March 2023 for approximately £12.5m plus VAT. That remuneration will be the subject of a further application to Court for approval. It is anticipated that the Joint Energy Administrators will ask the Court to re-appoint the Assessor in relation to this application.Please see page 18-20 for further details.Professional fees of c.£12.4m (incl. 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.
Prescribed Part	<ul style="list-style-type: none">It is unlikely that there will be a distribution for unsecured creditors.



Progress of the Energy Administration

Summary	6
Receipts and payments	11
Prescribed Part	14



Progress of the Energy 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 Administration to:
 - o another company, or
 - o to two or more different companies.

The Company continued energy supplies throughout the trading period up until the sale of the business on 20 December 2022.

The sale of the business means that we have now moved to the post Completion phase of the Energy Administration so that, ultimately, it becomes unnecessary for the Energy Administration order to remain in force.

Funding Agreement

As previously reported, the Joint Energy Administrators and the Company have entered into a funding agreement with the SoS, the AFA (the “**Administration Funding Agreement**”), 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 (which was subsequently increased to £3.9bn on 3 October 2022 to reflect the increase in wholesale energy prices at the time).

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 Energy Administration expenses (the “**Trading Facility**”) from £3.9bn to £2.2bn (to reflect the latest estimate of costs required to wind down the Energy Administration).

Funding Agreement (cont’d)

This limit was subsequently reduced to £1.5bn on 22 February 2023 (to reflect the continued decrease in wholesale energy costs and the fact that LCs associated with wholesale energy purchasing prior to Completion were no longer required).

No further drawdowns have been made under the Trading Facility in the six month period to 23 May 2023, per the Receipts and Payments account shown later in this report.

Total drawdowns since our appointment, as at 23 May 2023, remain c.£1.14bn (included within the £1.5bn limit set out above).

In addition to the £1.14bn drawn under the existing Trading Facility, £1.79bn in aggregate of additional funding was provided to HiveCo to facilitate the transfer of Bulb customers to HiveCo. The funding comprised £1.63bn in respect of HiveCo’s energy costs for the period from Completion to 31 March 2023 plus an equity injection of c.£160m to offset certain liabilities (mainly customer credit balances) which transferred to HiveCo under the ETS.

These amounts were drawn under the Post Completion Facility, under the amended and restated AFA between DESNZ and the Company and then paid to HiveCo under the terms of the Sale documents. HiveCo is expected to pay an estimated £2.8bn to the Company which in turn will go to repay the amounts drawn under the Post Completion Facility and the Trading Facility.

Statutory objective – Part 1

Overview

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

Upon Completion of the transaction the Company ceased to continue supplies to customers with those supplies being continued by HiveCo.

Progress of the Energy Administration Summary

Statutory objective – Part 1 (cont'd)

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 until Completion;
- continual assessment of the adequacy of the AFA funding limited, including detailed work to assess the required AFA limit post Completion ("**Trading Facility Limit**") at £2.2bn and input into approval and documentation of this decrease;
- complying with all requirements under applicable legislation and the AFA;
- 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.

Since Completion, this has included:

- implementing processes to ensure proper cut off of receipts and payments, pre and post Completion;
- Ongoing processing and authorisation of payments under the TSA agreed with the Purchaser ("**HiveCo TSA**").
- continual assessment of the adequacy of the Trading Facility Limit, including input into approval and documentation of a decrease to £1.5bn on 23 February 2023;
- Reviewing management information provided by the Purchaser as agreed under the Sale documentation.

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 up until Completion on the 20 December 2022.

Statutory objective – Part 1 (cont'd)

Employees

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

During the period to Completion we continued to review and manage employee requirements in conjunction with Simple to ensure the business had adequate employee resource. We also considered alternative solutions, in the event that, the business faced accelerated employee attrition.

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

Payments made under the Simple TSA in the period totalled c.£13.7m which includes payments in respect of Simple employees engaged in the Bulb business (payroll) and royalties. The majority of Simple's employees were transferred under TUPE to HiveCo.

In the period following Completion, we continued to liaise with Simple to ensure proper cut off of remaining payroll liabilities and closure of Simple payroll processes and PAYE reference.

We also worked with the Purchaser to deal with on-going contractor requirements (paid by HiveCo under the HiveCo TSA) and served contractor termination notices where relevant.

Wholesale energy supply

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

Following Completion, we undertook a final reconciliation of energy costs and payment to the incumbent wholesale supplier, with the letter of credit ("**LC**"), which was provided to the wholesale supplier during the trading period in respect of their trading exposure, released ten business days thereafter.

As part of the Sale, it was agreed that the Company would fund HiveCo's wholesale energy costs for the period from Completion to 31 March 2023 (the "**Wholesale Agreement Period**"). During this period, we monitored HiveCo's wholesale energy purchasing in line with certain guardrails set out in the Sale documents.

Progress of the Energy Administration Summary

Statutory objective – Part 1 (cont'd)

Wholesale energy supply (cont'd)

The funding of wholesale energy costs is now complete (as of 31 March 2023), with no further funding required.

We also undertook significant work to review the Purchaser's calculation of certain payments due by HiveCo to Bulb under the Sale documents, including the Catch Up Hedge Amount and the Wholesale Adjustment Amount (see page 10 for further details).

Regulatory Compliance

As previously reported, the Company was licensed by Ofgem to operate as supplier of gas and electricity and remained obligated to comply with all licence conditions.

The energy licences were transferred to HiveCo on Completion.

During the reporting period up to Completion, the Joint Energy Administrators' team have continued to work with the Company and the regulator to ensure, as far as possible, that the Company remained compliant with its licence conditions in order to fully mitigate the risk of any enforcement or revocation action or threat to its status as a licensed energy supplier and in order to preserve value in the business during the marketing process and facilitate the transfer of the business to any transferee.

The Joint Energy Administrators' energy regulation team 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.

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

- Resolved 1 existing issue; and
- Identified 4 new issues, which the team is working to resolve alongside 6 pre-existing licence matters already being addressed.

Ofgem have agreed customer compensation packages for two of the above issues on 16 May 2023, however these may take some time to deliver as they relate to customers that have left Bulb and therefore identifying the appropriate bank account to compensate may be protracted.

Statutory objective – Part 1 (cont'd)

Regulatory Compliance (cont'd)

7 new compliance (i.e. non-licence related) issues were identified and 14 resolved in the period, which resulted in the compliance register reducing to 11 open issues.

Post Completion, we continue to liaise with Ofgem and other external stakeholders to resolve the remaining outstanding issues which relate to the pre Completion period.

Customers

Until Completion, the Joint Energy Administrators 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.

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 up to Completion. 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.

As part of the Sale, the 12 month HiveCo TSA was negotiated with the Purchaser, which included c.300 supplier relationships that did not automatically transfer to the Purchaser via the ETS.

Since Completion, the Joint Energy Administrators' team has worked alongside the Purchaser to either novate or cancel these contracts. As at 23 May 2023, 189 supplier contracts had been novated or cancelled.

Property

The Company continued to occupy its offices on a business-as-usual basis, while the sales process was ongoing.

Upon Completion, the Purchaser was granted a 12 month licence to occupy the property ("LTO"). The Purchaser must vacate the property by the end of this agreement, or with one month's notice, if it decides to vacate earlier.

Progress of the Energy Administration Summary

Statutory objective – Part 2

Sale of business

Following approval of the ETS by the SoS, the High Court ordered that the effective date for the ETS (the formal mechanism for transferring Bulb to HiveCo) to commence was 20 December 2022.

Accordingly, on 20 December 2022, a sale of parts of the Bulb SAR business was completed.

This reporting period includes the work involved in completing the transaction and meeting our obligations under the contractual documentation.

The structure of the Sale is such that certain assets and liabilities (including customer contracts, the energy licences and customer credit and debit balances) were transferred to a wholly owned subsidiary of the Company (named Octopus Energy Operations Limited, formerly Bulb UK Operations Limited) using an ETS.

HiveCo was then immediately sold to a Bidco (named Octopus Energy Retail 2022 Limited) which is a wholly owned subsidiary of Octopus Energy Group Limited (“**Octopus**”).

Octopus paid £113m for the Bulb customer book, a value for the debtor book and took on all customer credit balances and certain working capital balances including liabilities that would have had to be paid in the Company.

DESNZ injected £160m cash into the Company to offset these remaining liabilities transferred to HiveCo, including customer credit balances and renewables obligations, to leave HiveCo with net assets of £1 at Completion.

This cash injection is subject to certain industry reconciliations (due to subsequent additional customer usage data received) which may result in a further completion adjustment, the quantum of which is not yet known.

Post Completion, Octopus made an equity injection of £108m to increase HiveCo's net assets.

As part of the transaction it was agreed that DESNZ (via the Company) would fund Octopus's wholesale energy costs for the period to 31 March 2023 based on an assumed completion date of 1 October 2023. Overall, this is estimated to have totalled £1.63bn, including c.£1.06bn required as collateral by HiveCo's wholesale energy provider.

Statutory objective – Part 2 (cont'd)

Sale of business (cont'd)

It was also agreed that Hiveco would repay DESNZ (via the Company) for this energy usage at the Ofgem price cap amount in 2024 (with an option to defer to 2025 if certain parameters are met).

As energy markets have moved such that the market price was below the price cap for much of this period, this has resulted in c.£2.84bn due to be repaid by HiveCo, which is a significant improvement to the position than was anticipated when the deal was being negotiated.

Finally, it was also agreed that either party would put the other in funds, in respect of the cost or benefit of a delay in hedging from 17 November 2022 (being the start of the price cap hedging window) and the date of Completion. This resulted in a £74m benefit to HiveCo, which it was obliged to pay to DESNZ (via the Company) (“**Catch Up Hedge Amount**”) resulting in a net reduction in the eventual cost to the taxpayer, which is also an improvement to the position originally anticipated during negotiation.

As set out in our previous report, the Completion of the Sale was initially delayed as certain Energy Supply Companies (“**ESCs**”) brought Judicial Review proceedings in relation to the SoS’ decision to approve the ETS and the funding arrangements that formed part of the Sale.

The hearing of the JR took place over 28 February to 2 March 2023, with judgment handed down on 31 March 2023. In the judgement:

- The Court refused the Claimants permission to bring the JR proceedings on grounds of delay.
- The Court held that even if the claim relating to the SoS decision to approve the ETS had been brought in time it was not reasonably arguable so would not have been given permission.
- The Court held that if the claim relating to the funding decision had been brought in time it would have granted permission. The Court went on to say that it would nonetheless have rejected the claim.

Certain of the Claimants have requested permission to appeal from the Court of Appeal and a decision on whether this will be granted is expected in the coming months.

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

Progress of the Energy Administration Summary

Statutory objective – Part 2

Sale of business (cont'd)

Following the sale, we are now in the post Completion phase of the Energy Administration. During the period of this report this has involved:

- Administering the HiveCo TSA, including liaising with and make payments to TSA suppliers and supporting HiveCo in cancelling or novating contracts;
- Dealing with litigation with respect to the JR, as set out above;
- Continued monitoring of HiveCo's energy purchasing to ensure in line with agreed guard rails during the period from Completion to 31 March 2023;
- Continuing to report to DESNZ, as required under the AFA, including monitoring of HiveCo performance and its adherence to certain requirements, including provision of information and cash sweeps into designated accounts;
- Post Completion reconciliation of certain balances transferred to HiveCo under the ETS;
- Providing input into the National Audit Office's review of the Octopus transaction, including review of the draft report (final report released on 29 March 2023) and preparing for attendance at the Public Accounts Committee Hearing, held on 25 May 2023;
- Closing out outstanding regulatory matters in relation the period prior to Completion; and
- Effecting an orderly wind down of operations post Completion.

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.

The Company had previously secured REGOs from a third party for future periods at a price below the current market price. We have reached an agreement with the third party to monetise these REGOs, with cash flowing back on a quarterly basis over the next three years. This income stream has been retained by the Company. £6m was received during the period, with a further £19m to be realised over the remaining period.

Progress of the Energy Administration

Receipts and payments

Joint Energy Administrators' trading account 24 Nov 2022 to 23 May 2023

£	Notes	To date	Period
Receipts:			
Customer receipts	1	3,245,686,218	460,593,159
Hiveco TSA & LTO receipts	2	65,499,784	65,499,784
Cash at bank		80,827,032	-
AFA draw down	3	1,142,500,000	-
Catch up hedge receipt	4	74,491,088	74,491,088
Transaction Gov't Funding	5	1,789,887,334	1,789,887,334
		6,398,891,456	2,390,471,365
Payments:			
Power & gas wholesale	6	(2,714,480,040)	(408,442,594)
Industry costs	7	(906,007,752)	(103,537,277)
Environmental and social costs	8	(161,073,178)	(14,515,660)
Customer service and billing	9	(40,898,365)	(16,363,789)
Other direct costs	10	(5,256,298)	(1,369,149)
Other operating expenses	11	(48,932,431)	(13,317,958)
Pre-appointment regulatory liabilities	12	(172,359,208)	-
Pre-appointment costs	13	(5,993,180)	(55,803)
Simple TSA Payments	14	(91,976,518)	(13,732,208)
Professional fees	15	(18,870,784)	(12,367,971)
Pre-appointment fees	16	(2,862,648)	(1,817,316)
Administrator's fees Post - appointment	17	(22,472,299)	(5,992,613)
Investment in Hiveco	18	(100)	(100)
Sellers Cash Contribution	19	(160,342,790)	(160,342,790)
Hiveco funding	20	(1,629,544,544)	(1,629,544,544)
Repayment of Transaction Gov't Funding		(74,491,088)	(74,491,088)
TSA & LTO payments	21	(28,147,928)	(28,147,928)
		(6,083,709,150)	(2,484,038,788)
Trading cash flow / balance		315,182,306	(93,567,422)
Made up of:			
Cash		315,182,306	
VAT Receivable / (Payable)		(2,139,748)	(2,139,748)
		313,042,557	(95,707,171)

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 2022, as well as the 6 month period 24 November 2022 to 23 May 2023 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 in the period to Completion. This is shown net of credit balance refunds made to customers paying by direct debit.

2. HiveCo TSA & LTO receipts

Relates to cash received from HiveCo under the Bishopsgate LTO and the HiveCo TSA.

3. 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.

4. Catch up hedge receipt

Relates to the Catch-up Hedge Amount paid by HiveCo as detailed on page 10. This amount was used to repay Transaction Government Funding as shown within the payments section.

5. Transaction Government Funding

Relates to amounts received from DESNZ under the Post Completion Facility, comprising:

- £160m to be used by the Company as an equity injection into HiveCo pre-Completion;
- £1,058m to be used by the Company to make a loan to HiveCo in respect of building up the collateral required by the wholesale supplier to Hiveco to purchase energy from 1 April 2023 (calculated by reference to Bulb's wholesale energy costs from 1 October 2022 to Completion); and
- £572m to be used by the Company to fund HiveCo's wholesale energy costs for the period from Completion to 31 March 2023.

6. Power & gas wholesale

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

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

Progress of the Energy Administration

Receipts and payments

Joint Energy Administrators' trading account 24 Nov 2022 to 23 May 2023

£	Notes	To date	Period
Receipts:			
Customer receipts	1	3,245,686,218	460,593,159
Hiveco TSA & LTO receipts	2	65,499,784	65,499,784
Cash at bank		80,827,032	-
AFA draw down	3	1,142,500,000	-
Catch up hedge receipt	4	74,491,088	74,491,088
Transaction Gov't Funding	5	1,789,887,334	1,789,887,334
		6,398,891,456	2,390,471,365
Payments:			
Power & gas wholesale	6	(2,714,480,040)	(408,442,594)
Industry costs	7	(906,007,752)	(103,537,277)
Environmental and social costs	8	(161,073,178)	(14,515,660)
Customer service and billing	9	(40,898,365)	(16,363,789)
Other direct costs	10	(5,256,298)	(1,369,149)
Other operating expenses	11	(48,932,431)	(13,317,958)
Pre-appointment regulatory liabilities	12	(172,359,208)	-
Pre-appointment costs	13	(5,993,180)	(55,803)
Simple TSA Payments	14	(91,976,518)	(13,732,208)
Professional fees	15	(18,870,784)	(12,367,971)
Pre-appointment fees	16	(2,862,648)	(1,817,316)
Administrator's fees Post - appointment	17	(22,472,299)	(5,992,613)
Investment in Hiveco	18	(100)	(100)
Sellers Cash Contribution	19	(160,342,790)	(160,342,790)
Hiveco funding	20	(1,629,544,544)	(1,629,544,544)
Repayment of Transaction Gov't Funding		(74,491,088)	(74,491,088)
TSA & LTO payments	21	(28,147,928)	(28,147,928)
		(6,083,709,150)	(2,484,038,788)
Trading cash flow / balance		315,182,306	(93,567,422)
Made up of:			
Cash		315,182,306	
VAT Receivable / (Payable)		(2,139,748)	(2,139,748)
		313,042,557	(95,707,171)

7. 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.

8. 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 ("ROCs") buy-out charges for the 2021-22 obligation period paid in August 2022.

9. Customer Service and billing

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

10. Other direct costs

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

11. Other operating expenses

Relates to other operating costs incurred as expenses of the Energy Administration including but not limited to office costs, IT suppliers, contractors and recruitment services.

12. Pre-appointment regulatory liabilities

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

13. 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 Energy Administration.

14. Simple TSA payments

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

- Employee costs of c.£10.0m in the period;
- Professional costs of c.£1.7m and
- Royalty fees of c.£2.1m in the period.

Progress of the Energy Administration

Receipts and payments

Joint Energy Administrators' trading account 24 Nov 2022 to 23 May 2023

£	Notes	To date	Period
Receipts:			
Customer receipts	1	3,245,686,218	460,593,159
Hiveco TSA & LTO receipts	2	65,499,784	65,499,784
Cash at bank		80,827,032	-
AFA draw down	3	1,142,500,000	-
Catch up hedge receipt	4	74,491,088	74,491,088
Transaction Gov't Funding	5	1,789,887,334	1,789,887,334
		6,398,891,456	2,390,471,365
Payments:			
Power & gas wholesale	6	(2,714,480,040)	(408,442,594)
Industry costs	7	(906,007,752)	(103,537,277)
Environmental and social costs	8	(161,073,178)	(14,515,660)
Customer service and billing	9	(40,898,365)	(16,363,789)
Other direct costs	10	(5,256,298)	(1,369,149)
Other operating expenses	11	(48,932,431)	(13,317,958)
Pre-appointment regulatory liabilities	12	(172,359,208)	-
Pre-appointment costs	13	(5,993,180)	(55,803)
Simple TSA Payments	14	(91,976,518)	(13,732,208)
Professional fees	15	(18,870,784)	(12,367,971)
Pre-appointment fees	16	(2,862,648)	(1,817,316)
Administrator's fees Post - appointment	17	(22,472,299)	(5,992,613)
Investment in Hiveco	18	(100)	(100)
Sellers Cash Contribution	19	(160,342,790)	(160,342,790)
Hiveco funding	20	(1,629,544,544)	(1,629,544,544)
Repayment of Transaction Gov't Funding		(74,491,088)	(74,491,088)
TSA & LTO payments	21	(28,147,928)	(28,147,928)
		(6,083,709,150)	(2,484,038,788)
Trading cash flow / balance		315,182,306	(93,567,422)
Made up of:			
Cash		315,182,306	
VAT Receivable / (Payable)		(2,139,748)	(2,139,748)
		313,042,557	(95,707,171)

15. 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:

£	To date	Period
Legal Advisor fees	15,934,845	10,828,998
Legal Advisor expenses	110,178	103,739
Counsel fees	1,098,873	909,672
Counsel expenses	32,238	32,238
Court fees	2,493	2,075
Lazard fees	1,500,000	300,000
Lazard expenses	4,720	3,811
Ainslie Advisory fees	25,920	25,920
Grant Thornton fees	2,400	2,400
Watson Farly Williams fees	159,117	159,117
Total	18,870,784	12,367,971

16. Pre-appointment fees

c.£1.8m (incl. VAT) was paid in the period:

- £0.4m (incl. VAT) in respect of the Joint Energy Administrator's pre-appointment fees, which represents a further 20% of pre-appointment fees incurred. The initial 55% of pre-appointment fees was paid in the previous 6 month period.
- £1.4m (incl. VAT) of Linklaters' pre-appointment fees, which represents a total of 75% of pre-appointment fees incurred.

See pages 18-20 for additional detail.

17. Administrator's fees post – appointment

C.£6.0m (incl. VAT) of the Joint Energy Administrators' post-appointment fees have been paid during the period, this represents 20% of total post-appointment fees to 2 September 2022. See pages 18-20 for additional detail.

18. Investment in HiveCo

Relates to £100 in respect of HiveCo's initial share capital, paid upon its incorporation as a subsidiary of the Company, funded by DESNZ.

Progress of the Energy Administration

Receipts and payments

Joint Energy Administrators' trading account 24 Nov 2022 to 23 May 2023

£	Notes	To date	Period
Receipts:			
Customer receipts	1	3,245,686,218	460,593,159
Hiveco TSA & LTO receipts	2	65,499,784	65,499,784
Cash at bank		80,827,032	-
AFA draw down	3	1,142,500,000	-
Catch up hedge receipt	4	74,491,088	74,491,088
Transaction Gov't Funding	5	1,789,887,334	1,789,887,334
		6,398,891,456	2,390,471,365
Payments:			
Power & gas wholesale	6	(2,714,480,040)	(408,442,594)
Industry costs	7	(906,007,752)	(103,537,277)
Environmental and social costs	8	(161,073,178)	(14,515,660)
Customer service and billing	9	(40,898,365)	(16,363,789)
Other direct costs	10	(5,256,298)	(1,369,149)
Other operating expenses	11	(48,932,431)	(13,317,958)
Pre-appointment regulatory liabilities	12	(172,359,208)	-
Pre-appointment costs	13	(5,993,180)	(55,803)
Simple TSA Payments	14	(91,976,518)	(13,732,208)
Professional fees	15	(18,870,784)	(12,367,971)
Pre-appointment fees	16	(2,862,648)	(1,817,316)
Administrator's fees Post - appointment	17	(22,472,299)	(5,992,613)
Investment in Hiveco	18	(100)	(100)
Sellers Cash Contribution	19	(160,342,790)	(160,342,790)
Hiveco funding	20	(1,629,544,544)	(1,629,544,544)
Repayment of Transaction Gov't Funding		(74,491,088)	(74,491,088)
TSA & LTO payments	21	(28,147,928)	(28,147,928)
		(6,083,709,150)	(2,484,038,788)
Trading cash flow / balance		315,182,306	(93,567,422)
Made up of:			
Cash		315,182,306	
VAT Receivable / (Payable)		(2,139,748)	(2,139,748)
		313,042,557	(95,707,171)

19. Sellers cash contribution

Amount paid to HiveCo to ensure the value of HiveCo's net assets was at least £1 at Completion. This takes into account (in summary) the value attributed to the customer book, customer debt, other working capital assets less customer credit balances and certain other liabilities that were transferred from the Company to HiveCo under the ETS.

20. HiveCo funding

Funding advance to HiveCo in respect of wholesale energy costs for the period from Completion to 31 March 2023, comprising:

- £1,058m of funding in respect of building up the collateral required by the wholesale supplier to Hiveco to purchase energy from period 1 April 2023 onwards (the amount of which is calculated by reference to Bulb's wholesale energy costs from 1 October 2022 to Completion); and
- £572m in respect of wholesale energy costs for the period from Completion to 31 March 2023.

HiveCo TSA and LTO payments

This balance includes payments which are made and then recharged under the HiveCo TSA, as well as the rent, service charge and insurance payment made in relation to the use of 155 Bishopsgate under the LTO.

Progress of the Energy 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

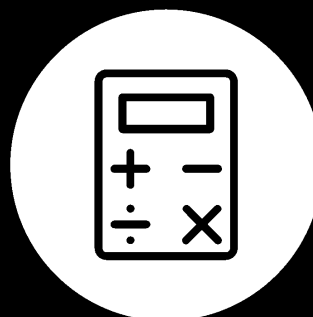
As is it unlikely that there will be a distribution for unsecured creditors, we do not intend to undertake any work to agree any unsecured creditor claims received at this stage.



Remuneration and expenses

Remuneration and Expenses including pre-Energy
Administration costs

16



Remuneration and Expenses including pre- Energy 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 (and the amended and restated AFA for the period following Completion), 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 DESNZ prior to the appointment of the Joint Energy Administrators, and subject to the following additional requirements to:

- report to DESNZ on a fortnightly basis (on a monthly basis since Completion) 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 DESNZ in advance of an application to have their remuneration fixed by the Court in accordance with Rule 76 of the Rules (as referred to above).
- Pursuant to the terms of the AFA as referred to, the Joint Energy Administrators have reported their time costs and expenses to DESNZ on a fortnightly basis (on a monthly basis since Completion), with details of all accruing disbursements.

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

DESNZ Approval

In advance of the application to Court to fix their remuneration, and pursuant to the terms of the AFA, the Joint Energy Administrators sought and obtained formal approval for their time costs from DESNZ, with approval for the sums of £13,716,774 (plus VAT) for the period 24 November 2021 to 31 March 2022 and £11,252,447 (plus VAT) for the period 1 April 2022 to 2 September 2022 being received on 12 and 26 October 2022 respectively.

On 9 June 2023 (which is outside of the reporting period), DESNZ 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 3 September 2022 to 31 March 2023 in the sum of £12,353,992 (plus VAT). As at the date of this progress report, that request is still under consideration

Application for Court Approval under Rule 76 of the Rules

The Remuneration Application (together with the Pre-Appointment Costs Application (see below)) was first heard by ICC Judge Barber at a half-day hearing on 10 November 2022. On that occasion, ICC Judge Barber adjourned the applications to a one-day hearing before a High Court Judge and authorised the Joint Energy Administrators to draw and pay 55% of the claimed remuneration as an interim payment on account. These monies (totaling £16.5m) were drawn and paid on 14 November 2022.

The applications were then listed for a one-day hearing before Mr. Justice Michael Green on 23 February 2023. The Judge invited the Joint Energy Administrators to prepare terms of reference for the appointment of an insolvency practitioner to act as an independent assessor in relation to the fixing of remuneration and pre-appointment costs. The Judge authorised the Joint Energy Administrators to draw and pay a further 20% of the claimed remuneration and pre-appointment costs. These monies (totaling £6.4m) were drawn and paid on 3 March 2023. The Judge also ordered, in relation to future remuneration, that the Joint Energy Administrators be entitled to draw down and pay 75% of amounts sought (and approved by the SoS) in any future applications for an order fixing their remuneration.

Remuneration and Expenses including pre-Energy Administration costs

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

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

The Assessor was appointed by the Court on 17 March 2023. The Assessor submitted his final report to the Court on 22 May 2023, concluding that the requests were “fair, reasonable and commensurate with the nature and extent of the work properly undertaken”.

A final hearing was scheduled on 9 June 2023, at which the Judge confirmed his approval of the pre-appointment costs of £3,181,920.97 (plus VAT) (see below) and our post appointment fees of £24,969,221 (plus VAT) for the period to 2 September 2022.

The remaining fees of £6,242,305.20 plus VAT, in respect of the remaining 25% of these costs, will now be drawn and paid, albeit has not yet been paid at the date of this report.

A request for approval was made to DESNZ on 8 June 2023 in respect of our remuneration for the period 3 September 2022 to 31 March 2023 £12.5m plus VAT. That request is outstanding as at the date of this progress report and will in any event be subject to a further application to Court for approval. It is anticipated that the Joint Energy Administrators will ask the Court to re-appoint the Assessor in relation to this application.

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.

DESNZ Approval

We received approval on 24 November 2021 from DESNZ 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 the “Pre-Appointment Costs Application was dealt with at the same hearings and in the same manner as is described above in connection with the Remuneration Application (with hearings on 10 November 2022, 23 February 2023, and 9 June 2023, and interim payments on account of 55% and 20% following the first two hearings).

**Remuneration and
Expenses including
pre-Energy
Administration costs**

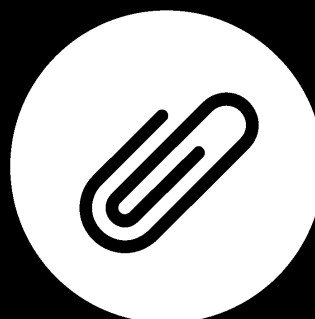
Pre Energy Administration costs (Continued)

As indicated above, the independent Assessor's report also considered the pre-appointment costs and reached essentially the same conclusion as in respect of remuneration (i.e. that it was fair, reasonable and commensurate with the work properly undertaken). At the hearing on 9 June 2023, the Court awarded the pre-appointment costs in full. As a result, the remaining fees of £395,958.98 plus VAT in respect of the remaining 25% of these costs will now be drawn and paid, albeit has not yet been paid at the date of this report.

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 (as amended and amended and restated from time to time);

“**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;

“**Assessor**” Independent Assessor appointed by the Court on 17 March 2023;

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

“**Catch Up Hedge Amount**” £74m benefit to HiveCo as a result of a delay in hedging from 17 November 2022 (being the start of the prove cap hedging window);

“**Claimants**” refers to claimants in the Judicial Review process;

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

“**Completion**” refers to 20 December 2022, being the date upon which the Sale completed;

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

“**DESNZ**” refers to Department for Energy Security and Net Zero (formerly BEIS);

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

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

“**ECO**” Energy Company Obligation;

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

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

“**ETS**” refers to Energy Transfer Scheme;

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

“**HiveCo**” or “**Purchaser**” refers to Octopus Energy Operations Limited, formerly Bulb UK Operations Limited;

“**HiveCo TSA**” refers to the TSA entered into upon Completion of the sale to HiveCo;

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

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

“**JR**” refers to Judicial Review;

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

“**LC**” refers to Letter of Credit;

“**LTO**” refers to a Licence to Occupy Bulb’s head office;

“**Octopus**” Octopus Energy Group Limited;

“**Post Completion Facility**” refers to additional funding facility drawn on 8 December 2022 in order to facilitate the Sale;

“**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);

“**Pre-Appointment Costs Application**” Pre-energy supply company administration costs of £3,181,920.97 (plus VAT);

“**Prescribed Part**” An amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge as set out under section 176A of the Act;

“**Purchaser**” refers to Octopus Energy Group Limited;

“**REGO**” refers to Renewable Energy Guarantee of Origin;

“**Remuneration Application**” their remuneration for the period from 24 November 2021 to 2 September 2022 in the sum of £24,969,221 (plus VAT);

Appendices

Appendix A

Glossary of terms

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

“Remuneration Application” their remuneration for the period from 24 November 2021 to 2 September 2022 in the sum of £24,969,221 (plus VAT);

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

“Sale” the transfer of certain of the Company’s business assets and liabilities to Octopus;

“Simple” refers to Simple Energy Limited (in administration);

“Simple TSA” refers to the TSA entered into by Simple and the Company, following appointment;

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

“Teneo” refers to Teneo Financial Advisory Limited;

“Trading Facility” refers to facility drawn under the AFA dated 24 November 2021;

“Trading Facility Limit” the required AFA limit post Completion;

“TSA” refers to Transitional Services Agreement;

“TUPE” refers to Transfer of Undertakings (Protection of Employment);

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

“WHD” refers to Warm Home Discount;

“Wholesale Adjustment Amount” the amount repayable to the Company by HiveCo in respect of energy usage for the period to 31 March 2023 at the Ofgem price cap amount.; and

“Wholesale Agreement Period” refers to the period from Completion to 31 March 2023 where it was agreed that the Company would fund HiveCo’s wholesale energy costs.



This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Teneo Financial Advisory Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom