

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



A13 *A7Z55ML6* 12/02/2019 #124
COMPANIES HOUSE

1 Company details

Company number 0 8 5 0 0 8 4 2

Company name in full GB Energy Supply Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Francis Graham

Surname Newton

3 Liquidator's address

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country

4 Liquidator's name *

Full forename(s) Antony

Surname Nygate

* Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address *

Building name/number 55 Baker Street

Street London

Post town W1U 7EU

County/Region

Postcode

Country

* Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6

Period of progress report

From date

^d1^d2^m1^m2^y2^y0^y1^y7

To date

^d1^d1^m1^m2^y2^y0^y1^y8

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

P. G. Smith

X

Signature date

^d1^d1^m0^m2^y2^y0^y1^y9

LIQ03

Notice of progress report in voluntary winding up



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 **Francis Graham Newton**

Company name **BDO LLP**

Address **5 Temple Square**

Temple Street

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

Dx

Telephone **01512 374 500**



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

GB Energy Supply Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 12/12/2017 To 11/12/2018 £	From 06/12/2016 To 11/12/2018 £
ASSET REALISATIONS		
Book Debts	2,307.25	2,307.25
Preference Payment	150,000.00	150,000.00
Bank Interest Gross	34,631.54	34,631.54
Supplier Levy	0.02	0.02
Surplus from Administration	7,448,542.35	7,448,542.35
	<u>7,635,481.16</u>	<u>7,635,481.16</u>
COST OF REALISATIONS		
Joint Administrators' Fees	30,000.00	30,000.00
Agents Fees	300.00	300.00
Agents Disbursements	275.00	275.00
Legal Fees (1)	27,940.50	27,940.50
Storage Costs	126.50	126.50
Statutory Advertising	79.00	79.00
	<u>(58,721.00)</u>	<u>(58,721.00)</u>
	<u>7,576,760.16</u>	<u>7,576,760.16</u>
REPRESENTED BY		
Vat Input		(0.95)
Floating Current Account		769,852.46
Debtor Realisations Account		272,874.92
Treasury 1 month 02.01.19 to 04.02.19		6,534,025.71
Vat Output		(0.95)
Vat Control Account		8.97
		<u>7,576,760.16</u>



Tel: +44 (0)151 237 4500
Fax: +44 (0)151 237 4545
www.bdo.co.uk

5 Temple Square
Temple Street
Liverpool
L2 5RH

TO ALL KNOWN CREDITORS AND MEMBERS

11 February 2019

Our Ref 00278097/C1/FGN/DF

Please ask for David Forster
Tel: 0151 237 4530
Email BRCMT@bdo.co.uk

Dear Sirs

GB Energy Supply Limited - In Creditors' Voluntary Liquidation ('the Company')
Registered number: 08500842

In accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules'), we write to provide creditors with a copy of our annual progress report for the period 12 December 2017 to 11 December 2018 ('the Reporting Period').

Please note that we do not propose to write in detail on matters previously reported. This report should therefore be read in conjunction with our previous reports issued in the Administration and Liquidation.

Professional information regarding the Joint Liquidators

The Joint Liquidators are Francis Graham Newton (officeholder No: 9310) of BDO LLP, 6th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Antony David Nygate (officeholder No: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU.

We were appointed on 12 December 2017 following the Company moving from Administration to Creditors' Voluntary Liquidation ('CVL'). We carry out our functions jointly and severally meaning any action can be done by one or both of us.

The Company's registered office is c/o BDO LLP, 6th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. The Company previously traded from The Energy Centre, Garstang Road, Preston, Lancashire, PR3 5DL.

Joint Liquidators' receipts & payments account

Please find enclosed our receipts and payments account analysed to show activity during the Reporting Period and the cumulative position as at 11 December 2018.

Although our receipts and payments are largely self-explanatory, we comment specifically on the following:



Receipts

Book debts

Following the Company moving from Administration to CVL, there were outstanding book debts of c£434,000. This represents c4,700 customers with an average customer debt of c£92. This however includes c2,750 customers (totalling c£269,000) who are identified as 'To The Occupier' in the Company's books and records.

You will recall that we re-engaged Corporate Debt Solutions Global Limited ("CDS") to assist us in collecting the outstanding debts, CDS were instructed to undertake a 12 week debt collection process, which commenced in early May 2018, to attempt to realise additional funds.

Realisations in the Reporting Period are nominal (£2,268) and we therefore determined that it is not commercial to continue to pursue the outstanding debts further.

Preference payment

In accordance with previous reports, an agreement was reached with regards to a preference payment made by the Company prior to the Administration. The agreement provided for funds totalling £300,000 to be repaid to the Company in four equal instalments of £75,000.

Two receipts (totalling £150,000) were collected in the Administration and the balance of funds (£150,000) have been received in the CVL.

The preference payment has therefore been collected in full pursuant to the terms of the settlement agreement.

Bank interest

Funds have been invested by our cashiering team in an interest bearing bank account. Bank interest totalling £34,632 has been received in the Reporting Period.

Surplus from Administration

Surplus funds totalling £7,448,542 were transferred to the Liquidators' bank account following the Company moving from Administration to CVL.

Payments

A summary of the payments made in the Reporting Period are detailed below:

Cost	Amount (£)	Notes
Storage	127	Third party costs for storing the Company's books and records
Statutory advertising	79	Statutory advertising costs.
Richmond Asset Advisory	300	Agents fees for realising certain Company assets.



Richmond Asset Advisory	275	Disbursements incurred by agents when realising certain Company assets.
Addleshaw Goddard LLP	27,941	Legal fees for advice in connection with the claim of Co-Op Energy. More details are provided later in this report.
BDO LLP	30,000	Joint Administrators fees for time costs incurred in the Administration. More details are provided later in this report.

Joint Administrators' remuneration

In accordance with the Rules, on 6 November 2017, creditors approved the Joint Administrators' remuneration on a time cost basis in line with the revised Fees Estimate (£382,280) for dealing with matters arising in the Administration.

The sum of £60,000 was paid in the Administration. The balance (£322,280) therefore represents an expense of the CVL, of which £30,000 has been paid in the Reporting Period. The outstanding balance (£292,280) will be paid during the course of the CVL.

Agents fees & disbursements

Richmond Asset Advisory ("RAA") were instructed in the Administration to assist with the marketing and disposal of a 'sports hospitality package' purchased by the Company prior to the Administration.

At the commencement of the Administration, it was unclear whether the hospitality package was capable of being realised. We did not therefore include the associated realisation costs in our Fees Estimates provided to creditors.

The hospitality package was however realised in the Administration and RAA have been paid £575 in respect of their costs (£300) and disbursements (£275) in the Reporting Period.

Legal fees

Addleshaw Goddard LLP ("AG") have been retained by us in the CVL to provide advice in respect of the following matters:

- Collection of the preference payment;
- Reviewing and providing advice in respect of Co-Op Energy's ("Co-Op") subrogated unsecured claim;
- Assisting us in identifying and instructing Counsel with credentials in subrogated case law;
- Preparing relevant documents (such as witness statements) and liaising with Counsel in respect of Co-Op's claim; and
- Keeping us apprised of developments and discussing/agreeing next steps.

To date, AG have been paid £27,941 in respect of their time costs, of which £12,764 represents unpaid costs incurred in the Administration.



AG will continue to incur costs in connection with advice and assistance to us in reviewing the validity of the Co-Op claim.

We can confirm that the fees charged by AG are in line with our Fees Estimate approved by the Company's creditors on 23 July 2018.

Progress of the Liquidation

As previously advised, we received a claim from Co-Op totalling c£15.5m relating to customer credit balances honoured by Co-Op following the Supplier of Last Resort process on 30 November 2016.

Co-Op's claim relies upon the law of subrogation which represent a complex area of case law. As such, we have, with the assistance of our solicitors, identified and instructed Counsel (Miss Nicole Sandells QC) with suitable credentials in subrogation law to review and provide their opinion on Co-Op's claim.

As a result of Counsel's opinion, we intend to amend our strategy for dealing with Co-Op's claim. In short, it was our intention previously to make an application to Court to seek directions as to whether Co-Op had a valid subrogation claim against the Company. The legal costs for this process were estimated to be significant due to the complexities of the case (£250,000-£325,000).

However, in accordance with the opinion received from Counsel, and in consultation with our solicitors, a greater emphasis will be placed upon Co-Op substantiating its claim and evidencing that prior to the commencement of the Supplier of Last Resort process, Co-Op's intention was to make a claim against the Company. Subject to receipt of that information, we can, with the assistance of our solicitors and Counsel (if necessary) determine the validity of Co-Op's claim.

We will therefore continue to liaise with Co-Op and their legal advisors with a view to progressing this matter.

In the event that the information provided by Co-Op is sufficient for us to accept the claim, we will write to all creditors to let them know the position. Provided that no creditor objects to the claim after formal notification by us, an application to Court for directions will not be necessary. The revised approach is likely to reduce the level of estimated legal costs incurred in progressing and resolving this matter which will increase the amount of funds available to distribute to the Company's unsecured creditors.

However, should an objection(s) be received from a creditor(s), an application to Court is likely to be required. The legal costs associated with such an application will represent an expense of the Liquidation and will reduce the level of funds available to distribute to the Company's unsecured creditors.

Notwithstanding the above, given the level of funds which we are currently holding, we intend to pay a first interim dividend to the Company's unsecured creditors as soon as possible. In order to comply with the Rules, a notice of intended dividend will be sent to creditors under separate cover shortly.

Creditors will need to submit a proof of debt form together with supporting information in order to rank for dividend purposes, unless this has previously provided. Please ensure that this information is sent to us at BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.



In accordance with the Rules, debts of £1,000 or less are defined as 'small debts'. We intend to treat small debts as proved for dividend purposes.

Once the Co-Op claim has been resolved, and all outstanding matters have been concluded, a second and final dividend should be payable to unsecured creditors (subject to funds being available). Once all outstanding matters have been concluded, we will seek creditor approval for our release from office as Joint Liquidators.

The Company will ordinarily be dissolved by the Register of Companies three months after we file our final progress report at Companies House.

Assets still to be realised

Security deposits

As noted in previous reports, National Grid Transmissions ("NGT") are holding funds in the region of £1.6m on behalf of the Company. These funds are however subject to set-off against monies owed to NGT by the Company.

We have previously been advised by NGT that a full account reconciliation would be finalised by them in August 2018, at which point the level of the debt due to the Company, if any, would be known. Despite our repeated requests, NGT have yet to confirm that the account reconciliation has been completed. Absent a response from NGT, the position remains uncertain.

We are continuing to liaise with NGT to seek to resolve this matter prior to the payment of the interim dividend.

Assets of a peculiar or special nature

We can confirm that there are no assets of a peculiar or special nature, which cannot be sold. Consequently, there has been no distribution of unsold assets to creditors, as mentioned in Rules 14.13 and 18.10 of the Rules.

Future prospects for creditors

Secured creditors

There are no secured creditor claims against the Company.

Preferential creditors

Preferential creditor claims were received and paid in full in the Administration.

Prescribed Part

Given that there are no secured creditors, the Prescribed Part calculation does not apply.

Unsecured creditors

In accordance with the directors' statement of affairs, unsecured creditor claims were estimated to total £40,351,581.



To date, unsecured creditor claims totalling £32,587,414 have been received (this amount includes the claim from Co-Op, noted earlier).

Based on the Company's books and records, additional claims totalling £3,906,885 have yet to be received. This however includes a claim from NGT who, as noted earlier in this report, is subject to set-off against monies held in a security deposit.

We have reviewed and agreed claims totalling £17,079,944.19 (ie all the claims except Co-Op) for dividend purposes. As stated earlier in this report, we intend to pay a first interim dividend to unsecured creditors and will issue a notice of intended dividend under separate cover shortly.

The level of the initial dividend is currently uncertain and will be subject to the following:

- The amount of funds retained to meet the claim from Co-Op (if approved for dividend purposes); and
- The amount of funds retained to pay the estimated costs of the CVL.

In the event that Co-Op's claim is rejected by us (either in part or in full), funds retained for the benefit of Co-Op's claim will be available to distribute to the other unsecured creditors as part of a second and final dividend.

Joint Liquidators' time costs

A schedule is attached which details the time costs incurred by us and our staff in the Reporting Period. This records time costs of £96,925, which represents 416 hours spent at an average hourly charge out rate of £233.

Joint Liquidators' remuneration

In accordance with the Rules, on 23 July 2018, creditors approved our remuneration on a time cost basis in line with our Fees Estimate (£202,597).

Our Fees Estimate is attached, annotated with a column showing the time costs accrued in respect of each activity along with detail of the work undertaken for the benefit of creditors.

To date, we have not drawn any fees in connection with the Liquidation.

Joint Liquidators' disbursements

To date, the only disbursements incurred in the CVL are category 1 disbursements of £426. This relates to public relation and media costs incurred by third party agents which have been paid by BDO LLP ("BDO") on behalf of the Company. This will be repaid to BDO as an expense of the CVL in due course.

For guidance, we enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.



Creditors' rights

We provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the Liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

Should you require any further information, please contact David Forster at BRCMT@bdo.co.uk.

Yours faithfully
For and on behalf of
GB Energy Supply Limited

F G Newton
Joint Liquidator

F G Newton is authorised by the Insolvency Practitioners Association in the UK
A D Nygate is authorised by the Institute of Chartered Accountants in England and Wales in the UK

Enclosures:
Receipts and Payments Account
Counsel's Opinion on Co-Op's Claim
SIP 9 Time Cost Report
Fees Estimate to Accrued Time Comparison
BDO LLP Policy in respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements

GB Energy Supply Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 12/12/2017 To 11/12/2018 £	From 06/12/2016 To 11/12/2018 £
ASSET REALISATIONS		
Book Debts	2,307.25	2,307.25
Preference Payment	150,000.00	150,000.00
Bank Interest Gross	34,631.54	34,631.54
Supplier Levy	0.02	0.02
Surplus from Administration	7,448,542.35	7,448,542.35
	<u>7,635,481.16</u>	<u>7,635,481.16</u>
COST OF REALISATIONS		
Joint Administrators' Fees	30,000.00	30,000.00
Agents Fees	300.00	300.00
Agents Disbursements	275.00	275.00
Legal Fees (1)	27,940.50	27,940.50
Storage Costs	126.50	126.50
Statutory Advertising	79.00	79.00
	<u>(58,721.00)</u>	<u>(58,721.00)</u>
	<u>7,576,760.16</u>	<u>7,576,760.16</u>
REPRESENTED BY		
Vat Input		(0.95)
Floating Current Account		769,852.46
Debtor Realisations Account		272,874.92
Treasury 1 month 02.01.19 to 04.02.19		6,534,025.71
Vat Output		(0.95)
Vat Control Account		8.97
		<u>7,576,760.16</u>

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
B. Steps on Appointment														
02. Statutory Documentation			1.90	394.50	0.25	51.75	2.40	278.40	8.15	546.05			12.70	1,270.70
12. Setting up Internal Files			0.50	100.00	0.75	155.25							1.25	255.25
99. Other Matters			0.70	160.30									0.70	160.30
sub total -			3.10	654.80	1.00	207.00	2.40	278.40	8.15	546.05			14.65	1,686.25
B. Steps on Appointment														
C. Planning and Strategy														
02. Review Financial Position			0.40	92.80	1.00	207.00							1.40	299.80
03. Review Bus. Process Systems			19.10	4,413.50	4.25	895.00							23.35	5,308.50
07. Strategy Planning			2.90	930.50									2.90	930.50
sub total -			22.40	5,436.80	5.25	1,102.00							27.65	6,538.80
C. Planning and Strategy														
D. General Administration														
02. VAT					1.20	244.25			0.65	43.55			1.85	287.80
03. Taxation			6.50	2,717.00	2.95	610.65			9.65	1,955.15			19.10	5,282.80
04. Instruct Lease Solicitors			12.70	4,292.70	7.00	1,484.00							19.70	5,776.70
05. Investigations			10.10	3,248.90	5.55	1,148.85							15.65	4,397.75
06. Conduct Reports	0.75	390.00	18.90	5,576.10	1.20	248.40							20.85	6,214.50

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
07. Receipts Payments Accounts	0.75	390.00	4.35	1,112.85	3.00	481.50	3.95	491.75	19.40	1,737.75	2.40	176.20	33.85	4,390.05
08. Remuneration Issues	0.10	52.00	2.90	650.50	2.40	496.80			1.25	86.25			6.65	1,285.55
09. Statutory Matters			0.20	40.00	0.40	84.80	0.15	17.85					0.75	142.65
10. Contractual Matters					0.25	51.75							0.25	51.75
12. Press PR Matters			0.20	45.80									0.20	45.80
14. General Discussions	0.93	522.30											0.93	522.30
15. Gen Admin Correspondence	12.40	6,496.75	7.80	2,194.50	5.50	1,143.50	1.00	118.25	13.20	902.70			39.90	10,855.70
16. Maintain Internal Files			11.10	2,577.30	0.40	49.60							11.50	2,626.90
99. Other Matters									0.55	37.95			0.55	37.95
sub total -	14.93	7,851.05	74.75	22,455.65	29.95	6,044.10	5.10	627.85	44.70	4,763.35	2.40	176.20	171.73	41,918.20
D. General Administration														
E. Assets Realisation/Dealing														
04. Agent Instruction Liasing														
07. Debt Collection	4.00	2,080.00	31.40	7,649.00	5.60	1,334.50							41.00	11,063.50
09. Dealing with other Assets	3.00	1,560.00	0.25	83.25	2.30	484.10							5.55	2,127.35
99. Other Matters					0.65	134.55							0.65	134.55

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -														
E. Assets Realisation/Dealing														
G. Employee Matters														
04. Pension Issues	7.00	3,640.00	31.65	7,732.25	8.75	1,994.55							47.40	13,366.80
sub total -														
G. Employee Matters														
H. Creditor Claims														
03. Preferential Creditors														
04. Non-Preferential Creditors	5.50	2,873.00	21.45	6,245.85	39.75	8,322.00	0.10	11.60	27.35	1,887.15			0.20	45.80
09 Other Matters					0.25	31.00							0.25	31.00
sub total -	5.50	2,873.00	21.65	6,291.65	40.00	8,353.00	0.10	11.60	27.35	1,887.15			94.60	19,416.40
H. Creditor Claims														
I. Reporting														
01. Statutory Reporting			0.30	61.50	17.45	3,612.15			7.50	503.00			25.25	4,176.65
04. Reporting to Creditors	4.25	2,210.00	20.15	5,649.75					0.20	13.80			24.60	7,873.55
sub total -	4.25	2,210.00	20.45	5,711.25	17.45	3,612.15			7.70	516.80			49.85	12,090.20
I. Reporting														
J. Distribution and Closure														
02. Distributions			2.20	517.00	7.35	1,409.45							9.55	1,926.45

Detail of Time Charged and Rates Applicable for the Period From 12/12/2017 to 11/12/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -			2.20	517.00	7.35	1,409.45							9.55	1,926.45
J. Distribution and Closure														
Net Total														
96,924.90														
Secretarial Expense														
0.00														
Other Disbursements														
0.00														
Billed														
0.00														
Grand Total														
96,924.90														



**GB Energy Supply Limited - In Creditors' Voluntary Liquidation
Fees Estimate to Accrued Time Comparison**

Below is the Joint Liquidators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity.

**Fees Estimate as at 1 June 2018
compared to accrued time as at 11
December 2018**

	Total	Blended	Estimated	Accrued
	Hours	Rate	Fee	Time Costs
		£	£	£
Summary Activity				
A. Pre Appointment Matters	0.00	0.00	0.00	0.00
B. Steps on Appointment	14.65	216.42	3,170.50	1,686.25
C. Planning and Strategy	58.00	304.41	17,656.00	6,538.80
D. General Administration	172.50	271.48	46,830.00	41,918.20
E. Assets Realisation/Dealing	65.00	293.15	19,055.00	13,366.80
F. Trading Related Matters	0.00	0.00	0.00	0.00
G. Employee Matters	0.20	176.00	35.20	21.80
H. Creditor Claims	260.00	297.12	77,250.00	19,416.40
I. Reporting	71.00	226.97	16,115.00	12,050.20
J. Distribution & Closure	100.00	224.85	22,485.00	1,926.90
TOTAL	741.35	273.28	202,596.70	96,924.90

Expenses Estimate

Officeholder CAT 1 Disbursements	500.00	425.73
Officeholder CAT 2 Disbursements	0.00	0.00

Other Expenses

Agents Costs	0.00	575.00
Valuers' Costs	0.00	0.00
Solicitors costs	280,000 - 355,000	27,940.50

The above table details our Fees Estimate for dealing with the Liquidation and the accrued time costs incurred up to 11 December 2018.

Detail of work undertaken

A Pre Appointment Matters

N/A - no pre appointment matters.

B Steps upon Appointment

This relates to time costs incurred by us and our staff in dealing with our statutory requirements following the Company moving from Administration to Creditors' Voluntary Liquidation ("CVL") and setting up new CVL files, checklists etc.



This work has been prepared by more junior members of the team and is overseen by case managers.

This is a combination of statutory requirements in accordance with the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 ("the Rules") and internal BDO LLP ("BDO") policies. There is therefore no direct benefit to creditors under this heading.

C Planning and Strategy

This relates to time costs incurred by us and our staff in managing/monitoring the case and reviewing the financial position in line with internal BDO requirements. This ensures that all on-going matters are progressed efficiently and dealt with in a timely manner.

This work is primarily led by a senior manager and delegated to junior members of the team where appropriate.

Although there is no direct benefit to creditors, planning and strategy ensures that key issues/milestones are identified and resolved/progressed in an effective and efficient manner. This allows for an orderly progression of the case thereby minimising the level of professional costs incurred in the CVL.

D General Administration

General administration covers time costs incurred by us and our staff for dealing with various matters arising in the CVL. This includes, but is not limited to, the following matters:

- Compiling and filing VAT returns in the CVL;
- Preparing Company tax returns in the CVL;
- Liaising with solicitors (specifically in respect of Co-Op's subrogated claim);
- Statutory investigations and correspondence with the Insolvency Service following the Company moving from Administration to CVL;
- Cashiering (processing receipts and payments, bank reconciliations, correspondence with the bank, updating the receipts and payments account);
- Dealing with remuneration matters;
- Dealing with statutory matters required by the Rules;
- Managing Public Relations and media matters following the Company converting to CVL to minimise potential confusion/queries from current/former customers; and
- General case filing and maintaining internal files in line with BDO requirements.

The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills. Due to the complexities of this assignment, a significant amount of time has been incurred at manager level which has been supported by case administrators and other staff with suitable levels of experience.

The majority of the points referred above are requirements placed upon us pursuant to the Rules, BDO internal policies and accounting requirements (such as VAT returns, Corporation Tax returns etc). Although there is no specific benefit to creditors, we are required to deal with these matters as part of our day to day responsibilities in managing the case.

E Asset Realisations/Management

Asset realisations/management represents time costs incurred by us and our staff in recovering the Company's outstanding assets in the CVL. This relates primarily to the collection of the outstanding book debts, collection of the two outstanding preference payments and correspondence with former customers of the Company.

In respect of the above, significant time costs have been incurred by us in agreeing the debt collection strategy with our agents, reviewing the level of recoveries and dealing with queries from former customers.



Due to the complexities of this particular assignment, the work has been led at manager level, supported by assistant managers with suitable experience.

Work performed under this category does provide a benefit to creditors as it sets out an agreed approach/strategy to maximise asset recoveries and/or mitigate costs.

F Trading Related Matters

N/A - the Company ceased trading prior to the Administration.

G Employee Matters

We have incurred a small amount of time dealing with the filing of a S120 notice to the Pension Protection Regulator.

This is a statutory requirement following the Company entering CVL and offers no benefit to the creditors.

H Creditor Claims

Creditor claims relate to time costs incurred by us and our staff in receiving and recording unsecured creditor claims, identifying whether additional supporting evidence is necessary, considering whether any creditor claims might be categorised as deferred claims and general correspondence with creditors.

We have incurred significant time reviewing the subrogated claim from Co-Op and agreeing unsecured creditor claims for dividend purposes.

The majority of the work is performed by junior members of the team which is overseen by senior members of the team and, if necessary, escalated to us.

This area does not provide a benefit to creditors but is a requirement placed upon us pursuant to the Rules.

I Reporting

Preparing periodic progress reports to creditors regarding the progress achieved, including preparation of receipts & payments accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs as against the fees and expense estimate.

The senior manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced staff. Much of the basic accounting and analysis is conducted by case administrators with the reports prepared and finalised by assistant managers and managers.

As this is a statutory requirement, there is no direct benefit to creditors.

J Distribution and Closure

Time costs incurred under this heading relate to us reviewing and adjudicating upon the claims issued by the unsecured creditors, establishing the distributable funds in the estate, calculating the proposed interim dividend and preparing relevant notices to creditors.

This work is supervised by managers and final decisions/payment of dividends are approved by us.

Although this work does not provide a direct benefit to creditors, the review process ensures that any spurious/inaccurate claims are removed for dividend purposes.



GB Energy Supply Limited - In Creditors' Voluntary Liquidation

In accordance with best practice, we provide below details of the policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within our firm who may be involved in working on the insolvency, are as follows:

GRADE	£
Partner	533
Manager	235-411
Assistant Manager	212
Senior Administrator	200-212
Administrator	71-180
Other Staff	75

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or, in the absence of a committee, to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

These expenses are non-case specific overhead costs incurred in the insolvency estate. Creditor approval is however required before a category 2 disbursement can be drawn by an Insolvency Practitioner.

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases, a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
11 February 2019



Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ('the relevant report').

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.

- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.