

AM10

Notice of administrator's progress report



Companies House

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27/02/2021

#109

COMPANIES HOUSE

1 Company details

Company number 0 9 1 3 4 9 9 7

Company name in full Our Power Energy Supply Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Alistair

Surname McAlinden

3 Administrator's address

Building name/number Saltire Court

Street 20 Castle Terrace

Post town

County/Region Edinburgh

Postcode E H 1 2 E G

Country

4 Administrator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

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

5 Administrator's address ②

Building name/number Saltire Court

Street

Post town 20 Castle Terrace

County/Region Edinburgh

Postcode E H 1 2 E G

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

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6 Period of progress report

From date	^d 3	^d 1	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0
To date	^d 3	^d 0	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1

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 5	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1
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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 **Jack Gillespie**

Company name **KPMG LLP**

Address **319 St Vincent Street**

Glasgow

Post town **G2 5AS**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 141 226 5511**



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



Joint Administrators' progress report for the period 31 July 2020 to 30 January 2021 Our Power Energy Supply Limited - in Administration

25 February 2021

Deemed delivered: 1 March
2021

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+OJ12943238.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 7).

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1 Executive summary

- This progress report covers the period from 31 July 2020 to 30 January 2021.
- We have continued to progress the administration in line with the strategy outlined in our proposals and previous progress reports.
- The administration process comprises the wind down of the Company's affairs, focussing on the realisation of the Company's assets for the benefit of its creditors. The Company's principal asset comprises its debtors' ledger which has been finalised at a headline value of £4.57 million. We completed the sale of the residual debtors' ledger to UEL on 7 October 2020 for £50,000. The sale, which concludes the Our Power debt collection process, brings total recoveries from the Our Power debtors' ledger to £3.29 million (plus VAT). We are continuing to pursue the remaining members' debts and sundry assets (Section 2 - Progress to date).
- In the period, we distributed £250,000 to the secured creditors increasing the total sums distributed under the terms of the floating charge held to £1.0 million (Section 3 - Dividend prospects and dividends paid).
- Preferential creditors have been paid in full (Section 3 - Dividend prospects and dividends paid).
- We anticipate the unsecured creditors will receive a small dividend via the Prescribed Part Rules. We have commenced adjudication of the unsecured claims. The timing and quantum of the dividend is currently uncertain, being dependent upon finalisation of the asset realisation process, the costs of the administration and the level of valid unsecured claims received (Section 3 - Dividend prospects and dividends paid).
- To date, the creditors have provided approval to the Joint Administrators' interim floating charge fees totalling £891,272.78 plus outlays of £4,965.72 (both plus VAT) from 31 January 2019 to 30 July 2020, which includes pre-administration costs of £41,408.22 (plus VAT). (Section 4 – Joint Administrators' remuneration and disbursements).
- In accordance with the previously approved revised fees estimate, we intend to draw a further interim fee of £140,191.40 (plus VAT) for the period 31 July 2020 to 30 January 2021 (Section 4 – Joint Administrators' remuneration and disbursements).
- It has become apparent during the period that we will exceed our previous fee estimate. We are now seeking approval from the secured and preferential creditors for a revised fee estimate which totals £1.25 million, being an increase of £81,844 from our previous estimate (Section 4 – Joint Administrators' remuneration and disbursements).
- During the period, the secured and preferential creditors granted a 12-month extension to the period of the administration to 30 January 2022 (Section 5 – Future strategy).

Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+OJ12943238.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Alistair McAlinden

Joint Administrator

2 Progress to date

This progress report covers the period from 31 July 2020 to 30 January 2021. This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals and subsequent progress reports, notice of which was issued to all known creditors on 27 March 2019, 27 August 2019, 27 February 2020, and 26 August 2020, respectively.

The Joint Administrators' proposals and subsequent progress reports can be accessed at: <https://www.insolvency-kpmg.co.uk/case+KPMG+OJ12943238.html>.

2.1 Strategy

The administration process comprises the wind down of the Company's affairs, focussing on the realisation of the Company's assets for the benefit of its creditors, as set out in the proposals. The proposals were deemed approved without modification on 11 April 2019.

An update on our strategy and the progress achieved with regards to each category of asset is set out below.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Debtors

As previously reported, with the assistance of UEL, billing for gas and electricity supplied up to the SOLR date has been completed with the debtors' ledger finalised at £4.57m due by c.28,000 former Our Power customers.

Following approval from the secured lenders, we completed the sale of the residual Our Power debtors' ledger to UEL on 7 October 2020 for £50,000. The sale of the ledger concludes the Our Power debt collection process. Final reconciliations completed as part of the sale identified that certain sums had been transferred to the Company which were due to UEL. These sums were returned to UEL, such that net debtors recoveries in the period total £41,155. Debtors recoveries, including the sale proceeds, total £3.29 million plus VAT of £165,000 (which has been accounted for to HMRC).

Under the terms of the sale agreement, the DCA with UEL was also formally brought to its conclusion. Following this we have refunded the security deposit provided by UEL of £50,000 together with surplus facilities payments provided of £81,335. We continue to hold a small sum of facilities funding provided by UEL pending finalisation of utility and rates costs payable under the DCA. Any of these funds not utilised in settling costs will be refunded to UEL.

Whilst we continue to comply with our obligations to UEL under the terms of the sale agreement, we do not anticipate any further recoveries from Company's debtors' ledger.

In the period, we have also recovered £39,931 plus VAT from the Company's members in relation to energy supplied prior to the date of appointment to these parties. Recoveries from members' debts, which are not subject to the sale to UEL, total £204,357 plus VAT of £10,218. We continue to pursue any members who have not yet settled their debts due to the Company. We will continue to pursue these sums provided that it is cost effective to do so.

At this time, output VAT on debtor recoveries has been accounted for to HMRC. We have become aware of a potential VAT concession which may result in the Company being entitled to retain this output VAT (c.£175,000 in total). We are liaising with HMRC in this regard.

VAT refund

The Company was part of a VAT group with the other members of the Our Power group. We brought the VAT records up to date and have submitted the final return due for the month ending January 2019, seeking a refund of c.£214,000. We continue to liaise with HMRC with a view to recovering as much of this sum as possible in conjunction with the above noted potential post-administration VAT concession.

Other assets

The Company's records disclose the following assets:

- collateral deposits and secured credit cover deposits which totalled approximately £1.26 million as at the date of the administration. To date, we have ingathered £54,197 from these balances. We will continue to pursue the remaining debts whilst it remains cost-effective to do so.
- grant funding – the Company had an outstanding grant claim as at the date of appointment. We are currently liaising with the grant provider and the Company's advisors to determine whether a valid grant application can be submitted.

Investigations

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

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Debt collection commission

We have paid UEL £28,167 in the period for their assistance with final billing and collection of the debts. These payments were made under the terms of the DCA, which has now been terminated.

Legal fees

During the period we paid:

- £9,000.00 to Shepherd and Wedderburn LLP for their assistance with the debtors' sale to UEL; and
- £275.00 to Harper Macleod LLP for ad hoc legal advice.

Joint Administrators' fees and expenses

In the period, we drew fees totalling £170,697.80 and expenses of £346.19, as detailed in Section 4 below.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Based on our estimates, we do not expect to exceed our prior expectations for expenses as set out in our previous progress report.

3 Dividend prospects and dividends paid

3.1 Secured creditors

The Company was funded by a consortium of funders, who advanced monies to the Society, the Company's ultimate owner. The Society in turn lent these monies to the Company. Details of the sums due to the funding consortium as per the Company's books and records are set out in the table below.

Figure 1: Secured lenders debts as per the Company's books and records

Secured creditor	Sums due £m
Scottish Government	9.8
Social Growth Fund LLP	3.1
The Rowntree Foundation	1.0
The Trustees of Esme Fairbairn Foundation	0.5
The Tudor Trust	1.1
Barrow Cadbury Trust	0.5
Robertson Trust	0.3
Charity Aid Fund	0.3
Total	16.6

Social Investment Scotland ("SIS") acts as security trustee for the funding consortium. Via SIS, the funders hold a post Enterprise Act floating charge over the business and assets of the Society and its subsidiaries, including the Company, supported by cross guarantees.

During the period, we distributed £250,000 to SIS (in its capacity as security trustee) under the terms of the floating charge. This distribution increases the total amount distributed to the secured lenders to £1.0 million. We intend to make further floating charge distributions in due course.

3.2 Preferential creditors

Preferential creditor claims have been finalised at £20,821.68.

During the period, we adjudicated upon the preferential creditor claims and facilitated a distribution which saw full repayment of these claims.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a small Prescribed Part dividend. We have commenced the adjudication of these claims. The timing and quantum of the dividend is currently uncertain, being dependent upon finalisation of the asset realisation process, the costs of the administration and the level of valid unsecured claims received

Sufficient net funds will not be realised to enable an ordinary dividend to the unsecured creditors.

4 Joint Administrators' remuneration and disbursements

Joint Administrators' revised fees estimate

The secured and preferential creditors have previously provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in the Administrators' proposals.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with the Administrators' proposals.

It has become apparent during the period that we will exceed our previous fees estimate. Therefore, we are now seeking approval from the secured and preferential creditors for a revised fee estimate which totals £1.249 million, being an increase of £81,844 from our previous estimate. The revised fee estimate is included in Appendix 4.

Our time costs are expected to increase, primarily, for the following reasons:

- Statutory, compliance and cashiering – Additional time and effort will be required to comply with our statutory obligations following the 12-month extension to the administration (set out in Section 5 below). This includes our responsibility to provide progress reports to creditors. Further time will also be spent maintaining the administration bank account, performing bank reconciliations and processing receipts and payments (including creditor distributions).

- Tax – The additional time relates to:
 - o VAT concession – involvement of KPMG VAT specialists and increased liaison with HMRC regarding the VAT treatment of post-appointment debtor receipts. At this time, we have assumed that all VAT on post-appointment receipts must be paid to HMRC pending agreement to a concession which would enable the Company to retain the VAT. We remain in discussions with HMRC regarding this matter.
 - o Corporation tax – detailed tax advice is required in relation the Company's corporation tax position following higher than anticipated debtor recoveries, to ensure that the correct Corporation Tax is paid and the loss relief rules are applied appropriately.
- Creditor claims and liaison – The administration continues to generate significant interest from and interaction with creditors. This combined with the number of creditors' claims that require to be adjudicated upon (to date we have received 100 claims from unsecured creditors supported by documentation of varying quality) together with the limited information submitted to date (we require to contact 221 unsecured creditors, who have yet to submit a claim, and then review their paperwork) means that we now anticipate that the process will take longer than initially expected. The revised fee estimate reflects the extra time required to collate and adjudicate upon all valid claims before facilitating dividends.
- Asset realisation – Additional time and effort has been invested in the debt collection process together with the negotiation of the sale of the residual ledger to UEL, beyond that previously anticipated. Extending the process has enabled a significant improvement on anticipated recovery levels, with c.76% (£3.29 million plus VAT) of the finalised ledger realised for the benefit of the creditors. The increase in hours is to enable us to deal with the remaining assets, as noted above.

We have reduced the estimated hours/costs for those workstreams where we anticipate costs to complete will be less than originally assessed.

Time costs

From 31 July 2020 to 30 January 2021, we have incurred time costs of £150,699.10. These represent 356.75 hours at an average rate of £422.42 per hour.

Joint Administrators' remuneration and disbursements

Following the secured and preferential creditors' approval of the original and revised fee estimates included in our proposals and the progress report dated 27 February 2020, we have drawn fees totalling £891,212.78 plus outlays of £4,965.72 (both plus VAT), as follows:

- pre-administration costs of £41,408.22 plus VAT;
- interim floating charge fee for the period 31 January 2019 to 30 July 2019 of £515,397.00 (plus VAT);
- interim floating charge fee for the period 31 July 2019 to 30 January 2020 of £163,709.76 (plus VAT) less bank charges of £20;

- interim floating charge fee for the period 31 January 2020 to 30 July 2020 of £170,717.80 (plus VAT) less bank charges of £20; and
- outlays totalling £4,965.72.

In accordance with the approved revised fees estimate, we intend to draw a fee of £140,191.40 plus VAT for the period 31 July 2020 to 30 January 2021.

If you wish to challenge the basis of our remuneration, the remuneration charged, or the disbursements incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report. Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Jack Gillespie at KPMG LLP, 319 St Vincent Street, Glasgow, G2 5AS.

Disbursements

During the period, we have not incurred any disbursements.

Additional information

We have attached (Appendix 5) an analysis of the time spent; the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 31 July 2020 to 30 January 2021. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

As previously reported, we will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- finalising our obligations under the DCA, including finalising property costs and refunding any surplus facilities payments to UEL;
- pursuing residual members' debts,
- pursuing sundry debts, other assets and credit and collateral deposits;
- agreeing and settling all third party, legal and agents' fees, as appropriate;
- reporting to and liaising with the Company's creditors;
- facilitating distributions to the secured creditors under the terms of the floating charge;

- adjudicating upon the unsecured creditors' claims and facilitating a Prescribed Part dividend;
- liaising with HMRC and finalising all VAT and Corporation Tax matters; and
- attending to all statutory and administrative matters.

5.2 Extension of the administration

During the period, the secured and preferential creditors granted a 12-month extension to the period of the administration.

The administration is currently due to end on 30 January 2022.

5.3 Discharge from liability

The secured and preferential creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, when the administration comes to an end.

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

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

5.4 Future reporting

We will provide a further progress report within one month of 30 July 2021 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Our Power Energy Supply Limited
Date of incorporation	17 July 2014
Company registration number	09134997
Present registered office	1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, CR-000660 of 2019
Appointor	Directors
Date of appointment	31 January 2019
Joint Administrators' details	Alistair McAlinden and Blair Nimmo
Estimated values of the Net Property and Prescribed Part	<p>Estimated Net Property is £1.5 million. Estimated Prescribed Part is approx. £310,000.</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).</p>
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.</p>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	30 January 2022

Appendix 2 Joint Administrators' receipts and payments account

Our Power Energy Supply Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 31/07/2020 To 30/01/2021 (£)	From 31/01/2019 To 30/01/2021 (£)
ASSET REALISATIONS			
8,000.00	Furniture & equipment	NIL	3,000.00
840,000.00	Book debts	41,155.37	3,290,283.45
	Deposit	(50,000.00)	NIL
	Members debts	39,930.74	204,357.46
94,000.00	Other debtors and prepayments	NIL	NIL
111,000.00	VAT refunds (pre-app'ent)	NIL	NIL
252,000.00	Cash at bank	NIL	256,981.27
	Cash in transit	NIL	131,793.22
	Collateral and credit cover	NIL	54,196.58
	Members portal	NIL	5,000.00
		31,086.11	3,945,611.98
OTHER REALISATIONS			
	Bank interest, gross	57.08	8,519.61
	Third Party Funding	(81,335.00)	293,367.79
	Disputed funds	(316.68)	25,856.69
		(81,594.60)	327,744.09
COST OF REALISATIONS			
	Payroll Bureau costs	NIL	(858.05)
	Administrators' fees	(170,697.80)	(891,212.78)
	Administrators' expenses	(346.19)	(4,965.72)
	DWP address search charge	(4.26)	(4.26)
	Agents'/Valuers' fees	(2,045.00)	(10,000.67)
	Sub contractors	NIL	(10,551.36)
	Legal fees	(9,275.00)	(36,854.00)
	Debt collection commission	(28,167.39)	(1,060,838.84)
	IT system costs	NIL	(200,816.06)
	Heat & light	NIL	(85.68)
	Storage costs	(81.92)	(633.02)
	Statutory advertising	NIL	(73.00)
	Rent	(2,843.39)	(43,309.02)
	Other property expenses	(1,291.60)	(1,569.52)
	Insurance of assets	(224.00)	(2,016.00)
	Wages & salaries	NIL	(40,650.01)

Our Power Energy Supply Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 31/07/2020 To 30/01/2021 (£)	From 31/01/2019 To 30/01/2021 (£)
	PAYE & NIC	NIL	(2,667.04)
	Bank charges	(220.00)	(420.00)
		(215,196.55)	(2,307,525.03)
	PREFERENTIAL CREDITORS		
	PAYE income tax etc	(2,007.48)	(2,007.48)
	Nat. ins. contributions	(53.77)	(53.77)
(19,000.00)	Employees' wage arrears	(18,760.43)	(18,760.43)
		(20,821.68)	(20,821.68)
	FLOATING CHARGE CREDITORS		
(16,548,000.00)	Floating charge	(250,000.00)	(1,000,000.00)
		(250,000.00)	(1,000,000.00)
	UNSECURED CREDITORS		
(14,380,000.00)	Preferential distribution	NIL	NIL
(44,000.00)	Employees	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(29,686,001.00)		(536,526.72)	945,009.36
	REPRESENTED BY		
	Floating ch. VAT rec'able		451,349.89
	Floating charge current		703,817.40
	Floating ch. VAT payable		(238,591.29)
	Floating ch. VAT control		28,433.36
			945,009.36

Appendix 3 Schedule of expenses

Schedule of expenses (31/07/2020 to 30/01/2021)			
Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
Cost of realisations			
DWP address search charge	4.26	0.00	4.26
Agents'/Valuers' fees	2,045.00	0.00	2,045.00
Legal fees	9,275.00	10,000.00	19,275.00
Debt collection commission	28,167.39	0.00	28,167.39
Storage costs	81.92	0.00	81.92
Rent	2,843.39	0.00	2,843.39
Other sundry costs	1,291.60	21,000.00	22,291.60
Utility costs and rates	0.00	20,000.00	20,000.00
Insurance of assets	224.00	0.00	224.00
Tax	0.00	40,000.00	40,000.00
Bank charges	220.00	0.00	220.00
TOTAL	44,152.56	91,000.00	135,152.56

Note: certain of the costs incurred but not yet paid relate to prior accounting periods.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Jack Gillespie at KPMG LLP, 319 St Vincent Street, Glasgow, G2 5AS.

Appendix 4 Joint Administrators' revised fees estimate

Estimated time costs		Previous estimated time costs for the engagement			Amendments to estimated time costs for the engagement		Total revised estimated time costs for the engagement		
	Notes	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)	Estimated total hours	Estimated time cost (£)	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning									
Directors/Member	1	12.90	4,949.00	383.64	-	365.00	12.90	5,314.00	411.94
Cashiering	2	75.30	25,452.50	338.01	26.10	8,147.50	101.40	33,600.00	331.36
General - books & records etc	2	71.35	28,507.25	399.54	1.00	794.00	72.35	29,301.25	404.99
Statutory and compliance	2	352.70	165,667.60	469.71	30.00	15,377.40	382.70	181,045.00	473.07
Tax	3	123.30	47,219.00	382.96	57.00	27,108.80	180.30	74,327.80	412.25
Creditors									
Creditors and claims	4	517.00	185,529.70	358.86	116.00	41,733.70	633.00	227,263.40	359.03
Employees	1	116.85	40,687.25	348.20	-	(331.40)	116.85	40,355.85	345.36
Investigations									
Directors	5	38.60	16,568.50	429.24	(3.00)	(1,810.00)	35.60	14,758.50	414.56
Investigations	1	15.70	4,784.40	304.74	8.60	1,723.40	24.30	6,507.80	267.81
Realisation of Assets									
Asset Realisation	6	1,316.40	589,065.15	447.48	5.00	(465.00)	1,321.40	588,600.15	445.44
Trading	5	147.80	59,004.00	399.22	(35.00)	(10,800.00)	112.80	48,204.00	427.34
Total		2,787.90	1,167,434.35	418.75	205.70	81,843.40	2,993.60	1,249,277.75	417.32

Note 1 – Members, Employees, Investigations

These workstreams are progressing broadly in line with our expectations and we do not anticipate exceeding our estimated hours. Changes to anticipated time costs reflect differences in the mix of grades of our staff, with varying charge out rates (see Appendix 5) for each grade, who have incurred time on these workstreams versus the previous estimate.

Note 2 – Statutory & Compliance, General and Cashiering

The increase in hours required to comply with our statutory obligations following the 12-month extension to the administration (set out in Section 5 below). This includes our responsibility to provide progress reports to creditors. Further time will also be spent maintaining the administration bank account, performing bank reconciliations and processing receipts and payments (including creditor distributions).

Note 3 – Tax

Further time is required to deal with the potential VAT concession in relation to post-appointment VAT received and Corporation Tax position (following higher than anticipated debtor receipts).

Note 4 – Creditors and claims

The administration has generated significant interest from and interaction with creditors, beyond that initially anticipated. We have also started to adjudicate upon the unsecured claims lodged in the administration which, owing to varying quality of submitted paperwork, is taking longer than initially thought.

Note 5 – Directors and Trading

Less time has been spent on this workstream, which is now largely complete, than initially anticipated. Accordingly, we have reduced the attributable hours.

Note 6 – Asset Realisation

Additional time and effort has been invested in the debt collection process, with the DCA with UEL latterly extended to 31 May 2020, and in the subsequent sale of the residual Our Power ledger to UEL. This has resulted in higher than anticipated debtor recoveries, which have now reached £3.29m plus VAT (as noted above). This has necessitated the incurrence of higher than anticipated time on the debt collection process with further time required to complete the asset realisation process associated with other assets including, members' debts, collateral deposits, sundry debtors and other assets.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and employee matters by KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Jack Gillespie on 0141 300 5712.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

Charge-out rates (£) for: Our Power Energy Supply Limited – in Administration			
Grade	From 01 Jan 2020 £/hr	From 01 Oct 2020 £/hr	From 01 Jan 2021 £/hr
Partner	690	690	690
Director	620	620	620
Senior Manager	560	560	560
Manager	467	467	467
Senior Administrator	325	325	325
Administrator	236	236	236
Support	147	147	147

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

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

Narrative of work carried out for the period 31 July 2020 to 30 January 2021

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts;■ regularly preparing and updating estimated outcome statements to determine the outcome for each category of creditor;■ ensuring compliance with all statutory obligations within the relevant timescales;■ preparing documentation for and obtaining approval from the secured creditors and the Court of a 12-month extension of the administration;■ issuing required notifications following approval of the extension;■ review of case files in anticipation of closure
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ formulating, monitoring and reviewing the administration strategy, and meetings with internal and external parties to agree the same;■ briefing of our staff on the administration strategy and matters in relation to various work-streams;■ regular case management and reviewing of progress, including regular team update meetings and calls;■ reviewing and authorising junior staff correspondence and other work;■ dealing with queries arising during the appointment;■ reviewing matters affecting the outcome of the administration;■ allocating and managing staff/case resourcing and budgeting exercises and reviews;■ complying with internal filing and information recording practices, including documenting

	strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to SIS regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the receipts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ processing journals; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ working on tax returns relating to periods affected by the administration and ensuring compliance with tax related responsibilities; ■ analysing VAT related transactions; ■ preparing and submitting VAT 100 return information to the Society (VAT Group representative); ■ liaising with HMRC re post-appointment VAT returns submitted and the potential VAT concession; ■ preparing Corporation Tax returns for Day 1 and Year 1 following the appointment; ■ submission of further tax returns once the extent of debtor recoveries became clear to claim available loss relief; ■ liaising with KPMG's VAT and Tax departments regarding the above ■ liaising with HMRC regarding the above.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ preparing time cost analysis for SIS; ■ drawing remuneration in accordance with the basis which has been approved by secured and preferential creditors;
Asset realisations	<ul style="list-style-type: none"> ■ agreeing final reconciliation of debtors; ■ liaising with our solicitors, Sheppard & Wedderburn, and UEL to agree and finalise the documentation for the sale of the residual debtors' ledger to UEL; ■ carrying out our obligations under the terms of the debtors sale agreement with UEL, including ingathering payment due and returning monies following final reconciliations; ■ contacting certain suppliers to agree and finalise outstanding costs; ■ making payment of agreed sums due to suppliers; ■ confirming all sums due to suppliers have been paid and calculating facilities payment refund due to UEL; ■ pursuing members to ingather outstanding members debts; ■ negotiating with members and issuing revised invoices to ingather outstanding members debts; ■ liaising with UEL post-vacation of the premises regarding office furniture; ■ liaising with Company advisors and grant provider regarding the outstanding grant income; ■ reviewing collateral and cash cover and liaising with counter parties regarding payment; ■ ensuring IT equipment wiped and all records ingathered; ■ dealing with the Our Power websites.
Property matters	<ul style="list-style-type: none"> ■ communicating with landlords regarding return of the property following vacation by UEL; ■ agreeing and paying final rental sums due ■ agreeing and making payment of dilapidations cost; ■ liaising with the landlord and GMG regarding queries following the clearance of all assets within the unit; ■ liaising with Edinburgh City Council and utility companies re outstanding rates and utility costs.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment, and to their preferential claims; ■ liaising with DTI re the redundancy payments office preferential creditor claim.
Creditors and claims	<ul style="list-style-type: none"> ■ obtaining information on preferential creditor claims and adjudicating thereon; ■ advising creditors of the adjudication of their claim and confirming payment arrangements; ■ issuing dividend payments; ■ undertaking searches to identify new addresses for preferential creditors whose mail has been returned; ■ creating and updating the list of unsecured creditors;

- responding to enquiries from creditors regarding the administration and submission of their claims;
- reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;
- arranging the distribution to the secured creditors;
- drafting and circulating our progress reports.

Investigations ■ Dealing with returned mail and locating new addresses for creditors.

Time costs

SIP 9 – Time costs analysis (31/07/2020 to 30/01/2021)							
	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Administration & planning							
Cashiering							
Fund management			0.30		0.30	70.80	236.00
General (Cashiering)		0.60	17.20	2.00	19.80	6,137.50	309.97
Reconciliations (& IPS accounting reviews)			0.60		0.60	195.00	325.00
General							
Fees and WIP	0.80	4.50	2.90		8.20	3,952.20	481.98
Statutory and compliance							
Appointment and related formalities	4.00	0.40			4.40	2,921.00	663.86
Budgets & Estimated outcome statements		5.80	1.00		6.80	3,573.00	525.44
Checklist & reviews		0.40	1.40		1.80	616.70	342.61
Closure and related formalities			0.60		0.60	195.00	325.00
Extension related formalities		6.70	2.00		8.70	4,224.00	485.52
Reports to debenture holders	3.00	7.30			10.30	6,158.00	597.86
Strategy documents	8.10		2.20		10.30	5,751.70	558.42
Tax							
Reviews - CT and VAT		0.20			0.20	112.00	560.00
Post appointment corporation tax	1.90	9.10	1.20		12.20	6,734.70	552.02
Post appointment VAT		4.00	0.20		4.20	2,287.20	544.57
Creditors							
Creditors and claims							
Agreement of claims		0.40	27.40		27.80	6,708.20	241.30
Agreement of preferential claims	3.00	1.90	24.80		29.70	11,002.90	370.47

SIP 9 – Time costs analysis (31/07/2020 to 30/01/2021)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Agreement of unsecured claims		1.60	0.30		1.90	993.50
General correspondence	9.90	1.20	6.10		17.20	8,888.10
Payment of dividends	1.30	5.50	5.70		12.50	5,738.50
Secured creditors		0.90	1.90		2.80	1,121.50
Statutory reports	2.40	3.45	40.60		46.45	16,588.30
Employees						
Correspondence		1.20	7.10		8.30	2,867.90
DTI redundancy payments service		0.40			0.40	186.80
Investigation						
Investigations						
Mail redirection			2.40		2.40	566.40
Realisation of assets						
Asset Realisation						
Debtors	5.20	46.80	40.70		92.70	42,525.20
Insurance		0.30			0.30	168.00
Intellectual Property		1.50			1.50	840.00
Leasehold property			7.40		7.40	2,405.00
Office equipment, fixtures & fittings		0.60	5.10		5.70	1,993.50
Other assets		0.20	3.60		3.80	1,282.00
Plant and machinery			0.30		0.30	97.50
Rent			0.70		0.70	227.50
Other						
Employee Matters / PAYE			0.30		0.30	97.50
Negotiations with suppliers / landlords		2.50			2.50	1,400.00
Purchases		3.70			3.70	2,072.00
Total in period	39.60	111.15	204.00	2.00	356.75	150,699.10
Brought forward time (appointment date to SIP 9 period start date)					2,174.15	903,476.80
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					356.75	150,699.10
Carry forward time (appointment date to SIP 9 period end date)					2,530.90	1,054,175.90

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

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

Appendix 6 Glossary

Company	Our Power Energy Supply Limited - in Administration
SOLR	Supplier of Last Resort
Joint Administrators/we/our/us	Alistair McAlinden and Blair Nimmo
DCA	Debt collection agreement
HMRC	HM Revenue & Customs
KPMG	KPMG LLP
Proposals	Joint Administrators' proposals
SIS	Social Investment Scotland
The Society	Our Power Community Benefit Society Limited – in Administration
UEL	Utilita Energy Limited

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by Alistair McAlinden and Blair Nimmo, the Joint Administrators of Our Power Energy Supply Limited – in Administration (the ‘Company’), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Alistair McAlinden and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

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

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