



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

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 20 Saltire Terrace

Street Edinburgh

Post town

County/Region

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 20 Saltire Terrace

Street Edinburgh

Post town

County/Region

Postcode E H 1 2 E G

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 3	^d 1	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9
To date	^d 3	^d 0	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Al Sheld

X

Signature date

^d 2	^d 6	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9
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**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) 141 300 5712**

**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
January 2019
to 30 July
2019

Our Power Energy Supply
Limited - in Administration

27 August 2019

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

The Directors resolved on 31 January 2019 to appoint us as Joint Administrators. The notice of appointment was lodged at High Court of Justice on 31 January 2019 and we were duly appointed.

This progress report covers the period from the date of our appointment to 30 July 2019.

We delivered our statement of proposals ('proposals') to all known creditors on 27 March 2019. The proposals were deemed approved without modification on 11 April 2019.

We have continued to progress the administration in line with the strategy outlined in our proposals.

The Company ceased to trade prior to the administration, with the administration process focussing on the realisation of Company's assets for the benefit of the creditors. The Company's principal asset comprises its debtors' ledger. We appointed UEL to assist in final billing customers and in collecting the sums due, with £2.096 million (including VAT due to HMRC of £100,000) ingathered to date. (Section 2 - Progress to date).

We anticipate sufficient funds will be realised to enable a distribution to the secured creditors, who hold a floating charge over all of the business and assets of the Company. (Section 3 - Dividend prospects).

The preferential creditors should receive full repayment of their claims. (Section 3 - Dividend prospects)

We anticipate the unsecured creditors should receive a small dividend via the Prescribed Part Rules. The timing and quantum of the dividend is currently uncertain, being dependent upon the outcome of the debt collection process, the costs of the administration process and the level of valid unsecured claims received. (Section 3 - Dividend prospects).

Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and 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 the date of our appointment to 30 July 2019. This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals, notice of which was issued to all known creditors on 27 March 2019.

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

Our proposals were deemed approved, without modification, on 11 April 2019.

2.1 Strategy and progress to date

In the early hours of 31 January 2019, and following a request from the directors, OFGEM transferred all of the Company's customers to Utilita Energy Limited ("UEL") under the Supplier of Last Resort ("SOLR") process. The administration appointment took effect later that day. OFGEM also revoked the Company's energy supply licences.

With the loss of its energy supply licences and the transfer of its entire business and all customers to UEL, the Company ceased to trade. Accordingly the administration process comprises the wind down of the Company's affairs, focusing on the realisation of the Company's assets for the benefit of its creditors, as set out in the proposals.

The Company's principal asset comprises debts due by customers for energy supplied up to the date of the SOLR transfer, together with cash in hand and in transit, collateral deposits and sundry debts. An update on our strategy 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

Following appointment, our immediate priority has been to contact customers, finalise billing and obtain payment. To assist in this regard, we appointed UEL under a debt service agency agreement ("the DCA"). The DCA, which was initially to 30 June 2019, was extended to 30 September 2019 to allow further time for final billing and collection of sums due.

To date, UEL have provided significant assistance, with c.26,000 customers having been final billed. This has generated a debtors' ledger of £4.13m. UEL has also assisted in collecting the sums due by customers. To date, a total of £2.096 million, including VAT of c.£100,000 (which requires to be paid to HMRC), has been recovered. This compares extremely favourably to the directors' Statement of Affairs, which disclosed estimated realisations of c.£0.84 million.

Final billing and credit control remains ongoing at this time. We are currently assessing our options in relation to the ongoing collection of the debts, which include continued pursuit of the debts with the assistance of UEL, a sale of a portfolio of the remaining debts or a combination of both.

Under the terms of the debt collection agreement with UEL, UEL has reimbursed the Company for the costs of the IT systems and infrastructure required to enable final billing and credit control. Funding provided to date totals £328,607. These monies have been used to pay the costs incurred by the Company. Any surplus monies not spent will be returned to UEL in due course.

Collateral and credit cover

Prior to the administration, the Company had placed collateral deposits and secured credit cover with a number of energy sector companies as part of ongoing terms of supply. The aggregate of these deposits was approximately £1.26 million at the date of the administration. We have written to all of the counterparties, with the result that £41,358 has been recovered to date.

Certain of the providers have lodged counter claims in relation to sums due by the Company or have liquidated damage claims that have arisen as a result of the Company's administration. We are in the process of reviewing these claims in pursuit of all recoverable sums.

Cash at bank and in transit

The Company held two bank accounts, which contained c.£257,000 as at the date of appointment. These sums have been transferred to the administration account.

As at the date of appointment, there was cash in transit via the direct debit, ITRON, Siemens and PayPoint systems. We have now ingathered the sums in transit with ITRON, Siemens and PayPoint, totalling £131,793. Discussions are ongoing with the final payment provider to establish and secure the funds in transit via their systems.

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 with a view to submitting the final return due for month ending January 2019, where the records indicate that a potential refund is due of c.£214,000. We will liaise with HMRC to recover as much of this refund as practicable.

Office and IT equipment

The Company owned certain office and IT equipment and furniture. As at the date of appointment, these assets had a net book value of £84,000.

Following appointment, we instructed GMG Asset Management (UK) Limited ("GMG"), independent valuation agents, to inventory, value and sell all owned physical assets.

No offers have been received for the majority of the office furniture. GMG are in the process of selling those assets for which offers have been received, primarily the IT equipment, albeit do not anticipate realising material value.

We have taken the necessary steps to identify those assets which are subject to lease or hire, and have returned the relevant equipment to the respective owners.

Leasehold property

The Company occupied three leased premises at 3 and 4 Hay Avenue, Edinburgh.

We have exited two of the three properties leased by the Company, with the third unit being used by UEL to provide the services under the DCA. UEL is reimbursing the Company for the costs of the leased unit.

Other assets

The Company's books and records disclose the following other assets:

- certain prepayments totalling £58,000;
- intercompany loans due to the Company by the Society of £164,000 and OPEL of £13,000;
- other debtors being: connected party loan of £4,000, grant funding of £49,000 and flat deposit of £1,000.

We have obtained the supporting documentation/information in relation to the balances and are in the process of pursuing recovery of the sums due to the Company. No realisations have been secured from these assets to date.

The Company's books and records also include intangible assets with a net book value of £83,000. This is the capitalised cost of obtaining the gas and electricity licences. Given the licences were revoked prior to the administration appointment, this asset has no recoverable value.

Investigations

We are reviewing 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

To date we have paid UEL £519,375 under the terms of the debt collection agency agreement for their assistance with final billing and with collecting the debts due.

IT system costs

We have paid £195,441 to various IT system providers for the key IT systems retained following appointment to enable final billing and debt collection. Under the terms of the DCA, UEL has reimbursed the Company for these costs incurred after the DCA was entered into.

Payroll

We have paid £43,326 in payroll costs and associated taxes in relation to staff retained for a short period after the administration appointment. All employees have now been made redundant.

Legal fees

We have paid £20,343 to date to our legal agents primarily in relation to appointment related legal services, legal advice around creditor claims and the conduct of the administration, and agreement of the legal documentation with UEL.

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).

We have also attached a revised expenses estimate at Appendix 4. The expenses of the administration are now expected to exceed our initial expectations. This is attributable to the final billing and credit control process for debtors being extended beyond the period initially envisaged in order to maximise debtor recoveries for the benefit of the creditors. The additional debtor recoveries achieved have exceeded the additional expenses incurred.

3 Dividend prospects

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 & 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.

The directors' Statement of Affairs indicates that the secured creditors will receive a small distribution under the terms of the floating charge.

3.2 Preferential creditors

We estimate the amount of preferential claims to be c.£21,000.

Based on current estimates, we anticipate that preferential creditors should receive a distribution of 100p:£1. We have yet to determine the timing of this distribution, which will be dependent upon the time required to adjudicate upon the preferential creditor claims.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a small Prescribed Part dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

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

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

Time costs

From the date of our appointment to 30 July 2019, we have incurred time costs of £541,705.75. These represent 1,276.75 hours at an average rate of £424.28 per hour.

We have not drawn any remuneration to date.

Disbursements

During the period, we have incurred disbursements of £4,619.53. None of these have yet been paid.

Joint Administrators' remuneration and disbursements

During the period, the secured and preferential creditors have 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.

Accordingly, we intend to draw a fee of £515,397.00 plus disbursements of £4,619.53 (both plus VAT) for the period 31 January to 30 July 2019.

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.

Additional information

In our Administrators' Proposals we enclosed a fee estimate for our costs for the whole period of administration. This estimate was for 2,203 hours at a total estimated cost of £911,467.50. Our current expectation of our costs for the case remains at this figure.

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 our appointment to 30 July 2019. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

Our proposals provided details of our pre-administration costs of £41,408.22 (excluding VAT). The secured and preferential creditors provided their approval to these costs as an expense of the administration on 17 April 2019 and 19 April 2019, respectively. Payment will be made shortly.

5 Future strategy

5.1 Future conduct of the administration

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 customer billing and recovering debtors;
- investigating and realising any sundry and other assets, including VAT refund, credit and collateral warranties, prepayments and sundry debtors;
- securing final cash in transit balances;
- agreeing and settling all third party, legal and agents' fees, as appropriate;
- reporting to and liaising with the Company's creditors;
- adjudicating upon the preferential and secured creditors' claims and facilitating a distribution;
- adjudicating upon the unsecured creditors' claims and facilitating a Prescribed Part dividend;
- finalising all VAT and Corporation Tax matters; and
- attending to all statutory and administrative matters.

5.2 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.

5.3 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

The administration is currently due to end on 30 January 2020, unless it is extended.

Whilst we will progress the above noted outstanding matters as quickly as practicable we will not be in a position to finalise the administration before its automatic end on 30 January 2020. Accordingly, we intend to extend the period of the administration by 12 months to 30 January 2021 with the consent of creditors. If you have any objections please write to Jack Gillespie at KPMG LLP, 319 St Vincent Street, Glasgow, G2 5AS before 20 September 2019.

5.4 Future reporting

We will provide a further progress report within one month of 30 January 2020.

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	Estimated Net Property is £1.07 million and estimated Prescribed Part is £217,000. The Prescribed Part is applicable on this case. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
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 2020

Appendix 2 Joint Administrators' receipts and payments account

Our Power Energy Supply Limited – in Administration

Abstract of receipts & payments

Statement of affairs
(£)

From 31/01/2019 From 31/01/2019
To 30/07/2019 (£) To 30/07/2019 (£)

ASSET REALISATIONS

8,000.00	Furniture & equipment	NIL	NIL
840,000.00	Book debts	1,996,135.26	1,996,135.26
	Deposit	50,000.00	50,000.00
	Members debts	17,315.69	17,315.69
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	256,981.27	256,981.27
	Cash in transit	131,793.22	131,793.22
	Collateral and credit cover	41,358.00	41,358.00
	Members portal	5,000.00	5,000.00
		<hr/>	<hr/>
		2,498,583.44	2,498,583.44

OTHER REALISATIONS

Bank interest, gross	1,750.76	1,750.76
Third Party Funding	328,606.79	328,606.79
Disputed funds	157,852.21	157,852.21
	<hr/>	<hr/>
	488,209.76	488,209.76

COST OF REALISATIONS

Payroll Bureau costs	(858.05)	(858.05)
Agents'/Valuers' fees	(3,275.00)	(3,275.00)
Sub contractors	(10,551.36)	(10,551.36)
Legal fees	(20,343.00)	(20,343.00)
Debt collection commission	(519,375.16)	(519,375.16)
IT system costs	(195,441.21)	(195,441.21)
Storage costs	(385.20)	(385.20)
Statutory advertising	(73.00)	(73.00)
Other property expenses	(277.92)	(277.92)
Insurance of assets	(1,680.00)	(1,680.00)
Wages & salaries	(40,659.63)	(40,659.63)
PAYE & NIC	(2,667.04)	(2,667.04)
Bank charges	(140.00)	(140.00)
	<hr/>	<hr/>
	(795,726.57)	(795,726.57)

PREFERENTIAL CREDITORS

Our Power Energy Supply Limited – in Administration

Abstract of receipts & payments

Statement of affairs
(£)

From 31/01/2019 To 30/07/2019 (£) From 31/01/2019 To 30/07/2019 (£)

(19,000.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(16,548,000.00)	Floating charge	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(14,380,000.00)	Trade & expense	NIL	NIL
(44,000.00)	Employees	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(29,686,001.00)		2,191,066.63	2,191,066.63
	REPRESENTED BY		
	Floating ch. VAT rec'able		149,867.37
	Floating charge current		2,186,681.39
	Floating ch. VAT payable		(173,915.49)
	Floating ch. VAT control		28,433.36
			2,191,066.63

Appendix 3 Schedule of expenses

Schedule of expenses (31/01/2019 to 30/07/2019)

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Payroll Bureau costs	858.05	141.95	1,000.00
Agents'/Valuers' fees	3,275.00	1,000.00	4,275.00
Sub contractors	10,551.36	0.00	10,551.36
Legal fees	20,343.00	18,000.00	38,343.00
Debt collection commission	519,375.16	0.00	519,375.16
IT system costs	195,441.21	121,000.00	316,441.21
Storage costs	385.20	9,614.80	10,000.00
Statutory advertising	73.00	927.00	1,000.00
Other property expenses	277.92	1,722.08	2,000.00
Insurance of assets	1,680.00	8,000.00	9,680.00
Wages & salaries	40,659.63	0.00	40,659.63
PAYE & NIC	2,667.04	0.00	2,667.04
Administrators' expenses	0.00	5,000.00	5,000.00
Tax	0.00	10,000.00	10,000.00
Heat & Light	0.00	24,000.00	24,000.00
Other stat and admin	0.00	16,000.00	16,000.00
Mail redirection	0.00	1,000.00	1,000.00
Rent & Rates	0.00	31,000.00	31,000.00
Bank charges	140.00	1,860.00	2,000.00
TOTAL	795,726.57	249,265.83	1,044,992.40

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 expenses estimate

Summary of Expenses from appointment

		Total for Administration			
Expenses (£)	Narrative	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
Cost of realisations					
Payroll Bureau costs	(i)	1,000.00	858.05	141.95	1,000.00
Mail redirection	(i)	1,000.00	0.00	0.00	1,000.00
Other stat and admin	(i)	16,000.00	0.00	16,000.00	16,000.00
Administrators' expenses	(i)	12,000.00	0.00	7,000.00	7,000.00
Pre administration costs	(i)	41,000.00	0.00	41,000.00	41,000.00
Agents'/Valuers' fees	(i)	6,000.00	3,275.00	1,725.00	5,000.00
Sub contractors	(i)	11,000.00	10,551.36	448.64	11,000.00
Legal fees	(i)	73,000.00	20,343.00	38,657.00	59,000.00
Debt collection commission	(ii)	324,000.00	519,375.16	171,624.84	691,000.00
Tax	(i)	10,000.00	0.00	10,000.00	10,000.00
IT system costs	(ii)	271,000.00	195,441.21	121,558.79	317,000.00
Heat & light	(ii)	15,000.00	0.00	24,000.00	24,000.00
Storage costs	(i)	10,000.00	385.20	9,614.80	10,000.00
Statutory advertising	(i)	1,000.00	73.00	927.00	1,000.00
Rent & Rates	(ii)	15,000.00	0.00	31,000.00	31,000.00
Other property expenses	(ii)	2,000.00	277.92	1,722.08	2,000.00
Insurance of assets	(ii)	10,000.00	1,680.00	8,320.00	10,000.00
Wages & salaries	(i)	41,000.00	40,659.63	340.37	41,000.00
PAYE & NIC	(i)	3,000.00	2,667.04	0.00	2,667.04
Bank charges	(i)	1,000.00	140.00	1,860.00	2,000.00
TOTAL		864,000.00	795,726.57	485,940.47	1,282,667.04

(i) These costs remain materially in line with our initial estimates

(ii) These costs relate entirely to the UEL debt collection arrangement. The costs have exceeded expectations as a result of debtor recoverability being significantly higher than initially expected and due to extending the period over which the debtors are being pursued by UEL (i.e. infrastructure costs have also increased). Refer to section 2.2 for further details.

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, employee, pensions and health and safety advice from 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/what-we-do/publications/professional/fees/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.

Charge-out rates (£) for: Our Power Energy Supply Limited – in Administration

Grade	From 01 Jan 2019 £/hr
Partner	655
Director	590
Senior Manager	535
Manager	445
Senior Administrator	310
Administrator	225
Support	140

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 incurred the following disbursements from the date of our appointment to 30 July 2019.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation		1,525.43		NIL	1,525.43
Courier & delivery costs		1.21		NIL	1.21
External printing		158.76		NIL	158.76
Meals		451.07		NIL	451.07
Mileage		NIL		99.45	99.45
Bonding		475.00		NIL	475.00
Postage		276.55		NIL	276.55
Travel		1,632.06		NIL	1,632.06
Total		4,520.08		99.45	4,619.53

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

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 31 January 2019 to 30 July 2019

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; posting information on a dedicated web page; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, including the decision to trade 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; meeting with management to review and update strategy and monitor progress; 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; liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of secured creditors regarding the progress of the administration and case strategy.
Cashiering	setting up administration bank accounts and dealing with the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; dealing with post appointment tax compliance. Preparing and submitting VAT returns.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	collating information from the Company's records regarding the assets; liaising with finance companies in respect of assets subject to finance agreements; liaising with agents regarding the sale of assets; Negotiation and continuing maintenance of debt collection arrangement with UEL; reviewing outstanding debtors and management of debt collection strategy; liaising with UEL credit control staff and communicating with debtors; seeking legal advice in relation to book debt collections; liaising with the UEL regarding debtor recoveries; reviewing the inter-company debtor position between the Company and other group companies.

Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues with a view to exiting properties; performing land registry searches.
Health and safety	liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Employees	dealing with queries from employees regarding various matters relating to the administration and their employment; dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; holding employee briefing meetings to update employees on progress in the administration and our strategy; administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; communicating and corresponding with HM Revenue and Customs; dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; managing claims from employees; ensuring security of assets held by employees.
Pensions	collating information and reviewing the Company's pension schemes; communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	drafting and circulating our proposals; 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; agreeing secured, preferential and unsecured claims; drafting our progress report.
Investigations/ directors	reviewing Company and directorship searches and advising the directors of the effect of the administration; liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; arranging for the redirection of the Company's mail; reviewing the questionnaires submitted by the Directors of the Company; reviewing pre-appointment transactions; submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 – Time costs analysis (31/01/2019 to 30/07/2019)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Bankrupt/Director/Member							
Notification of appointment			2.20		2.20	682.00	310.00
Cashiering							
General (Cashiering)		2.40	29.50		31.90	9,907.00	310.56
Reconciliations (& IPS accounting reviews)			2.00		2.00	620.00	310.00
General							
Books and records			19.95		19.95	5,887.00	295.09
Fees and WIP		4.00	0.50		4.50	2,295.00	510.00
Statutory and compliance							
Appointment and related formalities	12.70	8.20	5.70		26.60	13,872.00	521.50
Bonding & Cover Schedule		1.00			1.00	472.00	472.00
Budgets & Estimated outcome statements		9.60			9.60	5,136.00	535.00
Checklist & reviews		11.60	1.00		12.60	6,516.00	517.14
Reports to debenture holders	8.50	36.80			45.30	24,711.50	545.51
Statutory advertising			0.30		0.30	93.00	310.00
Strategy documents	16.50	13.00	8.10		37.60	18,636.50	495.65
Tax							
Initial reviews - CT and VAT		6.20	5.75		11.95	4,695.75	392.95
Post appointment corporation tax		0.50	1.00		1.50	577.50	385.00
Post appointment PAYE (Non Trading)			2.00		2.00	620.00	310.00
Post appointment VAT		7.70	11.00		18.70	6,698.50	358.21
Creditors							
Creditors and claims							
Agreement of claims			3.00		3.00	675.00	225.00
Agreement of unsecured claims			8.30		8.30	2,496.50	300.78
General correspondence		17.90	84.90		102.80	34,404.50	334.67
Legal claims		4.10	13.50		17.60	5,231.00	297.22
Notification of appointment		1.40	8.90		10.30	3,423.00	332.33

SIP 9 – Time costs analysis (31/01/2019 to 30/07/2019)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Pre-appointment VAT / PAYE / CT			0.50		0.50	155.00	310.00
Secured creditors		6.90			6.90	3,178.50	460.65
Statutory reports	14.80	25.20	29.70		69.70	30,172.50	432.89
Employees							
Correspondence		12.80	56.60		69.40	24,394.00	351.50
DTI redundancy payments service			0.90		0.90	279.00	310.00
Pension funds			18.85		18.85	5,822.25	308.87
Pensions reviews	2.20		4.30		6.50	2,646.50	407.15
Investigation							
Directors							
Correspondence with directors		10.50	3.40		13.90	6,581.50	473.49
D form drafting and submission		2.00	7.40		9.40	3,304.50	351.54
Directors' questionnaire / checklist		0.60	4.70		5.30	1,608.00	303.40
Statement of affairs		3.10	2.40		5.50	2,334.50	424.45
Investigations							
Mail redirection			6.90		6.90	1,552.50	225.00
Review of pre-appt transactions		1.20			1.20	642.00	535.00
Realisation of assets							
Asset Realisation							
Cash and investments		4.50			4.50	2,407.50	535.00
Debtors	82.60	369.00	115.80		567.40	262,568.25	462.76
Health & safety		0.30	3.30		3.60	1,183.50	328.75
Insurance			0.70		0.70	217.00	310.00
Leasehold property	1.70	4.80	4.30		10.80	4,499.00	416.57
Office equipment, fixtures & fittings		1.90	16.80		18.70	5,810.00	310.70
Other assets		17.50			17.50	8,399.50	479.97
Trading							
Cash & profit projections & strategy		1.70			1.70	909.50	535.00
Employee Matters / PAYE		18.10	31.40		49.50	17,715.00	357.88

SIP 9 – Time costs analysis (31/01/2019 to 30/07/2019)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Negotiations with landlords			1.30		1.30	403.00	310.00
Negotiations with suppliers / landlords		1.10			1.10	489.50	445.00
Purchases and trading costs	5.30	2.70	7.30		15.30	6,783.50	443.37
Total in period	144.30	608.30	524.15	0.00	1,276.75	541,705.75	424.28

Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00
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SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	1,276.75	541,705.75
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Carry forward time (appointment date to SIP 9 period end date)	1,276.75	541,705.75
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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
Society	Our Power Community Benefit Society Limited – in Administration
UEL	Utilita Energy Limited
SOLR	Supplier of Last Resort
Joint Administrators/we/our/us	Alistair McAlinden and Blair Nimmo
Proposals	The Joint Administrators Proposals
SIS	Social Investment Scotland
OPEL	Our Power (Energy) Limited
KPMG	KPMG LLP

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 or any other company in the Group.

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.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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