

In accordance with  
Rule 18.6 of the  
Insolvency (England &  
Wales) Rules 2016.

# AM10

## Notice of administrator's progress report



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

1

Company details

Company number	0	9	4	7	3	9	1	0
Company name in full	Entice Energy Supply Limited							

→ Filling in this form

Please complete in typescript or in bold black capitals.

2

Administrator's name

Full forename(s)	John Dean
Surname	Cullen

3

Administrator's address

Building name/number	2 Sovereign Quay							
Street	Havannah Street							
Post town	Cardiff							
County/Region								
Postcode	C	F	1	0		5	S	F
Country								

4

Administrator's name ❶

Full forename(s)	Rachel Helen
Surname	Lai

❶ Other administrator

Use this section to tell us about another administrator.

5

Administrator's address ❷

Building name/number	2 Sovereign Quay							
Street	Havannah Street							
Post town	Cardiff							
County/Region								
Postcode	C	F	1	0		5	S	F
Country								

❷ Other administrator

Use this section to tell us about another administrator.

AM10

Notice of administrator's progress report

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Period of progress report

From date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>8</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	
To date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>6</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	

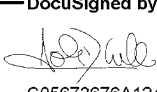
7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	<div>Signature</div> <div>X</div>	<div>DocuSigned by:</div> <div></div> <div>C05673676A12475...</div>	<div>X</div>						
Signature date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>6</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>7</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	

## AM10

## Notice of administrator's progress report

**Presenter information**

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

Contact name Penny Elvin

Company name Menzies LLP

Address 2 Sovereign Quay

Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

Country

DX DX 200767 Cardiff Bay

Telephone 029 2049 5444

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**Entice Energy Supply Limited t/a Entice Energy**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 08/12/2021 To 07/06/2022 £	From 08/12/2021 To 07/06/2022 £
	<b>ASSET REALISATIONS</b>		
	Bank Interest Gross	2.19	2.19
(49,063.94)	Barclays Bank Plc	NIL	NIL
112,485.85	Cash at Bank	65,628.08	65,628.08
20,500.80	Collateral	NIL	NIL
262,500.00	Customer Debit Balances	32,997.17	32,997.17
NIL	Intangible Assets	NIL	NIL
	Management Chargebacks	108,875.69	108,875.69
Uncertain	Office Furniture & Equipment	NIL	NIL
NIL	Shares & Investments	NIL	NIL
162,000.00	Smart Debit Receipts	129,225.74	129,225.74
NIL	VAT Refund	NIL	NIL
		336,728.87	336,728.87
	<b>COST OF REALISATIONS</b>		
	Accountancy Fees	1,050.00	1,050.00
	Bank Charges	75.00	75.00
	Billing Consultant	24,680.00	24,680.00
	Billing Systems	131,168.51	131,168.51
	Debt Collection Costs	2,261.09	2,261.09
	ERA/Pension Agent	12,021.37	12,021.37
	Insurance of Assets	487.20	487.20
	IT Licences	1,789.15	1,789.15
	Joint Administrator's Fees	50,000.00	50,000.00
	Legal Fees	8,490.00	8,490.00
	Payment Gateway	1,942.40	1,942.40
	Pre-Administration Fees	13,870.50	13,870.50
	Pre-Administration Legal Fees	5,174.75	5,174.75
	Statutory Advertising	94.05	94.05
	Telephone Costs	385.00	385.00
	Wages & Salaries	20,652.58	20,652.58
		(274,141.60)	(274,141.60)
	<b>PREFERENTIAL CREDITORS</b>		
(1,663.25)	Employees Wages & Holiday Pay	NIL	NIL
		NIL	NIL
	<b>SECONDARY PREFERENTIAL CREDITORS</b>		
(22,093.47)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(587,457.44)	Floating Charge Creditor	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(564,000.00)	Customer Credit Balances	NIL	NIL
(18,895.90)	Directors	NIL	NIL
(21,296.68)	Employees	NIL	NIL
(754.49)	HM Revenue and Customs - CT	NIL	NIL
(142,687.51)	InterCompany Creditor	NIL	NIL
(115,000.00)	Loans	NIL	NIL
(152,970.99)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL

<b>(1,118,497.02)</b>		<b>62,587.27</b>	<b>62,587.27</b>
REPRESENTED BY			
Barclays Bank			10,421.13
Cash held by Agent			12,770.66
Vat Control Account			23,970.95
VAT Payable			(6,616.03)
VAT Receivable			19,486.43
			<b>60,033.14</b>
			DocuSigned by:
			
			C05673676A12475...
			John Dean Cullen
			Joint Administrator

ENTICE ENERGY SUPPLY LIMITED T/A ENTICE ENERGY - **IN ADMINISTRATION** (“**THE COMPANY**”)

HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS IN BIRMINGHAM, INSOLVENCY  
AND COMPANIES LIST

NUMBER 000384 OF 2021

**JOINT ADMINISTRATORS’ SIX-MONTH PROGRESS REPORT TO CREDITORS**

FOR THE PERIOD 8 DECEMBER 2021 TO 7 JUNE 2022

DATED: 6 JULY 2022

<b>Joint Administrators' names:</b>	John Dean Cullen and Rachel Helen Lai
<b>Joint Administrators' address:</b>	Menzies LLP, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF
<b>Joint Administrators' date of appointment:</b>	8 December 2021 in the High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List
<b>Functions of Administrators:</b>	In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators are being exercised by either of them
<b>Appointed by:</b>	The directors of the Company pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986
<b>Details of any extension to initial period of appointment:</b>	None
<b>Report period to:</b>	7 June 2022
<b>Contact details of the Joint Administrators:</b>	Contact: Penny Elvin Email: EnticeEnergy@menzies.co.uk Tel: +44 (0) 29 2049 5444

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9. Creditors' rights
10. Further information
11. Concluding Remarks

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## GLOSSARY OF TERMS

ENTICE ENERGY SUPPLY LIMITED t/a Entice Energy t/a Entice Energy	"the Company"
The Insolvency Act 1986	"the Act"
Schedule B1 of the Insolvency Act 1986	"the Schedule"
The Insolvency (England & Wales) Rules 2016 (as amended)	"the Rules"



## 1 INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 The Company's principal activity was the distribution of gaseous fuels through mains. The Company traded as a domestic gas supplier in the energy market, operating under a Gas Supply Licence granted by the Gas and Electricity Markets Authority ("Ofgem") under Section 7A(1)(a) of the Gas Act 1986. It was a retail utility, supplying gas to approximately 4,000 domestic customers. The Company's subsidiary company, Simply Your Energy Limited ("SYEL"), supplied its customers with electricity. The Company and SYEL traded jointly as "Entice Energy".
- 1.2 In November 2021, the Director of the Company concluded that it would be in the best interests of the Company and its creditors to cease trading and notify Ofgem of this decision. Ofgem, under the Energy Act 2004, has the ability to (a) revoke the licence of an energy supplier that is insolvent and (ii) direct any gas and electricity supply licensee to take over responsibility for supplying energy to a failed supplier's customers. Ofgem were notified on 22 November 2021 and an application was made by Ofgem to the High Court of Justice shortly thereafter. The High Court of Justice declared the Company to be insolvent, that the supply licences should be revoked by Ofgem and a Supplier of Last Resort ("SoLR") should be appointed. The Company's licences were revoked by Ofgem on 28 November 2021.
- 1.3 Following the revocation of the gas licence on 28 November 2021 by Ofgem and the appointment of ScottishPower as the SoLR on the same date, the Company's gas supply to customers ceased on 27 November 2021.
- 1.4 A Notice of Intention to appoint Administrators was filed on 1 December 2021 and served on Contract Natural Gas Limited ("CNG"), the floating charge creditor, on 2 December 2021. Rachel Helen Lai and I, both of Menzies LLP, were appointed Joint Administrators of the Company on 8 December 2021 following consent received from CNG. The Joint Administrators were appointed by the Board of Directors ("the Board") pursuant to Paragraph 22 of Schedule B1.
- 1.5 In accordance with the Rule 18.2 of the Rules, I now report on the progress made in the Administration during the six months ended 7 June 2022.
- 1.6 This report should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") dated 27 January 2022. In the Proposals, the Joint Administrators were of the opinion that the objective in accordance with Paragraph 3(1)(b) of the Schedule, (i.e. achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, without first being in Administration), would be viable.
- 1.7 The Proposals were approved by way of deemed approval on 9 February 2022.
- 1.8 The Joint Administrators remain of the opinion that the stated objective of the Administration can be achieved through the retention of staff and systems required to finalise customer accounts and issue final statements, which in turn has enabled and maximised the collection of the book debts relating to debit balances on customer gas accounts which will enable a dividend to be paid to the preferential and unsecured creditors under the prescribed part provisions.
- 1.9 Based on current known information about the Company's financial position, and after taking into account the estimated office holders' fees and expenses, it is anticipated that whilst preferential creditors will be paid in full, floating charge creditors will receive a dividend of 16 pence in the £. We also anticipate being able to make a distribution out of the prescribed part of the net property of approximately 3 pence in the £ to ordinary unsecured creditors. I refer you to section 4 below.
- 1.10 Statutory information about the Company, the Administration and the officeholders is given at Appendix 1.

## 2 PROGRESS AND ASSET REALISATIONS

- 2.1 The manner in which the affairs of the Company have been managed since the appointment of Joint Administrators and how they will continue to be managed is set out below.
- 2.2 My Receipts & Payments Account for the period from 8 December 2021 to 7 June 2022, which I have reconciled to the financial records that I am required to maintain, is attached at Appendix 2. All receipts and payments are shown net of VAT.
- 2.3 The balance of funds amounting to £10,421.13 in the floating charge account are held in an interest-bearing estate bank account.

### Intangible Assets

- 2.4 The estimated financial position as of 8 December 2021 included in my Proposals, known as a "statement of affairs", details intangible assets with an uncertain estimated to realise value relating to the capitalisation of development costs. Due to the withdrawal of licences and the Administration of the Company, it is not anticipated that the intangible assets are realisable for the benefit of creditors.

### Office Furniture & Equipment

- 2.5 The statement of affairs details tangible assets by way of office furniture and equipment with an uncertain estimated to realise value. These assets relate mostly to second-hand office desks and chairs together with some outdated computers/laptops and other IT equipment. Jason Hall BSc (Hons) PGDipSurv MRICS of Lambert Smith Hampton ("LSH") was engaged to provide a valuation of these tangible assets and market these assets for sale. These assets have been sold for £600 plus VAT on the recommendation of LSH however these sale proceeds have been used to settle LSH's costs directly. This matter has now finalised.

### Investments

- 2.6 The statement of affairs details investments with an estimated to realise value of nil. This relates to the Company's investment in its subsidiary company, SYEL. SYEL is also in Administration and as such, does not have any value for the benefit of the Administration estate.

### Customer Debit Balances

- 2.7 A key asset of the Administration estate is the debtor book. "Pre-SoLR" accounts relate to customers who switched gas provider at any date prior to the SoLR and the transfer to ScottishPower. Amounts due from these customers are being collected within the Administration and debt collection agents, Barratt Smith Brown ("BSB"), have been engaged to assist me in this regard. All outstanding statements relating to Pre-SoLR accounts have been re-issued to customers. SoLR accounts refer to customers whose gas supply remained with the Company up until the SoLR date and whose supply transferred to ScottishPower on 28 November 2021.
- 2.8 During the period to which this report relates, I engaged a billing consultant, being a former employee of the Company, to assist with finalising customer accounts and raising final statements for the Company's final gas supply period to 27 November 2021. This was an extensive exercise, and these statements were issued to customers on 21 February 2022. Customers were provided with a 14-day dispute period which was subsequently extended to 18 March 2022. The total of the customer debit balances owing to the Company following the dispute period was £231,889.54 (inclusive of VAT).
- 2.9 On 18 March 2022 I engaged debt collection agents, BSB, to collect the total customer debit balances.

- 2.10 The collections by BSB in the period total £31,613.08 plus VAT relating to 442 customer accounts. Collections in the sum of £18,842.42 plus VAT have been remitted to the Administration estate by BSB in this period and as such, a balance of £12,770.66 plus VAT was held by BSB in a client account as of 7 June 2022. All one-off payments received into the Company's bank account have been and will continue to be reconciled against customer accounts as part of the debt collection process and I continue to liaise with the Company's bankers in this regard. I have also received cheques directly from customers totalling £1,384.09 plus VAT in the period.
- 2.11 With respect to the volume of debit balance collections to date, while these appear low, I have been advised by BSB that this seems to be a UK-wide problem at the moment driven by the cost-of-living crisis coupled with the increase in the energy price cap coinciding with the SoLR process, resulting in a slow-down of debtor engagement and collections across the board. What this has meant in real terms is that what we would consider as 'passive collections' (the collections made on the point of receipt of a notification) has dropped by 40% for all consumers. In addition to this, BSB are seeing a significantly higher than usual number of applications for Debt Management Plans, complaints and Breathing Space requests than any time previous.
- 2.12 I have been advised that BSB have now almost completed their standard outbound/legal correspondence process and they will shortly be beginning their outbound dialling campaign. This will allow them to clear up any queries and drive collections, actively contacting the entirety of the ledger working high to low value.
- 2.13 Customer credit balances on both pre-SoLR and SoLR accounts have been honoured by ScottishPower and I have liaised with ScottishPower to ensure that they have received the relevant information in this regard. Following the dispute period the total of the customer credit balances was £514,369.52 (inclusive of VAT) and this data was handed to ScottishPower for processing.

#### Cash at Bank

- 2.14 The Company operated a bank account with the Barclays Bank Plc ("the Bank"). As at the date of my appointment, I liaised with the Bank with regards to the remittance of the cash at bank balance held on the Company's account to the Administration estate bank account. It was understood at that time that the cash at bank balance was approximately £112,485.85.
- 2.15 To date, I have received a balance of £65,628.08 from the Bank in respect of the balance held on the account as at the date of Administration. The amount owing to the Bank in respect of the coronavirus bounce-back loan in the sum of £48,402.86 has been off-set by the Bank prior to the remittance of funds to the estate. This reduced the bank account to nil.
- 2.16 The bank account remains open in order to receive one off payments from customers in respect of their final debit balances. I am liaising with the Bank in this regard and any post-Administration receipts received into the Company's bank account have been and will continue to be reconciled as part of our debt collection process and remit to the Administration estate. As at 16 May 2022, I was aware of a balance of approximately £20,975.02 in the bank account in respect of post-Administration receipts.

#### SmartDebit receipts

- 2.17 As at my appointment I was aware of approximately £162,000 held by the Company's payment processor that facilitated the Company's direct debit payments, Payments Solutions Limited trading as SmartDebit ("SmartDebit") by way of direct debit collections from the period 22 November 2021 to the final collection on 15 December 2021. These direct debit collection reports were factored into final statements.

2.18 Following my appointment as Administrator, I received an initial release of funds from SmartDebit in the sum of £30,000. I subsequently agreed a staged repayment plan with SmartDebit in order to protect SmartDebit from any direct debit indemnity claims, which included a further initial repayment of 50% of the net collected funds following by a further 50% of the remaining net collected funds after 3 months. I have therefore received £66,221.16 and £33,004.58 from Smart Debit in this matter. The remaining funds in the sum of £33,004.58 are being held by SmartDebit and will be released in July 2022. This matter is therefore ongoing.

Collateral

2.19 I have liaised with SmartDebit in respect of the collateral they hold in the sum of £20,000. It has been agreed with SmartDebit that this collateral will be released in January 2023, subject to any direct debit indemnity claims. However, if indemnity claims continue to be received at this time, a smaller amount will be retained for a further six months. This matter is therefore ongoing.

VAT refund

2.20 As reported in my Proposals, the VAT refund in the Company's management accounts is not recoverable as this relates to an accounting entry.

Bank interest

2.21 I have received bank interest of £2.19 during the period.

Management chargebacks

2.22 Management chargebacks have been received into the Administration estate from SYEL in the sum of £108,875.69. This relates to a 60% apportionment of the trading costs paid from the Administration estate on the basis that while most of the contracts for critical services sat with the Company, including employee contracts, IT infrastructure and billing systems, these costs have been incurred to facilitate the final trading wind-down process for both the Company and SYEL. I believe that this apportionment fairly represents the number of customers of each company and the value derived from each estate from customer debit balances as a result of this final billing process.

2.23 The payment of shared costs relating to the Administrations of the Company and SYEL and the apportionment of said costs on this basis was authorised by creditors on 4 March 2022.

2.24 Please note that shortly following the period to which this report relates I have also received a contribution to costs from ScottishPower in the sum of £33,285.24 plus VAT in respect of the trading costs relating to the final billing process that have been incurred in the estate for the benefit of both parties. This contribution has acknowledged the work that has been done in the period which ultimately assisted ScottishPower in its role as the SoLR and aided the smooth transition of customer accounts.

Other assets

2.25 I am not aware of any other assets owned by the Company. If creditors are aware of any other assets of the Company, please contact me on +44 (0) 29 2067 4996.

### 3 INVESTIGATIONS

3.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account potential recoveries and potential costs involved. I am required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from creditors any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

3.2 The Company's books and records were recovered, listed and analysed and initial enquiries were made in order to ascertain whether there were any potential asset recoveries that required further action. In particular, I considered matters raised by Ofgem. I have reviewed the Company's bank statements.

3.3 My enquiries in this regard are ongoing.

3.4 I also have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am obliged to investigate the Company's financial affairs and submit a report to the Secretary of State in accordance with Section 7(3) of the Company Directors Disqualification Act 1986. A report on the directors' conduct has been filed, the content of which is confidential.

#### 4 LIABILITIES AND DIVIDEND PROSPECTS

##### LIABILITIES

4.1 I will deal with the Company's creditors in order of priority.

##### Secured creditors

4.2 CNG has a fixed and floating charge registered against the Company created on 5 February 2020 by way of a debenture. There is understood to be a balance of approximately £587,457.44 owing to CNG from the Company as at the Administration date.

4.3 The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, a floating charge was granted by the Company to CNG on 5 February 2020. As the charge was created after 15 September 2003, the prescribed part provisions of the legislation apply. These require that a share of the floating charge assets are reserved for distribution to unsecured creditors as follows:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property, up to a maximum of £600,000

##### Preferential creditors

4.4 The Company had 8 employees as at the Administration date, including the Director. Of these employees, 1 was made redundant on 10 December 2021. Of the remaining employees, 4 subsequently resigned throughout December 2021 and the Director was made redundant on 31 December 2021. 2 employees were employed by the Company in January 2022 in order to assist with the wind-down and final billing process and 1 of these employees subsequently left the Company on 21 January 2022. The final employee was made redundant on 11 February 2022. Wages of those employees who worked for the Administrators have been paid as an expense of the Administration.

4.5 Claims from former employees in respect of arrears of wages, up to a maximum of £800 per employee, and accrued holiday pay rank preferentially in that they are paid ahead of floating charge and ordinary unsecured creditors. Where an employee's claim is paid by the Redundancy Payments Service ("RPS"), the RPS have a subrogated preferential claim in the Administration.

4.6 The statement of affairs anticipated £1,663.25 in respect of preferential creditors. I have not yet received a claim from the RPS.

4.7 The Company owed monies to HM Revenue & Customs ("HMRC") in respect of unpaid VAT and PAYE/Ni. Since 1 December 2020, these debts have ranked as secondary preferential claims in the Administration in that they are paid after preferential claims but prior to the floating charge and ordinary unsecured creditors.

- 4.8 The statement of affairs anticipated £22,093.47 in respect of secondary preferential creditors relating to HMRC's claim. A preferential claim totaling £22,033.27 has been received from HMRC in respect of their secondary preferential debts.

Non-preferential unsecured creditors

- 4.9 As at the date of my appointment, unsecured creditors were estimated to total £1,015,605.57, including the unsecured claims of the former employees, an amount owing to the Director, an amount owing to HMRC in respect of Corporation Tax, an amount owing to SYEL and contingent consumer amounts owing to customers in respect of the total credit balances on gas accounts as at 27 November 2021.
- 4.10 I have received 15 unsecured claims totalling £685,356.25. This includes an unsecured claim received from HMRC in the sum of £9,667.21. I have not received claims from 35 unsecured creditors, including the Director and SYEL. I have also not received claims from the contingent consumer creditors on the basis that outstanding credit balances have been honoured by ScottishPower. I have, however, received a subrogated claim from ScottishPower in the sum of £514,963.61 in this regard.

DIVIDEND PROSPECTS AND ALLOCATION OF COSTS

Preferential creditors

- 4.11 Based on the future expected asset realisations in this matter, specifically the customer debit balance collections, the SmartDebit receipts and the collateral, it is expected that a dividend will be paid to ordinary and secondary preferential creditors in the sum of 100p in the £.

Floating charge creditors

- 4.12 As previously advised, the prescribed part provisions apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Administration to date and the future costs of the Administration, the net property of the Company is £123,634, and I estimate that the prescribed part of the net property for unsecured creditors is £27,727
- 4.13 The floating charge creditor, CNG, is anticipated to be paid in part from the Administration estate.

Unsecured creditors

- 4.14 Based on current known information about the Company's financial position and the realisations made to date, and after taking into account the estimated costs of the Administration, it is anticipated that I will be able to make a distribution out of the prescribed part of the net property of approximately 3 pence in the £ to ordinary unsecured creditors.
- 4.15 If creditors wish to record their claim in the Administration, please complete and return the proof of debt form attached at Appendix 7, together with supporting documentation to me at Menzies LLP, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF.

5 PRE-ADMINISTRATION COSTS

- 5.1 The Board of Directors instructed Menzies LLP to assist them in placing the Company into Administration on 28 October 2021. The Board of Directors agreed that Menzies LLP be paid pre-Administration costs on a time cost basis estimated at £35,000 plus VAT. A sum of £15,000 plus VAT was paid upfront by the Company. My firm incurred total time costs of £28,870.50. Accordingly, time costs of £13,870.50 plus VAT were unpaid as at my appointment.

5.2 On the 4 March 2022, the following pre-administration costs were approved by the secured and preferential creditors:

- Pre-administration fees charged by my firm to assist Board with the appropriate steps to place the Company into Administration: £13,870.50 plus VAT
- Pre-administration solicitors' fees in relation to legal services provided with a view to the Company entering Administration in order to ensure that the correct strategy was adopted which would protect the interests of stakeholders and maximise recoveries: £2,698.20 plus VAT

5.3 In addition to the work complete by our legal advisors in this matter detailed above, Shakespeare Martineau LLP ("SHMA") prior to the appointment also undertook the necessary legal formalities to put the Company into Administration. Their fixed fee as agreed at the outset for providing that work was £3,000 plus VAT and disbursements totalling £113.75, relating to a Court fee and search fees. These amounts were paid as an expense of the Administration without needing to obtain the approval of creditors.

5.4 The following table summarises out the pre-administration costs incurred, and which have now been paid and those which remain outstanding:

Supplier	Incurred £	Paid pre-appt	Paid in period £	Outstanding £
Menzies LLP	28,870.50	15,000.00	13,870.50	0.00
SHMA	5,811.95	0.00	5,174.75	0.00
Total	34,682.45		19,045.25	0.00

5.5 A balance of £664.20 has been written off by SHMA.

5.6 All pre-Administration costs have been settled and this matter has now finalised.

## 6 JOINT ADMINISTRATORS' REMUNERATION & EXPENSES

### *Joint Administrators' remuneration*

6.1 The Joint Administrators' remuneration was fixed by reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration, based on a fee estimate of £178,700 plus VAT. An initial fee estimate was included in the Proposals. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the preferential and secured creditors. My fees estimate was approved by the secured and preferential creditors on 4 March 2022.

6.2 My total time costs to 7 June 2022 amount to £118,656.05 representing 448.05 of hours work at a blended charge out rate of £264.83 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £322.56 in my fees estimate.

6.3 I attach at Appendix 3, a breakdown of my time costs by work category and staff grade, together with a narrative explanation of work done during the administration to date.

6.4 I have drawn £50,000 to 7 June 2022.

6.5 Given the size and technical nature of the Administration, much of the work described in the sections above was undertaken by me, a manager, an assistant manager and a senior administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6-minute units.

- 6.6 As at 7 June 2022, I do not anticipate that the total time costs I will incur in the Administration will exceed the total estimated remuneration as set out in my fee estimate when my remuneration was authorised by the preferential and secured creditors. Please see Appendix 4 which details actual time costs incurred as compared to the fees estimate provided to creditors in my Proposals.
- 6.7 I only anticipate needing to seek approval to draw fees in excess of this increased estimate if my additional work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings and/or circumstances in the case change again such that I find that it is taking longer than anticipated to undertake the work required to complete the case.
- 6.8 A creditors' guide to fees charged by an Administrator is available via the following link: <http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. There are different versions available, please refer to the April 2021 version which you can find under the heading "Appointments made after April 2021". Alternatively, you can obtain a hard copy free of charge by contacting Menzies LLP using the contact details at the end of this report. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

*Professional and sub-contractors' fees, and other expenses*

- 6.9 Appendix 5 provides an explanation of the categories of expenses which may be drawn from the Administration without creditor approval and those which require creditor approval. The secured and preferential creditors approved the payment of shared trading costs when they approved my remuneration.
- 6.10 I have incurred total expenses of £100,182.83 since my appointment as Administrator. I have drawn £96,012.81 to 7 June 2022. These figures do not include those costs incurred for the benefit of the SYEL estate (see below).
- 6.11 The following expenses were incurred in the period since my appointment as Administrator:

Details of expense	Amount incurred/ accrued in the reporting period
Category 1 Expenses	
Accountancy fees	£1,050.00
Legal fees	£7,490.00
Counsel's fees	£1,000.00
Debt collection costs	£3,914.11
Payment gateway	£1,942.40
ERA/Pension agent	£12,021.37
Telephone costs	£385.00
IT licences	£1,881.00
Billing systems	£130,868.51
Billing consultant	£24,680.00
Statutory advertising	£94.05
Insurance of assets	£487.20
Wages & salaries	£20,652.58
Agents' fees	£2,307.00
Specific penalty bond	£210.00
Bank charges	£75.00



6.12 Expenses have been incurred during the period in respect of the final trading wind-down process undertaken by the Administrators, namely the facilitation of the transition of customers to ScottishPower and the production of final bills for the period to 27 November 2021. I have incurred significant expenses in the period in respect of continued access to the billing systems and the maintenance of telephone and other IT services to enable the employees and consultant to undertake the work required using their Company laptops and existing IT infrastructure. Employees have also been paid as an expense of the Administration in respect of the work undertaken to facilitate the final trading wind-down period, including the collection of final meter readings, the production of final bills and responding to customer queries as appropriate. I also engaged a billing expert, Incomplex Consultancy Limited, as a consultant in this regard.

6.13 As detailed in section 2 above, management chargebacks have been received into the Administration estate from SYEL in the sum of £108,875.69 relating to a 60% apportionment of the trading costs paid from the Administration estate. These trading costs are made up as follows:

Detail of expense	Amount incurred/accrued in the reporting period	SYEL apportionment (60%)	EESL apportionment (40%)
Final billing consultant	£24,680.00	£14,808.00	£9,872
Employee costs – wages	£20,652.58	£12,391.54	£8,261.04
IT systems	£1,881.00	£1,128.60	£752.40
Billing systems	£130,868.51	£78,521.11	£52,347.40
Telephone systems	£385.00	£231.00	£154.00
Payment gateway	£1,942.40	£1,165.44	£776.96
Accountancy fees	£1,050.00	£630.00	£420.00
Total	£181,459.49	£108,875.69	£72,583.80

6.14 Shortly following the period to which this report relates I have also received a contribution to costs from ScottishPower in the sum of £33,285.24 plus VAT, in respect of the trading costs relating to the final billing process that have been incurred and paid from the estate in the period for the benefit of both the Company and ScottishPower. This contribution has acknowledged the work that has been done in the period which ultimately assisted ScottishPower in its role as the SoLR and aided the smooth transition of customer accounts.

6.15 I have used the following agents, professional advisors and subcontractors in the reporting period:

Professional Advisor	Nature of Work	Fee Arrangement
Lambert Smith Hampton	Agent/Valuer	Time costs
Shakespeare Martineau LLP	Solicitors	Time costs
Clumber Consultancy Limited	ERA Agent	Time costs
Clumber Consultancy Limited	Pension Agent	Fixed fee
Lance Ashworth QC	Counsel	Fixed fee
Incomplex Consultancy Limited	Final billing consultant	Time costs
Katrina Proctor	Accounting	Time costs
Courts Advertising Limited	Advertising agent	Fixed fee
Marsh Restructuring & Recovery Practice	Insurance/bond	Fixed fee based on level of assets
Gilmond Consulting Limited	Billing systems provider	Fixed fee per month
Payment Solutions Limited	Direct debit collection agency	Fixed fee per transaction
Monek Ltd	Payment gateway	Fixed fee per transaction

6.16 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

- 6.17 Due to its specialised nature, I sub-contracted some of the work we are required to undertake as Joint Administrators, namely Employment Rights Act (“ERA”) work including dealing with those employees retained by the Administrators to facilitate the wind-down, issues arising from the redundancy of the Company’s employees, the calculation of their preferential and non-preferential claims, calculation of any occupational pension claims, and submissions to the RPS, as well as dealing with any issues arising from the occupational pension scheme ran by the Company (i.e. liaison with the Pension Regulator, the Pension Protection Fund and the pension providers). I sub-contracted this work to Clumber Consultancy Limited (“Clumber”), who are not associated with either of the Joint Administrators, and are satisfied that taking this approach ensured that the best value and service was provided to creditors, because they are specialists in this type of work and, because their agreed fees were cheaper than doing it in house. Clumber Consultancy have charged £12,021.37 for undertaking that work, which has been paid in full.
- 6.18 SHMA were instructed to provide advice and assistance with certain post-appointment matters, including but not limited to advice on the status of customers and creditors, advice on the credit balances and post-Administration direct debits received by SmartDebit, advice on employees, drafting consultancy agreements and general GDPR queries. Their time costs for the work undertaken in the period equate to £7,490 plus VAT. SHMA were chosen because they already acted for the Company and had an understanding of both the Company’s position and the energy industry in general, they have prior experience of SoLR processes, and they have a specialism in insolvency. I therefore concluded that they were very well placed to assist with this matter. Counsel was also engaged to advise on the notification of customers with credit balances on their accounts of the appointment of Administrators as creditors of the Administration and their costs for doing so were agreed at a fixed fee of £1,000 plus VAT.
- 6.19 Jason Hall of LSH was engaged to deal with the valuation and strategy of the tangible assets of the Company. LSH have also assisted with securing the IT equipment and books and records of the Company, both physical and electronic, and securing all data sensitive records. LSH have facilitated the back-up and wiping of IT equipment. LSH have incurred time costs of £600 plus VAT in this matter to date and disbursements totalling £1,707 plus VAT relating to the collection, delivery and wiping of IT equipment and the collection and delivery of books and records.
- 6.20 BSB, specialist debt collection agents, were engaged to assist with the collection of the outstanding debit balances on customer accounts. BSB charge 10% of realisations.
- 6.21 As at 7 June 2022 I do not anticipate that the expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the secured and preferential creditors.
- 6.22 Based on my knowledge of the case to date, I anticipate being able to draw my time costs and expenses in full. The anticipated return to preferential and unsecured creditors is detailed in section 4 above.

## 7 EXTENSION OF THE ADMINISTRATION

- 7.1 In accordance with Paragraph 76(1) of Schedule B1 of the Act, the appointment of an Administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. Accordingly, my appointment will end on 7 December 2022, unless steps are taken to extend the Administration, pursuant to Paragraph 76(2) of Schedule B1 of the Act.

## 8 EXIT ROUTE OF THE ADMINISTRATION

- 8.1 The Proposals provided reasons in respect of the chosen exit route of the Administration. The current position indicates that there will be insufficient funds available to enable a dividend to be declared to unsecured creditors outside of the prescribed part provisions. Accordingly, it is proposed to exit the Administration by dissolution once all matters have been concluded.

- 8.2 Please note that the exit route of the Administration may be subject to change, and should this be the case, I will notify all the relevant parties accordingly.

## 9 CREDITORS' RIGHTS

### *Creditors' right to request information*

- 9.1 Any secured creditor, or an unsecured creditor may, with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with Rule 18.9(2) of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

### *Creditors' right to challenge remuneration and/or expenses*

- 9.2 Any secured creditors, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rules 18.36(4) or 18.37(4) of the Rules to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred. In accordance with Rule 18.34(3) of the Rules, such applications must be made within 8 weeks of receipt of this report.

## 10 FURTHER INFORMATION

- 10.1 The Joint Administrators are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice are at the following link:  
<https://www.menzies.co.uk/legal/>.
- 10.2 To comply with the Provision of Services Regulations, some general information about Menzies LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.menzies.co.uk/legal/> and <https://www.menzies.co.uk/helping-you/business-recovery/making-a-complaint/>.

## 11 CONCLUDING REMARKS

- 11.1 The Administration will remain open until the Joint Administrators have realised the outstanding assets.
- 11.2 In this regard, I now anticipate the Administration will remain open for at least an additional six months. If deemed necessary to finalise matters the appropriate steps will be taken to extend the automatic end date of 7 December 2022.
- 11.3 If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Penny Elvin by email at [PElvin@menzies.co.uk](mailto:PElvin@menzies.co.uk), or by phone on +44 (0) 29 2067 4996.

DocuSigned by:



C05673676A12475  
John Dean Cullen  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

APPENDIX 1

STATUTORY INFORMATION

Company Information

Company name: Entice Energy Supply Limited

Previous name: N/a

Trading names: Entice Energy

Company number: 09473910

Date of incorporation: 5 March 2015

Trading address: Unit 5, Ransom Hall South, Ransom Wood, Mansfield, NG21 0HJ

Current registered office: 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF

Former registered office: Unit 5, Ransom Hall South, Ransom Wood, Mansfield, NG21 0HJ

Principal trading activity: Gaseous supply through mains

Directors:	Name:	Start date:	End date:	Shareholding:
	David Mark Crowe	4 March 2016	N/a	100
	Charlotte Louise Crowe	5 March 2015	1 November 2016	N/a
Company secretary:	N/a	N/a	N/a	N/a

Share capital: The Company's share capital is as follows:

	Per the management accounts as £1 each
Ordinary shares	100
Preferential shares	0
Total shares	<u>100</u>

These shares are held by Mr David Mark Crowe. The beneficial owner is David Mark Crowe.

Charges:	Beneficiary	Type of charge	Date created	Assets secured
	Contract Natural Gas Limited	Debenture – fixed and floating	5 February 2020	All the property or undertaking of the Company

## APPENDIX 2

### **JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

**Appendix 2**  
**Entice Energy Supply Limited t/a Entice Energy**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 08/12/2021 To 07/06/2022	From 08/12/2021 To 07/06/2022
	<b>ASSET REALISATIONS</b>	
NIL	Intangible Assets	NIL
Uncertain	Office Furniture & Equipment	NIL
262,500.00	Customer Debit Balances	32,997.17
NIL	Shares & Investments	NIL
NIL	VAT Refund	NIL
20,500.80	Collateral	NIL
112,485.85	Cash at Bank	65,628.08
(49,063.94)	Barclays Bank Plc	NIL
162,000.00	Smart Debit Receipts	129,225.74
	Bank Interest Gross	2.19
	Management Chargebacks	108,875.69
		<u>336,728.87</u>
	<b>COST OF REALISATIONS</b>	
	Joint Administrator's Fees	50,000.00
	Pre-Administration Fees	13,870.50
	Accountancy Fees	1,050.00
	Legal Fees	8,490.00
	Pre-Administration Legal Fees	5,174.75
	Debt Collection Costs	2,261.09
	Payment Gateway	1,942.40
	ERA/Pension Agent	12,021.37
	Telephone Costs	385.00
	IT Licences	1,789.15
	Billing Systems	131,168.51
	Billing Consultant	24,680.00
	Statutory Advertising	94.05
	Insurance of Assets	487.20
	Wages & Salaries	20,652.58
	Bank Charges	75.00
		<u>(274,141.60)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(1,663.25)	Employees Wages & Holiday Pay	NIL
		<u>NIL</u>
	<b>SECONDARY PREFERENTIAL CREDITORS</b>	
(22,093.47)	HM Revenue & Customs	NIL
		<u>NIL</u>
	<b>FLOATING CHARGE CREDITORS</b>	
(587,457.44)	Floating Charge Creditor	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(152,970.99)	Trade & Expense Creditors	NIL
(21,296.68)	Employees	NIL
(18,895.90)	Directors	NIL
(754.49)	HM Revenue and Customs - CT	NIL
(564,000.00)	Customer Credit Balances	NIL
(142,687.51)	InterCompany Creditor	NIL



## APPENDIX 3

### **JOINT ADMINISTRATORS' TIME COSTS**



## ENTICE ENERGY SUPPLY LIMITED T/A ENTICE ENERGY - IN ADMINISTRATION

## APPENDIX 3

## TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 8 DECEMBER 2021 TO 7 JUNE 2022

Classification of Work Function	HOURS					Total Hours	Time Costs £	Blended Hourly Rate £
	Partner/ Director	Manager	Senior	Administrator	Support			
<b>Administration &amp; Planning</b>								
General administration & reporting	15.10	14.30	35.80	-	5.80	71.00	20,454.00	288.08
Case strategy & planning	8.00	7.60	12.30	-	0.70	28.60	8,974.50	313.79
Cashiering & accounting	6.20	14.70	12.95	23.80	0.80	58.45	15,035.55	257.24
						158.05	44,464.05	281.33
<b>Realisation of Assets</b>								
Customer debit balances	3.70	9.50	6.10	-	6.80	26.10	6,672.00	255.63
Other assets	1.30	4.40	1.00	-	-	6.70	2,157.00	321.94
						32.80	8,829.00	269.18
<b>Creditors</b>								
Claims & distributions	6.70	4.10	8.20	0.80	1.60	21.40	6,609.50	308.86
Employee claims	1.40	-	1.50	-	-	2.90	1,032.00	355.86
						24.30	7,641.50	314.47
<b>Investigations</b>								
General	3.00	6.30	2.50	21.80	-	33.60	6,774.00	201.61
						33.60	6,774.00	201.61
<b>Trading</b>								
SoLR & final billing process	24.60	46.50	49.00	-	53.70	173.80	42,760.50	246.03
Employees	6.90	7.20	11.40	-	-	25.50	8,187.00	321.06
						199.30	50,947.50	255.63
<b>Total Hours</b>	76.90	114.60	140.75	46.40	69.40	448.05		
<b>Total Costs</b>	36,092.00	33,816.00	33,853.75	7,653.50	7,240.80		118,656.05	264.83
<b>Totals Carried Forward</b>						448.05	118,656.05	264.83
<b>Fees Drawn for Period Ended:</b>								
8 December 2021 to 7 June 2022								50,000.00
<b>Total Fees Drawn to Date:</b>								50,000.00
<b>Balance of Time Costs Accrued but Unpaid</b>								68,656.05

## CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

	From 1 June 2022 £ per hour	1 Oct 2021 to 31 May 2022 £ per hour
Partner/Director	500-580	450-525
Manager	300-450	270-400
Senior	270-280	240-250
Administrator	150-220	135-200
Support Staff	120	105

Note 1 There may have been a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioners for this assignment is currently £525 and £500 per hour, and the administrator is £300 per hour.

Note 4 Time is recorded in minimum units of 6 minutes.

## **JOINT ADMINISTRATORS' NARRATIVE OF WORK UNDERTAKEN IN THE PERIOD 8 DECEMBER 2021 TO 7 JUNE 2022**

A description of the work undertaken since my appointment as Joint Administrator is as follows:

### **Administration & planning**

This represents the work that is involved in the routine administrative functions of the case by myself and my staff, together with the control and supervision of the work done on the case by myself and my managers. It does not give direct financial benefit to the creditors but has to be undertaken to meet my requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow. It is also required for the efficient running of the case and, without which, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient.

### **General administration and reporting**

This includes the preparation of post-appointment documentation including the formalities of appointment and statutory notifications to the Registrar of Companies, HM Revenue & Customs, banks, creditors, the secured creditor, shareholders and directors. It also includes statutory advertising, dealing with correspondence and liaising with the Bank and HMRC. In this case, I have also liaised with Ofgem and ScottishPower as necessary.

I have also liaised with the former finance manager of the Company in respect of the preparation and completion of management accounts for the period up until 8 December 2021, which has assisted me with the preparation of an estimated statement of affairs as at that date which was included in my Proposals. I have also chased the Director for the submission of his statement of affairs as of 8 December 2021. I have not yet received this statement.

I was required to report to creditors on my Proposals for the Administration and to convene a decision procedure so that the secured and preferential creditors may consider my costs and fees estimate together with the establishment of a Creditors' Committee. The content and substance of the Proposals must be made in line with the Act and the Rules, and, with this in mind, sufficient time was spent in preparing this report following my appointment, to ensure its compliance. I circulated my Proposals to creditors and convened a decision procedure for the secured and preferential creditors to consider my fees estimate. I reported to creditors following the outcome of these decisions.

### **Strategy planning & control**

The time spent in this regard can be attributed to securing and reviewing the electronic and physical records of the Company, maintaining physical and electronic case files, reviewing files, strategic case planning and routine case administration. This includes strategy meetings between myself and my team to ensure the efficient conduct of the Administration and have been necessary given the complexity of the case.

### **Cashiering & accounting**

This includes the opening and maintenance of the Administration bank account and cashbook, lodging receipts, preparing and processing invoices for payment, reconciling bank accounts, and producing receipts and payments accounts. This will also include the time spent setting up and reviewing the adequacy of the specific penalty bond. I processed invoices to facilitate the wind-down of the Company and the customer accounts, such as those of the billing systems provider and also other IT providers.

Time has been spent preparing VAT returns during this period and accounting for VAT payable arising from the issuing of final statements to customers. I have liaised with my tax team in this regard in order to ensure the appropriate treatment of VAT on debit balances. I have liaised with the former finance manager of the Company in respect of the Company's VAT basis.

I have also spent time dealing with the apportionment of the trading costs across the administration estates of the Company and SYEL and arranging for a payment to be made to the Company in respect of the management chargeback.

#### Asset Realisations

This is the work that has been undertaken to protect and then realise the known assets in the case. Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

#### Other assets

Time incurred in this matter to date includes the time spent arranging suitable insurance over the assets, liaising with the Bank regarding the remittance of funds to the estate account, liaising with SmartDebit regarding the remittance of funds held to the estate account on a staged basis and liaising with the landlord and my agents in respect of the vacation of the leasehold premises.

#### Customer debit balances

During this period I have spent time considering and cumulating my own strategy for dealing with the debt collection process following the completion of the final billing process and I instructed BSB to assist in this regard. Prior to their instruction, I met with BSB and discussed their collection policies, including their policy for dealing with vulnerable customers.

Time has been spent liaising with ScottishPower and the billing consultant in respect of the final debtor balances, including both pre-SoLR and SoLR accounts and the provision of bills to customers to facilitate the collection of said debt. I have spent time corresponding with customers and attempting to collect outstanding book debts, including dealing with disputes and providing clarification around debit balances, referring customers to BSB, supervising the work of BSB, obtaining reports and updates from them on the work done and checking the adequacy of the work done

Time has also been spent reconciling the Company's bank account in respect of post-Administration receipts and also reconciling the funds held by SmartDebit. I have dealt with cheques that have been received from customers. I have also and will continue to review the position with regards to collateral held by SmartDebit and I have liaised with SmartDebit with regards to the release of funds.

#### Creditors

#### Claims and distribution

The time attributed to creditors is for dealing with creditor correspondence and queries as they are received. It also includes maintaining up to date creditor information on our electronic and physical case management files as part of the management of the case and to ensure that notices and reports can be issued to them. The office holder is required to undertake this work as part of their statutory functions even though it may not provide a direct quantifiable or financial benefit for the creditors.

At the outset of the case I took legal advice regarding the status of customers as creditors and Counsel was also engaged to advise on the notification of customers with credit balances on their accounts of the appointment of Administrators as creditors of the Administration.

Time incurred in this matter to date has been spent dealing with creditor correspondence and maintaining up to date creditor information, including recording claims on my case management system as and when received. I have responded to creditor queries as appropriate, including queries received from former customers of the Company in respect of the SoLR process generally and their credit account balances.

I have received an unsecured claim from ScottishPower in respect of the total credit balances honoured and I have liaised with ScottishPower in this regard.

Time has also been spent liaising with the secured creditor, CNG, in respect of the Administration and the approval of my fees.

## Investigations

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the fee estimate includes the costs of undertaking such an initial investigation.

## General

It is the officeholder's statutory obligation to ensure that the books and records of the Company are secured. Time costs will be incurred listing these records and also reviewing them in connection with the Directors' conduct report and to identify any matters for further investigation or recovery of assets.

In addition to reviewing the Company's books and records I have also sought information from relevant third parties, such as the Bank, accountants, Ofgem, solicitors, etc. My investigations are ongoing.

It is a statutory requirement that a report is prepared on the conduct of each person who acted as a director of the Company within the three years prior to the Administration. This report, which is submitted to the Insolvency Service, is confidential and I am not able to disclose its content to stakeholders. The work undertaken includes the time spent in reviewing the Company records and considering any concerns raised by creditors.

Preparing the report is a statutory requirement which will not necessarily produce a financial benefit to creditors but may identify potential avenues which could lead to a recovery for the benefit of creditors.

## Trading and wind-down

### SoLR appointment

On 28 November 2021, ScottishPower took over the supply of gas to the Company's live customer base. Following my appointment as Joint Administrator in this matter, time has been incurred liaising with ScottishPower on a regular basis to assist in a controlled transition of accounts and to provide relevant information to support the transition. Meetings were held regularly.

Time was also spent entering into a Data Sharing Agreement with ScottishPower immediately following my appointment.

### Final billing process

Extensive work has been undertaken to generate bills for all customers in order to determine final customer credit and debit balances. I have worked closely with the billing consultant, ScottishPower and the Company's main billing system provider, Gilmond Consulting Limited, in this regard. Regular meetings were held between my team, ScottishPower and the billing consultant.

Final bills were prepared and issued, and a significant amount of time has been spent during this period dealing with customer disputes during the dispute window and working with my billing consultant to resolve these disputes. At the end of the dispute period, the credit balance data was passed to ScottishPower for processing and the debit balance data was passed to BSB for collection.

### Suppliers

Time has also been spent reviewing the costs of the Company and I identified critical supply for the work being undertaken. I liaised with various service providers and have dealt with any issues arising from the appointment of Administrators, such as unpaid invoices etc. I have also liaised with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties.

### Employees

During the wind-down period, particularly in December 2021, time was spent liaising with the remaining employees and ensuring that these employees remained apprised of the ongoing situation and strategy and ensured that payroll was processed as normal. I also dealt with employee resignations as and when they arose.

APPENDIX 4

**JOINT ADMINISTRATORS' COMPARISON OF ORIGINAL FEE ESTIMATE, AND ACTUAL TIME COSTS  
INCURRED**

ENTICE ENERGY SUPPLY LIMITED T/A ENTICE ENERGY - IN ADMINISTRATION

## APPENDIX 4 - FEE ESTIMATE COMPARISON AGAINST TIME COSTS INCURRED

Classification of Work Function	Fee Estimate			Actual - 8.12.21 to 7.12.22		
	Total Hours	Total Time Costs	Blended Hourly Rate	Total Hours	Total Time Costs	Blended Hourly Rate
		£	£		£	£
Administration & Planning	182.00	55,070.00	302.58	158.05	44,464.05	281.33
Realisation of Assets	95.00	30,900.00	325.26	32.80	8,829.00	269.18
Creditors	90.00	27,600.00	306.67	24.30	7,641.50	314.47
Investigations	77.00	25,980.00	337.40	33.60	6,774.00	201.61
Trading	110.00	39,150.00	355.91	199.30	50,947.50	255.63
Total Hours	554.00			448.05		
Total Time Costs		178,700.00			118,656.05	
Blended Hourly Rate			322.56			264.83
Total Fees Drawn to date					50,000.00	
Balance of Time Costs Accrued but Unpaid					68,656.05	
CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS						
	From 1 June 2022		1 Oct 2021 to 31 May 2022			
	£ per hour		£ per hour			
Partner/Director	500-580		450-525			
Manager	300-450		270-400			
Senior	270-280		240-250			
Administrator	150-220		135-200			
Support Staff	120		105			
Note 1	There may have been a number of promotions through the various grades during the period of the administration.					
Note 2	Overhead costs are reflected in the charge out rates detailed.					
Note 3	The charge-out rate of the Insolvency Practitioners for this assignment are currently £500 and £525 per hour, and the administrator is £300 per hour					
Note 4	Time is recorded in minimum units of 6 minutes.					

## APPENDIX 5

**JOINT ADMINISTRATORS' COMPARISON OF ESTIMATED EXPENSES AND ACTUAL COSTS  
INCURRED AND PAID**

Details of Expense	Estimated amount £	Incurred /Accrued to date £	Paid to date £
<u>Category 1 Expenses</u>			
Statutory advertising - various notices relating to the company have to be placed in the London Gazette	312.00	94.05	94.05
Specific penalty bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the Company's assets	210.00	210.00	0.00
Bank charges	60.00	75.00	75.00
Insurance of assets - it is necessary to insure the Company's assets prior to their sale	300.00	487.30	487.20
<u>Professional and Sub-Contractors' Fees</u>			
ERA Agent - Clumber have been instructed to deal with any ERA work and to deal with any occupational pensions	9,575.00	12,021.37	12,021.37
Agent/Valuer - LSH have been engaged value and advise on strategy for the tangible assets, secure and deal with IT equipment and collect books and records	2,399.00	2,307.00	0.00
Solicitors - SHMA have been engaged to advise on various matters arising in the Administration	25,000.00	7,490.00	7,490.00
Counsel - Counsel were instructed to advise on the customer position as creditors of the estate	1,000.00	1,000.00	1,000.00
Listing and storage of books and records - An agent has been instructed to list and store books and records of the Company throughout the period of the Administration and for one year following the dissolution of the Company	500.00	0.00	0.00
Debt collection costs	52,500.00	3,914.11	2,261.09
<u>Trading costs</u>			
Trading costs as apportioned between the Company and SYEL - see table in the body of this report	58,972.00	72,583.80	72,583.80
Totals	150,828.00	100,182.63	96,012.51



## EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. The term expenses also includes disbursements which are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

### Category 1 Expenses

Specific expenditure relating to the administration of the insolvent estate and payable to a person or persons who are not associates of the office holder is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, sub-contractors' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

### Category 2 Expenses

These are expenses that are directly referable to the administration of the insolvent estate and are made to associates of the officeholder or have an element of shared costs.

Category 2 Expenses require creditor approval.

Menzies LLP do not as a matter of policy seek approval of, or claim any, Category 2 expenses other than those which are paid to associates of the office holder.

## APPENDIX 6

### JOINT ADMINISTRATORS' PROPOSALS

It was proposed to creditors, in the Proposals report issued on 27 January 2022, that (in addition to the specific itemised proposals below, the Proposals report in its entirety constitutes our proposals):

- (a) I will continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular, I will:
  - (i) Continue to prepare and issue final customer bills, reconcile payments received from customers and collect any debit balances on pre-SoLR and SoLR customer accounts as at 27 November 2021. I will continue to liaise with ScottishPower accordingly.
  - (ii) Realise the remaining assets of the Company and make distributions to creditors in the prescribed order of priority as and when funds permit.
  - (iii) Investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
  - (iv) Do all such things and generally exercise all our powers as Joint Administrators that I consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- (b) The Administration will end by the Joint Administrators filing notice of the move from Administration to dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar three months after the notice is registered.
- (c) Alternatively, if having realised the Company's assets the Joint Administrators are of the opinion that a distribution will be made to unsecured creditors other than out of the prescribed part, it is proposed that the Company exits Administration by being placed into a Creditors' Voluntary Liquidation. In these circumstances, it is proposed that Rachel Helen Lai and I will be appointed Joint Liquidators of the Company and that I be authorised to act either jointly or separately in undertaking our duties as Liquidators. Creditors may, before the proposals are approved, nominate a different person(s) as the proposed Liquidator(s).

## APPENDIX 7

### PROOF OF DEBT FORM

<p>under rule 14.4 The Insolvency (England and Wales) Rules 2016 Entice Energy Supply Limited t/a Entice Energy- <b>In Administration (“the Company”)</b></p>		
<p>Company registration number: 09473910 Date of Administration: 8 December 2021</p>		
1.	Name of creditor	
2.	Address of creditor for correspondence.	
3.	If the creditor is a company, provide company registration number.	
4.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation.	
5.	If amount in 4 above includes outstanding uncapitalised interest please state amount.	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
7.	Particulars of any security held, the value of the security, and the date it was given.	
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9.	Details of any documents by reference to which the debt can be substantiated. (Note 1).	
10.	<p>Signature of creditor or person authorised to act on creditor's behalf</p> <p>_____</p> <p>Date: _____</p>	
	<p>Name in BLOCK LETTERS</p> <p>_____</p>	
	<p>Position with, or relation to, creditor (e.g. director)</p> <p>_____</p> <p>Address of person signing (if different from 2 above)</p> <p>_____</p>	
Admitted to vote for		Admitted for dividend for

£	£
Date	Date
Administrator	Administrator

Notes:

- 1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
- 2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

