

In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
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.

AM03

Notice of Administrator’s Proposals

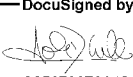
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Statement of proposals

<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
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7

Sign and date

Administrator’s Signature	<div>Signature</div> <div>✕</div> <div><div>DocuSigned by:</div><div></div><div>✕</div><div>C05673676A12475...</div></div>	
Signature date	<div><div><div>d</div><div>2</div></div><div><div>d</div><div>7</div></div></div> <div><div><div>m</div><div>0</div></div><div><div>m</div><div>1</div></div></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></div>	

AM03

Notice of Administrator's Proposals



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 and dated 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

Entice Energy Supply Limited t/a Entice Energy - In Administration (“the Company”)

Joint Administrators’ Proposals

Pursuant to Paragraph 49 of the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England & Wales) Rules 2016.

Issued on: 27 January 2022

Delivered to creditors on: 28 January 2022

Please be aware that fraudsters have been known to impersonate Administrators of a company that has entered Administration, or as the Administrators' staff or agents.

**If you require any further information or of you have any queries, please contact:
Penny Elvin on EnticeEnergy@menzies.co.uk**

Name of Joint Administrators:	John Dean Cullen and Rachel Helen Lai Menzies LLP 2 Sovereign Quay Havannah Street Cardiff CF10 5SF
Date of appointment:	8 December 2021
Date of proposals:	27 January 2022
Appointed by:	The Director in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986
Actions of the Administrators:	Any act required or authorised under any enactment to be done by an Administrator, may be done by either or both of the Administrators acting jointly or alone.
Court reference:	High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List 000384 of 2021

John Dean Cullen and Rachel Helen Lai, who act as insolvency practitioners, are licensed in the UK by the Insolvency Practitioners Association.

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.

The officeholders are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as data processor on their instructions. Personal data will be kept secure and processed only for matters relating to their insolvency appointment. Full details of our privacy notice is at the following link: <https://www.menzies.co.uk/legal/>

Menzies LLP
2 Sovereign Quay
Havannah Street
Cardiff
CF10 5SF

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GLOSSARY

Insolvency Act 1986 ("the Act")
Insolvency (England & Wales) Rules 2016 ("the Rules")
Schedule B1 to the Insolvency Act 1986 ("Schedule B1")
Entice Energy Supply Limited t/a Entice Energy ("the Company")

1 INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 Rachel Helen Lai and I, both of Menzies LLP, were appointed Joint Administrators of Entice Energy Supply Limited ("the Company") on 8 December 2021. The Joint Administrators were appointed by the Board of Directors ("the Board") pursuant to Paragraph 22 of Schedule B1.
- 1.2 This report sets out our proposals in respect of the Administration. A summary of the Company's statutory information, including a summary of the securities granted by the Company is set out in Appendix I.
- 1.3 The Company traded as a domestic gas supplier in the energy market. The Company operated 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 gas and electricity licence was revoked by Ofgem on 28 November 2021 following a hearing on 26 November 2021 whereby the High Court of Justice declared the Company to be insolvent, that the gas supply licence should be revoked by Ofgem and a Supplier of Last Resort ("SoLR") should be appointed.
- 1.4 Placing the Company into Administration was necessary to facilitate preservation of the debtor balances, through the retention of staff and systems required to finalise customer accounts, which will in turn enable and maximise the collection of the book debts relating to debit balances on customer gas accounts, thereby assisting with the objective of the Administration as detailed in section 3 below. The Joint Administrators are working closely with ScottishPower Energy Retail Limited ("ScottishPower"), being the appointed SoLR, to ensure an orderly transition of the customers and are undertaking a final billing process. The Joint Administrators are also taking steps to realise the other remaining assets of the Company.
- 1.5 Further to the above, the process that was applied by Ofgem, including the revocation of licences and the transfer of customers to ScottishPower, resulted in an immediate need for the appointment, which an Administration provided. The speed of an Administration appointment also reduced the potential deterioration of the creditor position.
- 1.6 The purpose of the Administration is therefore pursuant to paragraph 3(1)(b) of Schedule B1 to achieve 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).
- 1.7 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 preferential creditors will be paid in full, the floating charge creditor will be paid in part and 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. As a result, the Joint Administrators are prohibited by the insolvency legislation from seeking a decision from creditors to consider these proposals. See section 14 below.
- 1.8 The Joint Administrators will however be seeking the consent of the secured creditor and a decision by correspondence from the preferential creditors in respect of their pre-Administration costs, remuneration and approval of the payment of shared costs. See sections 10 and 11 for further details.

2 BACKGROUND AND EVENTS LEADING TO THE ADMINISTRATION OF THE COMPANY

- 2.1 Creditors should note that, unless otherwise stated, this section of the proposals has been prepared based on information provided to me by the Director of the Company and not from my personal knowledge as Administrator.
- 2.2 The Company was incorporated on 5 March 2015 by Ms Charlotte Louise Crowe and Mr David Mark Crowe was subsequently appointed Director on 4 March 2016 ("the Director"). Ms Crowe resigned as Director of the Company on 1 November 2016. Following its initial trading period, the Company traded for 4 years from leasehold premises at Ransom Hall South, Ransom Wood, Mansfield, Nottinghamshire, NG21 0HJ. The Company traded jointly with its subsidiary company, Simply Your Energy Limited ("SYEL"), as "Entice Energy".
- 2.3 At the date of the SoLR, 28 November 2021, the Company employed 8 members of staff who were all based either at the sole operating site in Mansfield or working remotely.
- 2.4 Details of the Company's registered charges, together with dates of creation are given in Appendix I.
- 2.5 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, and it operated under a Gas Supply Licence granted by 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, SYEL, supplied its customers with electricity.
- 2.6 A summary of the recent trading performance of the Company is set out below:

	<i>Draft statutory accounts</i>	<i>Statutory accounts</i>	<i>Statutory accounts</i>
	<i>Year ended 30 March 2021</i>	<i>Year ended 30 March 2020</i>	<i>Year ended 30 March 2019</i>
	£	£	£
Turnover	961,341	544,194	260,836
Gross profit	183,428	172,551	84,354
Net profit/(loss)	108,908	(96,457)	21,733

- 2.7 I met with the Director to provide ad-hoc insolvency advice at the end of 2019 and in January 2020 and was re-approached by the Director again on 27 September 2021. Following an initial meeting with the Director on 27 September 2021, a letter of engagement was issued on 1 October 2021 and returned on 5 October 2021 to engage my firm, Menzies LLP, to assist in conducting a review of the financial affairs of the Company and its financial position, provide ad-hoc insolvency advice and consider the options available to the Company.
- 2.8 The challenges affecting the energy sector in the second half of 2021 and thereafter are well documented, with wholesale prices soaring and a price cap that means suppliers are forced to sell at significant losses for standard variable customers. It is a direct result of the market volatility that the Director sought my advice on with regards to the Company's financial position and the options available to it.
- 2.9 The Company's financial challenges occurred as a direct result of the sharp increase in wholesale gas and electricity prices.

- 2.10 In this case, the Company was party to a price hedging agreement with its wholesale gas shipper, Contract Natural Gas Limited ("CNG"), being the secured creditor in this matter, upon which it was reliant to regulate the purchase price of gas. As such, following my initial review of the financial position of the Company, it was concluded that the Company was in a strong position to continue to trade through the volatility of the market.
- 2.11 However, on 13 October 2021 the Company received notification from CNG, its gas shipper, advising that it was unable to continue in the wholesale shipping market. CNG advised that all customers would need to move across to a new shipping arrangement by no later than 30 November 2021.
- 2.12 The Company received a subsequent letter from CNG on 20 October 2021 advising that it was no longer able to honour its price hedge agreements, and that these hedges were to be ringfenced for the benefit of CNG's creditors generally as an asset of CNG. The Company concluded from this correspondence that it would be unable to either cash in the hedges held with CNG, nor novate these hedges to an alternative shipping provider, and any attempt to do so would be resisted by CNG. As a result of CNG's insolvency, the Company faced spot market gas prices of up to three times its hedged prices. Modelling the impact of this increased price into the Company's forecasts resulted in a material downgrade in the Company's financial position.
- 2.13 As a result, on 28 October 2021 a further engagement letter was issued, and Menzies LLP were instructed to assist with placing the Company into Administration on 29 October 2021.
- 2.14 Throughout November 2021 the Director explored the potential acquisition of the Company and its subsidiary via a share sale with two interested parties. No offer was subsequently received.
- 2.15 Further to the notice received from CNG with regards to the hedging agreements and the conclusion of discussions with interested parties, the Director 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.
- 2.16 An application was made by Ofgem to the High Court of Justice and the Company's gas and electricity licences were revoked by Ofgem on 28 November 2021 following a Court hearing on 26 November 2021 whereby the High Court of Justice declared the Company to be insolvent, that the gas and electricity supply licences should be revoked by Ofgem and a SoLR should be appointed.
- 2.17 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 28 November 2021.
- 2.18 A Notice of Intention to appoint Administrators was filed on 1 December 2021 and served on CNG, the floating charge creditor, on 2 December 2021. Joint Administrators were appointed by the Board on 8 December 2021, following consent received from CNG to the appointment.

- 2.19 Prior to the commencement of the Administration, Menzies LLP acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. This prior engagement with the Company and its Board in an advisory capacity may give rise to a self-review, advocacy and familiarity threat to the fundamental principles of objectivity and integrity. A safeguard to these threats is disclosure of this prior relationship to the general body of creditors. Whilst not formally in office at that time, Rachel Helen Lai and I were still required to act in our dealings with the Company in accordance with the Insolvency Code of Ethics. As required by the Insolvency Code of Ethics, Rachel Helen Lai and I have considered the various threats to our objectivity arising from this prior involvement and we have concluded that those threats are safeguarded to an acceptable level such that we can still act objectively and hence could be appointed Administrators of the Company.
- 2.20 Further to the above, creditors should also note that Rachel Helen Lai and I have also been appointed as Joint Administrators of SYEL, being an associated company to the Company. As a result of this concurrent insolvency process, I have identified a further self-review, familiarity and self-interest threat to the fundamental principles of objectivity and integrity. In order to safeguard against the self-review and self-interest threat which may arise as a result of the inter-company position arising in concurrent insolvency processes, I can confirm that I will not rely on votes from associated creditors unless to do so is appropriate in accordance with best practice guidelines and does not give rise to a conflict of interest. I will also consider asking creditors, any Creditors Committee, solicitors and/or an independent Insolvency Practitioner to review and/or rubber stamp decisions on claims/proxies as appropriate in order to safeguard these threats to my fundamental principles. Rachel Helen Lai and I have considered the various threats to our objectivity and integrity arising from the concurrent insolvency process and we have concluded that these threats are safeguarded to an acceptable level such that we can still act objectively and hence could be appointed Administrators of the Company. I believe that there are some benefits and efficiencies to be had by dealing with both the Company and SYEL.
- 2.21 On 8 December 2021, Rachel Helen Lai and I were appointed by the Board as Joint Administrators of the Company and took over responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs since that date.

3 OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

- 3.1 As Joint Administrator, Rachel Helen Lai and I are officers of the Court and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration. The purpose of the Administration is to achieve one of the hierarchy of statutory objectives, namely to:-
- a) Rescue the Company as a going concern; or
 - b) Achieve 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); or
 - c) Realise property in order to make a distribution to one or more secured or preferential creditors.

- 3.2 Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.
- 3.3 As a result, I am seeking to achieve objective (b) for the Company, and will do this through the retention of staff and systems required to finalise customer accounts, which will in turn enable and maximise 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. I am also taking steps to realise the other remaining assets of the Company, including the Company's cash at bank.
- 3.4 I enclose at Appendix VIII my comparative estimated outcome statement in this matter.
- 3.5 The insolvency legislation has set a 12 month duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months, then I will either apply to the Court or obtain the appropriate creditors' consent to extend the duration of the Administration.

4 ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

- 4.1 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, I have liaised with ScottishPower on a regular basis to assist in a controlled transition of accounts and to provide relevant information to support the transition.
- 4.2 At the date of my appointment, the Company employed 8 staff, including the 1 director. Of these employees, 1 was made redundant by the Administrator on 10 December 2021 and 4 subsequently resigned throughout December 2021. The director was made redundant on 31 December 2021. 2 employees were therefore employed by the Company in January 2022 and 1 of these employees left the Company on 21 January 2022. Therefore, 1 employee remains employed by the Company. The staff who were initially retained were employed to assist in the provision of information, collect final meter readings from customers, address customer queries and undertake the final billing process. In addition to the remaining member of staff, I have also engaged one former member of staff on a consultancy basis, one being an expert in SoLR processes and final billing.
- 4.3 Extensive work is being undertaken to generate bills for all customers up to 27 November 2021 (the end date of supply), in order to determine final customer credit and debit balances. I am working closely with the remaining staff in order to obtain final meter readings from customers, ScottishPower and the Company's main billing system provider, Gilmond Consulting Limited ("Gilmond"), in this regard. Final bills are in the process of being prepared and issued and are based on a combination of customers' most recent actual readings and estimates up to and including 27 November 2021. Once all final bills have been raised and sent to the customers, I will seek to collect any outstanding debit balances. I have received confirmation that all credit balances will be honoured by ScottishPower.

- 4.4 Following my appointment in this matter, one of my main priorities was to engage with Gilmond to ensure the re-instatement of its systems which had been suspended due to non-payment of invoices by the Company. I, together with ScottishPower, entered into a discussion with Gilmond immediately upon my appointment and came to an agreement of an initial payment of £24,170 plus VAT in order to obtain access to the system and a monthly payment of £34,425 plus VAT to ensure that there was no further disruption to the system and to retain all of the billing features and capabilities whilst the final billing process was being undertaken, I obtained access to the systems on 13 December 2021. It was initially anticipated that the billing process would take approximately 2 months and I would retain access to the system for that period. However, I have recently become aware that it may be necessary to extend this period for two weeks until the end of February. I am currently liaising with Gilmond and ScottishPower in order to monitor the progress.
- 4.5 There are a number of matters that I have dealt with following my appointment which have required legal advice. I sought legal advice in respect of the notification to customers with credit balances on their accounts of the appointment of Administrators as creditors of the Administration, despite the SoLR and the transfer of credit balances to ScottishPower. I also sought legal advice in respect of set-off across gas and electricity accounts when undertaking the final billing and debt collection process, on the basis that these fuels were supplied to customers from two separate legal entities (the Company and its subsidiary, SYEL) and the complication of the existence of a floating charge registered against the Company. I have liaised with ScottishPower and Ofgem in this regard. Other matters I have also considered with my legal team include, the subrogation of creditors and whether it is necessary to issue reports to creditors with credit balances given that all credit balances will be honoured by ScottishPower, as well as advice regarding direct debits payments which were received following the SoLR but prior to my appointment. My legal advisors in this matter are Shakespeare Martineau LLP ("SHMA").
- 4.6 I have reviewed the costs of the Company and identified critical supply for the work being undertaken. I am liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Any contribution will acknowledge the work that is being undertaken by the Company which ultimately assists ScottishPower in its role as SoLR and aids the smooth transition of customer accounts. I am currently liaising with SHMA in order to draft this agreement. I also entered into a Data Sharing Agreement with ScottishPower immediately following my appointment.
- 4.7 Following my appointment in this matter, I liaised with the payment processor that facilitates the Company's direct debit payments, Payments Solutions Limited trading as SmartDebit ("SmartDebit"), in respect of ceasing direct debit payments and in order to collect the cash that was being held by SmartDebit following the collection of direct debits from customers. SmartDebit ceased its collections on 15 December 2021. Upon my appointment, I liaised with SmartDebit regarding an initial release of funds and a balance of £30,000 has been received into the estate from SmartDebit in this regard. I am currently in further discussions with them to make the necessary arrangements to allow further funds held by them to be released to the Administration estate. The funds collected from SmartDebit will be fully reconciled. SmartDebit have confirmed that no further direct debit payments will be collected by them. The payment gateway used to facilitate one off payments made by customers in respect of final bills remains in place and these payments will be collected through a payment gateway called Monek into the Company's pre-appointment bank account. I am liaising with the Company's bankers, Barclays Bank Plc ("the Bank"), in this regard. As with SmartDebit, all one-off payments made through Monek will be fully reconciled.

4.8 In addition, since my appointment, I have undertaken the below summarised tasks which include routine statutory and compliance work. Some of these are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out:

- Undertaken routine statutory and compliance work, such as filing the notice of appointment at Companies House and preparing a Gazette notice, together with notifications to all known creditors;
- Notified HM Revenue and Customs ("HMRC") of the Administration;
- Commenced investigations into the Company's financial affairs;
- Instructed and ongoing supervision of the work of sub-contractors, Clumber Consultancy Limited ("Clumber"), instructed on the case to assist in dealing with all employee and pension matters. Reviewed reports and updates from them on the work done; and checked the adequacy of the work done;
- Facilitated the payment of the payroll to those employees who continued to work to enable the transition of accounts to ScottishPower, the collection of meter readings, address customer queries and undertake the final billing process;
- Regular email correspondence and calls with those employees retained;
- Regular email correspondence and calls with ScottishPower;
- Liaised with Jason Hall BSc (Hons) PGDipSurv MRICS of Lambert Smith Hampton ("LSH") in respect of the valuation of the Company's tangible assets and the securing of both electronic and physical records and data. Capturing the data is critical to support the responsibilities of the Administrators and to look into the affairs of the Company prior to it being placed into Administration;
- Liaised with the Company's former finance manager in respect of the Company's management accounting system, Sage, and ensuring that this system was brought up to date to reflect the financial position of the Company as at the date of my appointment on an accruals basis;
- Dealt with creditor correspondence, including dealing with customer queries directed at the Administrators, and recorded claims received;
- Sought legal advice from SHMA as detailed above;
- Liaised with the Company's existing debt collection agents in respect of the services they supply the Company, including their policies for dealing with vulnerable customers. 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 am considering the best strategy for debt collection, including the most appropriate debt collection agent(s) to engage.

5 FINANCIAL POSITION OF THE COMPANY

5.1 Following my appointment as Joint Administrator in this matter I asked the Director to supply his statement of affairs by no later than 25 December 2021. However, this deadline was extended due to the time required to bring the management accounts of the Company up to 8 December 2021, and I am currently liaising with the Director and the Company's former financial manager in this regard.

5.2 As such, the Director is still yet to provide his statement of affairs and I have therefore provided at Appendix II an estimate of the Company's financial position as at 8 December 2021, which is known as a statement of affairs, together with a list of names and addresses of all known creditors and the amounts of their debts including in respect of employees. Although this information in respect of employees will be removed before the Proposals are filed at Companies House, I am required to include it with these Proposals by rule 3.35 of the Insolvency (England and Wales) Rules 2016. As a result, this is a valid use of the personal data of the individual creditors and is not a breach of the General Data Protection Regulations (GDPR).

5.3 ***However, please note that the unsecured contingent consumer creditors names and addresses have been omitted from the Statement of Affairs schedule circulated with these Proposals, due to the sensitive nature of the customer data. The unsecured contingent consumer creditors relate to credit balances on customer gas accounts as at the date of the SoLR.***

5.4 This estimate is based on the information available to me at this time and I would emphasise that this is an estimate only. Please note, the amounts that are stated as owing have been taken from the Company's underlying records but do not prevent any creditor claiming a different amount. As and when the Director's statement of affairs is received, it will be duly filed at Companies House.

5.5 Assets

Intangible Assets

5.5.1 The Company's draft financial statements for the year ending 31 March 2021 detail intangible assets with a book value of £169,099. I understand that this balance relates to the capitalisation of development costs. Due to the withdrawal of licences and Administration of the Company, it is not anticipated that the intangible assets are realisable for the benefit of creditors. The estimated to realise value in this regard is therefore nil.

Office Furniture & Equipment

5.5.2 The Company's draft financial statements for the year ending 31 March 2021 detail tangible assets by way of office furniture and equipment with a book value of £6,666. 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 LSH has been engaged to provide a valuation of these tangible assets. Jason Hall has valued these assets on a market value for removal basis at £850. Jason Hall's advice is that it is not cost effective to uplift, remove and sell these items of furniture and any cost of removal and sale would outweigh the benefit to the Administration estate. There is expected to be a small amount of value in the IT equipment however the estimated to realise value in this regard is uncertain.

Investments

5.5.3 The Company's draft financial statements for the year ending 31 March 2021 detail investments with a book value of £250,000. This relates to the Company's investment in its subsidiary company, SYEL. SYEL is also in Administration and as such, the estimated to realise value in this regard is nil. SYEL does not have any value for the benefit of the Administration estate.

Customer Debit Balances

- 5.5.4 A key asset of the Administration estate in the debtor book. The debtor balance relating to the debit balances on customer accounts as at the date of the Administration appointment amounts to approximately £350,000. However this figure is an estimate and may change once all final bills have been produced. For the purpose of the estimate of the Company's estimated financial position as at 8 December 2021 at Appendix II, I have written down the customer book debt ledger by 25% to reflect the average recoverability rates in the energy market. The estimated to realise value in this regard is therefore approximately £262,500.
- 5.5.5 "Pre-SoLR" accounts relate to customers who switched gas provider prior to the customers being transferred to ScottishPower. Amounts due from these customers are being collected within the Administration and debt collection agents will be engaged to assist in this regard.
- 5.5.6 SoLR accounts refer to customers whose gas supply transferred to ScottishPower on 28 November 2021. I am currently preparing and issuing final bills to all SoLR customers. Once this process has been complete, I will seek to collect any final amounts due to the Administration and I will engage debt collection agents in this regard. All one-off payments received into the Company's bank account will be reconciled against customer accounts as part of the debt collection process.
- 5.5.7 Any credit balances on both pre-SoLR and SoLR accounts will be honoured by ScottishPower and I am liaising with ScottishPower to ensure that they have the relevant information in this regard.

Cash at Bank

- 5.5.8 The Company operated a bank account with 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. As at the date of my appointment, the Company owed the Bank a sum of £49,063.94 in respect of a coronavirus bounce-back loan.
- 5.5.9 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 bounce-back loan has been off-set by the Bank.
- 5.5.10 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 will be reconciled as part of our debt collection process.

SmartDebit receipts

- 5.5.11 I have been notified of approximately £162,000 currently held by 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 have been shared with ScottishPower and Gilmond and are factored into final bills. I have already received an initial release from SmartDebit in the sum of £30,000 and I am liaising with SmartDebit in respect of the release of further funds to the Administration estate. This will likely take place on an agreed staged basis to protect SmartDebit from any direct debit indemnity claims. There has been no bulk transfer of direct debits to ScottishPower.

- 5.5.12 As discussed above, I am also seeking legal advice in respect of the ownership and entitlement of post-SoLR direct debit receipts, specifically those receipts received in the period post-SoLR but prior to my appointment as Joint Administrator on 8 December 2021. I am also liaising with ScottishPower in this regard.

Collateral

- 5.5.13 The Company's management accounts detail other debtors in the sum of £30,500.80 relating to collateral debtors. Following my appointment, I conducted an initial review of the Company's collateral debtors to assess any potential recoveries. I am liaising with SmartDebit in respect of the collateral they hold and regarding the future options to accelerate the release of funds held as collateral. My dialogue with SmartDebit in this regard is ongoing.
- 5.5.14 For the purpose of the estimated statement of affairs and in order to be prudent, I have included a provision for direct debit indemnity claims in the sum of £10,000.00.

VAT refund

- 5.5.15 The Company's management accounts detail a VAT refund in the sum of £33,723.53. This amount relates to an accounting entry due to the Company accounting for VAT on a cash basis and the former financial manager of the Company has confirmed that there is no VAT refund due to the Company. The estimated to realise value in this regard is therefore nil.

5.6 Liabilities

Secured creditors

- 5.6.1 Details of the charges granted by the Company are detailed at Appendix I.
- 5.6.2 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.

Preferential creditors

- 5.6.3 The Company had 8 employees as at the Administration date, including the 1 Director. Of these employees, 1 was made redundant by the Administrator on 10 December 2021. Of these remaining employees, 4 subsequently resigned throughout December 2021 and the Director was made redundant on 31 December 2021. 2 employees were therefore employed by the Company in January 2022 and 1 of these employees subsequently left the Company on 21 January 2022. One employee remains employed by the Company.
- 5.6.4 Former employees will have preferential claims in respect of unpaid wages (up to a maximum of £800) and any accrued unpaid holiday. Employees are entitled to recover sums due to them, up to certain statutory limits, by making a claim against the National Insurance Fund via the Redundancy Payments Services ("RPS") who will, in turn, have a subrogated claim in the Administration.

- 5.6.5 I have worked with Clumber and the former financial manager of the Company to ensure that all employees who were employed by the Company throughout December and thereafter have been paid for the work that they have done in December and thereafter, both before and after the Administration date. Outstanding holiday pay has also been paid to a number of these employees as a gesture of goodwill so that they do not have to wait for receipt of payment from the RPS. The preferential amounts in this matter are therefore minimal.
- 5.6.6 As detailed previously, Clumber have been engaged to deal with the employees in this matter and keep them updated during the Administration.
- 5.6.7 HMRC are a secondary preferential creditor in respect of any monies owed to them in respect of PAYE, employee National Insurance contributions, CIS deductions from pay, Student Loan deductions from pay and VAT. The Company's books and records indicate this secondary preferential debt, as at the date of Administration, to be £22,093.47, relating to pre-Administration PAYE. I will liaise with HMRC in this regard.

Prescribed part

- 5.6.8 Under Section 176A of the Act, where a company has granted a floating charge to a creditor on or after 15 September 2003, a prescribed part of the company's net property, which would otherwise be available to the floating charge creditor, is set aside for the benefit of unsecured non-preferential creditors. A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge.
- 5.6.9 An Administrator has to set aside:
- 50% of the first £10,000 of the net property; and
 - 20% of the remaining net property;
- up to a maximum of £600,000.
- 5.6.10 In this particular case, the Company granted a floating charge to CNG on 5 February 2020. Since the charge was created after 15 September 2003, the prescribed part provisions will apply. The Joint Administrators' estimate of the financial position of the Company shows that the net property of the Company is £484,666 and I estimate that the prescribed part of the net property for unsecured creditors is in the region of £99,933. However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property. Even after taking into account the costs of the Administration, based on current estimates, I envisage being able to make a distribution of the prescribed part of the net property to the unsecured creditors, however the quantum and timing of this distribution is uncertain.
- 5.6.11 At this time I do not intend to make an application to Court under section 176A(5) of the Act for an order to disapply the prescribed part provisions on the grounds that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits

Unsecured creditors

- 5.6.12 The Company's management accounts indicate unsecured trade and expense creditors as at the date of Administration to be £152,971. They also include a small liability in the sum of £754 owing to HMRC in respect of Corporation Tax.

- 5.6.13 There is an amount owing to the Director in respect of a loan account in the sum of £18,896. There is also an unsecured amount owing to a long-term investor in the sum of £115,000 and an amount owing to SYEL in respect of an inter-company loan in the sum of £142,688.
- 5.6.14 As detailed previously, the Bank was owed £49,064 as at 8 December 2021 in respect of a bounce back loan. In the period since my appointment this amount has been offset by the Bank against the Company's cash at bank balance and has therefore been repaid in full.
- 5.6.15 Former employees will also have unsecured claims in respect of redundancy pay and pay in lieu of notice. Employees are entitled to recover sums due to them, up to certain statutory limits, by making a claim against the National Insurance Fund via the RPS who will, in turn, have a subrogated claim in the Administration. This is estimated to be approximately £21,296.68.

Contingent consumer creditors

- 5.6.16 The unsecured consumer creditor balance relating to the total credit balances on customer gas accounts as at the date of the Administration amounts to approximately £564,000. However, this figure may be adjusted once all final bills have been produced. While these creditors are treated as unsecured contingent consumer creditors for the purpose of the Administration and the statement of affairs, all domestic customer credit balances are protected under the SoLR process. ScottishPower has committed to honour these credit balances for all SoLR and pre-SoLR customers who are owed money from the Company. These credit balances will either be applied to the customer's new ScottishPower account or for those pre-SoLR customers, these credit balances will be refunded via cheque. The Company cannot refund any customer credit balances.
- 5.6.17 For those creditors who have not yet submitted a claim, please complete and return the proof of debt form at Appendix VII to me, together with supporting documentation. ***Please note, if you are a former Entice Energy gas customer, you do not need to complete a proof of debt form.***

6 JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

- 6.1 I attach at Appendix III a summary of the Joint Administrators' receipts and payments for the period 8 December 2021 to the date of these proposals, which I have reconciled to the financial records that I am required to maintain. All receipts and payments are shown net of VAT.
- 6.2 The balance of funds are held in an interest-bearing estate bank account.

7 JOINT ADMINISTRATORS STRATEGY TO ACHIEVE OBJECTIVE OF THE ADMINISTRATION AND END OF ADMINISTRATION

- 7.1 As indicated above, the purpose of the Administration is to achieve objective (b), to achieve 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). In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole, other than where objective (c) is being pursued where I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

- 7.2 In order to achieve the objective of the Administration of the Company I propose to continue to liaise with ScottishPower and Gilmond in respect of the production of final bills and the finalisation of customer accounts. I have engaged an expert consultant in this regard. Once this has been complete, I will seek to collect any outstanding debit balances from pre-SoLR and SoLR customers and reconcile the debtor position. I will also continue to realise the other remaining assets of the Company. I will undertake my investigations into the affairs of the Company prior to the Administration and Directors' conduct and will review whether any recovery actions are available to me which may benefit creditors. I will distribute funds to creditors in the prescribed order of priority as and when funds permit.
- 7.3 It is likely that the Administration will end by my filing notice of move from Administration to dissolution with the Registrar of Companies. Further details are set out at section 13 below.
- 7.4 Dividend prospects for secured, preferential and non-preferential unsecured creditors are set out at section 9 below.

8 JOINT ADMINISTRATORS' INVESTIGATIONS

- 8.1 I 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 also 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 you 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.

9 DIVIDEND PROSPECTS

Secured creditors

- 9.1 CNG holds a fixed and floating charge over the Company's assets.
- 9.2 There are no fixed charge assets in this matter. CNG will receive funds from the realisation of the floating charge assets. Due to the preferential creditors, the prescribed part provisions and the estimated realisable value of the Company's floating charge assets, it is anticipated that there will be a shortfall to CNG of approximately £202,725, before taking into account the costs of the Administration.

Preferential creditors

- 9.3 Based on current known information about the Company's financial position, and after taking into account the anticipated office holders' fees and expenses, it is anticipated that preferential creditors will be paid in full.

Unsecured creditors

- 9.4 Based on current information regarding the Company's financial position, there are insufficient assets to enable us to pay a dividend to unsecured creditors, although it is likely that I will be able to make a distribution out of the prescribed part of the net property of approximately 3 pence in the £.
- 9.5 I enclose at Appendix VIII my estimated outcome statement in this matter.

10 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

Joint Administrators' remuneration

- 10.1 The Joint Administrators are entitled to receive remuneration for their services. Rule 18.16 of the Rules permits remuneration to be fixed either:
- as a percentage of the value of the property with which the Joint Administrators have to deal; or
 - by reference to the time the Joint Administrators and their staff have spent attending to matters arising in the Administration; or
 - as a set amount.

The basis of remuneration may be one or a combination of the bases set out above and different bases or percentages may be fixed in respect of different things done by the Joint Administrators.

- 10.2 The Joint Administrators propose to seek approval for their remuneration to be fixed by reference to time properly spent by them and their staff in attending to matters arising in the Administration. Specific approval is required as to the basis of the Joint Administrators' remuneration and it is not part of the proposals.
- 10.3 I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors other than by way of the prescribed part of the net property.
- 10.4 Agreement to the basis of the Joint Administrators' remuneration is subject to the specific approval of a Creditors' Committee or, if there is no Committee or the Committee fails to determine the basis of the Joint Administrators' remuneration, it will be for the secured creditor and a decision of the preferential creditors through a decision procedure to approve our remuneration.
- 10.5 When seeking approval for our fees on a time cost basis, I am required to provide a fees estimate, which acts as a cap on our time costs so that I cannot draw remuneration from the estate above the agreed level set out in the estimate without further approval from those who approved the fees.
- 10.6 A fees estimate which sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take, together with a description of the work to be undertaken is attached at Appendix IV. Also included is the blended hourly rate for each activity. This is the projected average cost per hour for the category of work based upon the estimated time to be expended by each grade of staff at their specific charge-out rate.
- 10.7 Our fee estimate in this matter is £178,700 plus VAT at a blended rate of £322.56 per hour.

- 10.8 This estimate has been provided to creditors at a relatively early stage in the Administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holders in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the Administration of the case. If the time costs incurred on the case by the office holders exceed the estimate, or is likely to exceed the estimate, the office holders will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holders cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holders consider it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.
- 10.9 I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.
- 10.10 Our time costs for the period 8 December 2021 to 21 January 2022 total £46,563 plus VAT, which represents a total of 159.50 hours spent working on the Administration as detailed above, charged out at a blended rate of £291.93. An analysis of time costs incurred to date by reference to grade of staff and work done can be found at Appendix V, which also details the charge out rates currently charged. Time is charged in 6-minute units.
- 10.11 At this time it is not anticipated that there will be a conversion to Creditors' Voluntary Liquidation and as such, the work for which fee approval is being sought does not include the work that will need to be undertaken should the Joint Administrators be appointed Liquidators either following conversion to Creditors' Voluntary Liquidation or upon the making of a winding up order.
- 10.12 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 1 April 2021 version which you can find under the heading "Effective From April 2021". Alternatively, it is available free of charge by contacting Menzies LLP. 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/>.

Expenses and Professional and sub-contractors' fees

- 10.13 Appendix IV details the anticipated expenses of the Administration as well as those incurred and drawn to date. I anticipate that expenses totalling £152,828.00 will arise in these proceedings. When reporting to any Committee and the creditors during the Administration the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action). Appendix IV also provides an explanation of the categories of expenses which may be drawn from the Administration without creditor approval and those which require creditor approval.
- 10.14 Our expenses incurred to date amount to £50,029.09 however I have drawn £80,037.85 to date including those shared expenses detailed below.

- 10.15 Expenses have been incurred during the Administration and are anticipated to continue to be incurred for a period of 3-6 months 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. These costs have been incurred across the Administration estates of the Company and SYEL.
- 10.16 I have incurred expenses to date in respect of continued access to the billing systems and services provided by Gilmond and the maintenance of telephone and other IT services to enable the employees and consultant of the Company 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 have also engaged a final billing expert as a consultant in this regard.
- 10.17 Please note, it is anticipated that I will recharge a 60% apportionment of the trading costs paid from the Administration estate to the Administration estate of SYEL. This is on the basis that while most of the contracts for critical services are with the Company, including employee contracts, IT infrastructure and Gilmond, these costs have been and will be incurred to facilitate the final trading wind-down process for both the Company and SYEL and I believe 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.
- 10.18 The trading costs to be shared and allocated between the two companies will require creditor approval. If a Creditors' Committee is appointed, it will be for the Committee to approve these costs. If a Committee is not appointed, then I propose to seek approval from the appropriate class of creditor.
- 10.19 I estimate the shared trading costs to be as follows:

Detail of expense	Estimated expense to be incurred (total)	SYEL apportionment (60%)	EESL apportionment (40%)
Leasehold premises – rent, rates and other property costs	1,680.00	1,008.00	672.00
Final billing consultant	16,000.00	9,600.00	6,400.00
Employee costs – wages	22,000.00	13,200.00	8,800.00
IT systems	3,500.00	2,100.00	1,400.00
Gilmond final billing systems	102,270.00	61,362.00	40,908.00
Telephone systems	1,980.00	1,188.00	792.00
Total	147,430.00	88,458.00	58,972.00

- 10.20 I am also liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Any contribution will acknowledge the work that is being undertaken by the Company which ultimately assists ScottishPower in its role as SoLR and aids the smooth transition of customer accounts.

- 10.21 Where appropriate, I have employed or will be employing professionals to advise me in relation to certain specialist matters. The firms engaged to provide professional advice are chosen on the basis of our perception of their experience and knowledge of the areas on which they are advising, taking into account the complexity and nature of the assignment. I also considered whether the basis on which they will charge their fees represents value for money given the level of work undertaken.
- 10.22 I have used the following agents, professional advisors and sub-contractors since my appointment as Administrator:

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

- 10.23 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.
- 10.24 Due to its specialised nature, I have sub-contracted some of the work I am required to undertake as Joint Administrators, namely Employment Rights Act ("ERA") work (i.e. issues arising from the consultation of employees, redundancy of the Company's employees, the calculation of their preferential and non-preferential claims and submissions to the RPS), as well as dealing with any issues arising from the occupational pension scheme run by the Company (i.e. liaison with the Pensions Regulator, the Pension Protection Fund and the pension providers and the calculation of any occupational pension claims). I have sub-contracted this work to Clumber and am satisfied that taking this approach will ensure that the best value and service will be provided to creditors, because they are specialists in this type of work and, because their agreed fees will be cheaper than doing it in house. Clumber's estimated time costs for dealing with the ERA matters on this case are £8,500 plus VAT. Work in respect of any occupational pensions will be paid on a fixed fee basis by reference to the number of employees, estimated to be £1,075 plus VAT.
- 10.25 Clumber Consultancy are not associates of the Joint Administrators or their firm as defined in section 435 of the Act. Further, the Joint Administrators have reviewed their and their firm's relationship with Clumber Consultancy and consider that it is not one which could give rise to a perception that there is any such association.

- 10.26 SHMA have been 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 to date equate to £6,750 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.
- 10.27 Jason Hall of LSH has been 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. They 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 £799 plus VAT relating to the collection, delivery and wiping of IT equipment and the collection and delivery of books and records. LSH anticipate incurring further post-appointment time costs and disbursements approximately of £1,000 plus VAT. No fees have been charged or paid to date.
- 10.28 SHMA and LSH are not associates of the Joint Administrators or their firm as defined in section 435 of the Act. Further, the Joint Administrators have reviewed their and their firm's relationships with SHMA and LSH and consider that it is not one which could give rise to a perception that there is any such association.
- 10.29 It is anticipated that specialist debt collection agents will be engaged to assist with the collection of the outstanding debit balances on customer accounts. I am considering the best strategy for debt collection, including the most appropriate debt collection agents to engage. Debt collection costs in this regard therefore include an estimate of the costs to be incurred by any instructed debt collection agents which has been estimated on a % of realisations basis, at an estimate of 20%, along with SmartDebit and Monek's fees which are charged on a fixed fee per transaction basis.
- 10.30 Based on our knowledge of the case to date, I anticipate being able to draw my time costs and expenses in full. The estimated return to creditors is detailed in section 9 above.

11 PRE-ADMINISTRATION COSTS

- 11.1 The Board instructed Menzies LLP to assist them in placing the Company into Administration on 28 October 2021. They agreed that Menzies LLP should 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 pre-appointment.
- 11.2 As advised previously, Menzies LLP were also engaged by the Board on 5 October 2021 to assist in conducting a review of the financial affairs of the Company and its financial position, to provide ad-hoc insolvency advice and to consider the options available to the Company. They agreed that Menzies LLP should be paid a fixed fee of £2,000 plus VAT in this regard which was paid by the Company.

- 11.3 Following the instruction in respect of the Administration on 28 October 2021, I have incurred total pre-Administration time costs of £28,870.50. An analysis of these time costs by category and grade of staff is provided at Appendix VI.
- 11.4 I assisted the Board with the appropriate steps to place the Company into Administration. This task is required by statute or regulatory guidance, and whilst it does not produce any direct benefit for creditors, it still has to be carried out. I liaised with the Board and SHMA in respect of the Administration appointment and the issuing of a notice of intention to appoint Administrators. I liaised with key stakeholders, including but not limited to Ofgem and CNG. I also assisted the Board with the preparation of the Director's witness statement and the financials to support said statement necessary to support Ofgem's court application process to remove the Company's licences, allowing the Company into Administration. I commenced discussions with ScottishPower in this matter following the SoLR appointment on 28 November 2021.
- 11.5 This work was done before the Company entered Administration in order to ensure that the correct strategy was adopted which would protect the interests of stakeholders and maximise recoveries.
- 11.6 In addition to our own time costs, the following expenses were incurred:
- 11.7 SHMA were engaged in relation to legal services provided with a view to the Company entering Administration. A summary of the tasks carried out by SHMA are as follows:
- Providing general legal advice as required in preparation for the Administration appointment;
 - Providing advice regarding critical supply and various creditor demands received;
 - Providing advice on the set-off between the Company and SYEL;
 - Providing advice regarding CNG's charge;
 - Providing advice on the status of employees;
 - Providing advice on section 233 of the Act;
 - Providing advice on creditor balances and customers;
 - Liaising with the Company, Ofgem and Menzies LLP regarding the SoLR process generally.
- 11.8 They were chosen based on our perception of their experience and knowledge of the areas on which they were advising, taking into account the complexity and nature of the assignment and the industry in which the Company operated. I also considered whether the basis on which they charged their fees represented value for money given the level of work undertaken. Their pre-appointment time costs in this matter are £2,698.20 plus VAT. These fees have been charged on a time cost basis and were incurred prior to the Company being placed into Administration. This work was done before the Company entered Administration in order to ensure that the correct strategy was adopted which would protect the interests of stakeholders and maximise recoveries.
- 11.9 The following statement sets out the pre-Administration costs incurred which require approval prior to being paid from the Administration estate. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Supplier	Incurred	Paid	Outstanding
	£	£	£
Menzies LLP	28,870.50	15,000.00	13,870.50
SHMA	2,698.20	0.00	2,698.20
Total	31,568.70	15,000.00	16,568.70

- 11.10 The pre-Administration costs that have already been paid were paid prior to the Administration by the Company.
- 11.11 As I have already indicated, I am not seeking a decision from the creditors to approve our proposals. As a result, in the absence of a Committee, it will be for the chargeholder and a decision of the preferential creditors through a decision procedure to approve the unpaid pre-Administration costs.
- 11.12 In addition to the work complete by SHMA prior to the appointment disclosed above, they 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 will be paid as an expense of the Administration without needing to obtain the approval of creditors.
- 11.13 SHMA are not associates of the Joint Administrators or their firm as defined in section 435 of the Act. Further, the Joint Administrators have reviewed their and their firm's relationship with SHMA and consider that it is not one which could give rise to a perception that there is any such association.

12 JURISDICTION

- 12.1 I consider that the Administration of the Company constitutes "COMI" proceedings since the Company's registered office and its trading addresses are in the United Kingdom.

13 JOINT ADMINISTRATORS' PROPOSALS

- 13.1 In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.
- 13.2 In order to achieve the objective set out at section 3 above, Rachel Helen Lai and I formally propose to creditors that:

- (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).

14 APPROVAL OF PROPOSALS

Deemed approval of the proposals

- 14.1 The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to non-preferential unsecured creditors other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

Creditors' right to request a decision procedure

- 14.2 However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors.

14.3 Any such request must be accompanied by;

- a statement of the purpose of the meeting
- a statement of the requesting creditor's claim; together with either
- a list of the creditors concurring with the request and the amounts of their respective claims and, confirmation of concurrence from each creditor concurring; or
- a statement that the requesting creditor's debt is alone sufficient to require a decision procedure without the concurrence of other creditors.

14.4 Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

14.5 If creditors do not require me hold to a decision procedure within that time period, then these proposals will be deemed to have been approved.

15 FURTHER INFORMATION

15.1 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/>.

15.2 If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available online, they should contact Penny Elvin by email at EnticeEnergy@menzies.co.uk.

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.

The officeholders 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 is at the following link: <https://www.menzies.co.uk/legal/>

Appendix I

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:	<i>Name:</i>	<i>Start date:</i>	<i>End date:</i>	<i>Shareholding:</i>
	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:

	<i>Per the management accounts as £1 each</i>
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:	<i>Beneficiary</i>	<i>Type of charge</i>	<i>Date created</i>	<i>Assets secured</i>
	Contract Natural Gas Limited	Debenture – fixed and floating	5 February 2020	All the property or undertaking of the Company

Appendix II

Estimated financial position

Entice Energy Supply Limited t/a Entice Energy
 Company Registered Number: 09473910
 Statement Of Affairs as at 8 December 2021

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Intangible Assets	169,099.00	NIL
Office Furniture & Equipment	6,666.00	Uncertain
Customer Debit Balances	350,000.00	262,500.00
Shares & Investments	250,000.00	NIL
VAT Refund	33,723.53	NIL
Collateral	30,500.80	20,500.80
Cash at Bank	112,485.85	112,485.85
Barclays Bank Plc		(49,063.94)
Smart Debit Receipts	162,000.00	162,000.00
Uncharged assets:		
Estimated total assets available for preferential creditors		508,422.71

Signature _____ Date _____

Entice Energy Supply Limited t/a Entice Energy
 Company Registered Number: 09473910
 Statement Of Affairs as at 8 December 2021

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		508,422.71
Liabilities		
Preferential Creditors:-		
Employees Wages & Holiday Pay (Count=6)	1,663.25	1,663.25
Estimated deficiency/surplus as regards preferential creditors		506,759.46
2nd Preferential Creditors:-		
HM Revenue & Customs	22,093.47	22,093.47
Estimated deficiency/surplus as regards 2nd preferential creditors		484,665.99
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		484,665.99
Estimated prescribed part of net property where applicable (to carry forward)		99,933.20
Estimated total assets available for floating charge holders		384,732.79
Debts secured by floating charges post 14 September 2003		
Floating Charge Creditor	587,457.44	587,457.44
Estimated deficiency/surplus of assets after floating charges		(202,724.65)
Estimated prescribed part of net property where applicable (brought down)		99,933.20
Total assets available to unsecured creditors		99,933.20
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	152,970.99	
Employees(Count=3)	21,296.68	
Directors	18,895.90	
HM Revenue and Customs - CT	754.49	
Customer Credit Balances	564,000.00	
InterCompany Creditor	142,687.51	
Loans	115,000.00	
		1,015,605.57
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(915,672.37)
Shortfall in respect of F.C's post 14 September 2003 (brought down)		202,724.65
Estimated deficiency/surplus as regards creditors		(1,118,397.02)
Issued and called up capital		
Ordinary Shareholders	100.00	100.00
Estimated total deficiency/surplus as regards members		(1,118,497.02)

Menzies LLP
Entice Energy Supply Limited t/a Entice Energy
Company Registered Number: 09473910
B - Company Creditors

Key	Name	Address	£
CB00	Barclays Bank Plc	1 Churchill Place, London, E14 5HP	49,063.94
CB01	Blackthorne Utilities Limited	Unit 1, Acorn Business Park, Woodseats Close, Sheffield, South Yorkshire, S8 0TB	2,653.56
CC00	Mr David Crowe	9 Westhorpe, Southwell, NG25 0ND	18,895.90
CC01	Calvin Capital Limited	5th Floor, 1 Marsden Street, Manchester, M2 1HW	10,175.67
CC02	Contract Natural Gas Ltd	CNG Ltd, 2 Victoria Avenue, Harrogate, North Yorkshire, HG11EL	587,457.44
		Security Given: Fixed and floating; Date Given: 05/02/2020; Amount: 587457.44	
CC005H	Capital Meters Limited	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD	461.59
CD00	Dual Meter Systems Limited	Unit 8 Peerglow Centre, Marsh Lane, Ware, Hertfordshire, SG12 9QL	72.72
CE00	Ebuddy Limited	2nd Floor, 127 Gloucester Road, Brighton, BN1 4AF	807.50
CE01	ElectraLink Ltd	3 rd Floor, Northumberland House, 303-306 High Holborn, London, WC1V 7JZ	158.40
CE03	Energy Assets	6 Almondvale Business Park, Livingston, EH54 6JA	5.15
CE04	E.ON Energy Solutions Limited	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	2,895.57
CE05	Energy Comparison Service		3,124.82
CF00	Forest Lane Lodge	Forest Lodge, Forest Lodge Lane, Port Talbot, Neath Port Talbot, SA13 2R	115,000.00
CF01	FCS Lasermail	Wood Lane, Erdington, Birmingham, B24 9QL	3,061.66
CF02	Foresight Metering Management Ltd	32 London Bridge Street, London, SE1 9SG	81.04
CF03	Fulcrum Pipelines Limited	2 Europa View, Sheffield Business Park, Sheffield, S9	2,149.40
CF04	Fundraising Innovation	Energyhelpline, The Cartwagon Lodge, Friday Street Farm, Friday Street, East Sutton, Kent, ME17 3DD	4,800.00
CG00	Gilmond Consulting Limited	Oxford Point, 19 Oxford Road, Bournemouth, BH8 8GS	52,146.79
CH00	HM Revenue & Customs	Debt Management - EIS C, BX9 1SH	754.49
CH0064	Horizon	Brewery House, 34-44 Gigant St, Salisbury, SP1 2AP	479.98
CH0065	HM Revenue & Customs	Debt Management - EIS C, BX9 1SH	22,093.47
CI00	The ICC Group	Connection House, Sandbeck Lane, Wetherby, LS22 7TW	1,465.68
CI01	Incomplex Consultancy Limited	3 Hawkchurch Road, Reading, RG2 8NE	160.00
CK00	Krystal Hosting Ltd	Kemp House, 152 - 160 City Road, London	16.20
CL00	Lowri Beck Services Limited	Building B, Swan Meadow Road, Wigan, WN3 5BB	13,324.48
CL01	Legal Recoveries & Collections Limited	119 to 121 Canal Street, Nottingham, NG1 7HB	309.00
CL02	Lupton Fawcett LLP	Yorkshire House, East Parade, Leeds, LS1 5BD	213.50

Menzies LLP
Entice Energy Supply Limited t/a Entice Energy
Company Registered Number: 09473910
B - Company Creditors

Key	Name	Address	£
CM01	Magnum Meter Finance Limited	Registered office:, Atria, Spa Road, Bolton, BL1 4AG	311,73
CM02	Macquarie Meters 3 Limited	Macquarie Energy, Resources and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB	3,484,96
CM03	Maple Co Group	Scotia Gas Networks Limited, St Lawrence House, Station Approach, Horley, Surrey, RH6 9HJ	1,985.37
CM04	Monek Limited	Innovation House, Davidson Road, Lichfield, WS14 9DZ	221.96
CN01	National Grid Smart Meter	Northern Powergrid Holdings Company, Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF	1,221.40
CN02	National Grid Rainbow	Northern Powergrid Holdings Company, Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF	7,908.81
CN03	Northern Powergrid (Metering) Limited	Northern Powergrid Holdings Company, Lloyds Court, 78 Grey Street, Newcastle upon Tyne, NE1 6AF	3,618.03
CO00	The Ombudsman Service Limited	3300 Daresbury Park, Daresbury, Warrington, WA4 4HS	1,956.00
CO01	On Stream	Macquarie Energy, Renewables and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB	3,402.83
CP00	Papernest	157 Boulevard Macdonald, 75019, PARIS	10,759.60
CR00	RGEp	InteliQo Ltd, 5th Floor, Suite 23, 63 - 66 Hatton Gardens, London, EC1N 8LE	9,600.00
CS00	Simply Your Energy Limited	Ransom Hall South, Ransom Wood, Mansfield, Nottinghamshire, England, NG21 0HJ	142,687.51
CS01	Seopa Limited	5th Floor Link Building, Adelaide Exchange, 24-26 Adelaide Street, Belfast, BT2 8GD	115.00
CS02	Shell Energy Retail Ltd	Smart Metering Communications Body Limited , (trading as Smart Energy GB) , 1 Alfred Mews, London, W1T 7AA	33.72
CS03	Smart Meter Assets 1	Smart Meter Assets, 6th Floor, 1 Aldermanbury Square, London, EC2V 7HR	2,305.38
CS04	Smart energy GB	Smart Metering Communications Body Limited , (trading as Smart Energy GB) , 1 Alfred Mews, London, W1T 7AA	14.03
CS05	SP Smart Meter Assets Ltd	Synergy House, Woolpit Business Park, Bury St Edmunds, Suffolk, IP30 9UP	3,159.24
CS06	SMS Meter Assets Limited	3rd Floor, 48 St Vincent Street, Glasgow, C2 5TS	2,351.01
CS07	Stratford Place Utilities Ltd	Unit 8 Peerglow Centre, Marsh Lane, Ware, Hertfordshire, SG12 9QL	232.80
CS08	Switchgreen Utilities Ltd	10a Castle Meadow, Norwich, Norfolk, NR1 3DE	528.00
CT00	Toner Giant	Netgiant Ltd, 61 Gibfield Park Avenue, Manchester, M46 0SY	385.66

Menzies LLP
Entice Energy Supply Limited t/a Entice Energy
Company Registered Number: 09473910
B - Company Creditors

Key	Name	Address	£
CU00	Utility Metering Services Limited	Macquarie Energy, Renewables and Sustainability, Suites 3&4 Warners Mill, Silks Way, Braintree, CM7 3GB	302.04
CV00	Vantage Meters (MAP 2) Limited	82 Heathfield North, Twickenham, TW2 7QW	431.21
CX00	Xoserve Limited	Landsdowne Gate, 65 New Road, Solihull, B91 3DL	79.50
51 Entries Totalling			1,088,923.74

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Entice Energy Supply Limited t/a Entice Energy
Company Registered Number: 09473910
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
2,779 Entries Totalling			564,000.00

Menzies LLP
Entice Energy Supply Limited t/a Entice Energy
Company Registered Number: 09473910
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HC00	Mr David Mark Crowe	9 Westhorpe, Southwell, NG25 0ND	Ordinary	1.00	100	1.00	100.00
1 Ordinary Entries Totalling					100		

Appendix III

Joint Administrators' receipts and payments account

Entice Energy Supply Limited t/a Entice Energy
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 27/01/2022

S of A £		£	£
	ASSET REALISATIONS		
NIL	Intangible Assets	NIL	
Uncertain	Office Furniture & Equipment	NIL	
262,500.00	Customer Debit Balances	NIL	
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	30,000.00	
			95,628.08
	COST OF REALISATIONS		
	Accountancy Fees	1,050.00	
	Telephone Costs	385.00	
	IT Licences	92.49	
	Billing Systems	60,335.00	
	Statutory Advertising	94.05	
	Wages & Salaries	18,067.67	
	Bank Charges	15.00	
			(80,039.21)
	PREFERENTIAL CREDITORS		
(1,663.25)	Employees Wages & Holiday Pay	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(22,093.47)	HM Revenue & Customs	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(587,457.44)	Floating Charge Creditor	NIL	
			NIL
	UNSECURED CREDITORS		
(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	
(115,000.00)	Loans	NIL	
			NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
(1,118,497.02)			15,588.87

Entice Energy Supply Limited t/a Entice Energy
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 27/01/2022

S of A £	£	£
REPRESENTED BY		
VAT Receivable		12,181.31
Barclays Bank		3,407.56
		<u>15,588.87</u>

John Dean Cullen
Joint Administrator

Appendix IV

Joint Administrators' fee estimate, charge out rates and estimated expenses

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

APPENDIX IV - FEE ESTIMATE

Classification of Work Function	Total Hours	Total Time Costs £	Blended Hourly Rate £
Administration & Planning	182.00	55,070.00	302.58
Realisations of Assets	95.00	30,900.00	325.26
Creditors	90.00	27,600.00	306.67
Investigations	77.00	25,980.00	337.40
Trading	110.00	39,150.00	355.91
Estimated Total Hours	554.00		
Estimated Total Cost		178,700.00	
Estimated Blended Hourly Rate			322.56

CURRENT CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS	
From 1 October 2021	
	£ per hour
Partner/Director	450-525
Manager	270-400
Senior	240-250
Administrator	135-200
Support Staff	105
Note 1	There may be 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 rates of the Insolvency Practitioners for this assignment are currently £480 and £450 per hour, and the administrator is £230 per hour.
Note 4	Time is recorded in minimum units of 6 minutes.

NARRATIVE TO SUPPORT FEE ESTIMATE

A description of the work to be undertaken in the administration of the estate is as follows:

Administration

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.

Collating information-post appointment:

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, shareholders and directors. It also includes statutory advertising, dealing with correspondence, liaising with the Bank and HMRC, 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.

Specifically, time to date in this matter has been spent issuing the post-appointment notices to creditors, employees, the secured creditor, the Director, shareholders, the Bank, Ofgem, ScottishPower, HMRC and NEST pension. I have secured and reviewed the books and records of the Company, both physical and electronic, and I have undertaken a review of the GDPR matters arising from my appointment and I have secured all personal data.

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.

Reporting

I am required to report to creditors on my Proposals for the Administration. If a Creditors' Committee is not established, then secured and preferential creditors will also be asked to approve the basis of my fees, and I will need to convene a decision procedure of the preferential creditors. 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 has been spent in preparing this report following my appointment, to ensure its compliance.

I am obliged to prepare six-monthly progress reports, which provides creditors with an update on the progress of the administration, including distribution prospects. This is circulated to all known creditors and filed at Companies House within one month of the end of each six-month period following my appointment.

The administration automatically ceases to have effect after one year. However, should I become aware of any additional assets or issues arise during the course of my investigations which would be better dealt with in the administration, it may be extended with either the consent of creditors or by an order of the Court, which will require more than one progress reports to be circulated. As such, I have included time in my fee estimate in respect of the preparation and circulation of three six-monthly progress reports, and in respect of the necessary formalities to request the extension of the administration.

Once the administration is ready to be concluded and formal tax clearances obtained, I will be required to obtain the agreement of the secured and preferential creditors that I be discharged from liability. A final report will be prepared and circulated to all known creditors, the directors and the Company, to provide an update on the progress of the administration. Subsequently it must also be filed at Companies House. The appointment as administrator will come to an end upon the filing of that report by the Registrar.

Cashiering

This includes the opening and maintenance of the administration floating charge bank account and cashbook, lodging receipts, preparing and processing invoices for payment, reconciling bank accounts, and producing receipts and payments accounts.

Further cashiering work will include preparing and filing relevant Corporation Tax and VAT returns, settling any tax liabilities, and seeking formal tax clearances prior to the case closure.

In addition, it is anticipated that distributions will be made to the secured and preferential creditors. It is also envisaged that a dividend will become payable to unsecured creditors under the prescribed part provisions. Therefore, time will be spent raising distribution cheques and/or making electronic payments to the relevant creditors.

Asset Realisations

This is the work that needs to be 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.

The fee estimate covers the costs I expect to incur based on my initial review of recovering those assets. If additional assets or potential complexities are subsequently identified which will increase our costs, then creditors will be advised, and a further fee estimate will be provided if necessary.

Time incurred in this matter to date includes the time spent arranging suitable insurance over assets, liaising with the Bank regarding the remittance of funds to the estate accounts, liaising with SmartDebit regarding the remittance of funds held to the estate account and instructing agents to value known assets and determine an appropriate strategy for the tangible assets.

I have liaised with the Company's existing debt collection agents in respect of the services they supply the Company, including their policies for dealing with vulnerable customers. 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 am considering the best strategy for debt collection, including the most appropriate debt collection agent(s) to engage. I anticipate future time in this matter to be spent corresponding with customers and attempting to collect outstanding book debts, supervising the work of debt collection agents instructed on the case to assist in dealing with the collection of book debts, obtaining reports and updates from them on the work done and checking the adequacy of the work done. Extensive time is anticipated to be spent dealing with the collection of the debtor book, which is made up of the debit balances on customer accounts. This position will be finalised once the final billing process has been complete and time has been allocated to liaising with ScottishPower and the consultant of the Company in respect of the final debtor balances, including both pre-SoLR and SoLR accounts and the provision of bills to facilitate the collection of said debt.

Time will be spent reconciling the Company's bank account in respect of post-Administration receipts and also reconciling the funds held by SmartDebit.

Creditors (claims and distribution of funds to creditors)

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. If a Creditors' Committee is formed (minimum of 3 creditors and a maximum of 5), it is envisaged that there will be additional time costs incurred in relation to this, which will include convening meetings, reporting to the Committee and dealing with any correspondence and queries. 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.

I have been made aware of approximately 50 unsecured creditors (not including any of the customers with credit balances) which also includes former employees. There is 1 secured creditor.

I have also been made aware of approximately 2,780 customers of the Company who have or are anticipated to have a credit balance on their accounts following the issue of final bills. Whilst these credit balances are protected by the SoLR process and will be honoured by ScottishPower, these customers have been notified of the Administration in their capacity as consumer creditors of the Company under the insolvency legislation. I have sought legal advice in this regard.

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 debit/credit account balances. I have allocated further time in my fee estimate to general creditor correspondence and maintaining up to date creditor information.

Employees' Claims

I will need to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. I am required to undertake this work as part of my statutory functions even though it may not provide a direct quantifiable or financial benefit for the creditors.

The former employees are also included in the creditors, and I will need to review and adjudicate their preferential and unsecured claims. I will also need to liaise with the RPS in respect of their claims and deduct and pay any tax deducted from the dividends payable to employees.

In the event there are funds available for a distribution to preferential creditors, I would then adjudicate the employees' claims. In which case, time will be spent reviewing and agreeing the preferential elements of the claims, together with the RPS claim and declaring a distribution to the preferential creditors

As the above work, with the exception of payment of the actual dividends, is being sub-contracted to Clumber, as detailed in the body of the report, no time has been allocated in respect of this work. Time has however been allocated to the supervision of Clumber Consultancy's work in dealing with the ERA matters and pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Secondary Preferential Creditors' Claims

From 1 December 2020, HM Revenue and Customs (HMRC) became a secondary preferential creditor in respect of any monies owed to them in respect of PAYE, employee National Insurance contributions, CIS deductions from pay, Student Loan deductions from pay, and VAT. In the event that there are funds available for a distribution to secondary preferential creditors, I have to undertake certain statutory formalities in order to pay them a dividend. This will include writing to HMRC if they have not yet lodged their proof of debt and reviewing the claims in order to formally agree them. This may involve further interrogation of the Company accounts and records.

Unsecured Creditors' Claims

I envisage being able to make a distribution to unsecured creditors out of the prescribed part and so I will need to advertise the intended dividend in the London Gazette and send notice of the intended dividend to all creditors. The unsecured element of the employees' and RPS claims will need to be adjudicated and in addition, all other unsecured creditor claims (including but not limited to trade and expense creditors and HMRC) will be reviewed and further documentation requested if appropriate, prior to agreeing the claims and making a distribution to unsecured creditors.

Time has also been allocated to my ongoing correspondence with the secured creditor in this matter and the distribution of funds to them under their fixed and floating charge.

The work undertaken in respect of the above is required in order to ensure that only those entitled to receive a dividend do so and that any claim to a dividend is valid and adequately evidenced. There will be a direct correlation between the time spent and the number of creditors, which as detailed above is thought to be approximately 50.

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.

Company Books and Records

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 will also seek and obtain information from relevant third parties, such as the bank, accountants, solicitors, etc.

Directors' conduct report

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.

Further investigations

The officeholder may also carry out further investigations if potential asset recoveries are identified or to investigate areas of concern raised by creditors. Creditors are requested to advise the officeholder if they are aware of any matters which should be reviewed.

Should my initial review identify potential areas for asset recoveries which will necessitate my incurring additional time costs, creditors will be advised, and a further fee estimate provided. Creditors may also be asked to approve an increase in the fee estimate at this time. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

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 have been held regularly and further time has been allocated in my fee estimate to time spent liaising with ScottishPower to facilitate a smooth transition of customer accounts to them.

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

Employees and consultant

A number of staff members have been retained to assist in the provision of information, collect meter readings from customers, address customer queries and undertake the final billing process and time during this period has been spent liaising with the employees, overseeing the work complete and responding to queries as appropriate. One member of staff currently remains with the Company and I have engaged one former member of staff on a consultancy basis, being an expert in SoLR processes and final billing. Time has been and will further be spent liaising with these parties up until all matters above have been resolved.

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 remaining staff, ScottishPower and the Company's main billing system provider, Gilmond, in this regard. Final bills are in the process of being prepared and issued. Further time has been allocated to this final billing process in my fee estimate in this regard, including the provision of final bills to customers.

Suppliers

Time has also been spent reviewing the costs of the Company and I have identified critical supply for the work being undertaken. I have liaised with various service providers and have dealt with any issues arising from the appointment of Administrators, such as unpaid invoices etc. I am liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Further time has been allocated to these matters in my fee estimate, including the ongoing management of critical service providers and responding to queries and dealing with issues as and when they arise, to ensure that the work required to finalise customer accounts is complete as efficiently as possible.

ESTIMATED EXPENSES

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	104.00	92.49
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	15.00	15.00
Insurance of assets - it is necessary to insure the Company's assets prior to their sale	300.00	0.00	0.00
Accountancy fees - a consultant has been engaged to deal with ad-hoc financial tasks	2,000.00	1,050.00	1,050.00
<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	7,837.00	0.00
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	1,399.00	0.00
Solicitors - SHMA have been engaged to advise on various matters arising in the Administration	25,000.00	6,750.00	0.00
Counsel - Counsel were instructed to advise on the customer position as creditors of the estate	1,000.00	1,000.00	0.00
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	0.00	0.00
<u>Trading costs</u>			
Trading costs as apportioned between the Company and SYEL - see table in the body of my Proposals	58,972.00	31,664.09	78,880.16
Totals	152,828.00	50,029.09	80,037.65

Note to the estimated expenses

The trading costs to be shared and allocated between the Company and SYEL will require creditor approval. If a Creditors' Committee is appointed, it will be for the Committee to approve these fees. If a Committee is not appointed, then I propose to seek a decision from the appropriate class of creditor.

I am also liaising with ScottishPower with the view to agreeing a contribution to costs which are being incurred for the benefit of both parties. Any contribution will acknowledge the work that is being undertaken by the Company which ultimately assists ScottishPower in its role as SoLR and aids the smooth transition of customer accounts.

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.

Appendix V

Joint Administrators' time costs to 21 January 2022

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

APPENDIX V

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 8 DECEMBER 2021 TO 21 JANUARY 2022

HOURS					
Classification of Work Function	Partner/ Director	Manager	Senior	Administrator	Support
Administration & Planning	10.90	22.50	41.70	5.30	6.70
Realisation of Assets	2.50	1.50	4.00	-	-
Creditors	7.60	3.70	9.20	-	-
Investigations	-	-	0.50	-	-
Trading	10.50	12.40	20.50	-	-
Total Hours	31.50	40.10	75.90	5.30	6.70
Total Costs	14,691.00	11,964.00	18,216.00	988.50	703.50
					291.93
					269.21
					323.63
					335.71
					240.00
					311.61

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS			
From 1 October 2021		1 Oct 2020 to 30 Sept 2021	
£ per hour		£ per hour	
Partner/Director	450-525	425-525	
Manager	270-400	260-360	
Senior	240-250	230-250	
Administrator	135-200	100-205	
Support Staff	105	100	
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 £480 and £450 per hour, and the administrator is £230 per hour.		
Note 4	Time is recorded in minimum units of 6 minutes.		

Appendix VI

Pre-appointment time costs

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

APPENDIX VI

TIME CHARGE OUT SUMMARY FOR THE PERIOD UP TO APPOINTMENT ON 8 DECEMBER 2021

HOURS					
Classification of Work Function	Partner/ Director	Manager	Senior	Administrator	Support
Administration & Planning	24.70	20.20	41.90	0.30	2.50
Realisation of Assets	-	0.30	-	-	-
Creditors	0.70	1.10	0.20	-	-
Investigations	-	-	-	-	-
Total Hours	25.40	21.60	42.10	0.30	2.50
Total Costs	11,964.00	6,480.00	10,104.00	60.00	262.50
Total Carried Forward				91.90	28,870.50
				91.90	28,870.50
				314.15	314.15

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS			
From 1 October 2021		1 Oct 2020 to 30 Sept 2021	
£ per hour		£ per hour	
Partner/Director	450-525		425-525
Manager	270-400		260-360
Senior	240-250		230-250
Administrator	135-200		100-205
Support Staff	105		100
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 Practitioner for this assignment is currently £480 and £450 per hour, and the administrator is £230 per hour.		
Note 4	Time is recorded in minimum units of 6 minutes.		

Appendix VII

Proof of debt form

<p align="center">under rule 14.4 The Insolvency (England and Wales) Rules 2016 Entice Energy Supply Limited t/a Entice Energy- In Administration ("the Company")</p>		
<p align="center">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.	Signature of creditor or person authorised to act on creditor's behalf <hr/> Date: <hr/>	
	Name in BLOCK LETTERS <hr/>	
	Position with, or relation to, creditor (e.g. director) <hr/> Address of person signing (if different from 2 above) <hr/>	

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.

Appendix VIII

Comparative estimated outcome statement

Entice Energy Supply Limited
Estimated Outcome Statement ("EOS")

<u>Section A - Summary of Assets</u>	Administration	Creditors' Voluntary Liquidation
	£	£
<u>Floating charge assets</u>		
Cash at bank	112,486.00	112,486.00
Barclays Bank Plc (Bounce back loan)	(49,064.00)	(49,064.00)
	<hr/> 63,422.00	<hr/> 63,422.00
Office Furniture & Equipment	Uncertain	Uncertain
Intangible Assets	Nil	Nil
Shares & Investments	Nil	Nil
Customer Debit Balances	262,500.00	87,500.00
Collateral (Smart Debit)	20,500.80	Nil
Smart Debit Receipts	162,000.00	40,500.00
VAT Refund	Nil	Nil
	<hr/> 508,422.80	<hr/> 191,422.00
<u>Less: costs of realisations</u>		
Menzies LLP's pre-appointment fees	13,870.00	10,000.00
Solicitors' pre-appointment fees	5,811.95	0.00
Joint Administrators' fees	178,700.00	150,000.00
Joint Administrators' disbursements	13,000.00	6,500.00
Solicitors' post-appointment fees and disbursements	25,000.00	25,000.00
Counsel's fees	1,000.00	1,000.00
Agents' fees and disbursements	2,399.00	2,399.00
Provision for final billing "trading" costs	58,972.00	0.00
Debt collection costs	52,500.00	17,500.00
	<hr/> 351,252.95	<hr/> 212,399.00
Assets available to preferential creditors	157,169.85	(20,977.00)

Entice Energy Supply Limited
Estimated Outcome Statement ("EOS")

Section B - Summary of Liabilities

	Administration £	Creditors' Voluntary Liquidation £
Assets available to preferential creditors	157,169.85	(20,977.00)
Less:		
Preferential Creditors (including secondary prefs)		
- Employees wage arrears & holiday pay	1,663.00	6,400.00
- Pension	Uncertain	Uncertain
- PAYE/NI	22,093.00	22,093.00
NET PROPERTY	133,413.85	(49,470.00)
Less:		
- Prescribed part	29,682.77	0.00
Available to floating charge creditors	103,731.08	0.00
Less:		
Floating charge creditor	587,457.00	587,457.00
Surplus/deficit to floating charge creditor	(483,725.92)	(587,457.00)
Total available to unsecured creditors	29,682.77	0.00
Less:		
Trade and expense creditors	152,971.00	152,971.00
Intercompany creditor	142,688.00	142,688.00
Loans	115,000.00	115,000.00
Directors' loan account	18,896.00	18,896.00
HM Revenue ad Customs (CT)	754.00	754.00
Employees redundancy & loss of notice pay	21,297.00	21,297.00
Customer credit balances (contingent consumer creditors)	564,000.00	564,000.00
	1,015,606.00	1,015,606.00
Estimated outcome for unsecured creditors	0.03	0.00