In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up

Companies House

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

1 Company details

Company number	0 9 5 2 3 0 6 6
Company name in full	Green Network Energy Ltd

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

2 Liquidator's name

Full forename(s)	Matthew James
Surname	Cowlishaw

3 Liquidator's address

Building name/number	The Colmore Building, 20 Colmore Circus
Street	Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

4 Liquidator's name ❶

Full forename(s)	Ian Colin
Surname	Wormleighton

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	The Colmore Building, 20 Colmore Circus
Street	Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

From date	d 0 d 4	m 0 m 2	y 2 y 0 y 2 y 3
To date	d 0 d 3	m 0 m 2	y 2 y 0 y 2 y 4

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X	X
Signature date	d 2 d 8	m 0 m 3 y 2 y 0 y 2 y 4

LIQ03
Notice of progress report in voluntary winding up

Presenter information

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

Contact name: Vinay Mistry

Company name: Teneo Financial Advisory Ltd

Address: The Colmore Building
20 Colmore Circus Queensway

Post town: Birmingham

County/Region:

Postcode: B4 6AT

Country:

DX:

Telephone: +44 121 619 0120

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Teneo

The Global CEO Advisory Firm

Court Case No. 31 of 2021
High Court of Justice Business and Property
Courts in Birmingham
Company Number: 09523066

Registered Office:
c/o Teneo Financial Advisory Limited,
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Green Network Energy Ltd (in liquidation) ("the Company") ("GNE")

Progress report to creditors for the 12 month period to 3 February 2024 pursuant to Section 104A of the Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

28 March 2024

Matthew James Cowlishaw and Ian Colin Wormleighton ("the Joint Liquidators") were appointed Joint Liquidators of Green Network Energy Ltd on following cessation of the administration on 4 February 2022 .The affairs, business and property of the Company are managed by the Joint Liquidators. The Joint Liquidators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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Key messages

Key messages

Joint Liquidators of the Company

Matthew James Cowlishaw

Ian Colin Wormleighton

Teneo Financial Advisory Limited

The Colmore Building

20 Colmore Circus

Birmingham

B4 6AT

Contact details

Email: GNEadministration@teneo.com

Website: www.ips-docs.com

Tel: 0121 619 0149

Progress of the liquidation during the report period

- The Company moved from administration to creditors' voluntary liquidation ("CVL") on 4 February 2022 to enable the distribution of funds to unsecured creditors.
- Work in ongoing to ensure the secure closure of the Company's IT infrastructure. Please see page 5 for more details.
- We have made a distribution to ordinary preferential creditors totaling c.£172.5k .
- We have continued to finalise the Company's VAT affairs.

Costs

- Please note all fees, costs and expenses, unless otherwise stated, are reported net of VAT.
- The basis of our fees has been fixed on a time costs basis in the preceding administration, which continues to apply in the liquidation,.
- Our time costs for the period of the report are £129.7k. For the reasons set out on page 12, our time costs have exceeded the fees estimate budget but at this stage we do not intend to seek approval from the unsecured creditors to authorise an increased fee.
- Expenses of £77.5k have been incurred during the report period. Please see page 6 for further details.

Outstanding matters

- Closure of the residual GNE IT infrastructure.
- Settle the final costs of the liquidation.
- Conclude corporation tax and VAT matters with HM Revenue & Customs ("HMRC").
- Payment of a dividend to secondary preferential creditors.
- Adjudication and payment of both an interim and then a final distribution to the unsecured creditors.
- Statutory closing procedures.

Dividend prospects

- Secured creditors have been paid in full.
- Ordinary preferential creditors have been paid in full.
- Secondary Preferential creditor – There will be sufficient floating charge realisations to enable payment in full of HMRC's secondary preferential claims.
- Unsecured creditors will be paid an estimated dividend of c.10-20p/£. Please see page 9 for more details.

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Progress of the liquidation

Progress of the liquidation

Work done during the report period

IT Infrastructure

We have paid c.£77.5k to an IT contractor which relates to monitoring and the closure process of the Company's residual IT infrastructure provided during the period. Please see the page 6 and the receipts and payments account on page 7 for further details.

Asset Realisations

Bank Interest

Bank interest of c.£778.4k was realised in the report period.

Other Refunds

c.£4k of miscellaneous refunds were received in the report period.

Credit Cover Deposits

The Company had lodged c.£4.5m of credit cover deposits with key suppliers. The Joint Liquidators have continued to correspond with these suppliers in order to recover any equity from these funds. C.£520.8k has been recovered so far but no amounts have been received during the period. No further realisations are expected in respect of credit cover deposits.

Ofgem and SoLR unsecured claims

An application had been made to Court to hear a number of arguments from various other Energy Supply Company insolvencies in relation to whether certain Ofgem and SoLR claims are provable debts in the insolvencies.

These related to Ofgem's obligations under renewables obligations of failed ESC insolvent companies and SoLR claims arising from the honouring of customer credit balances.

Judgement was handed down by the Court on 11 November 2022 and this judgement confirmed that the claims were provable debts.

The appeal window for the judgement expired on 14 April 2023 with no appeals lodged. We have commenced work on the agreement of the Ofgem claim and await a claim from the SoLR.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case management actions, including updating the insolvency creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- statutory reporting including the preparation of this progress report;
- cashiering functions including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HMRC in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Work still left to do

Pre-appointment VAT return

We have continued to liaise with HMRC and other relevant stakeholders in respect of the domestic reverse charge and its impact final pre-appointment VAT period of 1 January 2021 to 1 February 2021. It is estimated that between £1m and £3m could be realised from this source and we will provide a further update in our next report.

Progress of the liquidation

Summary

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

Joint Liquidators' Category 1 Expenses

Third party costs incurred during the report period

Prior to instructing providers of specialist advice and or services, we evaluated whether the work/advice was both warranted and also that the cost of same represented best value for the estate. We reviewed all such arrangement periodically during the period of the liquidation to ensure that best value continued to be obtained.

The following third party expenses have been incurred during the report period:

IT Contractor

We continue to engage a third party IT contractor with the appropriate expertise and experience to carry out work relating to maintaining and the closure of the Company's IT infrastructure. While this work is ongoing, they have incurred and been paid total costs of c.£77.5k in the report period.

Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required.

No category 1 disbursements have been incurred during the report period.

Joint Liquidators' Category 2 Expenses

Category 2 Expenses are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Details of our Category 2 expenses and the position with regard thereto are given below.

Specific approval is required before these costs and expenses can be drawn from the liquidation estate and which was given in the preceding administration by the creditors on 18 October 2021 other than in relation to the Deloitte LLP costs which are discussed further with a summary charge out rate table opposite.

As discussed previously, prior to the Transaction, the work delivered by Deloitte service lines was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made).

Following the Transaction, whilst all such costs will continue to be paid out of our approved remuneration (i.e. will not be an additional cost) we will provide you with a narrative summary of the work being delivered. We will also provide a summary rates table of the applicable charge out rates in force at the time of the report.

Services being provided

We have detailed below the services which have been or continue to be provided by Deloitte LLP, the costs of which are included in our fee estimate and will thus be paid out of our approved remuneration:

- Deloitte Forensics – were engaged to assist with undertaking work in connection with data collection and storage. Their work, which is ongoing, is charged on a time costs basis. Their total costs incurred in the report period are c.£15.3k. These costs have not yet been paid from estate funds.
- Deloitte Tax – were engaged to assist with VAT matters relating to the pre appointment VAT return. Their total costs incurred during the period are c.£19.5k. These costs have not yet been paid from estate funds.

Deloitte LLP Charge out Rate Bands (£/hour)

Grade	Rate (£/hour)
Partners	1502 - 1549
Directors	1265 - 1302
Associate Directors	1150 - 1187
Managers/Assistant Managers	99 - 420
Consultants	593 - 887
Associates	142 - 357
Administrators/Analysts	95 - 389
Agent	36

Progress of the liquidation

Receipts and payments

Green Network Energy Ltd
Joint Liquidators' receipts and payments account
04 February 2023 to 03 February 2024

£	Notes	Period	To date
Receipts			
Funds from Administration Account		-	19,584,458
VAT from Administration		-	892,422
Miscellaneous Refunds		4,015	12,349
Credit Cover Deposits		-	520,757
Insurance Refund		-	888
Bank Interest Gross	A	778,353	832,138
Book Debts		-	1,954,410
EDF TSA Contribution		-	381,505
Total receipts		782,369	24,178,927
Payments			
Payroll preparation for Administration period		-	2,214
IT Costs	B	77,447	394,080
Rents Payable		-	167,792
EDF Customer Receipts (To be returned)		5	5
Former Joint Administrators' Fees		-	700,000
Former Joint Admninistrators' Expenses		-	238
Legal Fees		-	33,794
Storage Costs		284	773
Statutory Advertising		-	213
Insurance of Assets		190	3,710
Bank Charges		37	266
Ordinary Preferential Dividend		149,205	149,205
Unclaimed Dividends		23,322	23,322
Total payments		250,491	1,475,612
Balance			22,703,316
Made up of:			
Floating Charge Deposit A/C	A		22,722,269
Trade Creditors	C		(28,211)
Vat Control Account	D		9,257
Balance in hand			22,703,316

A receipts and payments account is provided opposite, detailing the transactions in the liquidation to 3 February 2024 and since the date of our appointment on 4 February 2022.

Notes to receipts and payments account

Statement of Affairs

The directors' statement of affairs figures relate to the preceding administration. Please refer to our previous administration reports should you wish to view the preceding statement of affairs figures.

A - Bank interest

All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

B – IT Costs

A number of costs in relation to wind down of the Company's IT Infrastructure have been incurred during the period.

C - Accruals

Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

D – VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HMRC in due course.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Information for creditors

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Information for creditors

Secured creditors

SEL

SEL have been paid in full from fixed charge realisations in the period of the administration.

Santander UK PLC

Santander's security gave cover in respect of chargeback risk on the merchant service facility provided. As previously reported Santander confirmed that all fixed and floating charges were satisfied prior to the appointment of the Joint Liquidators and no further amounts are due. As such, no distribution will be made to Santander.

Ordinary Preferential creditors

Ordinary preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions

Ordinary preferential claims totalling £172.5k were paid in full on 17 April 2023.

Secondary Preferential Debts due to HMRC

Secondary preferential debts are debts due to HMRC in respect of deducted taxes, including VAT, PAYE, student loan repayments, employee NICs and CIS deductions.

HMRC have submitted a secondary preferential claim of c.£447.4 in respect of VAT, PAYE, student loan repayments, employee NICs and CIS deductions. On present information we anticipate that sufficient funds will become available to enable such claim to be paid in full.

Unsecured creditors

Based on present information, we currently anticipate a dividend of 10-20p/£ to be paid to unsecured creditors.

To date, unsecured claims totalling £93.4m have been received. The Company's statement of affairs included a balance of £116m.

We note the statement of affairs includes £11m customer accounts in credit. During the previous report period, a Court case has ruled that the SoLR is entitled to submit a claim in respect of customer credit balances. The SoLR has submitted a claim totalling c.£11.4m which is currently subject to adjudication.

Information for creditors

Claims process – creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less, unless you wish to vote in this decision, or any other, decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com or by downloading and completing a proof of debt form from the case website and which should be sent to the address on the cover page. Alternatively, a hard copy proof of debt form will be provided free of charge on request to the contact details on page 3.

Remuneration and expenses

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Remuneration and expenses

Joint Liquidators' remuneration

Joint Liquidators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com.

Should you require a paper copy, please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 18 October 2021 by the creditors in the preceding administration by reference to the time properly given by the Joint Liquidators and their staff.

Please also note that our approved fee basis is inclusive of the costs in respect of work delivered by Deloitte LLP.

Time costs incurred

We have not drawn any fees as Joint Liquidators to date.

To date we have drawn total fees as former Joint Administrators of £3.2m across both the preceding administration (c.£2.5m) and liquidation (c.£0.7m, per our receipts and payments account on page 7).

Time costs - analysis of actual against budget

Preceding administration and liquidation

Please refer to page 13 where we have updated the Fees Estimate to provide details of our actual time costs for the period of the report and also for the entire period of our appointment as Joint Liquidators.

As you will see our total time costs in the liquidation period to 4 February 2024 are c.£130k made up of 216 of hours at a blended charge out rate of £601 across all grades of staff.

Time costs - analysis of actual against budget

As can be seen on page 13 our actual time costs are higher than we initially anticipated, which can be attributed to the following:

- Additional time input from the administration/liquidation team dealing with final billing processes and liaising with EDF in order to work through the issues. The ongoing complexities has required more senior grades of staff to perform the work.
- Additional cashiering tasks have been carried out in relation to dealing with the volume of receipts into GNE's bank account, returning certain funds to EDF, processing payroll and supplier payments and liaising with Santander in relation to minimum funds to be held and closure of bank accounts.
- Higher volume than anticipated of customer queries regarding the SoLR process and final billing process.
- Greater complexity than anticipated at the outset in dealing with the Company's VAT affairs.
- Higher volume than anticipated of creditor queries and correspondence regarding claims and the outcome of the liquidation.
- Costs in relation to forensic analysis and investigation of operations of the business.

For the reasons set out above, our time costs to date are higher than anticipated.

In accordance with Rule 18.30, we are required to seek further approval if we want to draw a fee greater than the amount of c.£3,484,265 as provided in our Fees Estimate.

The request for approval must be made—

(a) where the liquidation committee fixed the basis, to the committee;

(b) where the creditors fixed the basis, to the creditors;

(c) where the court fixed the basis, by application to the court.

In this case, the basis of our remuneration was fixed by the creditors. Should we wish to request approval to draw a fee greater than the current estimate in the future, we shall send this to the creditors via posting the appropriate notices to the case website.

Fees Estimate and Joint Liquidators' actual time costs for the period 4 February 2023 to 3 February 2024

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Liquidation Report Period			Actual Time and Costs for Administration and Liquidation To Date		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	154.0	535	82,405	21.8	584	12,709	240.5	557	134,045
	Case supervision	162.7	723	117,594	17.5	761	13,320	284.9	771	219,537
	Case reviews	10.5	509	5,341	-	-	-	2.4	380	912
	Case closure matters	26.5	558	14,780	-	-	-	4.8	886	4,252
Statutory & compliance	Compliance & IPS diary	28.4	600	17,031	1.0	559	570	28.7	708	20,308
	Insurance	14.2	707	10,034	-	-	-	9.2	-	6,371
	General reporting	128.0	641	81,982	43.3	582	25,181	162.0	659	106,659
	Regulatory & other legislation	6.5	729	4,740	-	-	-	-	-	-
Initial actions	Appointment matters	20.6	645	13,282	-	-	-	22.0	680	14,955
	Securing assets	2.5	1,025	2,563	-	-	-	2.5	1,025	2,563
	Notifications	47.6	611	29,044	-	-	-	52.3	614	32,131
Investigations	CDDA reporting	50.0	399	19,910	-	-	-	50.0	399	19,910
	Investigations	87.3	461	40,257	-	-	-	65.9	447	29,484
Total of above categories		738.6	594	438,962	83.6		51,780	925.2	639	591,126
Taxation	Tax	41.8	625	26,116	14.6	831	12,138	36.3	891	32,340
	VAT	69.3	683	47,332	12.8	532	6,779	91.9	719	66,121
Asset realisations	Book debts	416.9	984	410,209	-	-	-	478.8	1,006	481,469
	Chattel assets	64.6	774	50,019	-	-	-	53.6	1,017	54,532
	Other assets	46.8	768	35,908	22.3	462	10,305	111.4	653	72,737
	Property	41.0	828	33,950	-	-	-	29.0	917	26,579
	Sale of business	113.8	1,026	116,704	-	-	-	115.6	1,022	118,171
Trading	Day 1 control of trading	66.4	759	50,346	-	-	-	66.4	759	50,346
	Ongoing trading	1,878.0	684	1,284,633	-	-	-	2,408.3	682	1,642,147
	Monitoring trading	372.4	899	334,561	-	-	-	201.4	1,047	210,901
	Closure of trade	136.5	666	90,875	5.2	900	4,680	12.7	850	10,793
Employees	Correspondence	257.4	699	179,931	6.8	420	2,835	265.5	650	172,678
	Employment tribunals	8.0	532	4,277	0.8	815	676	5.5	513	2,835
	Pensions	9.5	580	5,532	9.1	707	6,430	24.7	647	15,992
Correspondence	Creditors	188.3	657	123,754	9.7	812	7,873	199.8	770	153,768
	Shareholders	13.3	1,041	13,849	0.4	900	360	21.9	975	21,392
	Customers	287	608	174,627	5.1	441	2,250	590.4	533	314,422
Distributions	Secured creditors	20.0	763	15,261	-	-	-	5.0	986	4,928
	Preferential creditors	80.0	489	39,110	25.3	475	12,003	38.2	542	20,671
	Unsecured creditors	17.0	489	8,311	20.4	570	11,630	26.1	630	16,430
Total fees estimate		4,866.9	716	3,484,265	216.0	601	129,738	5,707.6	715	4,080,376

Remuneration and expenses
Detailed information

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

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