

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 7 3 5 9 2 5

Company name in full Gas and Power Limited t/a Hub Energy

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Neil

Surname Morley

3 Liquidator's address

Building name/number 5th Floor, 130 St Vincent Street

Street

Post town Glasgow

County/Region

Postcode G 2 5 H F

Country

4 Liquidator's name ①

Full forename(s) Richard John

Surname Harrison

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number c/o Interpath Ltd

Street 10th Floor, One Marsden Street

Post town Manchester

County/Region

Postcode M 2 1 H W

Country

② 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	2	^d	1	^m	0	^m	7	^y	2	^y	0	^y	2	^y	2	
To date	^d	2	^d	0	^m	0	^m	7	^y	2	^y	0	^y	2	^y	3	
7	Progress report																
<input checked="" type="checkbox"/> The progress report is attached																	
8	Sign and date																
Liquidator's signature	Signature																
	X Neil Maley X																
Signature date	^d	1	^d	8	^m	0	^m	9	^y	2	^y	0	^y	2	^y	3	

**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 **Matthew Herbert**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**

Post town **Glasgow**

County/Region

Postcode **G 2 5 H F**

Country

DX

Telephone **Tel +44 (0) 113 521 7510**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Joint
Liquidators'
progress report
for the period
21 July 2022 to
20 July 2023

Gas and Power Limited t/a Hub Energy
- in Liquidation

18 September 2023

Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealings of the liquidation of the Company and your case contacts remain the same. Please note that the contact details for your primary case contacts may have changed, please check the insolvency portal at www.ia-insolv.com/case+INTERPATH+GM526A1320.html for the latest contact details.

This report provides an update on the liquidation of the Company.

We have included (Appendix 2) an account of all amounts received and payments made during the period from the date of our appointment on 21 July 2022 to 20 July 2023.

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

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

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website:

www.ia-insolv.com/case+INTERPATH+GM526A1320.html

We hope this is helpful to you.

Please also note that an important legal notice about this report is attached (Appendix 8).

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1 Executive summary

Andrew Stone and Richard Harrison were appointed Joint Liquidators of the Company on 21 July 2022, following a previous administration appointment. The Company had been placed into administration on 13 August 2021.

Please note that on 3 August 2023 an order was made in the High Court appointing Neil Morley as Joint Liquidator of the Company in place of Andrew Stone, following his resignation from Interpath. In accordance with the order, creditors were given notice of the replacement of Andrew Stone as Joint Liquidator by advertisement in the London Gazette on 14 August 2023.

This report covers the liquidation of Gas and Power Limited t/a Hub Energy (the 'Company') and includes movements in the period from the date of the final administration report, on 21 July 2022, to 20 July 2023 (the 'Period').

Further asset realisations have been achieved in the Period for the benefit of the Company's creditors. Remaining assets will continue to be pursued including debtors, security deposits and a claim against a third party (Section 2 - Progress to date).

We are not aware of any secured claims against the Company (Section 3 - Dividend prospects and dividends paid).

On 9 December 2022 a final dividend of 100p in the £ was declared and paid to ordinary preferential creditors in the liquidation, with a total amount distributed of £18,116. Ordinary preferential creditors have therefore been repaid in full and no further funds will be distributed to ordinary preferential creditors (Section 3 - Dividend prospects and dividends paid).

We anticipate that the secondary preferential creditor will also be repaid in full. However, the quantum and timing of a distribution is currently unknown, as we are still awaiting details of the final claim from HMRC to review and admit for dividend purposes (Section 3 - Dividend prospects and dividends paid).

We expect that a distribution of funds will be made to the unsecured creditors of the Company. The outcome to unsecured creditors is wholly dependent on the level of final asset realisations, associated costs and the final level of unsecured claims admitted for dividend purposes. We will notify unsecured creditors once we are in a position to distribute funds (Section 3 - Dividend prospects and dividends paid).

Please note that you should read this report in conjunction with any previous correspondence sent to the Company's creditors; these can be found at www.ia-insolv.com/case+INTERPATH+GM526A1320.html. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



Neil Morley
Joint Liquidator

2 Strategy and progress to date

The Company was placed into administration on 13 August 2021. Upon finalising the administration, the Company was placed into liquidation to facilitate returns and distributions to its creditors. Andrew Stone and Richard Harrison were appointed Joint Liquidators of the Company on 21 July 2022, and on 3 August 2023, Andrew Stone was replaced as Joint Liquidator by Neil Morley by order of the High Court.

This section updates you on our strategy for the liquidation and our progress to date. It follows the information provided in the Joint Administrators' final progress report which can be found at www.ia-insolv.com/case+INTERPATH+GL802D3327.html.

2.1 Strategy to date

Strategy

On 3 August 2023 an order was made in the High Court appointing Neil Morley as Joint Liquidator of the Company in place of Andrew Stone, following his resignation from Interpath. In accordance with the order, creditors were given notice of the replacement of Andrew Stone as Joint Liquidator by advertisement in the London Gazette on 14 August 2023.

Our strategy for the liquidation follows the information provided in the Joint Administrators' final progress report.

Following our appointment as Joint Liquidators, our remaining duties included:

- Collecting remaining historic book debts;
- Carrying out further gas and electricity supply reconciliations, with wholesale suppliers, and collecting any final credit balances;
- Disclaiming the Company's interest in its former leasehold premises;
- Settling all outstanding costs incurred in the liquidation and the preceding administration;
- Adjudicating on ordinary and secondary preferential creditor claims and distributing funds to the same;
- Adjudicating on unsecured creditor claims and distributing funds to the same;
- Fulfilling all VAT and corporation tax obligations and obtaining the requisite clearance from HM Revenue & Customs;
- Dealing with ongoing statutory matters in the liquidation, as required; and
- Exiting the liquidation when the above matters have been completed.

Disclaiming the Company's leasehold property

As previously reported, the Company occupied leased premises at Navigation Way, Preston. Following the appointment as Joint Administrators, we agreed appropriate arrangements with the landlord for the Company's ongoing use of the premises.

We initially intended for the Company to remain in occupation of the premises for the duration of the TSA period, up to and including 30 September 2021. As agreed with the landlord, the Company vacated the premises on 7 October 2021, to allow time to clear the premises following the end of the TSA period and the redundancy of the remaining employees.

Following this, a formal request to surrender the lease, dated 27 October 2021, was issued to the landlord of the premises. No response was received from the landlord, and as a result we have taken the necessary steps to disclaim the Company's interest in the property following our appointment as Joint Liquidators. Notification of the disclaimer has been issued to all relevant parties in the Period and lodged at Companies House, being effective on 2 September 2022.

Distribution to ordinary preferential creditors

A first and final dividend to ordinary preferential creditors of 100p in the £ was declared on 9 December 2022 and paid during the Period. The total amount distributed to the ordinary preferential creditors during the Period was £18,116.

As ordinary preferential creditors have been repaid in full, no further funds will be distributed to ordinary preferential creditors.

2.2 Asset realisations

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

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

Funds from administration

Funds totalling £3,845,804 have been transferred from the administration following the conversion to liquidation.

Book debts

The Company's debtor ledger totalled £5.4 million at the date of the Joint Administrators appointment. This was inclusive of sales generated from the final billing exercise that was carried out in the pre-administration period.

Eon continued to assist us in pursuing consumer debts, pursuant to the debt collection agreement, as detailed in the previous administration reports. A specialist receivables collections team within Interpath has continued to pursue commercial debts with the assistance of third-party agents during the liquidation.

Total collections of £3.9 million were received into the administration estate across both consumer and commercial debts. A further £168,465 has been collected in the Period, following the appointment of the Joint Liquidators.

Whilst we expect to recover additional book debts in the liquidation, future recoveries are expected to be minimal, as is often the case at this stage of the collection cycle with a number of the remaining debts being in dispute or contact details for the debtors being incomplete / out of date. In addition, collections are only pursued where the benefit of doing so outweighs the costs of realisation and therefore, it is in creditors' interests to pursue the debt.

Contractual claim

The Company entered into a contract with a third party whilst trading in respect of hedging gas prices. The contract held a total estimated value of approximately £2.8 million. Unfortunately, the third party is subject to insolvency proceedings and any remaining value in the contract is therefore in the form of an unsecured claim in the insolvent estate of the third party.

We are currently reviewing the quantum of the above claim in the insolvency of the third party and based on the potential dividend prospects in that insolvency process, this could see the Company receiving a dividend distribution in the future. The timing and quantum of any funds received will be subject to the progress of the third party's insolvency proceedings, which based on the latest progress reports is expected to take 2-3 years to finalise.

A further update on this claim will be provided in our next progress report.

Security deposits

We have continued to seek to recover security deposits which were provided by the Company to its suppliers, as a condition of providing credit and trading on wholesale purchase terms. In certain instances, security deposits have been offset by the supplier, where sums were owed to the supplier by the Company at the date of the administration.

During the Period, an additional £71,896 in security deposits has been collected. Further realisations of £15,111 are expected in due course.

Bank interest

Due to the level of funds held on account by the Company, a large proportion of the funds were placed in a higher interest rate account, to maximise the return on the funds available to the Company's creditors. Bank interest of £23,101 has been received in the Period.

Suspense receipts

£7,734 has been received in relation to suspense receipts in the Period. These are book debt receipts which we have been unable to specifically identify. Further work will be carried out in the liquidation to try and identify and allocate the receipts and respective collection costs.

Sundry refunds

An insurance refund has been received in the Period, totalling £53. This relates to an overpayment made by the Company following the policy cancellation date.

Investigations

We continue to monitor the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors. If any creditor is aware of any relevant information, please email details through to matt.herbert@interpathadvisory.com.

2.3 Costs

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

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

Liquidator's fees

Liquidators' fees of £162,000 have been drawn in the Period. This is in line with the fee approval obtained by creditors during the liquidation.

Debt collection costs

£71,059 has been paid in relation to assistance provided for the ongoing collection of outstanding book debts in the liquidation.

Customer deposit refunds

A number of the Company's former customers had paid deposits to cover any potential credit risk to the sums due on their energy accounts.

For any customers who migrated to Eon, the benefit of their deposit also migrated. However, for customers who did not migrate, the balance of their deposit, after the offset of any outstanding sums due to the Company, is refundable. At the date of insolvency, we understand this totalled £21,482 across 26 customers.

To date, we have refunded deposits totalling £16,257. The balance is yet to be returned due to insufficient information with which to do so, including outdated contact information.

Upon closure of the liquidation in the future, if appropriate, any remaining balance of deposit funds held on account will be sent to the crown for the relevant former customers to come forward and claim. These funds will not be used to discharge any expenses of the liquidation.

IT costs

£4,543 has been paid to Softcat Plc for outstanding IT costs from the previous administration. This relates to IT services which were critical to the migration of customers, final billing and debt collection.

Legal fees

Further legal assistance has been provided by Pinsent Masons in the Period. As such, £2,054 has been paid in the liquidation.

Storage costs

Storage costs of £5 have been paid in the Period for the ongoing storage of the Company's books and records.

Statutory advertising

Following the appointment as Joint Liquidators, £86 has been paid in advertising costs in relation to advertising the appointment in the London Gazette.

Other property expenses

£172 has been paid to Restore Datashred Limited for an outstanding balance from the administration in relation to the disposal of confidential waste held at the Company's offices.

2.4 Schedule of expenses

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

3 Dividend prospects

3.1 Secured creditor

We are not aware of any secured claims against the Company.

3.2 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors (see 3.3 below). These claims are therefore referred to as "ordinary preferential creditors".

A first and final dividend to ordinary preferential creditors of 100p in the £ was declared on 9 December 2022 and paid during the Period.

The total amount distributed to the ordinary preferential creditors during the Period was £18,116.

No further funds will be distributed to the ordinary preferential creditors.

3.3 Secondary preferential creditor (HMRC)

Claims from HMRC in relation to VAT, PAYE, employees' National Insurance contributions ('NIC') and Construction Industry Scheme deductions, rank preferentially, but secondary to the employee, ordinary preferential creditors above. These claims are therefore referred to as "secondary preferential creditors".

Based on current estimates, we anticipate that the secondary preferential creditor should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon HMRC confirming its final claim against the Company, which has been requested and is still awaited at the time of this progress report.

3.4 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the remaining asset realisations, payment of associated costs and received all unsecured claims against the Company.

4 Joint Liquidators' remuneration and expenses

4.1 Joint Liquidators' remuneration and expenses

During the Period, the creditors have provided approval that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 5 and charge-out rates included in Appendix 2 of our appointment letter to creditors, dated 26 July 2022. This will include work undertaken in respect of, but not limited to, tax, VAT and employee advice provided to the Joint Liquidators from Interpath's in-house specialists; and

expenses for services provided by the Joint Liquidators (defined as Category 2 expenses in Statement of Insolvency Practice 9), charged in accordance with Interpath Advisory's policy, as set out in Appendix 3 of our appointment letter to creditors, dated 26 July 2022.

Time costs

From the date of our appointment to 20 July 2023, we have incurred time costs of £202,601. These represent 440 hours at an average rate of £461 per hour.

Remuneration

During the Period we have drawn remuneration of £162,000.

Liquidators' Expenses

These are any payments which are neither liquidators' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements which are payments first met by the liquidators and then reimbursed to the liquidators from the estate.

During the Period, we have incurred expenses of £719. None of these have yet been paid.

Additional Information

We have attached (Appendix 6) an analysis of the time spent, together with the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 20 July 2023. We have also attached our charging and expenses policy.

In the Period we received fee approval from creditors in line with our initial fee estimate, as set out in our appointment letter to creditors dated 26 July 2022, totalling £198,020. Our estimated total time costs for the duration of the liquidation have subsequently increased due to the protracted nature of certain asset realisations, such as the third party claim; the work required to review creditor claims; and the timeframe to subsequently distribute funds to unsecured creditors. We have therefore attached a revised fee estimate at Appendix 4 to reflect this in more detail.

In addition, we have also attached a revised expenses estimate (Appendix 5). Our estimated total expenses will increase as a result of the ongoing costs required to maintain the liquidation beyond one year and finalise all outstanding matters.

5 Future strategy

5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidation:

- Collecting remaining historic book debts and reviewing and allocating the suspense receipts received in the Period;
- Settling all costs incurred in the liquidation and the preceding administration;
- Returning customer deposit refunds, where the information is available to process the refunds, or alternatively transferring the balance of funds held to the crown;
- Adjudicating upon the secondary preferential creditor claim and distributing funds to the same;
- Collecting unsecured creditor claims, adjudicating upon them and distributing funds to unsecured creditors;
- Fulfilling VAT and corporation tax obligations and obtaining the requisite clearance from HM Revenue & Customs;
- Dealing with ongoing statutory matters in relation to the liquidation; and
- Exiting the liquidation when the above matters have been completed.

5.2 Future reporting

We will report again on the progress of the liquidation by 20 September 2024 or earlier if the liquidation is finalised.

Appendix 1 Statutory information

Company name	Gas and Power Limited t/a Hub Energy
Date of incorporation	17 August 2015
Company registration number	09735925
Present registered office	Interpath Ltd, 10th Floor, One Marsden Street, Manchester, M2 1HW
Nature of business	Electricity Supply

Appointed by	Creditors pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986
Date of appointment	21 July 2022
Joint Liquidators' details	Neil Morley and Rick Harrison
Joint Liquidators' address	10th Floor, One Marsden Street, Manchester, M2 1HW
Change of office holder	Please note that on 3 August 2023 an order was made in the High court appointing Neil Morley as Joint Liquidator of the Company in place of Andrew Stone, following his resignation from Interpath. In accordance with the order, creditors were given notice of the replacement of Andrew Stone as Joint Liquidator by advertisement in the London Gazette on 14 August 2023.
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986.
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.

Appendix 2

Joint Liquidators' receipts and payment account

Gas and Power Limited t/a Hub Energy - in Liquidation			
Abstract of receipts & payments			
Statement of affairs (£)		From 21/07/2022 To 20/07/2023 (£)	From 21/07/2022 To 20/07/2023 (£)
ASSET REALISATIONS			
	Book debt overpayment	13,450.07	13,450.07
3,545,634.00	Book debts	168,465.46	168,465.46
26,300.00	Security deposits	NIL	NIL
	Funds from the Administration	3,845,803.81	3,845,803.81
		4,027,719.34	4,027,719.34
OTHER REALISATIONS			
	Bank interest, gross	23,101.23	23,101.23
	Sundry refunds	52.58	52.58
	Suspense receipts	7,733.54	7,733.54
	Security deposits	71,895.70	71,895.70
		102,783.05	102,783.05
COST OF REALISATIONS			
	Debt collection costs	(71,058.92)	(71,058.92)
	Liquidator's fees	(162,000.00)	(162,000.00)
	IT costs	(4,542.66)	(4,542.66)
	Legal fees	(2,054.00)	(2,054.00)
	Storage costs	(5.16)	(5.16)
	Statutory advertising	(86.00)	(86.00)
	Other property expenses	(171.51)	(171.51)
	Customer deposit refunds	(16,256.73)	(16,256.73)
		(256,174.98)	(256,174.98)
PREFERENTIAL CREDITORS			
(780,024.00)	Value added tax etc	NIL	NIL
	Employees' wage arrears & holiday pay	(10,520.36)	(10,520.36)
(16,717.00)	Employees' holiday pay	NIL	NIL
	Redundancy Payments Service	(7,595.87)	(7,595.87)
		(18,116.23)	(18,116.23)
UNSECURED CREDITORS			
(7,387,601.48)	Trade & expense	NIL	NIL
(138,026.00)	Employees	NIL	NIL
(139,564.88)	HMRC Unsecured	NIL	NIL

Gas and Power Limited t/a Hub Energy - in Liquidation**Abstract of receipts & payments**

Statement of affairs (£)		From 21/07/2022 To 20/07/2023 (£)	From 21/07/2022 To 20/07/2023 (£)
		NIL	NIL
	DISTRIBUTIONS		
(1,200.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(4,891,199.36)		3,856,211.18	3,856,211.18
	REPRESENTED BY		
	VAT receivable		47,984.79
	Current account		1,308,349.01
	Money Market		2,500,000.00
	VAT payable		(122.62)
			3,856,211.18

Appendix 3 Schedule of expenses

Cost of realisations

Debt collection costs	71,058.92	0.00	71,058.92
IT costs	4,542.66	0.00	4,542.66
Legal fees	2,054.00	0.00	2,054.00
Storage costs	5.16	0.00	5.16
Statutory advertising	86.00	0.00	86.00
Other property expenses	171.51	0.00	171.51
Customer deposit refunds	16,256.73	5,225.27	21,482.00
TOTAL	94,174.98	5,225.27	99,400.25

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

The full text of the relevant Rules can be provided on request by writing to Matthew Herbert at Interpath Advisory, Interpath Ltd, 10th Floor, One Marsden Street, Manchester, M2 1HW.

Appendix 4 Joint Liquidators' revised fees estimate

Gas and Power Limited t/a Hub Energy – in Liquidation						
	Approved estimated time costs for the engagement			Revised estimated time costs for the engagement		
	Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Revised Estimated Total hours	Revised Estimated Time cost (£)	Revised Estimated Average hourly rate (£)
Administration & planning						
Bankrupt/Director/Member	-	-	-	17.00	7,580.00	236.00
Cashiering	36.00	11,970.00	332.50	63.00	21,785.00	260.31
General	10.00	3,440.00	344.00	47.00	10,765.00	312.36
Statutory and compliance	43.00	15,950.00	370.93	197.50	93,452.50	348.83
Tax	55.00	25,900.00	470.91	96.00	44,560.00	364.88
Creditors						
Creditors and claims	187.00	79,550.00	425.40	355.00	152,175.00	279.78
Employees	3.00	910.00	303.33	-	-	261.00
Realisation of assets						
Asset realisation	150.00	60,300.00	402.00	218.00	93,050.00	426.83
Total	484.00	198,020.00	409.13	993.50	423,367.50	426.14

Whilst specific notes have been provided below to give more context to our revised fees estimate, these notes should be read in conjunction with the report as a whole and our initial letter to creditors dated 26 July 2022.

Note 1 – Bankrupt/director/member

Further time will be spent working with the Company's sole director to understand and obtain all relevant details in respect of the third-party claim, to provide us with the necessary information with which to lodge a claim against the third party's insolvent estate. This work is intended to result in additional asset realisations for the benefit of the Company's creditors.

Note 2 - Cashiering

With the liquidation now anticipated to be in place for another 2-3 years, further time will be spent processing the relevant receipts and payments through the liquidation estate. We will regularly reconcile the Company's accounts, including managing the Company's funds and placing them in higher interest bearing accounts, where appropriate, to maximise the return on these funds, for creditors' benefit.

Note 3 – General

Further time will be spent managing the liquidators' bonding procedures, including ceasing cover ahead of closure, drawing remuneration, completing regular case file reviews and completing internal checklists to ensure the liquidation is sufficiently maintained and progressed. Time will also be spent managing storage of the Company's

books and records, including ensuring that the necessary destruction arrangements are arranged ahead of closure, as required. This work is required as part of our statutory duties.

Note 4 – Statutory and compliance

Time will be spent maintaining and preparing statutory receipts and payments accounts, managing general correspondence and addressing all closure related formalities once the liquidation comes to an end. This work is required as part of our statutory duties.

Note 5 – Tax

We are required to spend time dealing with all VAT and Corporation Tax matters for the duration of the liquidation. This time will include submitting VAT returns during the liquidation and preparing and submitting all required Corporation Tax returns for the duration of the Company's insolvency. This work is not only required as part of our statutory duties, but ensures that all tax expenses are appropriately reviewed and mitigated as best as possible. We will also seek tax clearance from HM Revenue & Customs prior to the end of the liquidation.

Note 6 – Creditors and claims

Whilst a significant amount of work has been completed to date, further work is required to adjudicate upon secondary preferential and unsecured creditor claims. This work will involve obtaining final claims from creditors, dealing with creditor correspondence and queries, reviewing all claims received, including detailed reviews of material claims and issuing the relevant notices to creditors. This work enables us to adjudicate on and ultimately distribute funds to creditors and therefore provides a direct financial benefit.

Time will also be spent preparing and issuing progress reports to creditors on an annual basis, our final progress report upon closure and keeping creditors apprised of the overall progress of the liquidation, all of which will be completed as part of our statutory duties.

Note 7 – Realisation of assets

We anticipate additional time will be charged to realising the remaining assets of the Company. This includes continuing to realise value from the debtor ledger, the ledger having been returned to us once collections were completed by Eon, liaising with the debtor collection agents and settling any associated collection costs.

We also expect to finalise the collection of security deposits and achieve further realisations for the benefit of creditors. This will involve liaising with the wholesale energy providers to finalise account reconciliations and collect any funds due to the Company.

In addition, time will be spent in relation to the former customer deposit monies, some of which cannot be returned to customers, with the funds subsequently being transferred to the crown.

Appendix 5

Joint Liquidators' revised expenses estimate

Cost of realisations

Other property costs	137.00	171.51	0.00	171.51
IT systems costs	2,000.00	4,542.66	0.00	4,542.66
Legal fees	25,000.00	2,054.00	7,946.00	10,000.00
Debt collection costs	153,821.00	71,058.92	2,201.00	73,259.92
Insurance	700.00	0.00	0.00	0.00
Bank charges	100.00	0.00	100.00	100.00
Storage costs	100.00	3.60	96.00	99.60
Customer deposit monies	20,092.00	16,256.73	5,225.00	21,481.73
Statutory advertising	249.00	86.00	163.00	249.00
TOTAL	202,199.00	92,173.42	15,731.00	109,904.42

We have incurred additional expenses above what was previously estimated in our appointment letter to creditors, dated 26 July 2022, in the following areas:

Note 1 - Other property costs

In the Period we have received a revised invoice from a supplier in relation to property costs incurred during the administration. This was higher than previously anticipated and has been settled in the liquidation.

Note 2 - IT system costs

An invoice from an IT supplier to the administration has been settled in the Period, which was higher than initially anticipated. Whilst higher, the services were critical to the successful migration of customers to the supplier of last report, the final billing exercise and debt collections from the preceding administration. No further IT system costs are anticipated.

Note 3 - Customer deposit monies

As previously detailed, a number of former customers paid deposits to the Company as credit cover on their energy accounts. In line with legal advice previously obtained, a number of deposits have been returned to former customers. However, since our initial expense estimate, additional money has been identified that is due to be returned. As such, this expense has been increased.

Appendix 6 Joint Liquidators' charging and expenses policy

Joint Liquidators' charging policy

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

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

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

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

If you are unable to access this guide and would like a copy, please contact Matthew Herbert on 0161 529 8869.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

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

Managing Director	725	780
Director	675	725
Associate Director	590	635
Manager	495	530
Senior Associate	345	370
Associate	245	265
Support	155	165

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

Policy for the recovery of liquidators' expenses

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

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

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Advisory include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of Managing Director's car – 60p per mile.

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

We have incurred the following expenses (excluding VAT) from the date of our appointment to 20 July 2023:

Postage	718.98	NIL	718.98
Total	718.98	NIL	718.98

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

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

Narrative of work carried out for the period 21 July 2022 to 20 July 2023

The key areas of work have been:

Statutory and compliance	collating initial information from the prior administration to enable us to carry out our statutory duties, including creditor information and claims, details of outstanding assets, liabilities and expenses; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; preparing statutory receipts and payments accounts; arranging bonding and complying with our statutory requirements of the same; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the liquidation strategy; briefing of our staff on the liquidation strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls, and reviewing the estimated outcome for creditors in line with asset realisations; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the liquidation; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors where necessary; complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	setting up liquidation bank accounts and dealing with the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems, including the receipt of the balance of funds from the prior administration; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering relevant information from the Company's and prior administration records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects of the Company's asset realisations and expenses, tax planning for efficient use of tax assets and to maximise realisations; working on tax returns relating to the periods affected by the administration and liquidation; analysing VAT related transactions; dealing with post appointment tax compliance.
Shareholders	providing notification of our appointment; responding to enquiries from the shareholder.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by the general body of creditors; dealing with the ongoing storage of the Company's books and records,.
Asset realisations	collating information from the prior administration regarding the Company's assets; reviewing outstanding debtors, managing the debt collection strategy internally and in conjunction with Eon, and reviewing the estimated outcome of collections; liaising internally and with the Company's director to understand the third party contractual claim; returning former customer deposit monies, in so far as is reasonably possible, and facilitating payments of the same.
Property matters	disclaiming the Company's lease interest following our appointment as liquidators; communicating with landlord regarding its unsecured claim against the Company.
Creditors and claims	updating the list of unsecured creditors; responding to enquiries from creditors regarding progress of the liquidation, submission of their claims and the timeline to distribution; reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; adjudicating upon ordinary preferential claims, declaring and paying a dividend

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- distribution to the same;
 - liaising with the secondary preferential creditor to establish its final claim against the Company;
 - drafting our progress report.
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Time costs

SIP 9 –Time costs analysis (21/07/2022 to 20/07/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
Fund management	0.20	99.00	495.00
General (Cashiering)	31.50	11,120.75	353.04
Reconciliations (& IPS accounting reviews)	1.80	599.50	333.06
General			
Books and records	6.40	3,110.50	486.02
Fees and WIP	20.20	8,569.00	424.21
Statutory and compliance			
Appointment and related formalities	23.90	11,374.50	475.92
Bonding & Cover Schedule	0.50	285.50	571.00
Budgets & Estimated outcome statements	16.45	7,977.00	484.92
Checklist & reviews	52.30	26,476.00	506.23
Pre-Admin Appointment documents	1.00	590.00	590.00
Pre-liquidation checks	0.60	207.00	345.00
Statutory advertising	0.70	365.50	522.14
Strategy documents	36.20	17,214.00	475.52
Tax			
Initial reviews - CT and VAT	7.10	4,222.50	594.72
Post appointment corporation tax	10.90	5,085.50	466.56
Post appointment VAT	10.80	5,668.00	524.81
Creditors			
Creditors and claims			
Agreement of claims	33.90	16,021.50	472.61
Agreement of preferential claims	5.70	2,983.00	523.33
Agreement of unsecured claims	34.20	14,565.00	425.88
General correspondence	51.00	23,027.50	451.52
Notification of appointment	1.70	908.00	534.12
Payment of dividends	4.60	2,218.00	482.17

SIP 9 –Time costs analysis (21/07/2022 to 20/07/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Pre-appointment VAT / PAYE / CT	2.30	1,167.00	507.39
Statutory reports	5.50	2,722.50	495.00
Employees			
Agreeing employee claims	2.00	990.00	495.00
Employee Correspondence	3.55	949.75	267.54
Pension funds	1.00	725.00	725.00
Pensions reviews	0.40	138.00	345.00
Realisation of assets			
Asset Realisation			
Cash and investments	3.20	1,290.50	403.28
Debtors	68.45	31,883.50	465.79
Insurance	0.90	445.50	495.00
Leasehold property	6.30	3,058.50	485.48
Other assets	23.50	10,799.50	459.55
Pre-appointment tax & VAT refunds	2.90	1,435.50	495.00
Total in period	471.65	218,292.50	462.83
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	471.65	218,292.50	
Carry forward time (appointment date to SIP 9 period end date)	471.65	218,292.50	

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

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

Appendix 7 Glossary

Company	Gas and Power Limited t/a Hub Energy - in Liquidation
CVL	Creditors' Voluntary Liquidation
Eon	Eon. Next Limited
HMRC	HM Revenue & Customs
Joint Liquidators/we/our/us	Neil Morley and Rick Harrison
Interpath/Interpath Advisory	Interpath Ltd
KPMG	KPMG LLP
Period	21 July 2022 to 20 July 2023
Pinsent Masons	Pinsent Masons LLP

Any references in this report to Sections, Paragraphs and Rules are to Sections and Paragraphs and Rules in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Appendix 8 Notice: About this report

This progress report has been prepared by Neil Morley and Rick Harrison, the Joint Liquidators of Gas and Power Limited t/a Hub Energy (the 'Company'), solely to comply with their statutory duty under the Insolvency Rules (England and Wales) 2016 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors.

Neil Morley and Richard John Harrison are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders may be Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation.

www.interpathadvisory.com

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