

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number 0 9 7 9 6 3 5 1

Company name in full Retig Ltd

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

2 Administrator's name

Full forename(s) Matthew James

Surname Cowlishaw

3 Administrator's address

Building name/number Four Brindleyplace

Street Birmingham

Post town B1 2HZ

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Paul James

Surname Meadows

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Four Brindleyplace

Street Birmingham

Post town B1 2HZ

County/Region

Postcode

Country

② **Other administrator**
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

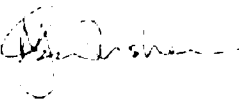
From date	^d 0	^d 2	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0	
To date	^d 0	^d 1	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1	

7

Progress report

☒ I attach a copy of the progress report**8**

Sign and date

Administrator's signature	Signature X 	X							
Signature date	^d 2	^d 9	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Vinay Mistry**

Company name **Deloitte LLP**

Address **Four Brindleyplace**

Birmingham

Post town **B1 2HZ**

County/Region

Postcode

Country

DX

Telephone **+44 121 632 6000**



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



**Retig Limited ("Retig") and
Tonik Energy Limited ("Tonik")
(both in administration)
(together "the Companies")**

Progress report to creditors for the periods 02 October 2020 to 01 April 2021 for Retig and 12 October 2020 to 11 April 2021 for Tonik pursuant to rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

Matthew James Cowlshaw and Paul James Meadows ("the Joint Administrators") were appointed Joint Administrators of Retig Limited and Tonik Energy Limited on 02 October 2020 and 12 October 2020 respectively by the directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators 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.

29 April 2021

Retig Limited

Court Case No. 470 of 2020
High Court of Justice Chancery Division
Birmingham District






Company Number: 09796351

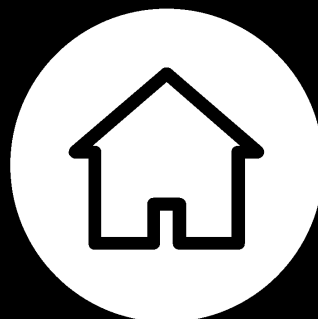
Tonik Energy Limited

Court Case No. 471 of 2020
High Court of Justice Chancery Division
Birmingham District

Company Number: 09812673

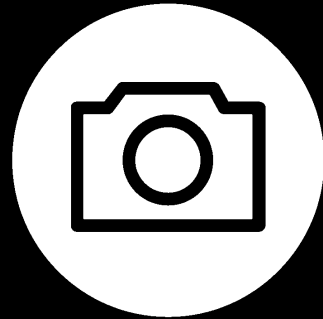
Registered Office:
c/o Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

	Contents	1
	Key messages	2
	Progress of the administrations	4
	Information for creditors	12
	Remuneration and expenses	15





Key messages



Key messages

Joint Administrators of the Companies

Matthew James Cowlshaw
Paul Meadows
Deloitte LLP
4 Brindleyplace
Birmingham
B1 2HZ

Contact details

Email: vmistry@deloitte.co.uk
Website: www.ips-docs.com
Tel: 0121 695 5503



	Commentary
Purpose of administrations	⌘ The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole than liquidations.
Progress of administrations	Tonik ⌘ The orderly wind down of the business has been continued and c. 98% of all live customer's final bills have been transferred to Scottish Power. ⌘ An appropriate number of employees have been retained to complete the final billing exercise and resolve various billing disputes with customers. A 3 rd party billing provider has also been engaged to support this process. ⌘ The intercompany debt with Phoenix Renewables Limited ("The Phoenix Works") has been settled and £23k has been received. Cash at bank of £5m has been realised. ⌘ Book debts of £2.6m have been recovered, with assistance from a Debt Collection Agency. ⌘ A further £2.5m received from merchant service provider Gocardless Ltd has been released to the administration estate. ⌘ Chattel assets worth £10.4k have been realised and an insurance refund of £2.1k. Retig ⌘ Shares in The Phoenix Works have been sold for £1 and £499,999 received for the settlement of intercompany debts with The Phoenix Works. Of this sum £23k was paid to Tonik as noted above. ⌘ Retig's leasehold premises have been surrendered. ⌘ An intercompany claim for £18.1m has been submitted as an unsecured claim in the administration of Tonik. A Non domestic business rates refund of £3.6k has been realised.
Costs	⌘ On Tonik our time costs for the period of the report are £1.4m. Please see page 18 for further details. ⌘ On Retig the basis of our remuneration has not yet been fixed as creditors did not approve our fee proposals. We intend to submit a further request to creditors in due course. Our time costs for the period of the report are £217k. Please see page 17 for further details. ⌘ We have incurred disbursements of £336 and £30k in the report period for Retig and Tonik, respectively. Please see page 19 for further details. ⌘ Third party costs relating to Legal consultancy, IT, Billing, Professional and other ad hoc work amounted to £424k in Tonik and £127k in Retig.
Outstanding matters	⌘ Completion of the small amount of customer's final bills and transfer to Scottish Power. ⌘ Completion of the realisation of book debts in Tonik. ⌘ Recovery of pre-appointment VAT refunds estimated at £350k in Tonik and £7.7k in Retig. ⌘ Finalise distributions to the Secured Creditor of Tonik, and the unsecured creditors of both companies ⌘ Finalise taxation and VAT matters for the Companies and statutory closing procedures.
Dividend prospects	⌘ The Secured Creditor in Tonik, BP Gas Marketing Limited ("BP") will be paid in full, to date they have received £3m in secured payments. No payment will be made to BP in Retig under their fixed charge on Retig's shares. ⌘ Preferential creditors – There will be sufficient floating charge realisations to enable payment in full of preferential claims in Retig; in Tonik preferential claims were paid following appointment. ⌘ Unsecured creditors – It is likely that there will be distributions for unsecured creditors.
Extension to administration period	⌘ At this stage, we do not anticipate that it will be necessary to extend the period of the administrations which are due to end on or before 2 October 2021 and 12 October 2021 for Retig and Tonik respectively. We expect the Administrations to exit into CVLs to allow for unsecured distributions.



Progress of the administrations

Summary	5
Receipts and payments	9
Pre-administration costs	11



Progress of the administrations

Summary

Tonik

Wind down of Tonik's operations

Scottish Power was appointed as the Supplier of last resort ("SOLR") by Ofgem and we have worked with them to ensure a smooth transfer of customer accounts whilst preserving maximum value of the debtors' ledger. We have liaised with key suppliers to provide essential services for the wind down operation and to minimise disruption for customers.

We have also developed a manual billing tool to enable the completion of the remaining final bills to be completed outside of the billing platform. On 11 March we notified the provider of the billing system that we will no longer need their services.

Cash at bank

We have realised £5.565m cash at bank compared to an estimated value of £5.511m in Tonik's statement of affairs.

Book Debts

Book debt recoveries included in the Statement of Affairs were £3.3m for billed and unbilled debt. In the period we have collected a total of £2.6m and are continuing to collect outstanding balances. Due to the limited employees available for debt collection activities, we engaged a Debt Collection Agency ("DCA") to communicate directly with customers to collect outstanding balances.

In the period £5.6m of customer debt has been passed to the DCA for collection activities and we anticipate another £2m will be passed over in the following months. We anticipate a further £1m will be collected as a result of further activity.

Recoveries from the DCA attract an 11-14% commission depending on the stage of collection and the DCA are operating on a "no collect, no fee" basis. We have not yet completed a reconciliation, however we estimate costs of £150k-200k have been incurred in relation to DCA fees.

We have also received funds totalling £2.5m held by the merchant service provider GoCardless Ltd in relation to direct debits received from customers. An amount of £0.5m is being held by GoCardless Ltd as a retention to cover any costs incurred by GoCardless. The net balance will be received 6 months after our final transaction, which is anticipated to be in February 2022, and is likely to be in the subsequent CVL.

Employee retention

Shortly after our appointment 59 employees were identified as critical to the operational wind down and all other employees were made redundant. For the remaining employees adequate retention packages were put in place to retain employees where possible.

In the period 49 employees have left leaving 10 to continue working through the remaining customer final bills and customer disputes.

Third Party support

Due to the level of employee attrition we engaged with a 3rd Party billing provider ("DDC") who have provided support with customer billing and inbound emails from customers. DDC were used by Tonik pre-administration and therefore have the underlying knowledge of the customer accounts and billing platform.

We have also retained IT contractors and billing specialists who worked with Tonik previously to provide billing strategy and support to the remaining employees and DDC. Costs are covered on page 7.

Pre-appointment VAT Returns

At the date of our appointment, there were outstanding pre-appointment VAT returns to be submitted. One return for the final period up to the date of appointment remains outstanding. When this is completed we expect HMRC to release a repayment of £350k in line with Tonik's statement of affairs.

Intercompany Debt

£23k has been received from the settlement of the intercompany debt with The Phoenix Works following the sale of its shares.



Progress of the administrations

Summary

Chattel Assets

As at the date of appointment, Tonik owned a quantity of tangible assets including employee laptops, fixtures and fittings and other items across its trading premises.

We engaged OCM Business Systems Ltd ("OCM") who are specialists in the collection and realisation of assets to deal with a sale of these assets. They have realised £10.4k in the period.

Insurance refund

We have realised an insurance refund of £2.1k.

Creditors

In Tonik, distributions of £3m have been made to the secured creditor BP.

Retig

Sale of business

Retig held shares in a subsidiary trading company, The Phoenix Works.

The Phoenix Works specialises in the design, specification, installation and ongoing maintenance of solar, battery storage and electric vehicle charging systems.

The Companies had commenced a sale process prior to our appointment, this process was continued by the Joint Administrators and we retained 3 company staff to assist with the sale process. Both trade and private equity parties were approached.

Three offers were received in the first week of November 2020 and a preferred bidder was selected with the transaction completing on 16 November 2020.

The acquiring party, Liberty Global Europe Two Limited is unconnected.

Total sale consideration was £500,000 comprising £1 for the shares and £499,999 to satisfy the intercompany debts due from The Phoenix Works to the Companies.

Approximately £477k is allocated to Retig and £23k to Tonik. The sale consideration has been received in full.

All Retig employees have now been made redundant.

Inter company balance

Retig's statement of affairs includes an inter company balance owed by Tonik for £18.1m. Retig has submitted an unsecured claim for this amount in the administration of Tonik. The realisable value of this balance is not yet clear as the level of dividend which might be paid by Tonik is currently unknown.

Pre-appointment VAT Returns

At the date of our appointment, there were outstanding pre-appointment VAT returns to be submitted. These have now been submitted to HMRC and we expect a repayment of £7.7k to be made, in line with the statement of affairs.

Non domestic business rates refund

We have realised a rates refund from Birmingham City council for £3,590.

Creditors

In Retig no distributions will be made to Secured Creditor BP as their fixed charge only secures the shares. These will not be realised.

Leasehold property

The Company operated from several floors of a leasehold property in Retig at Lombard House, 145 Great Charles Street, Birmingham, B3 3LP; both of these floors were vacated from 23 October 2020 and the leases have been surrendered.

Retig & Tonik

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential reports to the Insolvency Service on 18 December 2020 and 8 January 2021 for Retig and Tonik respectively.



Progress of the
administrations
Summary

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

To date no further avenues of recovery have been identified.

If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on page 3.

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 set-up and management actions, including updating the creditor portal for the cases, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the Proposals and this progress report;
- Appointment notifications, including notifying the relevant parties of the appointments;
- Confidential reports to the Insolvency Service on the directors' conduct;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs 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.

The following third party expenses have been paid in the period:

• Sephton & Company LLP ("Sephton") have facilitated payroll payments to Tonik employees for which they have billed £8k in respect of their fees.

The billing platform provider Gentrack UK Ltd have billed £183k in the period. As discussed previously, on 11 March we notified Gentrack UK Ltd that we will no longer need their services. We expect a further £54k of costs will be paid in respect of these services.

Electronic Business Systems Ltd have billed £13.6k for IT services including; data storage, anti virus protection and website filtering.

We have retained IT consultants, who worked with Tonik previously and have provided various IT services relating to billing strategy, processing customer payments and other ad hoc issues as follows:

Eneropp Ltd have been paid £86k in respect of providing IT services relating to the customer credit billing calculations and reconciliations.

Brookson Solutions Ltd have been paid £21k relating to preparation of historical debit billing calculations.

Utiliteam (GB) Ltd were paid £19k to provide IT consultancy solutions that helped with customer billing.

As discussed previously, DDC Outsourcing Solutions UK ("DDC") have been used to provide billing and communication services and have charged £39k.

We have also retained the Data Protection Officer on a consultancy basis who has billed £13.8k.



Progress of the
administrations
Summary



Retig

Sephton have facilitated payroll payments to Retig employees for which they have billed £0.5k in respect of their fees.

Three Directors made redundant were engaged on a consultancy basis to facilitate the share sale of The Phoenix Works. Morgan & Newby Ltd charged £59k in respect of these services and Don Leiper Consulting Ltd charged £1.5k.

Electronic Business Systems Ltd were retained by the administrators to provide various IT services related to anti virus protection and website filtering, they have been paid £13.6k.

Datasite UK Ltd have charged £3.4k for data storage and other ad hoc IT services.

All costs have been paid, as shown in the receipts and payments account on pages 9 and 10. All professional costs are reviewed and analysed in detail before payment was approved.

Legal Fees

We have instructed Gowling WLG ("Gowling"), a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, to advise on the following legal matters and to prepare required legal documentation in relation to both Companies as follows:

- Validity of Appointment review, they estimated their fee for so doing would be £4k plus VAT;
- Gowling have also assisted the Joint Administrators with reviewing the Security, Compliance with data protection matters, Ofgem related court filings and general insolvency advice.
- They have estimated that their fees will not exceed £150k (exclusive of VAT and disbursements) across both Companies.

To date we have incurred costs totalling £90k (plus VAT), a split is shown below and they have estimated that their further fees will be in the region of £60k (plus VAT) in total across both Companies.

Gowling WLG

Retig Ltd	100,000	48,048
Tonik Energy Ltd	50,000	41,941
Total paid	150,000	89,989

They have incurred disbursements of £222 (plus VAT) to date for both Companies.

Gowling WLG

Retig Ltd	82
Tonik Energy Ltd	140
Total	222

All professional costs are reviewed by us and analysed in detail before payment is approved or made.

Progress of the administrations

Receipts and payments

Joint Administrators' receipts and payments account 12 October 2020 to 11 April 2021

Receipts

Furniture & Equipment	-	10,470
Insurance Refund	-	2,160
Coronavirus Job Retention Scheme	-	475
Bank Interest Gross	-	330
Funds Held by Merchant Service Provider	-	C 2,490,581
Interco Receipt from The Phoenix Works	-	23,000
Book Debts	0	2,580,860
Cash at Bank	0	5,565,378
HMRC VAT Refund	0	-
Total receipts		10,673,253

Payments

Wages & Salaries	808,305
Inter Co transfer	6,858
IT costs	313,655
Finance contractor costs	15,680
DPO contractor costs	13,780
Third Party Billing Provider	39,215
Irrecoverable VAT	B 5,938
Telephone Telex & Fax	23
Postage & Redirection	321
Statutory Advertising	95
Bank Charges	115
Secured Creditor Payment	D 3,000,000
Total payments	4,203,984

Balance

6,469,269

Made up of:

Interest Bearing Bank Account	A 6,396,628
Trade Creditors	E (2,280)
VAT Control Account	B 74,921
Balance in hand	6,469,269

Receipts and payments accounts are provided opposite and on the next page detailing the transactions since our appointments on 2 October 2020 and 12 October 2020 for Retig and Tonik respectively.

Notes to receipts and payments accounts

All realisations in Tonik are subject to a floating charge.

A - Bank interest

All funds are held in an interest bearing account. The associated corporation tax on interest received has been/will be accounted for to HM Revenue & Customs.

B - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course. Some VAT was irrecoverable due to payments being dated prior to appointment.

C - Funds held by merchant service provider

Funds held by the merchant service provider GoCardless Ltd in relation to direct debits collected from customers.

D - Secured Creditor Payment

Payment to BP the Secured Creditor that has a fixed and floating charge in Tonik.

E - Trade creditors

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.

Rounding note

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



Progress of the administrations

Receipts and payments

Joint Administrators' receipts and payments account 02 October 2020 to 01 April 2021

Receipts

Interco Receipt from The Phoenix Works	-	F	499,999
Shares	-	F	1
Contribution to Costs	-	G	9,753
Contribution to Payroll	-		6,720
Rates Refund	-		3,590
Bank Interest Gross	-		2
HMRC VAT Refund	0		-
Intercompany debtor with Tonik Energy Limited	0		-
Total receipts	0		520,065

Payments

Wages and Salaries			16,289
Share of Proceeds from The Phoenix Works Sale			23,000
Consultancy Fees	H		60,900
IT Costs			16,423
Statutory Advertising			95
Other Property Expenses			711
Bank Charges			3
Total payments			117,420

Balance

402,644

Made up of:

Interest Bearing Bank Account	A	386,916
VAT Control Account	B	15,729
Balance in hand		402,644

All realisations in Retig are uncharged as the fixed charge held by BP only secured the shares in Retig. These shares have not been sold.

Notes to receipts and payments accounts

All realisations in Tonik are subject to a floating charge.

F – Sale of Subsidiary

Funds received from the intercompany debtor due from sale of Retig's subsidiary The Phoenix Works.

G – Contribution to Costs

Funds received from Tonik to help pay third party costs. These sums will be repaid in due course.

H – Consultancy Fees

Relate to sums paid to the previous Directors to assist in the sale process of The Phoenix Works.



Progress of the administrations
Pre-administration costs



We included the following statement of pre administration costs in our Proposals:

In the following paragraphs we have provided an explanation of the work carried out by us and by Gowling in the period prior to the administrations and which was carried out with the intention of helping to achieve the objective of the administrations, being a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

Please note that this work was primarily performed by senior, experienced staff due to the complex nature of the engagement not least the regulatory requirements in relation to the Supplier of Last Resort process.

-
- Preparation of documents for the Court hearing on 6 October 2020 in relation to confirmation of Tonik’s solvency status required under the SOLR process;
- Attendance at the Court hearing;
- Liaison with Ofgem;
- Considering the impact of an administration appointments, including funding requirement to manage a wind down/sale;
- Preparing strategies in relation to employees and customers;
- Considering post-appointment options in relation to dealing with customer book in a SOLR;
- Dealing with press and PR queries immediately prior to the administrations;
- Obtaining FCA consent.
-
- Liaising with lawyers in relation to preparation and signing of appointment documents;
- Establishing ownership and location of assets;
- Collating company data, financial information and stakeholder records in preparation for the administration appointments;

- Analysis and advice from a tax perspective on immediate tax actions required by the administrators on appointment;
 - Liaison with the Secured Creditor and investor.
- During planning for the administrations, we were provided with legal assistance by Gowling, who were instructed by us to undertake the following work as detailed below:

•

Gowling WLG estimate their fee for pre-appointment work including drafting appointment documents, FCA consent work and Ofgem related applications, liaisons and court work at £23k.

•

Gowling’s pre-appointment work cost amounted to £3.2k and involved drafting appointment documents, liaising with the administration team and responding to queries.

Gowling WLG

Retig Ltd	3,162
Tonik Energy Ltd	23,115
Total	26,277

The third party Pre Administration costs set out above were all incurred on work undertaken to implement the pre-administration strategy and statutory purpose.

These third party costs have now been approved for Tonik and Retig by deemed consent of a decision by the unsecured creditors on midnight 28 January 2021 and will be paid as and when requested by Gowling.

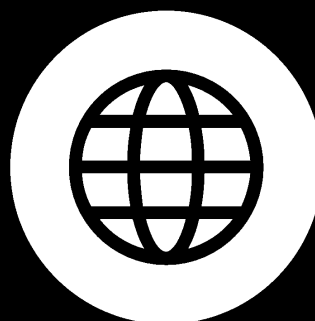
Our pre administration costs were not approved by creditors in Retig and we will be seeking further approval in due course.



Information for creditors

Outcome

12



Information for creditors

Outcome

Secured creditors

B - The Companies' records show that Tonik owes BP £5m in its capacity as the Secured Creditor.

BP has a share fixed charge in Retig and a fixed and floating charge debenture in Tonik, granted on 8 December 2017.

Based on currently available information, we expect there will be sufficient asset realisations to repay the Secured Creditor in full from the floating charge assets in Tonik.

Distributions of £1m and £2m were made to BP on 21 December 2020 and 31 March 2021 respectively. After these distributions BP has a residual shortfall of c£2m.

We anticipate that BP will be repaid in full.

B - There will be no payment from the fixed charge security held in Retig to BP as Retig's shares have not been realised.

Preferential creditors

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

B i In our Proposals we estimated that there would be three preferential claims totalling c.£20k. We now expect two preferential claims to be made by employees totalling £12,000.

On present information we anticipate that sufficient funds will become available to enable the preferential claims to be paid in full.

Tonik i In our Proposals we estimated that there would be circa 171 preferential claims totalling c.£250k. These claims were in respect of arrears of wages and holiday pay. The Joint Administrators paid these sums as an expense of the appointment and therefore preferential claims in Tonik are not expected to be made.

Prescribed Part

B - The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600-800k per company depending on when the charge was registered.

It is anticipated that BP will be paid in full and unsecured creditors will therefore receive a dividend over and above the value of the distribution that would have been paid under the Prescribed Part.

B - As there are no floating charge assets the provisions of the Prescribed Part will not apply to this case.

Unsecured creditors

B - The directors' statement of affairs shows 19 unsecured creditors with estimated non-preferential claims totalling £21.2m.

B - The directors' statement of affairs shows 137 unsecured creditors with estimated non-preferential claims totalling £60.9m.

As detailed above, it is likely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors of the Companies (over and above the value of the distribution that would have been paid under the Prescribed Part). Currently the quantum of the dividends is unknown but updates will be provided in future reports.



Information for
creditors
Outcome

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, according to the Company's statement of affairs, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Please note that should you wish to vote in a decision procedure, you will then need to submit a proof of claim to us.

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.

We do not anticipate that it will be necessary to extend the period of the administration, which is due to end on or before 2 October 2021 for Retig and 12 October 2021 for Tonik.

Exit

We consider that a move to voluntary liquidation to enable the dividends other than the prescribed part distributions to be paid to be the most appropriate exit route from the administrations.





Remuneration and expenses

Joint Administrators' remuneration

15



Remuneration and expenses

Joint Administrators' 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 cover page and this will be provided to you at no cost.

Basis of remuneration

£

The basis of our remuneration was fixed in Tonik by a decision of the unsecured creditors on 28 January 2021 and will be drawn as and when funds permit.

£

The basis of remuneration and unpaid pre-administration costs was rejected by a decision of the unsecured creditors on 28 January 2021. We will seek further approval to our remuneration in the near future.

Fees drawn to date

£

No fees have been drawn in the period in either company.

Time costs - analysis of actual against budget

Please refer to pages 17 and 18 where we have updated the Fees Estimates to provide details of our actual time costs for the period of the report and these are also summarised here:

Tonik

Our total time costs to date are £1,379,259 made up of 3,209.3 hours at a blended charge out rate of £430 per hour across all grades of staff.

£

Our total time costs to date are £216,743 made up of 338 hours at a blended charge out rate of £641 per hour across all grades of staff.

Time costs have not yet exceeded budget but an excess fee request may be made.

Our time costs to 11 April 2021 for Tonik and 1 April 2021 for Retig are broadly in line with expectations.

We anticipate that the initial fee estimate of £1.6m will be exceeded in Tonik and we may seek approval from creditors in due course if we wish to increase the level of our remuneration.

In Retig the fees have not been approved by creditors, we will seek approval in due course. We have included details of our time costs to date and a comparison with our original fees estimate to provide creditors with as much information as possible as we intend to make a further request for our remuneration to be fixed on a time cost basis in due course.



All partners and technical 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.

A						B						C							
		A		B		C		A		B		C		A		B		C	
A	A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	B	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
	C	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
	D	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18			
B	A	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
	B	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
	C	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
	D	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22			
C	A	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
	B	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
	C	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26		
	D	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26			
D	A	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	B	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
	C	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
	D	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30			
E	A	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
	B	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	
	C	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34		
	D	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34			
F	A	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
	B	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	
	C	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38		
	D	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38			
G	A	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
	B	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	
	C	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42		
	D	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			
H	A	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46
	B	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	
	C	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46		
	D	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46			

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Remuneration and expenses

Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Details of all disbursements are given below and from which it can be seen that we have not recovered our disbursements in full.

Category 1 Outlays

These are payments made by us direct to third parties and for which no approval is required. IT costs of £29k have been incurred as Category 1 expenses. These costs include services in relation to IT infrastructure, emailing service providers and small ad-hoc expenses.

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by unsecured creditors on 28 January 2021

Retig Category 1 disbursements

Postage/Couriers	250	106	106
Specific Penalty Bond	230	230	230
Total disbursements	480	336	336

Tonik Category 1 disbursements

Postage/Couriers	2,000	1,190	1,190
Specific Penalty Bond	230	230	230
IT Costs	-	29,074	29,074
Total disbursements	2,230	30,494	30,494

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.

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.



Deloitte

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