

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



AAGGINK2

A16

03/11/2021

#97

COMPANIES HOUSE

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 Cowlshaw

3 Administrator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

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 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

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

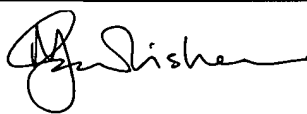
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date ^d2 ^d9 ^m1 ^m0 ^y2 ^y0 ^y2 ^y1

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 Teneo Restructuring Ltd

Address 156 Great Charles Street
Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

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

Retig Limited (in administration) **(“the Company”)**






Progress report to creditors for the period 2 April 2021 to 1 October 2021 pursuant to rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 (“the Rules”)

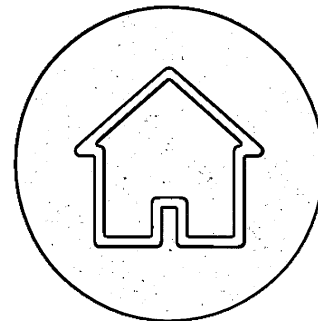
29 October 2021

Matthew James Cowlshaw and Paul James Meadows (“the Joint Administrators”) were appointed Joint Administrators of Retig Limited on 2 October 2020 by the Directors. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Restructuring 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 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. As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

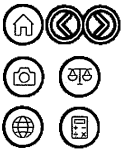
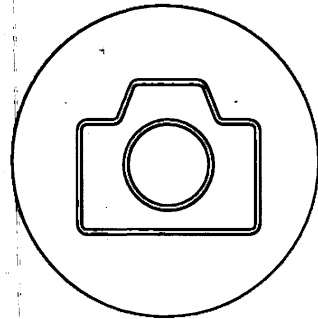
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

	Contents	1
	Key messages	2
	Progress of the administration	4
	Information for creditors	9
	Remuneration and expenses	12





Key messages



Key messages

Joint Administrators of the Company

Matthew James Cowlshaw

Paul James Meadows

Teneo Restructuring Limited

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email: vinay.mistry@teneo.com

www.ips-docs.com

Tel: 0121 619 0149

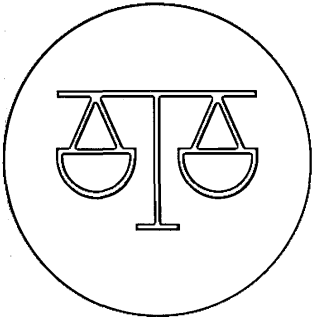


Commentary	
Purpose of administration	<ul style="list-style-type: none">The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation.
Important Notice re Administrators	<ul style="list-style-type: none">On 29 May 2021 the UK Restructuring Practice of Deloitte LLP was sold to Teneo Restructuring Limited (the "Transaction"). The majority of live insolvency appointments, including this administration appointment, were transferred to Teneo Restructuring Limited ("Teneo"), with their respective officeholders and case teams, as part of the Transaction. Please also note that our Teneo contact details are provided on the left hand column of this page.
Progress of administration	<ul style="list-style-type: none">A pre appointment VAT refund of £7.7k has been recovered, in line with the estimated value in the statement of affairs.A claim for £7.2m has been submitted in the liquidation of Locus Energy Limited ("Locus"), a connected company.Please see page 5 for further details.
Costs	<ul style="list-style-type: none">Our first request to fix the basis of our remuneration was not approved by the creditors. We are now seeking approval to fix our remuneration as a set fee of £250k plus VAT. Please see page 13 for further details and the decision procedure documents uploaded to the website at www.ips-docs.comWe have not incurred any disbursements in the report period but are seeking approval for the payment of costs incurred by Deloitte LLP as a category 2 disbursement. Please note that these costs have already been included within our requested set fee of £250k, as noted above, and will not billed as an additional expense. Please see page 14 for further details.Third party costs and expenses of £137k plus VAT have been paid in the report period relating to legal fees, IT and other professional costs. Please see page 6 for further details.
Outstanding matters	<ul style="list-style-type: none">Recovery of the dividend on the inter-company debt of £18.1m due from Tonik Energy Limited - (formerly in administration and now in Liquidation) ("Tonik").Recovery of the dividend on the inter-company debt of £7.2m due from Locus.Adjudicate on and agree preferential creditors' claims and make a distribution.Adjudicate on and agree unsecured creditors' claims and make a distribution in the subsequent creditors' voluntary liquidation ("CVL").Statutory closing procedures.
Dividend prospects	<ul style="list-style-type: none">Secured creditors – BP Gas Marketing Limited ("BP") will not receive any distributions under its fixed charge.Preferential creditors – There will be sufficient realisations to enable payment in full of preferential claims.Secondary Preferential creditor – There will not be any secondary preferential claims as the statutory provisions do not apply.Unsecured creditors – It is likely that there will be a distribution for unsecured creditors.
Extension to administration period	<ul style="list-style-type: none">The period of the administration has been extended to 2 October 2022. We expect the Company to exit administration into CVL by February 2022. Please see page 11 for further details.



Progress of the administration

Summary	5
Receipts and payments	7
Pre-administration costs	8



Progress of the administration Summary

Background

The Company is the holding company of Tonik and Locus. As previously reported we sold the Company's shares in another subsidiary company, The Phoenix Works Ltd, for £1 and received £499,999 in settlement of intercompany debts due to the Company from The Phoenix Works Ltd.

Work done during the report period

Inter company balances

The Company's statement of affairs includes an intercompany balance owed by Tonik of £18.1m. We have previously submitted a claim in the administration of Tonik (now in liquidation) for this amount. However the realisable value of this balance is not yet clear as it is dependent upon the final amounts realised for Tonik's assets and the final amount of Tonik's agreed unsecured creditors' claims.

An unsecured claim for £7.2m has been submitted by the Company in the liquidation of Locus. The value of this claim is also uncertain as it is dependent upon the amount Locus receives under its own unsecured claim for £10m in the administration of Tonik.

Pre-appointment VAT Return

We have realised a VAT refund from HMRC for £7.7k. This amount is in line with the value shown in the Company's statement of affairs.

Creditors

In the period we have corresponded with the largest unsecured creditor in respect of the progress of the administration and the basis of our remuneration. We have not yet adjudicated unsecured creditors' claims for dividend purposes.

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 creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of progress reports;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs ("HMRC") in respect of VAT and Corporation Tax matters. Post appointment VAT returns have been submitted to HMRC and we expect a repayment of £28.6k to be received into the administration estate.

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



Progress of the administration Summary



Work done during the report period

Third party costs incurred during the report period

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

IT Costs:

- Payments totalling £76k invoiced to and paid by the Company to Microsoft Operations Ireland Limited ("Microsoft") relate to services provided to Tonik. Microsoft were engaged to provide a platform to enable efficient processing of customer billing queries. They had been providing services to the Company prior to our appointment and were familiar with the business. These costs are being repaid to the Company by Tonik, less the contribution to costs paid to the Company from Tonik. Please see the notes to the receipts and payments account on page 7 for further details. These costs were not included in our proposals as it was not clear to what extent IT services would be required at that time.

Consultancy Fees:

- Former director Christopher Russell was engaged on a consultancy basis to provide administrative assistance during October and November 2020. For this work payment of £10.3k plus VAT was made in the current period. We engaged the former director because of his knowledge of the Company's business.

Legal Costs:

- Gowling WLG ("Gowling") were paid legal fees of £48k plus VAT for post appointment, including disbursements of £50 plus VAT. This work was in relation to reviewing the validity of our appointment, undertaking a security review, compliance advice on data protection matters, Ofgem related court filings and general insolvency advice. This is in line with expectations, see page 22 of our Proposals.
- All costs have been paid, as shown in the receipts and payments account on page 7. All professional costs are reviewed and analysed in detail before payment is approved.

Progress of the administration

Receipts and payments

Retig Ltd Joint Administrators receipts and payments account 02 April 2021 to 01 October 2021

£	SoA values	Notes	Period	To date
Receipts				
Interco Receipt from The Phoenix Works	-	A	-	499,999
Shares	-	A	-	1
Contribution to Costs	-	B	-	9,753
Contribution to Payroll	-	-	-	6,720
Rates Refund	-	-	-	3,590
Bank Interest Gross	-	E	29	31
HMRC VAT Refund	7,705	-	7,705	7,705
Intercompany debtor due from Tonik	177,000	-	-	-
Total receipts	184,705		7,734	527,798
Payments				
Wages and Salaries	-	-	434	16,722
Tonik's Share of Proceeds from The Phoenix Works Sale	-	-	-	23,000
Consultancy Fees	-	C	10,350	71,250
IT costs	-	D	75,935	92,358
Legal Fees - Post Appointment	-	-	48,048	48,048
Legal fees - Pre Appointment	-	-	3,162	3,162
Legal Disbursements	-	-	50	50
Statutory Advertising	-	-	-	95
Other Property Expenses	-	-	-	711
Bank Charges	-	E	16	19
Total payments			137,994	255,415
Balance				272,384
Made up of:				
Interest Bearing Bank Account	-	E	-	243,811
VAT Control Account	-	F	-	28,573
Balance in hand				272,384

A receipts and payments account is provided, detailing the transactions during the report period and also cumulatively for the entire period of our appointment on 2 October 2020 to 1 October 2021.

Notes to receipts and payments account

A – Sale of Subsidiary

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

B – Contribution to Costs

Funds received from Tonik to help pay third party costs. These sums will be deducted from the amount which is to be repaid by Tonik in respect of IT costs settled by the Company, for services provided to Tonik.

C – Consultancy Fees

Relate to sums paid in the period to a previous director for administrative assistance provided during October and November 2020. Consultancy fees paid in previous reporting periods relate to more than one director.

D – IT Costs

As noted on page 6 these costs relate to IT services invoiced to the Company but provided for the benefit of Tonik. Tonik is reimbursing the Company for these services, net of the amount that was received from Tonik as a contribution to costs (as shown in Note B above)

E – 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 HMRC.

F – 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.



Progress of the administration

Pre-administration costs

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 administration and which was carried out with the intention of helping to achieve the objective of the administration, 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.

- 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 BP and investor.

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

The legal costs set out above were all incurred on work undertaken to implement the administration strategy and statutory purpose.

These third party costs were approved by a decision of the unsecured creditors on 28 January 2021 and have been drawn in the period, as shown in the Receipts and Payments account on page 7.

Our fees which were incurred prior to our appointment as Joint Administrators have not been recovered and will be written off.

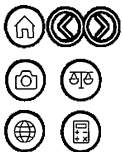
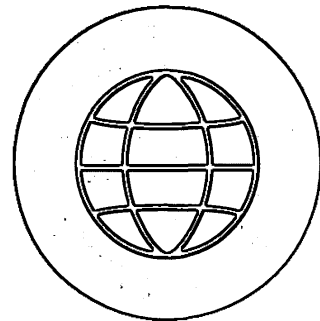




Information for creditors

Outcome

10



Information for creditors

Outcome

Outcome for creditors

Secured creditors

As detailed in our Proposals there will be no distribution made to BP under its fixed charge as the Company's own shares over which the charge is held have not been realised.

Preferential creditors

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

In our Proposals we estimated that preferential claims would total approximately £20k. We now expect preferential claims to made by employees to total £11.3k.

Preferential creditors will be paid in full.

Secondary Preferential Debts due to ("HMRC")

There will not be any secondary preferential claims as the statutory provisions do not apply.

Prescribed Part

The Prescribed Part provisions do not apply in this case as the Company did not grant any floating charges.

Unsecured creditors

We have received 13 claims to date which total £20.7m and are broadly in line with the statement of affairs total of £21.2m.

On present information we anticipate that there will be sufficient funds to enable a distribution to be made to unsecured creditors. We cannot estimate the rate of this dividend yet as the realisation of the Company's assets, and the adjudication and agreement of unsecured claims is not complete.



Information for creditors Outcome

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, 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 debt 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.

Extensions to the administration

The administration was extended by the creditors on 21 September 2021 and will now end on or before 2 October 2022. We do not anticipate that it will be necessary to further extend the period of the administration and we intend to move the Company to CVL within the next four months.

Exit

As detailed in our Proposals, we consider that move to CVL to enable the dividend to be paid be the most appropriate exit route from administration, because the Company should have sufficient available funds to distribute to unsecured creditors.

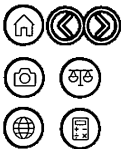
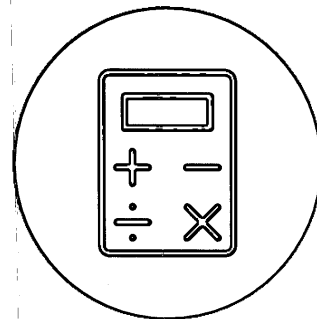




Remuneration and expenses

Joint Administrators' remuneration

13



Remuneration and expenses

Joint Administrators' remuneration

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 has not yet been fixed. On 13 January 2021 we conducted a decision procedure requesting the unsecured creditors to fix our remuneration on a time costs basis, but this was rejected.

Decision procedure to fix the basis of remuneration

Following consultations with various stakeholders, we are now holding a further decision procedure to fix the basis of our remuneration as a set amount of £250,000 plus VAT.

This decision procedure will be conducted by correspondence. Please refer to the website to view the Notice of Decision Procedure and for further details and guidance including voting forms, if required.

Please also note that our proposed fee basis is inclusive of the costs in respect of work which has been delivered by Deloitte LLP as detailed further on page 14.

Fees drawn to date

We have not drawn any fees to date as the basis of our remuneration has not yet been approved.



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.

Joint Administrators' Disbursements

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

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estate.

Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Paid in report period	Paid to Unpaid date
Postage/Couriers	250	-	-	106
Specific Penalty Bond	230	-	-	230
Total disbursements	480	-	-	336

Additional note regarding category 2 disbursements

Prior to the Transaction, the work delivered by other 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). We have thus included the anticipated costs for the services being delivered by Deloitte LLP in our proposed fixed fee of £250k for which we are seeking approval from creditors, as detailed at page 13.

Following the Transaction, we are now required to seek approval before making payment to Deloitte LLP and Deloitte India JV ("DIJV") in respect of their costs which now fall to be treated as Category 2 disbursements.

For avoidance of doubt however, all such costs will be paid out of our approved remuneration, i.e. will not be an additional cost. Details regarding the Deloitte LLP teams and DIJV costs and services are provided below and opposite.

Deloitte Tax and VAT

We engaged the services of Deloitte Tax, then an internal team, to assist with undertaking work in connection with a review of the Company's corporation tax position and assisting with the completion of VAT returns.

Deloitte Forensics

We engaged the services of Deloitte Forensics, then an internal team, to assist with undertaking work in connection with imaging the IT systems and securing the Company's records.

Deloitte Corporate Finance Advisory ("CFA")

We engaged the services of Deloitte CFA, then an internal team, to assist with undertaking work in connection with the sale of the shares in The Phoenix Works Limited.

The work carried out by the Deloitte LLP teams, as detailed above and opposite, was charged on a time costs basis. The charge out rates for the staff who have undertaken this work in the respective Deloitte LLP teams are provided below:

£	Grade	From 1 June 2021
	Directors Deloitte Tax and CFA	1,205 - 1,355
	Manager Deloitte Forensics	350
	Assistant Manager Deloitte VAT	360

DIJV

We also engaged the services of DIJV, then an internal service delivery team, to assist with case management and administration.

Their services are ongoing and have been provided for in our proposed fixed fee of £250k.

Their work is charged on a time costs basis, at a fixed rate of £360 – 480 plus VAT per hour.

All of the costs above and opposite have been provided for in our proposed fixed fee of £250k and will be paid out of our approved remuneration, if and when approved by the creditors. As noted opposite, we are nonetheless required to seek approval before making payment to Deloitte LLP and the DIJV in relation to these costs and this will be done as part of the decision procedure as outlined on page 13.



Remuneration and expenses
Detailed information

Joint Administrators' Disbursements (continued)

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.





This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

Teneo Restructuring Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom