



For further information, please
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1 Company details

Company number 0 9 9 3 3 3 1 3

Company name in full Orbit Energy Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Joanne

Surname Hewitt-Schembri

3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

4 Administrator's name ①

Full forename(s) Paul

Surname Berkovi

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

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 1	^m 0	^m 6	^y 2	^y 0	^y 2	^y 2
To date	^d 3	^d 0	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten signature]

X

Signature date

^d 2	^d 0	^m 1	^m 2	^y 2	^y 0	^y 2	^y 2
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**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 **Oliver Jones**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

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- ☐ You have attached the required documents.
- ☐ You have signed the form.

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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
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All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Mark Granville

Surname

Firmin

3 Insolvency practitioner's address

Building name/number

Suite 3 Regency House

Street

91 Western Road

Post town

Brighton

County/Region

Postcode

B N 1 2 N W

Country

ORBIT ENERGY LIMITED IN ADMINISTRATION

Joint Administrators' second progress report

For the period from 1 June 2022 to 30 November 2022

20 December 2022

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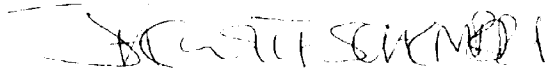
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1 Executive summary

- Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin of Alvarez & Marsal Europe LLP (“A&M”) were appointed by the High Court of Justice, Business and Property Courts of England & Wales (the “Court”) as Joint Administrators (“Joint Administrators” or “we” our “us”) of Orbit Energy Limited (the “Company”) on 1 December 2021.
- This is our second progress report which covers the period from 1 June 2022 to 30 November 2022.
- Prior to our appointment, on 25 November 2021, the Office of Gas and Electricity Markets Authority (“Ofgem”) announced the commencement of the Supplier of Last Resort (“SoLR”) process. On 29 November 2021, Ofgem gave notice to the Company that its licences to supply energy were being revoked. On 1 December 2021, the Company’s customers were transferred to ScottishPower Energy Retail Limited (“ScottishPower”), which had been appointed as the SoLR. An administration order was made by the Court on 1 December 2021 and we were duly appointed as Joint Administrators.
- The Company’s principal assets comprised cash at bank and cash in transit with electronic payment providers, customer debit balances and unbilled energy usage (together, the “Book Debts”) and interests in (or claims in relation to) two cash balances which had been transferred, shortly prior to our appointment, to Genie Energy Ltd (“GEL”) and Shoreditch Energy Limited (“SEL”) respectively.
- In relation to the funds which had been transferred to GEL, we previously reported that on 3 May 2022, Judge Wiles of the US Bankruptcy Court for the Southern District of New York (the “US Court”), directed the release of c.\$28.3m being held by the US Court to the Joint Administrators (such funds having previously been held by GEL (the “US Court Order” and “US Funds” respectively)). We received the US Funds on 21 July 2022 and have now taken the necessary procedural steps to draw the US Chapter 15 Bankruptcy proceedings to a close. Our motion to close the Chapter 15 proceedings was heard by the US Court on 6 December 2022 and was duly granted (Section 3 – Strategy and progress of the administration to date).
- We have continued to closely monitor the position in relation to c.£11.9m which had been transferred by the Company, prior to our appointment, to SEL. These funds were purportedly being held under the terms of an escrow agreement dated 29 November 2021 (the “Escrow Agreement”), of which the beneficiaries were Ofgem and ScottishPower (in its capacity as SoLR). We have been advised that Ofgem and ScottishPower have made claims under the Escrow Agreement and that these claims have been settled from the escrow funds. Accordingly, Ofgem and ScottishPower have withdrawn their corresponding claims totalling c.£10.2m from the administration. We have taken steps to secure the surplus in the escrow of c.£2.7m which, under the terms of the Escrow Agreement, should otherwise have been returned to the Company (Section 3 – Strategy and progress of the administration to date).
- We maintained the Company’s operating platform and retained a number of the Company’s employees for a limited period of time in order to complete the final billing process and to facilitate the migration of customers to ScottishPower. The final billing process is now complete. All remaining staff have been made redundant and the Company no longer has any operational functionality (Section 3 – Strategy and progress of the administration to date).

- We are not aware of any secured claims against the Company (Section 4 – Dividend prospects and dividends paid).
- A first and final dividend to preferential creditors of 100p/£ was declared and paid during the period covered by this progress report (Section 4 – Dividend prospects and dividends paid).
- An interim dividend to unsecured creditors of 71.8p in the £ was declared on 12 August 2022 (the “First Interim Dividend”). A further interim dividend to unsecured creditors of 6.4p in the £ was declared on 26 October 2022 (the “Second Interim Dividend”). The total amount distributed to unsecured creditors during the period of this progress report was £21,189,520 (Section 4 – Dividend prospects and dividends paid).
- A recent judgment of Mr Justice Zacaroli in the matter of *Croxen and others v Gas and Electricity Markets Authority and others* [2022] EWHC 2826 (Ch) (the “Judgment”), to which the Company was not a party, has found that, to the extent customers have had their credit balances refunded or honoured by the SoLR, those customers would not have the ability to make an equivalent claim into the relevant insolvent supplier’s estate.
- We have recently learned that the deadline for filing any appeals in respect of the Judgment has been extended to the date falling 21 days after the consequentials hearing (the “Consequentials Hearing”), which it is understood will take place in February 2023 (although as at the time of writing we understand that the date for the Consequentials Hearing has not yet been fixed). Subject to no appeal being made in respect of the aspects of the Judgment relating to customer credit claims, we intend to file for permission to make a full and final distribution following the expiry of this appeal period.
- Subject to the above, we currently consider there is a good prospect that all creditors will ultimately receive a total dividend of 100p in the £ plus statutory interest. We will be better placed to advise on this further in due course (Section 4 – Dividend prospects and dividends paid).
- On 23 June 2022 and 5 August 2022, SEL made applications under Rules 18.34(2)(b) and 18.37 of the Insolvency (England and Wales) Rules 2016 (“IR 2016”) to challenge our remuneration and expenses (the “Remuneration Applications”). The applications relate to our fees and expenses from 1 December 2021 to 31 May 2022. We duly filed our responsive evidence on 18 November 2022 and a substantive hearing is likely to be scheduled for late 2023 or early 2024 subject to Court and Counsel availability. We will defend the Remuneration Applications vigorously on the basis the remuneration and expenses which have been incurred are entirely reasonable, proportionate and justifiable in the circumstances of this case. Further updates will be given in due course.
- An earlier application made by GEL and SEL on 28 March 2022, in which the applicants sought to bring the administration to an end (amongst other things) (the “Termination Application”) has been stayed indefinitely by mutual consent (Section 3.1 - Strategy).
- The period of the administration has been extended by consent of the Company’s creditors to 30 November 2023. However, we are hopeful of concluding the administration well in advance of this date (Section 6 – Future strategy).
- Please note you should read this progress report in conjunction with our statement of proposals dated 21 January 2022 (the “Proposals”), the first progress report dated 24 June 2022, covering the period 1 December 2021 to 31 May 2022 (the “First Progress Report”) and our update letters to creditors dated 4 March 2022, 29 April 2022, 11 May 2022, 2 August 2022 and 2 December 2022 (“Creditor Updates”). These documents are available on our secure online insolvency portal (the “Portal”).

- Unless stated otherwise, all amounts in this progress report and appendices are stated net of value added tax ("VAT").

A handwritten signature in black ink, appearing to read "JOANNE HEWITT-SCHEMBRI".

Joanne Hewitt-Schembri
Joint Administrator

2 A message to customers

All customers have transferred to ScottishPower under Ofgem's SoLR process. We have now wound down the Company's operations and IT systems.

Update on final billing

The final billing process is now complete. Any queries in relation to final bills (including accounts for which final bills have not been received) should be directed as set out below:

Queries relating to credit balances or ongoing energy supply

All customer queries regarding final bills, ongoing supply, or outstanding credit balances should be directed to ScottishPower by email to contactus@scottishpower.com.

Queries relating to debit balances

We have appointed Barratt Smith & Brown Limited ("BSB") to collect the Company's Book Debts. If you switched away from the Company prior to 1 December 2021 and had an outstanding debit balance, BSB may contact you about this balance.

All customer queries regarding accounts in a debit position should be directed to BSB directly at collections_team@thebsbco.com. Please include your full Orbit account number as your BSB reference.

Additional support

If customers need support in England and Wales, they can call Citizens Advice on 0808 223 1133 or email them via their webform:

<https://www.citizensadvice.org.uk/about-us/contact-us/contact-us/contact-us/>

If customers need additional support in Scotland, they can contact Advice Direct Scotland on 0808 196 8660 or email them via their webform:

<https://www.advice.scot/contact-us/send-us-your-questions/>

3 Strategy and progress of the administration to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our Proposals and the First Progress Report.

3.1 Strategy

As set out in our Proposals and First Progress Report, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in administration.

Maintenance of the operating platform and final billing

We previously described how we sought to maintain the Company's operational platform for a limited period of time in order to complete the final billing process and to facilitate the migration of customers to ScottishPower. The final billing process is now complete. All remaining staff have been made redundant and the Company no longer has any operational functionality.

Amounts transferred to SEL

Within our Proposals, our First Progress Report and Creditor Updates, we have described the position in relation to the £11.9m transferred to SEL prior to our appointment.

As set out in our First Progress Report, we had reserved our position as to whether to pursue the escrow arrangements if the funds held pursuant thereto were needed. In light of: (i) receipt of the US Funds that were being held by the US Court (see below), (ii) successful asset realisations generally, and (iii) the level of creditor claims in the estate, we do not consider it necessary to investigate the escrow arrangements further. As it stands, subject to the outcome of the Consequential Hearing and any appeal from the Judgment, we currently anticipate, in due course, being able to pay creditors in full, plus statutory interest, without requiring recourse to the funds that were held pursuant to the Escrow Agreement (and now held pursuant to the Escrow Surplus Deed – see below).

We therefore, did not seek to prevent or take any action in respect of any drawing down of funds under the Escrow Agreement by Ofgem and ScottishPower, although we carefully monitored the same (i) given the Company's contractual entitlement to any surplus from the escrow funds upon the expiry of the Escrow Agreement on 28 November 2022, and (ii) in order to ensure that any claims which were drawn down from the escrow funds were simultaneously withdrawn from the Company's administration estate.

To date, we understand that:

- Ofgem has drawn down £4,793,868 under the Escrow Agreement and has withdrawn its claim in the administration; and
- ScottishPower has drawn down £5,306,475 under the Escrow Agreement and has withdrawn its claim in the administration.

In relation to the surplus in the Escrow Agreement, we recently entered into an agreement with SEL under which the escrow surplus will be held to our order by solicitors acting for SEL (the "Escrow Surplus Deed"). Under the terms of the Escrow Surplus Deed, SEL will not dispose of, release, deal with, use or permit to be used the escrow surplus except to the

extent the Joint Administrators, in their sole discretion, believe that the escrow surplus funds are required to meet claims, costs, expenses, obligations or liabilities in the administration, or to meet certain agreed costs of the escrow agent, unless otherwise required by law, court order or agreed between the parties.

We entered into the Escrow Surplus Deed on the basis that, whilst the surplus should under the terms of the Escrow Agreement have been returned to the Company, we currently consider there to be a good prospect that there will be a surplus in the administration estate, in addition to the escrow surplus, to be retained by the Company for the benefit of (or otherwise returned to) SEL as shareholder in due course.

Our rights and position in relation to (i) any escrow surplus funds, and (ii) any existing or future claims into the estate by Ofgem or the SoLR, remain fully reserved.

Book Debts

We previously advised that we had instructed BSB to collect the Company's Book Debts. As at 30 November, BSB has reported the following:

- 2,229 accounts are currently in live payment plans with a balance left to collect across these accounts of c.£1m. Unfortunately, there is no guarantee that all customers will complete their payment plans and some plans have, unavoidably, been entered into over an extended period (depending on BSB's assessment of a customer's affordability);
- 12,118 accounts remain open with a combined balance of c.£7.11m. This will include customers who have not yet responded substantively (or at all) to BSB's correspondence, including for whom the contact details provided by the Company are incomplete or missing; and
- 607 accounts with a combined value of c.£0.54m are in dispute, queried or subject to some form of insolvency proceeding.

The prospect of there being material future recoveries in relation to Book Debts is currently uncertain. We are in discussions with BSB in relation to potential strategies to drive realisations over the coming period and we are exploring a potential sale of the debtor book.

An update in relation to the status of Book Debts (including previously unbilled energy realisations) is provided below (Section 3.2 – Assets realisations).

Trade debtors and prepayments

The Directors' statement of affairs referred to trade debtors and prepayments of c.£85.5k. To date, we have recovered c.£1.9m (Section 3.2 – Assets realisations).

Recovery of trade debtors and prepayments is substantively complete, save that we are continuing to pursue two small debtors with a combined value of c.£39k. It is currently anticipated that this amount will be recovered in full.

Closure of the US Chapter 15 Bankruptcy proceedings

On 24 February 2022, we issued proceedings pursuant to Chapter 15 of the Bankruptcy Code of the United States in the US Court to seek recognition of the Company's administration as a foreign main proceeding in the United States and for specific relief as against GEL in relation to the balance of the US Funds.

Having now recovered the US Funds in full, we took the necessary procedural steps to draw the US Chapter 15 Bankruptcy proceedings to a close. A hearing to close the Chapter 15 proceedings was held on 6 December 2022 and our motion to close the Chapter 15 proceedings was duly granted.

Termination Application

On 28 March 2022, GEL and SEL made the Termination Application under paragraphs 63 and 74 of Schedule B1 to the Insolvency Act 1986 seeking that (i) the Court bring the administration to an end and return the Company to the Directors; (ii) alternatively, the Joint Administrators take steps to bring the administration to an end and return the Company to the Directors; and (iii) further and alternatively, the Joint Administrators prioritise payment of creditors with a view to ending the administration as quickly and efficiently as possible, including consulting with the Directors with regards to creditor claims and making distributions accordingly.

We opposed the Termination Application on a number of bases, including that we had not completed all of our statutory duties or made distributions to creditors.

We are pleased to report that the Termination Application has been stayed indefinitely by mutual consent.

3.2 Asset realisations

Realisations during the period of this report are set out in the attached receipts and payments account (Appendix 2).

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

Amounts transferred to Genie Energy Limited (“GEL”)

In our update to creditors dated 11 May 2022 we advised that at the status conference before the US Court on 3 May 2022, Judge Wiles directed the release of \$28,296,486 (the US Funds) being by held by the US Court to the Joint Administrators. The US Funds were received on 21 July 2022. A further £8,312 in interest was received from the US Department of Treasury on 28 November 2022.

Book Debts

In the period covered by this report, we have realised further book debts and unbilled energy usage of £634,980, bringing total realisations in relation to Book Debts to c.£4.9m. Collections remain ongoing.

Trade deposits and prepayments

In the period covered by this report, we have realised £138,501 in relation to trade deposits and prepayments, bringing total realisations of this nature to c.£1.9m. Work is ongoing in relation to two residual balances and it is currently anticipated these amounts will be recovered in full (Section 2.1 – Strategy and progress to date).

Supplier of Last Resort support services fees

Under the terms of a data sharing agreement entered into with ScottishPower (the “DSA”), ScottishPower (in its capacity as SoLR) agreed to provide a contribution towards the costs of completing the final billing process. We have received a further £85,894 from ScottishPower during the period of this report, bringing the total amount received from ScottishPower under the DSA to £244,085. No further amounts are expected.

Bank interest

During the period of this report, we received bank interest of £105,889.

Unallocated cash from customers

We previously described having identified up to £600,000 of receipts from customers which had been received in the period immediately following our appointment and which related to customer accounts in credit.

On 25 October 2022, we transferred £567,744 to ScottishPower in lieu of specific credit balances which ScottishPower has already honoured or refunded or agreed to refund in due course. This payment was made under the terms of an extension of the original DSA with ScottishPower.

A small balance of £6,567 has not yet been remitted to ScottishPower and remains under review. The remaining balance on this account of £25,689 has been confirmed as relating to customer debit balances.

Employee Services Fee

We have made an adjustment to the employee services fee income which was received in a prior period. This adjustment does not represent additional income or expense in the period but relates to a VAT accounting entry.

3.3 Investigations

We have reviewed the affairs of the Company to identify if there are any actions which can be taken against third parties to increase recoveries for creditors. Given the likely solvent outcome of the administration (Section 4), we do not currently consider that any such causes of action exist or are appropriate to pursue.

3.4 Expenses

3.4.1 Payments

Payments made during the period of this report are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period of this report are provided below.

Suppliers

During the period of this report, we have made payments to the Company's suppliers totalling £116,762.46. This includes amounts paid to BSB in respect of its fees for acting as debt collection agent, processing fees charged by GoCardless Limited ("GoCardless") and Stripe Payments Europe Limited ("Stripe"), residual payments to the Company's incumbent debt collection agents and payments in relation to systems support, software licensing and payroll services.

Joint Administrators' fees and disbursements

Please refer to Section 5 of this report for information relating to our fees and disbursements.

Legal fees and disbursements

During the period of this report, we have paid total legal fees and expenses of £1,042,183 including certain pre-appointment legal fees. Of this amount:

- £4,340 and £39,313 was paid to CMS Cameron McKenna Nabarro Olswang LLP ("CMS") and Womble Bond Dickinson LLP ("WBD") respectively in relation to approved pre-administration legal costs;

- £688,667, £52,891 and £224,808 was paid to CMS, WBD and Patterson Belknap Webb & Tyler LLP ("PBWT") respectively in relation to post appointment legal costs.
- £29,865 and £2,299 was paid to CMS and PBWT respectively in relation to post appointment legal disbursements.

Wages and Salaries

During the period of this report, we have made payments in relation to wages and salary costs of £154,584. All staff have now been made redundant and no further costs of this nature are anticipated.

3.4.2 Professional advisers and sub-contractors

During the period of this report, we instructed energy specialists PA Consulting Limited ("PACL") to assist with adjudication of certain complex creditor claims (specifically those which are energy volume related). This work was sub-contracted to a third party in order to benefit from PACL's specific industry knowledge.

PACL has been retained on a time cost basis with an initial cap of £50,000 plus VAT. PACL's costs have been monitored on a regular basis against the initial cap. During the period of this report, PACL received £50,000 plus VAT in respect of its costs and no further amounts are currently due.

We instructed MAPS Solutions Europe Limited ("MAPS") to assist with certain aspects of our investigations (specifically, to conduct a detailed review of the Company's bank statements). Whilst this work could have been carried out by us and our staff, the fees charged by MAPS will be lower than those charged by us for this workstream. MAPS was selected based on its experience in performing this type of work and its fees were agreed on a fixed fee basis. During the period of this report, MAPS received £2,730. No further amounts are due.

3.5 Schedule of expenses

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

Summaries of the most significant expenses which have been incurred in the period of this report but have not yet been paid are provided below.

Legal fees and disbursements

- CMS has incurred £109,634 which had not yet been paid at the end of the period.
- WBD has incurred £16,388 which had not yet been paid at the end of the period.
- PBWT has incurred \$58,878 (equivalent to approximately £48,152 at the date of this report) which had not yet been paid at the end of the period.

Insurance costs

Insurance premiums of £560 have been incurred but have not yet been paid. We expect these costs to be paid in the subsequent reporting period

4 Dividend prospects and dividends paid

4.1 Secured creditors

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

4.2 Preferential creditors

No ordinary preferential claims have been received.

A secondary preferential claim from HM Revenue & Customs ("HMRC") has been agreed at £131,673.95.

A first and final preferential dividend to preferential creditors of 100p in the £ was declared on 10 August 2022 and paid during the period.

4.3 Unsecured creditors

Claims and distributions

We have received total claims from unsecured creditors of £33,540,614. This excludes the value of claims which have subsequently been withdrawn from the administration, including Ofgem and the SoLR (Section 3.1 - Strategy). Claims totalling £27,102,598 have been admitted for dividend purposes. The total value of admitted claims is subject to change as a result of (amongst other factors) queries in relation to unsettled claims being resolved, submission of new claims and/or revisions to existing claims.

As reported in our First Progress Report, on 17 May 2022, the Court made an order granting permission to make an initial distribution to unsecured creditors of the Company of:

- a) Up to £14.7m in the event that the US Funds were not received prior to the making of the distributions; or
- b) In the event that the US Funds were received and any appeal period in relation to the US Court Order had expired without an appeal prior to the making of the distributions, up to £30m.

The US Funds were received on 21 July 2022 and the appeal period for the US Court Order expired without an appeal being made. Accordingly, the First Interim Dividend to unsecured creditors of 71.8p in the £ was declared on 12 August 2022.

As part of the First Interim Dividend, a provision of £11.5m was made for a pro rata dividend on unsettled claims at that date. Following the subsequent withdrawal by Ofgem of its claim in the administration (Section 2.1 – Strategy), the corresponding provision was made available for distribution to unsecured creditors.

The Second Interim Dividend to unsecured creditors of 6.4p in the £ was declared on 26 October 2022. When calculating the Second Interim Dividend, a provision of £8.8m was made for a pro rata dividend on the value of unsettled claims at that date. This included a provision for claims received on or after the date of the First Interim Dividend.

The combined rate of the First Interim Dividend and Second Interim Dividend declared and distributed to unsecured creditors in this case is 78.2 pence in the £. The total amount which

has currently been distributed to unsecured creditors in this case is £21,189,518 (Appendix 2).

Directions hearings

In our First Progress Report, we referred to a directions application in respect of other live energy company insolvencies, the outcome of which could impact the treatment of certain claims in the administration estate. The Judgment of Mr Justice Zacaroli in the matter of *Croxen and others v Gas and Electricity Markets Authority and others* [2022] EWHC 2826 (Ch), was recently handed down on 11 November 2022.

The Judgment found that, to the extent customers have had their credit balances refunded or honoured by the SoLR, those customers would not have the ability to make an equivalent claim into the relevant insolvent estate.

We have recently learned that the deadline for filing any appeals against the Judgment has been extended to the date falling 21 days after the Consequentials Hearing, which it is understood will take place in February 2023 (although as at the time of writing we understand that the date for the Consequentials Hearing has not yet been fixed). Subject to no appeal being made in respect of the aspects of the Judgment relating to customer credit claims, we currently intend to file for permission to make a full and final distribution following expiry of this appeal period.

We are therefore yet to finalise the total amount of the dividends which are likely to be paid to the unsecured creditors in this case. However, subject to the above, we currently consider there is a good prospect that all creditors will receive a total dividend of 100p in the £ plus statutory interest. We will be better placed to update creditors on this further in due course.

5 Joint Administrators' remuneration, category 2 expenses and pre-administration costs

5.1 Joint Administrators' remuneration and category 2 expenses

5.1.1 Basis of remuneration and category 2 expenses

During the administration, the Company's 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 an initial fees estimate (which included details of our charge-out rates) provided to creditors on 29 April 2022 (the "Initial Fees Estimate");
- category 2 expenses (as defined in Statement of Insolvency Practice 9 ("SIP 9")) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 3; and
- certain unpaid pre-administration costs will be paid as an expense of the estate.

5.1.2 Time costs

During the period of this report we have incurred time costs of £1,531,404. These represent 2,327 hours at an average rate of £658 per hour.

5.1.3 Remuneration

During the period of this report we have drawn remuneration of £3,907,951. This includes amounts incurred in the period covered by First Progress Report.

5.1.4 Additional information

Fees Estimate

We recently exceeded our Initial Fees Estimate of £4,236,631 as a result of the various matters outlined in a report which we circulated to creditors on 2 December 2022 (the "Revised Fees Estimate Report").

We are, therefore, seeking approval from creditors that we be authorised to draw additional remuneration in line with a revised fees estimate of up to a total of £5,802,897 (the "Revised Fees Estimate"). The relevant documents are available on the Portal.

A decision by electronic voting is being used for creditors to consider the following proposed decisions:

- 1) the Revised Fees Estimate of £5,802,897.35 is approved;
- 2) outstanding pre-administration costs of £7,260 are approved (see Section 5.2); and
- 3) a creditors' committee will not be established.

The decision date in respect of this decision procedure is 20 December 2022.

The requisite disclosures, including the reasons for exceeding our Initial Fees Estimate are set out in our Revised Fees Estimate Report, which is available on the Portal. These notably include:

- having incurred more time in the ongoing and protracted communications with the Directors, GEL and SEL including in relation to having to pursue funds transferred to SEL and GEL than we had anticipated at the time of issuing our Initial Fees Estimate (going forward, we have provided for significant additional time for liaising with these parties should that interaction continue to be protracted);
- the accelerated nature of the administration and taking steps to make the First Interim Dividend and Second Interim Dividend early in the administration in order to minimise the statutory interest accruing on outstanding unsecured creditor claims;
- the need to make further applications to Court for permission to distribute assets to creditors and there being multiple distributions to creditors;
- the anticipated costs in defending the Remuneration Applications brought by SEL (to the extent those are to be met from the estate);
- the extension of the administration to 30 November 2023 and the required statutory reports and filings related thereto;
- preparing, drafting and maintaining the EOS has been more complex and time consuming than originally envisaged;
- assisting the SoLR in resolving customer claims;
- the complex nature of volume claims, the final billing process and dealing with customers;
- the protracted nature of dealing with HMRC and complexities surrounding the tax position of the Company; and
- consideration of the unusual exit route given the directors' and shareholders' desire for the Company to be handed back to the directors.

Ultimately, our costs will reflect time actually spent and may be lower (or higher, subject to the relevant approvals) than anticipated. We do not expect that these additional costs will impact the estimated outcome for creditors. As it stands, we currently anticipate, in due course, being able to pay creditors in full, plus statutory interest.

Expenses estimate

We do not currently anticipate that the total expenses to be incurred during the administration will exceed our original total expenses estimate of £5,976,775.

However, within this amount, the estimated costs for suppliers have been exceeded. This is because it was necessary to retain the Company's operating platform for longer than originally anticipated and the associated costs have therefore increased. The overall expenses estimate is not affected.

Time spent and charging policy

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by A&M for the period covered by this report, together with a summary of the cumulative time costs to 30 November 2022. We have also attached our charging policy.

Challenge of the Joint Administrators' remuneration

On 23 June 2022 and 5 August 2022, SEL issued two separate applications under Rules 18.34(2)(b) and 18.37 of IR 2016 to challenge the Joint Administrators' remuneration and expenses (referred to within this report as the Remuneration Applications) as excessive. The Remuneration Applications cover our fees and expenses from 1 December 2021 to 31 May 2022.

The relief sought under the Remuneration Applications is, as appears from the application notices and supporting documents, in brief:

- a reduction in the amount of the remuneration which we are entitled to charge;
- some or all of the remuneration and expenses be treated as not being expenses of the administration;
- the payment of the excess of remuneration or expenses or such part of the excess as the Court may specify by the Joint Administrators to the applicant;
- any other order the Court thinks just under Rule 18.37(4)(f) of the IR 2016; and
- the Joint Administrators pay the costs of the Remuneration Applications.

We duly filed our extensive responsive evidence on 18 November 2022 and a substantive hearing is likely to be scheduled for late 2023 or early 2024, subject to Court and Counsel availability. We will defend the applications vigorously on the basis the remuneration and expenses which have been incurred are entirely reasonable, proportionate and justifiable in the circumstances of this case. Further updates will be given in due course.

In addition, on the basis that SEL is a shell company with no assets and no UK bank account, we sought to obtain security for costs from SEL, in the event that ultimately, the Court finds in our favour in the Remuneration Applications and in this scenario, makes an order for costs against SEL. On the basis that SEL did not initially accede to our request, on 28 October 2022, we were required to make an application to Court for security for costs pursuant to rule 25.12 of the Civil Procedure Rules 1998 ("CPR"). Following the issuance of this application, SEL constructively engaged in settlement discussions and consensually agreed to provide the security sought. A consent order was sealed by the Court dated 12 December 2022, staying the application.

5.2 Pre-administration costs

In our Proposals, we disclosed the following pre-administration costs which were unpaid at the date of our appointment:

Unpaid pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Unpaid (£)
Joint Administrators' fees	117,005	117,005	117,005	-
Legal fees – WBD (see note)	39,313	39,313	39,313	7,260
Legal fees – CMS	4,340	4,340	4,340	-
Total	160,658	160,658	160,658	7,260

On 18 May 2022, we obtained approval from the Company's creditors to pay unpaid pre-administration costs as an expense of the administration.

A further request for approval in relation to unpaid pre-administration costs of £7,260 (relating to WBDs pre-administration costs in respect of the preparation of certain of the appointment documentation and arranging the necessary appointment formalities) has recently been issued to creditors and an update will be given in due course.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in accordance with our statutory duties and in order to achieve the purpose of the administration. This will include but not be limited to:

- Continuing to pursue the realisation of the Book Debts with the assistance of our appointed debt collection agents;
- Considering and evaluating a sale of the debt book to a third party;
- Finalising all other asset realisations;
- Discharging any outstanding costs and expenses of the administration;
- Making further applications to Court for permission to distribute to creditors as necessary;
- Adjudicating on remaining unsecured creditor claims, including a number of complex volume related claims;
- Declaring further dividends to unsecured creditors and calculating and distributing statutory interest where appropriate;
- Preparing for, complying with and responding to the agreed directions in relation to the Remuneration Applications and attending any future hearings, including the substantial hearing on the Remuneration Applications which is anticipated to last up to 5 days (which includes 1 day of pre-reading by the Court);
- Dealing with ongoing and any future legal challenges to the administration, where appropriate, which SEL has indicated it is likely to make;
- Continuing to correspond with key stakeholders, customers and creditors and providing updates on the progress of the administration - including issuing any further statutory progress reports and a final account and progress report before exiting administration;
- If appropriate (although considered unlikely at this stage), seeking a further extension of the administration;
- Preparing and submitting any necessary VAT and corporation tax returns and seeking clearance to close the administration from HMRC in due course. We expect we may submit up to five further quarterly VAT returns (including one in progress) and two corporation tax returns;
- Formulating our strategy for exit / closure and taking the necessary steps to bring the administration to an end, considering exit route strategy and seeking discharge from liability from the Court.

6.2 Extension of the administration

The duration of the administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the Court.

During the period of this report, the Company's creditors granted a 12-month extension to the period of the administration.

The administration is currently due to end on 30 November 2023. However, we are hopeful of concluding the administration well in advance of this date.

6.3 Future reporting

We will provide a further progress report within one month of 31 May 2023 or earlier if the administration has been completed prior to that time.

Appendix 1 – Statutory information

Company information	
Company name	Orbit Energy Limited
Date of incorporation	31 December 2015
Company registration number	09933313
Present registered office	Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW
Administration information	
Administration appointment	The administration appointment granted in the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)
Appointer	Court (case number: CR-2021-002067)
Date of appointment	1 December 2021
Joint Administrators	Joanne Hewitt-Schembri, Paul Berkovi, and Mark Firmin
Joint Administrators' contact details	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Email: INS-ORBIEL@alvarezandmarsal.com
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	30 November 2023

Appendix 2 – Receipts and payments account

Orbit Energy Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 01/06/2022 To 30/11/2022 £	From 01/12/2021 To 30/11/2022 £
	ASSET REALISATIONS		
37,729,683.61	Cash transferred to Genie	23,638,971.37	39,638,971.37
	Furniture & Equipment	750.00	750.00
11,953,022.23	Cash transferred to Shoreditch	NIL	35,000.00
6,625,304.88	Book Debts and unbilled energy usage	634,980.45	4,909,681.38
85,511.38	Trade deposits & prepayments	138,500.82	1,878,510.27
8,306,115.70	Cash at Bank	NIL	8,290,318.63
346,906.75	Cash in transit	NIL	43,990.40
	SOLR Support Services Fees		
	Operational Platform Fees	85,893.50	244,084.50
		24,499,096.14	55,041,306.55
	OTHER REALISATIONS		
	Bank Interest	105,888.50	120,160.67
	Unallocated cash from customers		
	Unassigned	(567,743.53)	32,256.47
	Sundry Refunds	NIL	2,829.60
	Third Party Monies Received in Error		
	Other	NIL	133,430.71
	Employee Services Fee	(2,580.00)	8,400.00
		(464,435.03)	297,077.45
	COST OF REALISATIONS		
	Suppliers	116,762.46	947,332.13
	Specific Bond	NIL	200.01
	Administrators' Fees		
	Pre-administration Fees	117,000.50	117,000.50
	Post-appointment Administrators' Fees	3,907,951.10	3,907,951.10
	Administrators' Disbursements		
	Post-appointment Administrators' Disbursements	5,131.79	5,131.79
	Sundry Expenses	597.92	818.28
	Contractor Costs		
	Post-appointment Contractor Costs	52,730.00	70,830.00
	Legal Fees/Disbursements		
	Pre-administration Legal Fees	43,653.00	43,653.00
	Post-appointment Legal Fees	966,365.96	1,859,511.78
	Post-appointment Legal Disbursements	32,163.93	42,277.51
	Duress Payments	NIL	97,816.97
	Irrecoverable VAT	15.69	2,084.27
	Stationery & Postage	NIL	54.45
	Re-direction of Mail	NIL	385.20
	Wages & Salaries	154,583.60	598,207.03
	Bank Charges	324.60	1,051.52
		(5,397,280.55)	(7,694,305.54)
	PREFERENTIAL CREDITORS		
(78,705.91)	HMRC PAYE	131,673.95	131,673.95
Uncertain	Employee Arrears/Hol Pay	NIL	NIL
		(131,673.95)	(131,673.95)
	UNSECURED CREDITORS		
(32,723,882.23)	Trade & Expense Creditors	18,416,051.93	18,416,051.93
	Redundancy Payments Service	2,309.40	2,309.40
	HMRC	2,771,158.40	2,771,158.40
(6,452,924.22)	Intercompany Creditors	NIL	NIL
		(21,189,519.73)	(21,189,519.73)

Orbit Energy Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 01/06/2022 To 30/11/2022 £	From 01/12/2021 To 30/11/2022 £
25,791,032.19	(2,683,813.12)	26,322,884.78
REPRESENTED BY		
Floating VAT Receivable		1,289,124.96
Barclays Current Account		8,490,403.45
USD Current Account		8,311.83
Barclays FTD		7,015,048.68
Barclays Current Account 2 Customer		19,282.55
Dividend Account		18.25
Santander Corporate Bonus		6,025,732.29
NatWest Current Account		3,770,160.09
Floating VAT Payable		(309,887.56)
PAYE & NIC		(256.83)
Go Cardless VAT Control Account		14,947.07
		26,322,884.78

Notes

1. Funds are held in interest bearing accounts.
2. We are currently holding US \$10,049.83 as a result of a recent payment, received in US Dollars, from the US Department of Treasury. This payment related to interest earned on the US Funds whilst they were being held by the US Court. We expect to convert this balance to GBP Sterling shortly but for the purposes of this report it is referred to in its estimated GBP equivalent, as at 30 November 2022, of £8,311.83.
3. The Directors' Statement of Affairs refers to a single aggregate figure for assets of £67.8m. We understand this is based on the Company's draft balance sheet dated 30 November 2021. For the purposes of our receipts and payments account above, we have provided an estimated breakdown of the Directors' Statement of Affairs, based on that balance sheet.
4. We continue to account for VAT on expenses of the administration and post-appointment customer receipts on a quarterly basis, as agreed with HMRC.
5. The funds currently on account include £8.8m which the Joint Administrators have provided for potential dividends which may, in due course, become payable on unsettled claims received.
6. The adjustment to the Employee Services Fee in the period, and the corresponding adjustments in Furniture & Equipment and Floating VAT Payable, are reallocations of a receipt in a prior period and do not represent additional income.

Appendix 3 – Schedule of expenses

A3.1 Schedule of expenses

A summary of the expenses incurred during the period of this report is set out below.

Schedule of expenses for the period from 1 June 2022 to 30 November 2022

Category	Incurred in the period (£)
Suppliers	116,762
Joint Administrators' disbursements	5,132
Sundry Expenses	598
Contractor costs	52,730
Legal fees / disbursements	563,275
Irrecoverable VAT	16
Wages and salaries	154,584
Bank charges	325
Total	893,421

Please note that there is a difference between the payments made in relation to expenses incurred during the period of this report of £1,372,329 (excluding the Joint Administrators' fees) per the receipts and payments account (Appendix 2) and the expenses incurred in the period of this report of £893,421 (per the table above). This is because payments in relation to post appointment legal fees in the receipts and payments account at Appendix 2 include costs incurred in the period of the First Progress Report.

A3.2 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 progress report, you must do so in writing within 21 days of receiving this progress 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 progress report, you must do so by making an application to Court within eight weeks of receiving this progress 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 Oliver Jones at INS-ORBIEL@alvarezandmarsal.com.

Appendix 4 – Charging policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the administration 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.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

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

Charge-out rates (£/hour) for: Restructuring	From 1 Dec 2021 £/hr	From 28 Mar 2022 £/hr
Managing Director	985.00	1,150.00
Senior Director	935.00	1,030.00
Director	865.00	950.00
Associate Director	690.00	760.00
Senior Associate	595.00	655.00
Associate	450.00	495.00
Analyst	255.00	280.00
Support	190.00	210.00

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

A copy of "Administration: A Guide for Creditors on Insolvency Practitioner Fees" from SIP 9 produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact Oliver Jones at INS-ORBIEL@alvarezandmarsal.com.

Policy for the recovery of disbursements

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate. These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons 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.
- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration.

Disbursements falling within category 1 expenses:

Nature of disbursement	Amounts incurred in the period (£)	Amounts paid in the period (£)
Courier	58.90	319.25
Postage	447.23	3,630.31
Statutory advertising	103.60	407.00
Sundry	658.20	775.23
Total	1,267.93	5,131.79

We have exceeded our initial estimates by a relatively small amount in respect of postage (previously estimated at £2,000), courier costs (previously estimated at nil) and sundry costs (also previously estimated at nil). This is as a result of additional correspondence which needed to be posted and other matters which had not previously been anticipated. We expect to incur additional postage costs in future as a result of certain notices (including in relation to proposed distributions and issuing cheques) needing to be sent by post under the Rules.

No disbursements falling within category 2 expenses have been incurred or paid during the period.

Our time cost summary in accordance with SIP 9

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 30 November 2022 in accordance with SIP 9.

Category	Hours	Time cost (£)	Average hourly rate (£)
Engagement Control	221.5	138,455.00	625.08
Appointment & Risk	14.6	10,872.00	744.66
Reports, Decision Making & Remuneration	189.7	130,862.50	689.84
Correspondence & Statutory Filing	194.9	128,771.00	660.70
Investigations	10.5	7,845.00	747.14
Asset Realisations	414.1	264,044.50	637.63
Costs of Realisation	46.8	27,057.00	578.14
Tax	69.2	51,443.75	743.94
Cashiering	249.7	130,182.00	521.35
Employees & Pensions	10.8	6,779.50	627.73
Claims & Distributions	484.8	332,919.50	686.72
Exit Routes & Closure	4.6	5,070.00	1,102.17
Remuneration Applications	415.9	297,102.25	714.45
Total – 1 June 2022 to 30 November 2022	2,327.1	1,531,404.00	658.07
Brought forward 1 December 2021 to 31 May 2022 (see note below)	4,530.4	2,926,285.85	645.92
Total – 1 December 2021 to 30 November 2022	6,857.5	4,457,686.85	650.05

Note to time cost summary

The brought forward time for the period 1 December 2021 to 31 May 2022 is £112.50 lower than previously reported in our First Progress Report. This is due to an adjustment to time previously charged in that period. This amount has been written off.

SIP 9 narrative for the period from 1 June 2022 to 30 November 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Engagement control	<ul style="list-style-type: none"> Monitoring and reviewing the administration strategy, including documenting strategy decisions; Ensuring compliance with all statutory obligations within the relevant timescales; Briefing our staff on the administration strategy and matters in relation to various work-streams and reviewing matters affecting the outcome of the administration; Regular case management and reviewing of process, including monitoring and maintenance of case checklists; Regular team update meetings and calls to monitor progress across all workstreams; Reviewing and authorising junior staff correspondence and other work; Dealing with queries arising during the appointment; Allocating and managing staff/case resourcing and budgeting exercises and reviews; and Complying with internal filing and information recording practices. 	To ensure appropriate oversight of the day-to-day matters, decision making and overall control of the administration which will help to progress the case, maximise realisations and minimise costs.	Time spent in this area will increase the efficiency and effectiveness of the team, thereby improving prospects of maximising recoveries and minimising costs.
Appointment & risk	<ul style="list-style-type: none"> Arranging ongoing insurance cover for the Company's business and assets; Ongoing liaison with General Data Protection Regulation ("GDPR") and data specialists to ensure appropriate management of the data and related risks, particularly in relation to customer and employee data held by the Company; Monitoring and overseeing responses (or responding) to Data Subject Access Requests; and Ongoing consultation between the Joint Administrators and senior management in relation to potential risks and complex situations. 	To comply with statutory requirements, ensure the administration is managed efficiently and effectively and to protect Company assets.	To minimise the risk of potential claims against the estate.

Reports, decision making & remuneration	<ul style="list-style-type: none"> ▪ Preparing statutory receipts and payments accounts, including accounting for large volumes of customer receipts; ▪ Drafting and publishing our First Progress Report, and preparing initial aspects of this progress report; ▪ Preparing electronic voting decision procedures and issuing notices of the same to creditors, including the extension application (pursuant to which creditors approved a 12-month extension of the administration); ▪ Dealing with correspondence specifically relating to decision procedures; ▪ Updating and maintaining a detailed estimated outcome statement, a version of which had been exhibited in the US Court proceedings and UK Court proceedings and circulated to all creditors, which analyses likely outcomes for creditors under various scenarios; ▪ Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; and ▪ Preparing to seek approval of our Revised Fees Estimate which was ultimately circulated on 2 December 2022 and producing the accompanying remuneration report and decision procedure documents; 	To comply with statutory requirements and to ensure creditors and the shareholder are informed of progress of the administration.	No direct financial benefit.
Correspondence & statutory filing	<ul style="list-style-type: none"> ▪ Uploading information to the Portal, including progress updates to creditors; ▪ Drafting the progress updates to creditors via the Portal; ▪ Liaising extensively with the shareholder and its representatives in relation to the progress of the administration, the circumstances surrounding the Escrow Agreement and the ongoing threats of legal action; ▪ Ongoing correspondence with creditors and dealing with creditors' queries; ▪ Continuing to deal with a significant number of customer queries and complaints, including queries from vulnerable customers, and ensuring they are directed to the appropriate customer service team members or third-party organisations; and 	To comply with statutory requirements and to ensure creditors and other stakeholders are informed of progress of the administration.	No direct financial benefit.

	<ul style="list-style-type: none"> Correspondence with the SoLR in relation to the relevant customer queries (i.e. those in credit). 		
Investigations (including handling of Company records)	<ul style="list-style-type: none"> Liaising with Company management with respect to a wind down of the information systems; and Performing backup verifications and installing relevant software. 	To comply with statutory requirements and to preserve certain of the Company's records.	No direct financial benefit at this stage.
Asset realisations	<p><i>Amounts transferred to GEL and SEL</i></p> <ul style="list-style-type: none"> Liaising with the US Court for recovery of the US Funds following the direction granted for their release by the US Court on 3 May 2022; Ongoing engagement at the outset of the period with parties to the Escrow Agreement in relation to ongoing standstill arrangements; Detailed and protracted correspondence with parties prior to, and following the receipt by the escrow agent of claims under the Escrow Agreement; High-level consideration of those claims made under the Escrow Agreement in the context of the Company's records, and discussions with Company staff where relevant in relation to those claims; Review draft legal documentation and other correspondence between the relevant parties in relation to the claims being made under the Escrow Agreement; Further detailed discussions regarding future steps in relation to the Escrow Agreement and specifically the surplus, mindful that under its terms any surplus should be returned to the Company; <p><i>Book Debts</i></p> <ul style="list-style-type: none"> Ongoing management of debt collection strategy, including short weekly calls with BSB re the same; Liaising with Company management (prior to their departure) in relation to queries from BSB or directly from debtors; Dealing with inbound queries from debtors received directly by A&M and referring the same to BSB where appropriate; Discussions with third parties in relation to a potential sale of the Book Debt ledger, including preparation of, and collation of, completed NDAs; 	To realise the value of the Company's business and assets and, in relation to the reconciliation of historic energy usage and post appointment customer credit payments, to mitigate the level of claims into the estate.	Realisation of assets may increase the dividend prospects for creditors.

Asset realisations
continued

- Preparing redacted information packages for potential book debt ledger purchasers to allow formulation of offers;
- Ongoing liaison with GoCardless regarding the agreement for post appointment services; and continuing to monitor the GoCardless platforms against reported collections activity;

Trade deposits and prepayments

- Continuing to pursue recovery of certain trade debtors and other deposits and prepayments, including correspondence with relevant third parties in order to seek recovery of these amounts;
- Liaising with our agents and third parties in relation to potential corrections to historic energy usage, with the potential to realise savings against historic charges;

Final billing process

- Overseeing the Company's staff in relation to delivering the remaining DSA services during the period;
- Regular discussions with the SoLR regarding customer communications and credit balances (which have continued following the departure of all remaining Company staff);
- Dealing with residual queries from the SoLR and managing the information flow, whilst adhering to the secure file transfer protocol;
- Dealing with key suppliers in relation to management and wind down of the Company's operating platform;
- Planning and implementing the wind down of the Company's operating platform and regular calls with remaining Company staff during the process;

Unallocated cash from customers

- Detailed reconciliation of amounts received from customers and other parties to understand which balances relate to the customer credit balances and should be passed to the SoLR (on the basis they are not Company assets);
- Detailed discussions with the SoLR in relation to reconciliation and payment of these amounts; and
- Negotiation and implementation of an agreement with the SoLR to enable transfer of post appointment customer credits payments and necessary data.

Costs of realisation	<ul style="list-style-type: none"> ▪ Liaising with third parties regarding costs incurred, and reviewing and monitoring costs incurred to ensure recorded accurately; ▪ Liaising with legal advisors regarding the various instructions and associated costs; ▪ Liaising with residual suppliers as necessary to settle final costs and withdraw undertakings; and ▪ Attending to supplier queries and correspondence. 	To monitor and, where appropriate, settle costs of third parties who have facilitated the realisation of the Company's assets and mitigation of the administration costs/liabilities	This work will ensure costs are monitored and only incurred and paid where appropriate, which may increase the dividend prospects for creditors.
Tax	<ul style="list-style-type: none"> ▪ Submitting relevant updates to HMRC; ▪ Producing tax returns relating to the periods affected by the administration and dealing with post appointment tax compliance; ▪ Analysing VAT related transactions; and ▪ Ongoing correspondence with HMRC regarding pre appointment tax affairs. 	To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the administration.	To ensure the appropriate tax is paid, and any liabilities or penalties are avoided where applicable.
Cashiering	<ul style="list-style-type: none"> ▪ Preparing large volumes of receipt, payment and journal vouchers in order to maintain our receipts and payments account; ▪ Creating remittances and sending payments to settle post-appointment invoices; ▪ Preparing payment runs (electronic payments, including overseas payments, and cheques) for the dividend to preferential creditors, the First Interim Dividend and the Second Interim Dividend to unsecured creditors; ▪ Preparing payroll payments for retained staff and dealing with salary related queries; ▪ Reviewing and processing residual employee expense requests; ▪ Reconciling post-appointment bank accounts to internal systems; ▪ Developing and monitoring our strategy in relation to fund management and diversification of funds in order to maximise realisations whilst operating within the parameters of our risk management strategy; ▪ Setting up additional administration bank accounts for the purposes of segregation of funds (as part of treasury policies); and ▪ Ensuring compliance with appropriate risk management procedures in respect of receipts and payments. 	To enable us to maintain receipts and payments accounts and to enable reconciliation of asset realisations.	<p>Receipt of bank interest increases asset realisations.</p> <p>Preparing and processing the cash dividends as quickly and efficiently as possible will reduce the amount of statutory interest payable on outstanding unsecured creditor claims.</p>

Employees & pensions	<ul style="list-style-type: none"> ▪ Dealing with queries from employees regarding various matters relating to the administration and their employment; ▪ Issuing termination letters to employees at the appropriate time and dealing with queries in relation to the same; ▪ Holding short exit / handover meetings with outgoing staff; ▪ Making statutory submissions to the relevant government departments; ▪ Administering the Company's payroll, including associated taxation and other deductions and preparing PAYE and NIC returns; ▪ Communicating and corresponding with HMRC; ▪ Managing claims from employees; and ▪ Ensuring security and return of assets held by employees. 	To provide effective and informative communication to employees, and to comply with statutory requirements.	Assistance to employees will enable them to recover the maximum claims in the circumstances.
Claims & distributions	<ul style="list-style-type: none"> ▪ Reviewing and maintaining the record of unsecured creditors; ▪ Reviewing completed proof of debt forms submitted by creditors, recording claim amounts and maintaining claim records; ▪ Reaching out to unsecured creditors to prompt submission of proofs of debt in order to move administration process along more quickly; ▪ Responding to creditors regarding queries about their claims; ▪ Taking detailed steps where necessary to agree all or substantially all the preferential and unsecured creditor claims, including reconciliation and analysis of complex energy volume claims in conjunction with PA Consulting ▪ Corresponding with creditors and raising queries and/or requests for further information during the adjudication; ▪ Liaising with HMRC in relation to the split of its preferential and non-preferential claim amounts; ▪ Declaring and paying a first and final distribution of 100p/£ to preferential creditors; ▪ Calculating, declaring and paying the First Interim Dividend of 71.8p/£ on the agreed claims of unsecured creditors; 	To comply with statutory requirements and to facilitate significant dividends to preferential and unsecured creditors.	Ensuring creditor records are kept up to date, claims are agreed at the correct value and funds are distributed accurately to the relevant creditors (where appropriate).

	<ul style="list-style-type: none"> ▪ Following up with creditors whose claims could not be agreed in full for the purposes of the First Interim Dividend and requesting further information / clarification as appropriate (including issuing requisite notices to these creditors under the Rules); ▪ Calculating, declaring and paying the Second Interim Dividend of 6.4p/£ on the agreed claims of unsecured creditors; ▪ Following up again with creditors whose claims had been received but not agreed following the Second Interim Dividend and issuing further requisite notices under the Rules where required; and ▪ Ongoing maintenance of the list of creditors following the Second Interim Dividend including the receipt of one further claim to date. 	
Remuneration Applications	<ul style="list-style-type: none"> ▪ Reviewing and considering the Remuneration Applications; ▪ Preparing and filing detailed responsive evidence in relation to the Remuneration Applications; ▪ Reviewing all correspondence related to the Remuneration Applications; ▪ Attending calls with CMS and Counsel in relation to the strategy and progress of responding to the Remuneration Applications and the related correspondence; ▪ Preparing for and attending the first directions hearing in the Remuneration Applications on 9 August 2022; ▪ Considering position in relation to security for costs and attending calls/liaising with CMS and Counsel in relation to the same; ▪ Finalising application for security for costs dated 28 October 2022; ▪ Engaging in settlement discussion with SEL (via respective legal teams) in relation to settlement of the security for costs application, resulting in the provision of security with no Court hearing being required; and ▪ Preparing for the second directions hearing in the Remuneration Applications (which was ultimately vacated). 	<p>This is a new workstream arising as a result of the Remuneration Applications made by the shareholder.</p> <p>No direct financial benefit.</p>

Exit routes & closure	<ul style="list-style-type: none"> ▪ Analysis in relation to potential exit routes from administration; and ▪ Planning for potential exit routes in development of administration strategy. 	For the purposes of issuing our Proposals and developing the administration strategy	No direct financial benefit.
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Appendix 5 – Glossary

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
Book Debts	Customer debtors and unbilled energy usage
BSB	Barratt Smith & Brown Limited
CMS	CMS Cameron McKenna Nabarro Olswang LLP
Company	Orbit Energy Limited in administration
Consequential Hearing	The consequential hearing following the Judgment
Court / the Court	High Court of Justice Business and Property Courts of England and Wales
Creditor Updates	Update to creditors on 4 March 2022, 29 April 2022, 11 May 2022, 2 August 2022 and 2 December 2022
CPR	The Civil Procedure Rules 1998
Directors	Avraham Goldin and Michael Stein
DSA	Data Sharing Agreement between the Joint Administrators, the Company and Scottish Power dated 23 December 2021
Escrow Agreement	An escrow agreement dated 29 November 2021
Escrow Surplus Deed	Agreement dated 9 December 2022 between the Company, the Joint Administrators and SEL
First Interim Dividend	Our first interim dividend to unsecured creditors in this case of 71.8p/£, declared on 12 August 2022
First Progress Report	Our first progress report dated 24 June 2022, covering the period 1 December 2021 to 31 May 2022
GDPR	General Data Protection Regulation
GEL	Genie Energy Limited
GoCardless	GoCardless Limited
HMRC	HM Revenue & Customs
Initial Fees Estimate	The initial fees estimate of £4,236,631 circulated to creditors on 2 December 2022
IR 2016	Insolvency (England and Wales) Rules 2016
Joint Administrators/we/our/us	Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin
Judgement	The recent judgment of Mr Justice Zacaroli in respect of potential claims by customers for credit balances
MAPS	MAPS Solutions Europe Limited
Ofgem	Office of Gas and Electricity Markets
PACL	PA Consulting Limited
Proposals	Statement of proposals dated 21 January 2022
PBWT	Patterson Belknap Webb & Tyler LLP
Portal	A secure online insolvency portal
Remuneration Applications	Applications made by SEL on 23 June 2022 and 5 August 2022 in relation to the Joint Administrators' remuneration and expenses (Section 5)
Revised Fees Estimate	Revised fees estimate provided to creditors on 2 December 2022

Revised Fees Estimate Report	Report on our estimate of our initial fees circulated to creditors on 2 December 2022
ScottishPower	ScottishPower Energy Retail Limited
Second Interim Dividend	Our second interim dividend to unsecured creditors in this case of 6.2p/£, declared on 26 October 2022
SEL	Shoreditch Energy Limited
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
SoLR	Supplier of last resort – ScottishPower
Stripe	Stripe Payments Europe Limited
Termination Application	An application made by GEL and SEL on 28 March 2022 to bring the administration to an end
US Court	The US Bankruptcy Court for the Southern District of New York
US Court Order	The order of Judge Wiles in the Chapter 15 proceedings
US Funds	Funds held by the US Court (having previously been held by GEL)
VAT	Value added tax
WBD	Womble Bond Dickinson LLP

Appendix 6 – Notice: About this progress report

This progress report has been prepared by Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin, the Joint Administrators of Orbit Energy Limited ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.