

AM03

Notice of administrator's proposals



Companies House

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refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 0 3 0 0 7 6 7

Company name in full Together Energy (Retail) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Allan

Surname Kelly

3 Administrator's address

Building name/number Suite 5, 2nd Floor

Street Bulman House

Post town Regent Centre

County/Region Newcastle Upon Tyne

Postcode N E 3 3 L S

Country

4 Administrator's name ①

Full forename(s) Anthony

Surname Collier

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Suite 5, 2nd Floor

Street Bulman House

Post town Regent Centre

County/Region Newcastle Upon Tyne


Postcode N E 3 3 L S

Country

② Other administrator

Use this section to tell us about
another administrator.

AM03 Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Qualifying report and administrator's statement ^❶	
	I attach a copy of the qualifying report I attach a statement of disposal	^❶ As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)
8	Sign and date	
Administrator's Signature	Signature  X	X
Signature date	d 2 d 9 m 0 m 3 y 2 y 0 y 2 y 2	

AM03

Notice of Administrator's Proposals



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	Allan Kelly
Company name	FRP Advisory Trading Limited
Address	Suite 5, 2nd Floor
	Bulman House
Post town	Regent Centre
County/Region	Newcastle Upon Tyne
Postcode	N E 3 3 L S
Country	
DX	cp.newcastle@frpadvisory.com
Telephone	0191 605 3737



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 and dated the form.



Important information

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



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



Further information

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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. Attach this to the relevant form. ^①
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**
Please complete in typescript or in bold black capitals.
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

^① 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)	Damian
Surname	Webb

3 Insolvency practitioner's address

Building name/number	25
Street	Farringdon Street
Post town	London
County/Region	
Postcode	E C 4 A 4 A B
Country	

FRP

Together Energy (Retail) Limited (In Administration)
The Administrators' Proposals

29 March 2022

1. Introduction and circumstances giving rise to the appointment of the Administrators



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E.	Details of the financial position of the Company

The following abbreviations are used in this report:

The Administrators	Allan Kelly and Anthony Collier of FRP Advisory Trading Limited and Damian Web of RSM UK restructuring Advisory LLP
BEL	Bristol Energy Ltd
BG	British Gas Trading Ltd
BG TSA	Transitional Services Agreement with British Gas
The Company / TERL	Together Energy (Retail) Limited (In Administration)
Conflicts Administrator	Damian Webb of RSM
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
FRP	FRP Advisory Trading Limited
Group	Together Energy Ltd and its subsidiaries
HMRC	HM Revenue & Customs
Interim TSA	Transitional Services Agreement with TERL
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
Ofgem	Office for Gas and Electricity Markets
QFCH	Qualifying floating charge holder
SIP	Statement of Insolvency Practice
RSM	RSM UK Restructuring Advisory LLP
SoLR	Supplier of Last Resort
TEL	Together Energy Ltd (In Administration)
WBC	Warrington Borough Council

1. Introduction and circumstances giving rise to the appointment of the Administrators



On 4 February 2022, the Company entered administration. Allan Kelly and Anthony Collier of FRP Advisory Trading Limited ("FRP") and Damian Webb of RSM UK Restructuring Advisory LLP ("RSM") were appointed as Joint Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The proposals are deemed delivered the day they are dated.

Certain statutory information about the Company and the administration is provided at **Appendix A**.

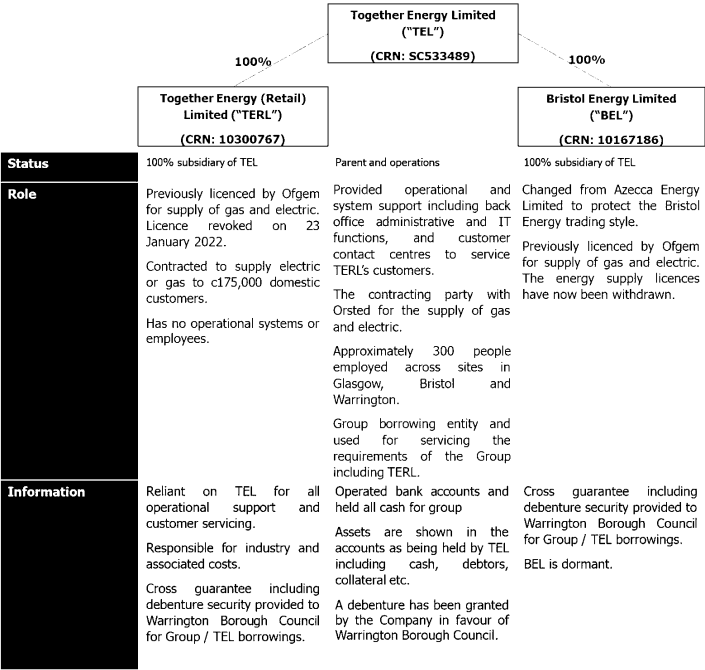
BACKGROUND INFORMATION REGARDING THE COMPANY

The Company was incorporated on 28 July 2016 under company number 10300767, with its registered office at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT. It is a private company limited by shares and is wholly owned by Together Energy Limited (also in Administration), along with Bristol Energy Limited ("BEL") (together known as the "Group").

During 2020, TEL acquired the customer base of BE2020 Limited (formerly known as Bristol Energy), which are contracted by the Company, doubling the size of the operation. The Company thereafter had approximately 175,000 customers across approximately 300,000 meter points.

TEL is the primary operating entity. It employs all staff, provides the operational services to trade including finance, IT and billing services, customer management, and is the contracting party for the wholesale gas and electric supply. The Company is the energy supply licence holder and contracts with the customers and industry suppliers. BEL is dormant.

STRUCTURE & OPERATIONS SUMMARY



1. Introduction and circumstances giving rise to the appointment of the Administrators

FRP

From 2019, the Group had primarily been funded by facilities (including a revolving credit facility) totalling £20.25m, at the date of the Administrators' appointment of which £18.8m was drawn, and preference share investment of £18m.

In addition, WBC provided a guarantee of 80% of the Company's outstanding energy liabilities to Orsted A/S ("Orsted"), the wholesale supplier of gas and electricity to the Company, estimated at circa £29m. This investment was used to fund trading across all entities, acquisitions including the Bristol Energy customer base, and any net working capital requirements.

The Group became profitable at an EBITDA level (£1.56m) during the year ended 31 October 2020 and management accounts indicate it continued to generate a positive EBITDA until February 2021.

Wholesale gas prices began to increase from Q1 2021 against historic norms. The Group had throughout its trading sought to reduce wholesale price fluctuation exposure by purchasing forward power contracts (alternatively known as hedges) for customers who had taken longer term "fixed" price deals. However, the Group continued to carry potential market exposure for customers on the standard variable tariff and/or coming off fixed price deals. Whilst this strategy provided some mitigation to the increasing wholesale pricing, the price increases were so significant that even with this hedging strategy in place, significant losses were incurred given the limited ability to increase end customer pricing due to the regulatory market price cap.

WBC had previously indicated a willingness to increase their investment, however, given the continuing and increasing volatility in wholesale power prices from September 2021, WBC decided they were unable to offer the further funding required due to the risk profile of any further investment. TEL subsequently approached its bankers who were also unable to offer any facilities.

Over this period, Orsted requested an increase in its guarantee from WBC.

On 21 November 2021 the Group engaged Alvarez & Marsal LLP to obtain either new investment or a sale of the Group as a whole. Interest was shown in the process by more than 10 parties, comprising both industry players, new market entrants, and investment funds.

At this time the Group was forecasting losses for year ending 31 October 2022 of £43m with a working capital requirement of £55m.

Whilst interest was forthcoming, interested parties withdrew following further spikes in the wholesale gas price, which peaked during late December 2021 at over 450p per therm. This spike saw forecast losses increase to £181m and the working capital requirement increasing to £115m.

Whilst the wholesale pricing softened following Christmas 2021, the Group continued to forecast losses and working capital requirements in excess of the initial working capital requirement (£55m).

On 29 December 2021, the Group again approached WBC regarding funding, who reconfirmed they were still unable to provide further support at the levels required against the uncertain market backdrop.

EVENTS LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

Following this, TEL confirmed that it was unable to provide any further financial support to the Company. The Company was incurring ongoing cost relating to wholesale gas (through TEL) and electric supply along with other costs, and also had an outstanding Renewables Obligations liability of c£12m due. After taking appropriate legal advice, the board concluded that the Company was unable to continue to trade and was insolvent. The Director concluded that there was no reasonable alternative other than to initiate the Supplier of Last Resort process followed by an administration.

The SoLR process resulted in Ofgem obtaining a court order confirming the Company's insolvent financial position and that the supply licences could be revoked. TERL's

1. Introduction and circumstances giving rise to the appointment of the Administrators

FRP

licence to supply energy was withdrawn and the transfer of TERL's customers to British Gas occurred on 23 January 2022.

Appointment of the Administrators

The directors of the Company formally sought advice from FRP on 20 December 2021 and FRP's letter of engagement was signed on 22 December 2021.

At this stage, FRP's primary duty of care was to the Company which would include consideration of the directors' fiduciary duties to act in the overall best interest of the Company and its creditors. Until the appointment of Administrators, the directors continued to be responsible for the Company and its affairs. Neither FRP, nor its insolvency practitioners advised the directors personally, or any parties interested in purchasing the business and assets of the Company.

Prior to our appointment as Joint Administrators, we are required to consider any ethical and conflict issues in relation to the appointment and provided we are satisfied that there are no matters arising that would preclude us consenting to act we must provide a statutory statement and consent to act in which any prior relationship between the proposed Administrators and the Company is summarised, this statement is subsequently filed in Court. Following our appointment as Joint Administrators, our duty of care is to all the Company creditors as officers of the Court and agents of the Company, managing the affairs, business and property of the Company.

During the course of discussions and the Ofgem Supply Licence Revocation process, it was identified that the ownership of certain assets could not easily be determined and there could be competing claims by both the Company and TEL.

The interdependency between the Company and TEL indicated that the appointment of common Administrators across both companies was in the best interests of creditors through:

- having an overall oversight of the companies and information;

- having an oversight of their operations and interactions;
- avoids duplication of work across each company; and
- therefore should maximise recoveries for creditors.

Given Mr Kelly and other partners from FRP were also to be appointed Joint Administrators of TEL, we determined that it was appropriate for an Administrator acting for the Company to be independent of FRP.

A proposed independent Administrator, Damian Webb of RSM, was therefore instructed by the Company to represent the interests of the Company and its creditors across any potential areas of conflict including asset ownership determination, assessment of any inter-company liabilities and the provision of services by TEL in dealing with the customers of the Company. For any conflict matters, Mr Webb is obtaining independent legal advice from Taylor Wessing LLP, as applicable. Further details are provided under "Conflicts Administrator".

On 31 January 2022, the director filed a notice of intention to appoint Administrators. On 1 February 2022, WBC provided their consent to the appointment of Administrators. On 4 February 2022, the director filed a notice of appointment of Administrators and Allan Kelly and Anthony Collier of FRP and Damian Webb of RSM were appointed as Joint Administrators on the same date.

In order that the proposed Administrators and the Company had assurances regarding the Company's ability to continue operating without interruption following the appointment of Administrators, an interim transitional services agreement ("Interim TSA") between the Company and TEL was negotiated and agreed immediately prior to appointment. Further details of the Interim TSA are provided below.

2. Conduct of the administration

THE OBJECTIVE OF THE ADMINISTRATION

The Administrators think that objective (a) of the administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, will not be achieved as the Company's licence to supply energy was revoked by Ofgem and British Gas were appointed as the new supplier by Ofgem meaning that the Company has no business to continue trading.

As such, it is envisaged that objective (b) will be achieved, a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in administration).

To achieve objective (b), the Administrators have entered in the Interim TSA which provides that TEL will retain certain employees, systems and infrastructure to finalise customer accounts to implement a managed wind down. This enables the continued servicing of queries through customer service teams which mitigates customer disputes, enables ongoing collection of outstanding accounts through direct debit and via the retained in-house debt collection teams, and should therefore enhance customer debt recoveries which would not have been possible in a liquidation.

THE ADMINISTRATORS' ACTIONS TO DATE

Details of work already undertaken since appointment or anticipated will be undertaken is set out in the schedule of work attached at **Appendix C**.

A summary of the work performed to date includes:

- Negotiating the Interim TSA with the administrators of TEL regarding the final billing exercise, processing of data and delivery of data to British Gas along with other matters.
- Working with TEL's Administrators to negotiate a Transitional Services Agreement ("BG TSA") with British Gas for the continued supply of services and data to

ensure an orderly transfer of customer information including credit balances. This agreement is expected to be signed imminently.

- Receipt and banking of Purpose Trust monies which were provided by TEL to the Company to cover costs of the Administration in the event there are insufficient asset realisations.
- The Conflicts Administrators has met and continued dialogue with TEL's Administrators regarding the approach to determine the ownership of the customer debtors, cash in transit, cash in bank and other assets, and to determine the responsibility of certain liabilities
- Ongoing communication and dealing with directly received customer queries.

Strategy

It was not possible to continue to trade the Company following our appointment as the energy supply licences have been revoked and the customer base had transferred to British Gas for continued supply.

However, to finalise the customer accounts, establish the debtor position, and enable an orderly transfer of the customers to the SOLR, we have entered into an agreement with TEL to operate the customer services functions and wind down these operations over a 12 – 20 week period. The Company provides full operational support to TEL and TEL would be unable to fulfil its obligations without an agreement. Further details are provided below.

Asset Ownership

The Group accounted on a group wide basis incorporating TEL and the Company. At the year end, the Group undertook a deconsolidation exercise and reallocated certain costs to the Company which were discharged through an intercompany "management charge" invoiced to TEL.

2. Conduct of the administration

FRP

The assets of the Group are therefore shown within statutory and management accounts as belonging to the TEL.

We have been advised by management that there was no contractual or other agreement regarding the trading relationship. The accounting treatment along with the asset and liability allocation is being investigated by the Administrators of TEL and the Company.

Mr Webb, the conflicts Administrator of the Company, has met with the Administrators of TEL and have agreed an outline approach to progress the asset determination. We will provide further information in our next report to creditors

Agents

We have engaged the following firms to provide professional or specialist advice to the Administrators:

- Womble Bond Dickinson LLP ("Womble") have been engaged to provide legal advice across a number of areas including asset ownership determination, drafting of the BG and Interim TSA's, and GDPR or DSAR advice, where applicable. Womble have significant experience in insolvency matters and energy specific insolvency engagements. Fees have been agreed on a time cost basis subject to administrator review and approval.
- Taylor Wessing LLP ("Taylor Wessing") have been engaged to provide legal advice across a number of areas to Mr Webb in dealing with his duties including drafting the purpose trust deed, reviewing the BG and Interim TSA's and advising on the asset determination. Fees have been agreed on a time cost basis subject to administrator review and approval.
- Deloitte LLP ("Deloitte") have been engaged to review and advise on the pre and post appointment tax matters including Corporation Tax, VAT and employment. Fees have been agreed on a time cost basis subject to administrator review and approval.

Continuing Operations – Wind Down

Transitional Service Agreement with the Administrators of TEL

As noted above, TEL provided operational support to the Company which is unable to service the customers without the continuation of this operational support from TEL.

The Interim TSA provides comfort for the Company and its creditors that if it is determined the debtors and/or other assets are ultimately owned by the Company, TEL will continue to provide the services required to facilitate calculation and collection of debtors which the Company could not have undertaken on its own. The Company will pay the costs of trading to TEL, including associated Administrator costs, from asset recoveries in these circumstances.

If it is determined that the debtors vest in the Company, the Company will also pay TEL a fee of 12% of debtor recoveries, in recognition of TEL assuming the risks of continued trading.

If the Company has no ongoing interest in the debtors i.e. the debtors vest in TEL, the Company will have no obligation for the costs of TEL or debtor collection fee.

The Interim TSA was agreed prior to appointment and executed upon appointment in order to ensure that TEL continued to operate and the services could continue without interruption.

Mr Webb, TERL's conflicts Administrator, reviewed and negotiated terms on behalf of the Company with independent legal advice provided by Taylor Wessing LLP.

Transitional Service Agreement with British Gas

In the period leading up to the appointment of the administrators, the proposed administrators opened dialogue with British Gas regarding their requirements as the SoLR and an appropriate contribution towards the costs of the same.

2. Conduct of the administration

An agreement has been reached with British Gas which will contribute towards the costs of TEL's continuing operations over a 12-week period based upon a contribution per customer. The BG TSA is currently in the final stages of legal agreement and is expected to be signed imminently.

The key terms of the BG TSA include:

- reconciliation and processing of customer credit balances following receipt of final meter reads;
- dealing with customer queries regarding customer credit balances;
- the provision of submitted final meter readings across transferred customers;
- migration of direct debit mandates; and
- Assistance with verification of entitlement to Warm Home Discount ("WHD") for outstanding applications to TERL.

This agreement with British Gas provides a substantial contribution to the costs of the continuing operations and thereby reduces the cost to the Company and/or TERL increasing the net creditor recovery.

Final Billing Process

There were approximately 175,000 domestic live customer accounts at the date of our appointment split across the Together Energy and Bristol Energy brands.

Following appointment, the Company implemented a communication strategy and upgraded its website to collect final meter readings and deal with ongoing customer account enquiries. The Company's customer service staff were retained to meet this demand.

The primary billing software systems and other interfaces required a number of upgrades and/or fixes to enable the wholesale finalisation of customer accounts and to recognise the SoLR process.

The issuance of the final bills was therefore delayed until these upgrades and fixes could be implemented by the third-party providers.

The Bristol Energy customers final accounts were made available from week commencing 7 March 2022 and Together Energy customers from week commencing 14 March 2022. Following the issuance of the Together Energy accounts, it was identified that part of a fix had failed which affected approximately 200 customers, albeit this was resolved within 72 hours.

There remains c49,000 accounts which have not been finalised following their failure to meet billing tolerances put in place to mitigate incorrect billing. These accounts continue to be reviewed and assessed before being released to the customers.

Conflicts Administrator

As noted above, Damian Webb has been appointed as Conflicts Administrator to deal with any matters in which there may be a conflict of interests between the Company and TEL or its administrators.

At present it is primarily anticipated that the Conflicts Administrator will act on behalf of the Company in relation to the Interim TSA, determining the allocation of the assets, and agreement of any inter-company balances that may be due between the Company and TEL.

It may be that it is necessary for the Conflicts Administrator to deal with additional matters not currently foreseen.

ASSETS

Customer Debtors

As the final billing exercise by TEL is ongoing and payments are being reconciled to accounts, we are currently unable to provide an accurate assessment of the final debtor value however it is estimated to be in the region of £40m. We will provide details in future reports.

2. Conduct of the administration

FRP

There remains a further debtor amount of c£13.5m relating to former customer debt which is being pursued by the Company's in-house revenue assurance team alongside Company appointed external debt collection agencies. Legal action with these debt collection agencies has been put on hold whilst the accounts are reviewed prior to commencing formal legal collection action.

The direct debit system and merchant facilities have been retained to continue to collect accounts where an outstanding debt appears. Further details are provided below.

TEL has received £193k of debtor receipts directly into TEL's Administrators' bank account.

We are liaising with TEL's administrators to assess whether there is a benefit in undertaking a sale of the debtor book as a whole against continuing to collect out through the internal team and/or debt collection agencies.

The debtors are accounted for as an asset of TEL but customer contracts are with the Company. The Company may therefore have an interest in the debtors. We are taking legal advice on the Company's entitlement to ownership of the debtors.

Funds held by GoCardless

GoCardless is the Group's direct debit processor. The overriding agreement with GoCardless is with TEL however both the Company and BEL operate under affiliate agreements on the same account.

GoCardless currently holds approximately £27m from customer direct debits drawn subsequent to the 23 January 2022, the date of the SoLR.

Whilst this balance includes payments against outstanding customer debtor accounts, a proportion of the funds will relate to direct debits drawn after the Administrators' appointment which have created or increased credit balances. These credit balances

will be transferred to British Gas, following the completion of the BG TSA, who will discharge the repayment obligation alongside any pre-appointment credit balances.

The post Administration credit balance amount is not yet known but will be confirmed following completion of the final billing and reconciliation exercise.

Funds held by GoCardless relate directly to customer debt payments. We are taking legal advice on the Company's entitlement to ownership of the GoCardless funds.

Cash at Bank

TEL operated several bank accounts and the sum of £13.7m was to its Administrators on appointment.

A further balance of approximately £1.2m is held by TEL's bankers and has been requested by TEL's administrators.

We are taking legal advice on the Company's entitlement to the cash at bank.

Collateral

The books and records of TEL indicate that collateral deposits totalling c£1.4m are held by five suppliers. This is being investigated as a number of the suppliers appeared to be contracted with the Company, albeit any collateral may have been paid by TEL.

We understand that the majority of these suppliers have outstanding liabilities and that the collateral monies may be set off against outstanding balances which would reduce any funds, if valid. The administrators of TEL are waiting for information from the suppliers and will provide us with copies in due course.

Purpose Trust Monies

As noted above, there is a material uncertainty regarding the ownership of certain assets and the Company's most recent accounts indicated that it held no assets.

2. Conduct of the administration

As the Company was reliant on TEL for funding, following independent legal advice, the director of the Company requested funding from TEL to enable it to undertake the SoLR process and subsequent Administration.

As it was essential for the Company to progress the SoLR to stop any further liabilities being incurred including ongoing gas supply obligations which TEL were liable for, TEL's board agreed to provide funding.

£250k was placed with solicitors against a "purpose trust" which provides that the Company can only use these monies to pay for the costs of its Administration in the event insufficient realisations are made to discharge the same. If the Company generates sufficient realisations, these monies will be returned to TEL.

The funds have been transferred by the solicitors to Mr Webb who is holding in a separate designated Administration account.

Intercompany Account

The statutory accounts for the year ended October 2020 indicate an intercompany debtor due from TEL of £11.7m.

The intercompany position is subject to review. Depending on the final determination of the asset and liabilities, the Company may have an intercompany claim from TEL, or vice versa.

LIABILITIES

Further details on liabilities are provided at Section 4 of this report.

OTHER MATTERS

Connected Party Transactions

There has been no sale to date of these proposals of any Company asset to a connected party. We do not anticipate any future sale of a substantial part of the Company's assets to any connected party.

Receipts and Payments Account

A copy of the Administrators' receipts and payment account to date is attached as **Appendix B**.

The director's Statement of Affairs

The directors of the Company have been asked to submit a Statement of Affairs under Paragraph 47 of Schedule B1 of the Insolvency Act 1986 and this is awaited. We have agreed that the Directors can delay delivery of the Statement of Affairs until the allocation of Company assets has been determined. Details of the financial position of the Company at the latest practical date, prepared from information available to the Administrators and including a list of creditors' names and addresses is provided at **Appendix F**. As and when the directors' Statement of Affairs is received it will be filed with the Registrar of Companies.

Matters requiring investigation

We are required as part of our duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted, and are required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Energy and Industrial Strategy on the conduct of the director. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact us as soon as possible.

2. Conduct of the administration

Administrators' future work

Following approval of the Administrators proposals the Administrators will continue to conduct the Administration to achieve the purpose of the administration. Key matters to be undertaken include:

- Finalise the BG TSA with TEL', perform the services thereunder and continue to liaise with British Gas to transfer information relating to credit balances and customers transferred under Ofgem's SoLR process;
- Continue to review the services provided under Interim TSA, liaise with TERL's administrators regarding information thereunder;
- Liaise with TEL regarding finalisation of customer account reconciliations;
- Progress and conclude the determination of asset allocation and liability responsibility including calculating any potential intercompany claim;
- Subject to the above point, recover monies owed to the Company by debtors;
- Realise the Company's remaining assets (if any);
- Investigate and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company;
- Liaise with Deloitte to calculate and finalise the VAT and other tax liabilities for the Administration period including the Group VAT registration and returns, the tax point for debtor realisations (and as such classification of output VAT); and any Corporation Tax liability including the tax effects of the forward power (hedge) liquidation;
- Distribute realisations to the secured and preferential creditors, where applicable;

- Seek an extension of the administration if needed;
- Agree the claims of the unsecured creditors and distribute the Prescribed Part, if applicable;
- Place the Company into Liquidation, if applicable;
- Ensure all statutory and compliance matters are attended to; and
- Pay all administration expenses and bring the administration to an end when deemed appropriate by the Administrators.

The end of the administration

The administration will end automatically after 12 months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to 12 months or longer by application to the Court as required.

If the Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an

2. Conduct of the administration

order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

If the Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed supervisors are to be the Administrators or any successor office holder(s). Creditors may nominate different supervisors when considering whether to approve the CVA proposals.

In this administration, it is proposed that the Administrators will take the necessary steps to move the Company into a CVL to enable a distribution to the ordinary unsecured creditors, however, this is dependent upon level of realisations from the debtor ledger.

Decision of creditors by correspondence

The Administrators are required to seek a decision from the Company's creditors under Paragraph 51 of Schedule B1 to the Insolvency Act 1986 on the following matters:

- Approval of the Administrators' proposals, with or without modifications; and
- The appointment of a creditors' committee.

The decision is being sought by means of voting by correspondence, in accordance with the Insolvency Rules.

If, as a result of the vote, a creditors' committee is appointed, the following will require the determination of the creditors' committee:

- The basis of the Administrators' remuneration;
- Approval of the payment of the Administrators' disbursements for mileage costs;
- Approval of the Administrators' pre-appointment costs being met as an expense of the administration

If a creditors' committee is not appointed (which requires 50% of the creditors voting by value to vote in favour of it together with the nomination of at least 3 members entitled to sit on the committee) the above will be determined by the creditors.

To vote by correspondence creditors must have lodged a completed Proof of Debt form, which is considered by the Administrators and accepted for voting purposes, either in whole or in part, and return with the completed voting form by the decision date shown on that form. Creditors whose claims are wholly secured are not entitled to vote. A decision is made if, at the decision date, a majority in value of those who have responded have voted in favour. However, a decision is not made if those voting against it include more than half in value of creditors to whom notice of the vote by correspondence was sent and who are not connected with the Company. Notice of the decision will be sent to creditors after the decision date.

The Administrators must, however, summon a physical meeting if requested to do so by the required minimum number of creditors. The required minimum number is any one of the following:

- 10% in value of the creditors
- 10% in number of the creditors
- 10 creditors

The request must be made in writing within 5 business days of the date on which the

2. Conduct of the administration

FRP

notice of decision by correspondence is delivered, in accordance with the Insolvency Rules.

3. The Administrators' remuneration, expenses and pre-appointment costs

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Administrators' remuneration

A schedule of the work to be undertaken during the administration is set out at **Appendix C** together with an estimated outcome statement which includes an estimate of the expenses likely to be incurred by the Administrators. Assumptions made in preparing the summary of work and are set out in the schedule of work.

The Administrators' remuneration will be drawn from the Company's assets and it is proposed that it will be charged by reference to the time incurred in attending to matters arising. Further details of how this will be calculated is set out below. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case.

The Administrators' fees for dealing with any assets subject to a fixed charge will be agreed with WBC.

Should the Company subsequently be placed into liquidation and the Administrators appointed as Liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the basis of the Liquidators' remuneration, in accordance with the Insolvency Rules. The Liquidators' will seek further creditor approval for the quantum of fees to be drawn in the liquidation where necessary.

Whichever fee basis is approved by creditors and utilised to calculate the level of remuneration that can be drawn by the Administrator this will include all direct costs of providing professional services by the Administrator and his/her staff in dealing with Together Energy (Retail) Limited (In Administration), but will exclude any expenses that may be paid to an associate or which have an element of shared costs (known as category 2 expenses), which require separate approval from creditors before they can be paid.

Where payments are to be made to associates of the office holder or their firm, creditors' approval to such payments must be received prior to payment being

remitted. I can confirm no payments are being made to associates of the office holder or their firm.

Where there is an element of costs being shared between this insolvency estate and other parties, and determination of how those costs are to be allocated is being decided by the office holder, creditors' approval to such payments must be received prior to payment being remitted. There are no such payments anticipated in this matter.

The administrators are not yet seeking approval of the basis of their remuneration due to material uncertainties in the work required due to the uncertainty around asset allocation noted elsewhere in this report. At the appropriate time the Administrators will seek authority from relevant creditors.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at **Appendix C**.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

Pre-administration costs charged or incurred by the Administrators

The Company resolved to pay FRP and RSM on the basis of time costs plus VAT for assisting with the placing of the Company into administration.

Attached at **Appendix D** is a statement of pre-administration costs charged or incurred by the Administrators of which £132,399 had not been paid when the Company entered administration.

3. The Administrators' remuneration, expenses and pre-appointment costs

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I am seeking to obtain approval from creditors for the payment of this amount and a stand-alone separate resolution is included on the proxy form attached.

Creditors' ability to challenge the Administrators' remuneration and expenses

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <https://creditors.frpadvisor.com/info.aspx> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors

Estimated Outcome Statement

We attach at **Appendix C** an estimated outcome statement which has been prepared from the information provided by the directors, advice received in connection with the value of the Company's assets, estimated sums due to creditors and an estimate of our remuneration and other expenses that may be incurred during the course of this administration. The assumptions made in preparing the estimated outcome statement details are set out in the schedule of work.

Based on the information available to date and the assumptions made I set out below the anticipated the outcome for creditors:

Outcome for Secured Creditor

Warrington Borough Council has the benefit of a debenture incorporating fixed and floating charges created on 30 October 2020 and registered on 30 October 2020.

The debenture was obtained in support of a cross guarantee for monies loaned to TEL. On the administrators appointment, WBC was owed c£18.8m relating to the provision of loans and a revolving credit facility to TEL plus accrued interest and other costs. WBC also had exposure under a guarantee to Orsted estimated at £29m.

Womble Bond Dickinson has performed a security review. The debenture has been properly executed and the charge is valid.

There are no known fixed charge assets and there will be no distributions to WBC under.

Our present understanding is that should ownership of any asset be determined in favour of the Company, recoveries thereunder would be caught under floating charge security.

Womble Bond Dickinson have advised that WBC's floating charge will be voidable within the provisions of section 245 of the Insolvency Act. The floating charge therefore cannot be enforced.

Whilst WBC may be able to participate for any outstanding balance as an unsecured creditor under the guarantee provided by the Company, it is envisaged that they will receive full recovery of their indebtedness in TEL and no call on its guarantee.

Outcome for Preferential Creditors

There are no known preferential creditors as the Company.

Outcome for Secondary Preferential Creditors

From 1 December 2020 HMRC ranks as a secondary preferential creditor in respect of the following:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme deductions; and
- Employees' NI contributions

The Company's records indicate no liability in respect of VAT. However, the Company is in a VAT group with TEL. The final VAT position is being reviewed and reconciled. Returns have not yet been submitted and it is not known whether any liability will exist. Such liability may be dependent on the final asset determination.

There are no other known liabilities that would rank as a secondary preferential claim.

The outcome for secondary preferential creditors is uncertain and subject to determination of the asset allocation documented elsewhere in these proposals.

Outcome for Unsecured Creditors

The outcome for unsecured creditors is uncertain and subject to determination of the asset allocation noted previously.

It should be noted that customers with credit balances are noted as being owed c£25m. This is an estimate and will be clarified following completion of the customer billing exercise. British Gas will assume responsibility for the credit balances as part

4. Estimated outcome for the creditors

FRP

of Ofgem's SoLR process. There are court proceedings underway with other Administration estates that seek to clarify whether it is possible for the SoLR to prove a subrogated claim in the insolvency estate in respect of these credit balances.

It should be noted that Ofgem are shown as having a claim in respect of Renewables Obligations in the sum of c£12m. The court proceedings referred to above are also seeking to establish if it is possible for Ofgem to prove their claim in the insolvency estate.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

A prescribed part is not appropriate because, as noted above, the Administrators are advised based on current information that the floating charge is voidable.

Appendix A

Statutory information about the Company and the administration



COMPANY INFORMATION:

Other trading names:	Together Energy & Bristol Energy
Date of incorporation:	28 July 2016
Company number:	10300767
Registered office:	C/O Suite 5 Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Previous registered office:	3rd Floor 1 Ashley Road Altrincham WA14 2DT
Business address:	3rd Floor 1 Ashley Road Altrincham WA14 2DT
Directors:	Paul Richards
Company secretary:	None

The Company is a wholly owned subsidiary of Together Energy Limited.

Mr Richards is also a director and shareholder of Together Energy Limited.

Mr Richards does not have a direct shareholding in the Company.

ADMINISTRATION DETAILS:

Names of Administrators:	Allan Kelly, Anthony Collier and Damian Webb
Address of Administrators:	Allan Kelly and Anthony Collier: FRP Advisory Trading Limited Suite 5, 2nd Floor, Bulman House, Regent Centre, Newcastle Upon Tyne , NE3 3LS Damian Webb: RSM Restructuring Advisory 25 Farringdon Street London EC4A 4AB
Date of appointment of Administrators:	4 February 2022
Court in which administration proceedings were brought:	In The High Court of Justice Business And Property Courts in Leeds
Court reference number:	CR2022LDS000054
Date of notice of intention to appoint Administrators presented to Court:	04 February 2022

Appendix A

Statutory information about the Company and the administration

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Consent to the notice to appoint an Administrator provided by the qualifying charge holder as follows:

Holder of Qualifying Floating Charge	Date of consent
Warrington Borough Council	1 February 2022

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The directors have confirmed the Company's centre of main interest has been in the UK and accordingly the proceedings will be COMI proceedings as defined in the Insolvency Rules.

Extracts from the financial statements available are summarised opposite:

Period Ended	31/10/2020 £'000	31/10/2019 £'000	31/08/2018 £'000
Turnover	46,392	43,936	13,871
Gross Profit	4,301	3,865	6
Net Profit / (Loss)	-	-	-
Dividend Paid	-	-	-
P&L a/c c/fwd	-	-	-
Fixed Assets	71	81	94
Current Assets	11,695	7,900	4,924
Current Liabilities	(11,765)	(7,981)	(5,017)
Long Term Liabilities	-	-	-
Net Assets / (Liabilities)	1	1	1

No split or deconsolidation of the Group management accounts for the year ended October 2021 has been undertaken.

Appendix B

Administrators' Receipts & Payments Account

FRP

**Together Energy (Retail) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 04/02/2022 To 28/03/2022 £	From 04/02/2022 To 28/03/2022 £
(18,800,000.00)	SECURED CREDITORS Warrington Borough Council	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
Uncertain	Book Debts	NIL	NIL
Uncertain	Collateral	NIL	NIL
		NIL	NIL
(25,000,000.00)	UNSECURED CREDITORS		
(16,177,197.90)	Consumer Credit Balances	NIL	NIL
	Unsecured Creditors	NIL	NIL
		NIL	NIL
(1.00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,977,198.90)		NIL	NIL
	REPRESENTED BY		
			NIL

Appendix C

The Administrators' remuneration, expenses and costs information

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Together Energy (Retail) Limited
(In Administration)
Joint Administrators' Estimated Outcome Statement
To 29/03/2022

Statement of Affairs £		Realised / Paid	Projected	Total £
	SECURED CREDITORS			
(18,800,000.00)	Warrington Borough Council	NIL	18,800,000.00	18,800,000.00
		NIL	(18,800,000.00)	(18,800,000.00)
	ASSET REALISATIONS			
Uncertain	Book Debts	NIL	NIL	NIL
Uncertain	Collateral	NIL	NIL	NIL
Uncertain	Cash at Bank	NIL	NIL	NIL
Uncertain	Funds held by Direct Debit Provider	NIL	NIL	NIL
		NIL	NIL	NIL
	COST OF REALISATIONS			
	Bordereau	NIL	(1,500.00)	(1,500.00)
	Administrators Pre Appointment Fees	NIL	(89,423.00)	(89,423.00)
	Administrators' Remuneration	NIL	(750,000.00)	(750,000.00)
	Legal Fees (1)	NIL	(150,000.00)	(150,000.00)
	Legal fees - Pre-Administration	NIL	(42,976.00)	(42,976.00)
	Statutory Advertising	NIL	(250.00)	(250.00)
		NIL	(1,034,149.00)	(1,034,149.00)
	UNSECURED CREDITORS			
(16,177,197.90)	Unsecured Creditors	NIL	16,177,197.90	16,177,197.90
(25,000,000.00)	Consumer Credit Balances	NIL	25,000,000.00	25,000,000.00
		NIL	(41,177,197.90)	(41,177,197.90)
	DISTRIBUTIONS			
(1.00)	Ordinary Shareholders	NIL	1.00	1.00
		NIL	(1.00)	(1.00)
<u>(59,977,198.90)</u>	(Shortfall) / Surplus to Creditors	<u>NIL</u>	<u>(61,011,347.90)</u>	<u>(61,011,347.90)</u>
	REPRESENTED BY			
		<u>NIL</u>	<u>NIL</u>	<u>NIL</u>

Allan Kelly
Joint Administrator

Appendix C

The Administrators' remuneration, expenses and costs information

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The following should be noted when reviewing the Estimated Outcome Statement included:

- 1) Any recovery against debtors, cash at (TEL's) bank, and GoCardless funds are shown as NIL as there is no certainty that TERL will have any entitlement to ownership. This is subject to determination with the administrators of TEL. Any recovery hereunder will materially influence the outcome for creditors.
- 2) Any recovery against collateral is shown as NIL as there is no certainty that TERL will have any entitlement to ownership. Additionally, suppliers may have claims for set off against any outstanding balance. .
- 3) The purpose trust monies are not an asset of the Company and will be made available to pay the Administration in the event insufficient realisations are made to discharge the same.
- 4) The Administrators are not seeking approval of their remuneration at this time pending further information becoming available regarding the ownership of assets, which will allow an accurate estimate of the work to be completed to be produced and provided.

Appendix C



The Administrators' remuneration, expenses and costs information

The table below sets out a detailed summary of the work undertaken by the office holders to date, and details the work anticipated to be undertaken by the office holders throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below.

Where work undertaken results in this realisation of funds (e.g. from the sale of assets/enhanced recoveries/recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken
	General Matters	
	<ul style="list-style-type: none"> Regularly reviewed the conduct of the case and the case strategy and updating as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management. Dealt with all routine correspondence and emails relating to the case. Overseeing and controlling the work done on the case, by case administrators. Obtaining a statutory specific penalty bond. Completion of regular reconciliations of the case bank accounts. <p>This work does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</p>	<ul style="list-style-type: none"> Regularly reviewing the conduct of the case and the case strategy and updating as required by the regulator to ensure all statutory matters are attended to and to ensure the case is progressing. Reviewing the adequacy of the specific penalty bond on a quarterly basis. Dealing with all routine correspondence and emails relating to the case. Maintaining and managing the office holders' estate bank accounts. Undertaking regular bank reconciliations of the bank accounts containing estate funds. Undertaking periodic reviews of the progress of the case.

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The Administrators' remuneration, expenses and costs information

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		<ul style="list-style-type: none"> • Overseeing and controlling the work done on the case, by case administrators. • Preparing and issuing progress reports to creditors and members (as applicable). • Filing final returns at Companies House and /or the Court (as applicable).
	Regulatory Requirements	
	<ul style="list-style-type: none"> • Completion of money laundering risk assessment procedures and Know your client checks in accordance with the Money Laundering Regulations. • We have considered if there are any other case specific matters to be aware of prior to or on appointment, for example health and safety; environmental concerns; particular licences or registrations; tax position profile of the client or its stakeholders. As the Company had no operational trade no health and safety issues were identified. There were no environmental concerns. • Liaised with and provided updates to Ofgem in relation to progress of the SoLR procedure. • Regular review and update of conduct of the case and strategy. • Continued liaising with Ofgem regarding their interest in the matter, in particular progress and completion of the SoLR process. <p>This work does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</p>	<ul style="list-style-type: none"> • Ongoing liaison with third parties that may be required. • Maintaining and managing the office holders' estate bank account. • Maintain and manage the Purpose Trust account. • Undertaking regular bank reconciliations of the bank account containing estate funds. • Preparing and issuing progress reports to creditors and members (as applicable). • Filing final returns at Companies House and /or Court (as applicable).

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The Administrators' remuneration, expenses and costs information

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	Ethical Requirements <ul style="list-style-type: none"> Prior to the Joint Administrator's appointment, a review of ethical issues was undertaken, and no ethical threats were identified. Further ethical reviews are carried out periodically and no threats have been identified in respect of the management of the insolvency appointment over the period of this report. 	<ul style="list-style-type: none"> Ongoing review of ethical issues to ensure that no conflicts have been identified or arisen over the course of the appointment.
	Case Management Requirements <ul style="list-style-type: none"> Monitoring and documenting case strategy. Maintained the office holder's estate bank account. Maintained the office holder's cashbook. Reviewed specific penalty bond <p>This work does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</p>	<ul style="list-style-type: none"> Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management. Maintaining the office holder's estate bank account. Maintaining the office holder's cashbook. Undertaking regular bank reconciliations of the bank account containing estate funds.
2	ASSET REALISATION Work undertaken during the reporting period	ASSET REALISATION Future work to be undertaken
	<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>The Company was a domestic energy supplier with over 175,000 customers and it ceased trading on 23 January 2022. Restarting trade was not possible due to:</p> <ul style="list-style-type: none"> Supply licenses being revoked by Ofgem; 	<p><i>Debtors, GoCardless Funds, Cash at Bank, Collateral and other assets</i></p> <ul style="list-style-type: none"> We will continue to liaise and discuss the position with the administrators of TEL. Mr Webb will review and assess any assertion of claim, documentation or proposals from the administrators of TEL to

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The Administrators' remuneration, expenses and costs information

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	<ul style="list-style-type: none"> All customers transferring to British Gas under the SoLR process at this time; The Company having no operational capability; and The Company was cashflow insolvent and ongoing trading was not viable nor would lead to any recovery for creditors <p><i>Debtors and other assets</i></p> <ul style="list-style-type: none"> The Company's accounts indicate that it held no assets. The Administrators are of the view that the Company has a claim against the debtors and other assets. The Conflicts Administrator has met with TEL's Administrators and agreed an outline approach to resolve the issue. Further information will be provided in due course. <p><i>Purpose Trust Monies</i></p> <ul style="list-style-type: none"> The purpose trust funds of £250k have been recovered from the Company solicitors by Mr Webb who is holding in a separate designated Administration account. 	<p>determine the allocation of assets with advice for Taylor Wessing LLP.</p> <p><i>Purpose Trust Monies</i></p> <ul style="list-style-type: none"> The Administrators will continue to manage the Purpose Trust monies in line with the Purpose Trust Deed.
3	<p>CREDITORS</p> <p>Work undertaken during the reporting period</p>	<p>CREDITORS</p> <p>Future work to be undertaken</p>
	<ul style="list-style-type: none"> Consideration of unsecured claims Notice of appointment sent to all known creditors. Liaising with all creditors as appropriate. Ensure that all known creditors are on the case management data base. Dealing with creditor correspondence, emails, and telephone conversations, regarding claims. 	<ul style="list-style-type: none"> Ensure that all known creditors are on the case management data base. Dealing with creditor correspondence, emails, and telephone conversations, regarding claims. Agreement of creditors' claims and liaising with creditors. Providing statutory reports to creditors, employees and stakeholders. Filing progress reports with Companies House and Court, if appropriate.

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The Administrators' remuneration, expenses and costs information

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	<ul style="list-style-type: none"> Consideration of secured creditor claim validity and value, with solicitors Womble Bond Dickinson. Liaising with Deloitte regarding HMRC claims. 	<ul style="list-style-type: none"> Further consideration of validity and value of secured creditor claim. It is anticipated that significant time will be spent liaising with British Gas regarding calculation of and transfer of customer credit balances they are honouring under the SoLR process.
4	INVESTIGATIONS Work undertaken during the reporting period	INVESTIGATIONS Future work to be undertaken
	<ul style="list-style-type: none"> Communication to creditors requesting information regarding the Company and/or the conduct of its directors. The Administrators have considered whether any matters have come to light in the period that require further investigation. No matters have been identified, however, our initial investigation is not yet complete. The Administrators have liaised with the director regarding provision of information relating to their management and control of the Company. The Administrators have taken steps to take control of the Company's records (which are held electronically). 	<ul style="list-style-type: none"> Further consideration of any matters identified in our initial investigations. The Administrators will comply with their duties to submit a return to DBEIS regarding the conduct of the Directors, as well as complying with all other duties regarding notification of the conduct of directors. Ongoing consideration of any future matters have come to light which require notification to the DBEIS, Secretary of State or National Crime Agency.
5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<ul style="list-style-type: none"> Dealt with creditors' correspondence, emails, telephone conversations regarding their claim. Post appointment notice to all relevant parties. As part of the Ofgem's SoLR process, British Gas is obliged to absorb the credit balances for domestic customers so that the customer has no 	<ul style="list-style-type: none"> Dealing with matters associated with the transfer of Company from administration to liquidation. Finalisation of credit balances with customers and British Gas. Providing statutory reports to creditors, employees and stakeholders. Filing progress reports with Companies House and Court, if appropriate.

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The Administrators' remuneration, expenses and costs information

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	<p>detrimental impact. Time spent calculating and liaising with BG in this regard is reported under the 'Trading' heading.</p> <ul style="list-style-type: none"> Drafting and issuing the Administrators' proposals. Managing the decision procedure for seeking the creditors approval of the Administrators' proposals and related resolutions. Notifying creditors and other appropriate parties of the approval of the Administrators' proposals. 	
6	<p>TRADING Work undertaken during the reporting period</p> <p><i>Customer Contact</i></p> <ul style="list-style-type: none"> As the Company was the licenced energy supplier, some customers are contacting the Administrators with queries in relation to their accounts, outstanding balances, historic queries and complaints and related matters. The Administrators have liaised between the Company, TEL and the customers as required. <p><i>Interim TSA</i></p> <ul style="list-style-type: none"> The Administrators have entered into an Interim TSA with TEL in order to ensure that the customer accounts were finalised and the Company could provide information necessary to the SolR process. The Administrators have liaised with TEL regarding delivery of the services under the Interim TSA and understand that c126k of the Company's customers have now been billed, with the remaining c49k being subject to billing exceptions and queries which are being worked through and regularly released to billing. TEL's Administrators advise that they expect these accounts should be billed in the next four weeks. 	<p>TRADING Future work to be undertaken</p> <p><i>Customer Contact</i></p> <ul style="list-style-type: none"> Continue to deal with any customer enquiries. Continue to liaise with the administrators of TEL and the between the Company's customers, the Company and TEL as required. <p><i>Interim TSA</i></p> <ul style="list-style-type: none"> The Administrators will continue to liaise with TEL regarding the delivery of the services required under the Interim TSA, and the calculation of any payments required thereunder. <p><i>Transitional Service Agreement with British Gas</i></p> <ul style="list-style-type: none"> The Administrators will in conjunction with TEL's administrators finalise the BG TSA. Continue to liaise with British Gas regarding customer information.

Appendix C

The Administrators' remuneration, expenses and costs information

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	<p><i>Transitional Service Agreement with British Gas</i></p> <ul style="list-style-type: none"> In the period to appointment, we along with TEL's administrators opened dialogue with British Gas regarding their requirements for the SoLR and an appropriate contribution towards the costs of the same. An agreement has been reached with British Gas which will contribute towards the costs of TEL's continuing operations over a 12-week period based upon a contribution per customer. This will reduce the costs of the Company should debtors vest. The BG TSA is currently in the final stages of legal agreement and is expected to be signed imminently. 	
7	<p>LEGAL AND LITIGATION Work undertaken during the reporting period</p> <ul style="list-style-type: none"> Liaised with Womble Bond Dickinson on advice including but not limited to, the SoLR process and the transfer of credits to British Gas, DSAR queries received from customers, and drafting of a service agreement for British Gas for the Administrators to provide assistance to British Gas in calculation of certain customer balances. Womble Bond Dickinson is being paid on a time costs basis and has been selected due to their significant experience in dealing with insolvent energy suppliers. The Conflicts Administrator has instructed Taylor Wessing LLP in relation to reviewing the ownership of the debtors and other assets and other matters that may arise as a conflict. Taylor Wessing are being paid on a time costs basis and has been selected due to their experience of dealing with insolvency matters and matters of conflict. 	<p>LEGAL AND LITIGATION Future work to be undertaken</p> <ul style="list-style-type: none"> Further advice and assistance will be required to finalise the BG TSA, update and amend the Interim TSA as may be required, on the allocation and ownership of the Group's assets, and general matters arising from the Administration process. In addition the Conflicts Administrator will require further advice and assistance in relation to the determination of the asset allocation.

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The Administrators' remuneration, expenses and costs information

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	<u>£/hour</u>
Appointment taker/Restructuring Advisory Partner/Director	370-495
Managers/Directors	280-370
Other Professional	165-230
Junior Professional/Support	80-110

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisor.com/fees-guide.html>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

DISBURSEMENT POLICY

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are any payments from the estate which are neither an office holders remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses:

These are payments to persons providing the service to which the expense related who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

These include but are not limited to such items as case advertising, storage, bonding, searches, insurance, licence fees.

Category 2 expenses:

These are payment to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Appendix D

Schedule of pre-administration costs

FRP

	Note	Fees Charged (£)	Expenses Incurred (£)
Pre-administration costs:			
FRP	1&2	90,094	NIL
RSM	1&2	14,329	NIL
Womble Bond Dickinson	3	25,088	15
Taylor Wessing	4	17,613	NIL
Macroberts	5	130	130
Amounts paid	6	(15,000)	(-)
Unpaid pre-administration costs for which approval is being sought		132,254	145

Notes

- FRP's fees were charged in accordance with an engagement letter between FRP and the Company dated 21 December 2021. It was agreed that the costs would be charged on a time costs basis. The costs relate to 227.9 hours of work charged at an average hourly rate of £395.32. RSM's fees were charged in accordance with an engagement letter between RSM and the Company dated 12 January 2022. It was agreed that the costs would be charged on a time costs basis. The costs relate to 35.9 hours of work charged at an average hourly rate of £399.15. These costs represent a fair and reasonable reflection of the work undertaken prior to the appointment of Administrators which is further explained below.
- The following work was carried out by FRP in accordance with the instructions from the Company:
 - Assisting the Company with all necessary steps to enter into Administration.
 - Assisting the Company with its discussions with Ofgem.
 - Liaising with solicitors concerning the appointment.
 - Preparation of a report to WBC as a secured creditor and liaising with them as necessary in relation to the Administration
 - Meetings with proposed Administrators and advisors.
 - Information gathering in preparation of the Administration appointment.

Appendix D

Schedule of pre-administration costs

FRP

- Meetings and discussions between the Administrators and the Conflicts Administrator to agree a division of duties, detailed working practices, an Interim TSA between TEL and the Company to ensure that TEL continued to be in a position to provide services to calculate final balances, provide data and collect outstanding debtors.
- Discussions and agreement with the Directors of TEL and appropriate solicitors regarding the purpose trust monies and purpose trust deed that TEL agreed to provide to the Administrators of the Company to ensure that the costs of the Administration process were covered and therefore Administrators would provide their consents to act.

This work helped achieve the purpose of the administration by helping facilitate the successful completion of the SoLR process.

3. Womble Bond Dickinson has provided services to the Company to assist with legal matters associated with the SoLR process, the memorandum of understanding dealing with the division of duties between the Administrators and the Conflicts Administrator and placing the Company into Administration. The Company agreed that WBD's costs would be charged on a time costs basis. They have incurred time costs of £25,088 and disbursements of £15. This work helped achieve the purpose of the administration by helping facilitate the successful completion of the SoLR process and ensuring the Administration appointment process was properly completed. These costs are to be reviewed and agreed by the Administrators.
4. Taylor Wessing has provided services to the Company to assist with the drafting and agreement of the Interim TSA to ensure that on appointment TEL would continue to provide services to the Company to allow for the Company's customers to be billed without interruption, they also drafted and assisted with the agreement of a memorandum of understanding between the Conflicts Administrator and the Administrators to ensure that there was a clear division of duties between both parties and a mechanism to deal with any matters arising during the course of the Administration, and they advised the Conflicts Administrator in relation to the purpose trust deed to ensure that the monies being delivered by TEL would be made available to pay costs of the Administration process in circumstances where there are no other asset realisations in the Company. This work helped achieve the purpose of the administration by helping facilitate the successful completion of the SoLR process and ensuring there are clear mechanisms in place to deal with the purpose trust deed and the relationship between the Administrators and the Conflicts Administrator. These costs are to be reviewed and agreed by the Administrators.
5. Macroberts provided services to the Company in receiving and holding the purpose trust monies pending the appointment of Administrators. This work helped achieve the purpose of the administration by ensuring the purpose trust monies were available to discharge the costs of the Administration if required and hence the Administrators would provide their consents to act as the same.
6. The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Rules and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.

Appendix E

Estimated Statement of Financial Position

FRP

Insolvency Act 1986

Together Energy (Retail) Limited
Company Registered Number: 10300767

Estimated Statement Of Financial Position
as at 4 February 2022

	Book Value £	Estimated to Realise £
ASSETS		
Warrington Borough Council (Note 1)	(18,800,000.00)	
Deficiency c/d	<u>(18,800,000.00)</u>	
Book Debts	Uncertain	Uncertain
Collateral	Uncertain	Uncertain
Cash at Bank	Uncertain	Uncertain
Funds held by Direct Debit Provider	Uncertain	Uncertain
		<u>NIL</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
		<u>NIL</u>
		NIL
2nd PREFERENTIAL CREDITORS:-		
		<u>NIL</u>
		NIL
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
		<u>NIL</u>
		NIL
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>
		NIL
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003		
		<u>NIL</u>
		NIL
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>
		NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Deficiency b/d	18,800,000.00	
Unsecured Creditors	16,177,197.90	
Consumer Credit Balances	<u>25,000,000.00</u>	
		<u>59,977,197.90</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(59,977,197.90)</u>
		<u>(59,977,197.90)</u>
Issued and called up capital		
Ordinary Shareholders	1.00	
		<u>1.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(59,977,198.90)</u></u>

FRP Advisory Trading Limited
Together Energy (Retail) Limited
Company Registered Number: 10300767
B - Company Creditors

Key	Name	Address	£
CA01	AES Smart Metering LTD	1st Floor Rear Offices, 94 Silver Street, Enfield, EN1 3EP	9,996.00
CB05	BP Gas Marketing Ltd	20 Canada Square, Canary Wharf, London, E14 5NJ	3.00
CC0D	CML Capital Meters Limited	Suites 3 & 4 Warners Mill, Silks Way, Braintree, CM7 3GB	24.19
CC0J	Cortex Metering Solutions Ltd (CMSL)	Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD	1,597.10
CC0M	Consumer Credit Balances	c/o FRP Advisory	25,000,000.00
CD00	Data Communications Company	Ibex House, 42 - 47 Minories, London, EC3N 1DY	0.41
CD01	DCUSA	Northumberland House, 303 - 306 High Holborn, London, WC1V 7JZ	16,920.04
CD05	Dual Meters System Limited	Unit 8 Peerglow Centre, Marsh Lane, Ware, SG12 9QL	5,179.68
CE01	Eclipse Power Network	Olney Office Park, 25 Osier Way, Olney, Buckinghamshire, MK46 5FP	93.50
CE04	ElectraLink LTD	Northumberland House, 303 - 306 High Holborn, London, WC1V 7JZ	1,612.97
CE05	Electricity Network Company Ltd.	Synergy House, Windmill Avenue, Woolpit, Bury, St. Edmunds, IP30 9UP	24,488.24
CE07	Electricity Settlements Company	10 South Colonnade, London, E14 4PU	197,905.74
CE08	Elxon	350 Euston Road, London, NW1 3AW	16,490.61
CE0D	Energy Assets	6 Almondvale Business Park, Livingston, EH54 6GA	1,729.25
CE0E	Energy Assets Network Limited		434.22
CE0M	ESP Electricity Limited	Leatherhead, KT22 7BA	9,520.31
CH05	Horizon Energy (Foresight Metering)	Brewery House, 34-44 Gigant Street, Salisbury, SP1 2AP	13,971.43
CI01	Independent Power Networks Ltd	G T C, Woolpit Business Park, Windmill Avenue, Bury St. Edmunds, IP30 9UP	5,665.82
CL02	LAST MILE ELECTRICITY LTD	Fenwick House, Lister Way, Hamilton International Technology Park, Glasgow, G72 0FT	8,445.65
CL07	Lowri Beck Services Ltd	Mayor's Quay, Swan Meadow Road, Wigan, WN3 5BB	12,065.20
CM00	Macquarie Meters Limited	Silks Way, Braintree, Essex, CM7 3GB	10,541.90
CM05	MeterCorp	Communication House, Victoria Avenue, Bamberley, Surrey, GU15 3HX	12,274.78
CN01	NATIONAL GRID ESO	Gallows Hill, CV34 6DA	1,097,702.66
CN02	NATIONAL GRID GAS PLC	Gallows Hill, CV34 6DA	247,780.83
CN05	National Grid Smart	Gallows Hill, CV34 6DA	4,665.97
CN0C	NPower Limited	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	70.00
CO00	Ofgem - RO	Assurance and Compliance Hub, Commonwealth House, 32 Albion Street, Glasgow, G1 1LH	12,630,000.00
CO01	Ombudsman Services	Energy, P O Box 966, Warrington, WA4 9DF	6,360.00

Signature _____

FRP Advisory Trading Limited
 Together Energy (Retail) Limited
 Company Registered Number: 10300767
 B - Company Creditors

Key	Name	Address	£
CP04	Pure Utilities	Unit F Astra Business Centre, Preston, Lancashire, PR2 5AP	59.86
CS05	SCOTTISH & SOUTHERN ELECTRICITY NETWORK		286,182.71
CS08	SGN Metering	PO Box 609, Horley, RH6 9HJ	2,061.72
CS0D	Smart Meter Asset 1 Limited	3rd Floor, 48 St Vincent Street, Glasgow, G2 5TS	60,080.42
CS0F	SMS Meter Assets Ltd	Suite 2/2, 48 St. Vincent Street, Glasgow, G2 5TS	356,610.26
CS0K	SP Smart Meter Assets Ltd	10TH FLOOR, 320 ST. VINCENT STREET, Glasgow, G2 5AD	39,969.77
CS0P	Sse (Infrastructure Demand)	Inveralmond House, 200 Dunkeld Road, Perth, Perthshire, PH1 3AQ	288.61
CS0Q	SSE METERING	Robert Brown House, Pipers Way, THATCHAM, RG19 4AZ	254.40
CS0S	STRATFORD PLACE UTILITIES LTD	Unit 8, Peerglow Centre, Marsh Lane, Ware, Herfordshire, SG12 9QL	9,992.16
CU00	UK POWER DISTRIBUTION	6500 Daresbury Park, Warrington, Cheshire, WA4 4GE	524.17
CU02	UK Power Networks Plc	Energy House, Hazelwick Plaza, Three Bridges, Crawley, RH10 1EX	414,856.09
CU03	UK Storage Company	10 Whitehouse Street, Bristol	29.44
CV00	Vantage Meters Investments Limited	82 Heathfield North, Twickenham, TW2 7QW	4,481.77
CW05	Western Power Distribution plc	Electricity House, Elliott Road, Plymouth, PL4 0YU	666,267.02
42 Entries Totalling			41,177,197.90

Signature _____

FRP Advisory Trading Limited
Together Energy (Retail) Limited
Company Registered Number: 10300767
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HT00	Together Energy Ltd	Erskine House North Avenue, Clydebank Business Park, Clydebank, Dunbartonshire, Scotland, G81 2DR	Ordinary	1.00	1	1.00	1.00
1 Ordinary Entries Totalling					1		

Signature _____