

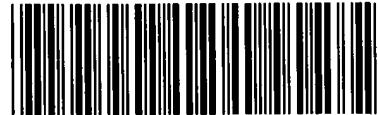
AM10

Notice of administrator's progress report



Companies House

TUESDAY



AA4QFWLT

A09

18/05/2021

#59

COMPANIES HOUSE

1 Company details

Company number 1 0 3 0 0 8 6 1

Company name in full Rutherford Energy Supply Limited

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

2 Administrator's name

Full forename(s) Matthew James

Surname Cowlishaw

3 Administrator's address

Building name/number Four Brindleyplace

Street

Post town Birmingham

County/Region

Postcode B 1 2 H Z

Country

4 Administrator's name ^①

Full forename(s) Daniel James Mark

Surname Smith

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

5 Administrator's address ^②

Building name/number PO Box 500

Street 2 Hardman Street

Post town Manchester

County/Region

Postcode M 6 0 2 A T

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


7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X  X

Signature date	d	1	d	7	m	0	m	5	y	2	y	0	y	2	y	1
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Mitch Blackham**

Company name **Deloitte LLP**

Address **Four Brindleyplace**

Post town **Birmingham**

County/Region

Postcode **B 1 2 H Z**

Country

DX

Telephone **+44 121 632 6000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



**Rutherford Energy Supply Limited
(in Administration)
("Rutherford"/ "the Company")**

Progress report to creditors for the period 22
October 2020 to 21 April 2021 pursuant to rules
18.2 to 18.6 inclusive of the Insolvency (England &
Wales) Rules 2016 ("the Rules")

Court Case No. CR-2019-LDS-001123

High Court of Justice
Business and Property Courts in Leeds

Company Number: 10300861

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

Matthew James Cowlshaw and Daniel James Mark Smith ("the Joint Administrators") were appointed Joint Administrators of the Company on 22 October 2019 by the Court. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

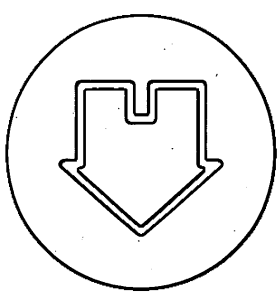
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

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

17 May 2021

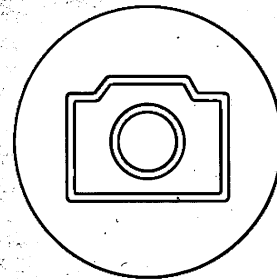


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Remuneration and expenses	10





Key messages



Key messages

Joint Administrators of the Company

Matthew James Cowlshaw

Deloitte LLP

Four Brindleyplace

Birmingham

B1 2HZ

Daniel James Mark Smith

Deloitte LLP

2 Hardman Street

Manchester

M60 2AT

Contact Details

Email: abeghal@deloitte.co.uk

Website: www.ips-docs.com

Tel: +44 121 695 5687



	Commentary
Purpose of administration	<ul style="list-style-type: none">The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation.
Progress of administration	<ul style="list-style-type: none">Prior to the appointment of the Joint Administrators, the Company had ceased to trade due to the Office of Gas and Electricity Markets ("Ofgem"), the industry regulator, revoking the Company's energy supply licences.Whilst we consider there remains a small amount of debts that may be collectable, due to the coronavirus pandemic ("Covid-19") and the nationwide shutdown of businesses we have not been able to recover any of these during this period. Please see page 5 for further details.
Costs	<ul style="list-style-type: none">Our time costs for the period of the report are £24,813. Please see page 12 for further details.We have incurred disbursements of £25 in the report period. Please see page 13 for further details.Third party costs and expenses of £1,296 have been incurred in the report period details of which are on page 6.
Outstanding matters	<ul style="list-style-type: none">Realise the remaining book debts that are considered collectable.Settle the outstanding liabilities of the Administration.Agree the claims of the Company's preferential creditors and make distributions.We consider that it is likely that funds will be available for distribution to the unsecured creditors and as such the Company will move to creditors voluntary liquidation in order to pay a dividend to this class of creditor.
Dividend prospects	<ul style="list-style-type: none">There are no secured creditors.Preferential creditors – There will be sufficient realisations to enable payment in full to this class of creditor.Unsecured creditors – We consider that there will be funds available for a distribution to the unsecured creditors.
Extension to administration period	<ul style="list-style-type: none">The period of the administration has been extended to 21 October 2021. It is unlikely that any further extension will be required as the Company will move to Liquidation before the expiry of the Administration. Please see Page 9 for further information.



Progress of the administration

Summary

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Receipts and payments

7



Progress of the administration Summary



Work done during the report period

Wind-down strategy

Prior to our appointment, Ofgem transferred all of the Company's customers under a Supplier of Last Resort ("SOLR") process to TOTAL Gas & Power Limited ("TGP").

We have previously set out, in the Joint Administrators Proposals and progress reports to creditors, the strategy adopted to enhance asset recoveries of the Company.

At the time of the appointment of the Joint Administrators, the Company's only assets were cash at bank and book debts.

Book debts

Book debts totalling £122 have been recovered during the period, bringing book debts collected to date to £152,442.

As previously reported, the collection of the book debts has been hampered by the Company's records being incomplete, inter alia;

- the majority of the customers disputing amounts due;
- cash that had been paid pre appointment had not been posted to the sales ledger; and
- there was, in certain instances, an over estimation of meter readings on company invoices leading to a further reduction in the sales ledger.

Prior to the effect of Covid-19, the Joint Administrators were pursuing a balance of some £60k, which they considered may be recoverable.

However, due to UK Government restrictions, these customer businesses were closed and thus no further collections have been obtained during this period.

We intend pursuing recovery of these debts whenever possible.

Creditors

The director has not lodged a statement of affairs for the Company.

However, Company records indicate 47 unsecured creditors with estimated non-preferential claims totalling c.£3.1m. To date, 17 creditors have submitted unsecured claims of c.£3.8m against the Company.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management actions, including updating the insolvency creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of progress reports;
- Cashiering functions, including the preparation of bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

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

Investigations

All investigation work in regard to the conduct of the director of the company has been completed.

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

Progress of the administration Summary

Third party costs incurred during the report period

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

- Mote End Farm Limited have incurred storage costs of £1,040, plus VAT in respect of retaining the Company's equipment.
- Iron Mountain (UK) Limited have incurred storage costs of £256, plus VAT in respect of retaining Company records.

All costs have been paid, as shown in the receipts and payments account on page 7.

All professional costs are reviewed and analysed in detail before payment is approved.



Progress of the administration

Receipts and payments



Joint Administrators' receipts and payments account 22 October 2020 to 21 April 2021

£	Notes	Period	To date
Receipts			
Book Debts		122	152,442
Cash at Bank		-	291,534
Bank Interest Gross	1	5	456
Total receipts			128 444,432
Payments			
Wages and Salaries		-	125,387
Payroll Bureau		-	213
Pre Appointment Administrators' Expenses		-	1,908
Pre Appointment Administrators' Fees		-	30,466
Administrators' Fees		-	105,000
Storage of company equipment	1,040	-	3,440
Website costs		-	2,994
Agents/Valuers Fees		-	800
Pre-Appointment Legal Fees/Disbs		-	18,000
Legal Fees		-	30,000
IT Costs		-	20,360
Storage Costs	256	-	531
Postage & Redirection		-	422
Statutory Advertising		-	175
Rents Payable		-	7,923
Insurance of Assets	241	-	780
Bank Charges	4	-	58
Pre Appointment Counsel Fees		-	1,750
Ransom Payments		-	6,355
Irrecoverable VAT	2	40	1,912
Storage of Books and Records		-	130
Total payments			1,581 358,604
Balance			85,828
Made up of:			
VAT Receivable	2		3,518
Interest Bearing Bank Account	1		82,815
Trade Creditors	3		(505)
Balance in hand			85,828

A receipts and payments account is provided opposite, detailing the transactions during the report period and also cumulatively for the entire period of our appointment on 22 October 2019 to 21 April 2021.

Notes to receipts and payments account Statement of Affairs

No statement of affairs has been provided for the Company, accordingly we are unable to provide comparative figures based on estimated to realise values.

Note 1 – All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Note 2 – All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

Note 3 – Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Rounding note

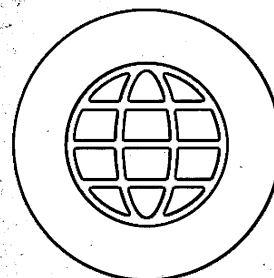
In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Information for creditors

Outcome

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Information for creditors

Outcome

Outcome for creditors

Secured creditors

The Company did not grant any security to any third party, thus there are no secured creditors.

Preferential creditors

We estimate that there are preferential claims totalling c.£12k and that there are sufficient funds available to enable these claims to be paid in full.

Unsecured creditors

Company records show unsecured creditors with estimated non-preferential claims totalling c.£ 3.1m. However, to date we have received claims totalling £3.8m.

We consider that there may be sufficient asset realisations to enable a small dividend to be distributed to the unsecured creditors of the Company.

The level of distribution depends on the level of future book debt realisations discussed earlier in the report.

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Company's books and records, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

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

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com or by downloading and completing a proof of debt form from the case website and which should be sent to the address on the cover page. Alternatively, a hard copy proof of debt form will be provided free of charge on request.

Extensions to the administration

The administration was extended by the creditors of the Company on 8 October 2020 and will now end on or before 21 October 2021. We do not anticipate that it will be necessary to further extend the period of the administration.

Exit

It is expected that there will be funds available to distribute to the unsecured creditors; the appropriate exit route from administration will be by creditors' voluntary liquidation.

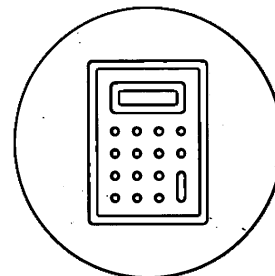




Remuneration and expenses

Joint Administrators' remuneration

11



Remuneration and expenses

Joint Administrators' Remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com.

Should you require a paper copy, please send your request in writing to us at the address on the cover page and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 31 December 2019 by the creditors by reference to the time properly given by the Joint Administrators and their staff plus VAT thereon.

Fees drawn to date

We have drawn fees to date of £105,000 as shown in the receipts and payments account on page 7. No fees have been drawn in the period.

Please note that we do not intend to draw the full value of time costs which are set out on page 12.

Time costs - analysis of actual against budget

Please refer to page 12 where we have updated the Fees Estimate to provide details of our actual time costs for the period of the report and for the entire period of our appointment and also summarised here:

Our total time costs to 21 April 2021 are £473,706 made up of 883.8 hours at a blended charge out rate of £536 per hour across all grades of staff.

Time costs have exceeded budget - excess fee request will not be made

The additional time costs incurred relate to:

- Lengthy and detailed negotiations with customers to collect the book debts given the volume of disputed balances and issues relating to pre appointment invoices.
- Incomplete company records in respect of book debts has resulted in additional time costs being incurred.
- Time spent reviewing the company's book debt records, trying to locate invoices in order to reconcile these to customer statements of account and liaising with customers to resolve disputed accounts.
- Higher volume than anticipated of creditor queries.
- Investigating potential claims against third parties in order to seek recoveries for creditors in tandem with the work we performed investigating Rutherford's parent company, Uttily plc.

Although our actual time costs to date are higher than we anticipated, we do not intend to draw fees in excess £279,799, as provided for in our Fee Estimate or at this level.



Joint Administrators' time costs for the period of the report and for the entire period of the appointment All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period			Actual Time and Costs since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	50.4	497	25,024	15.0	172	2,583	152.6	353	53,805
	Case supervision	33.2	531	17,620	10.4	385	4,001	89.8	525	47,175
	Case reviews	8.4	462	3,882	0.9	480	432	1.2	480	576
	Case closure matters	8.5	499	4,240	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	24.0	485	11,640	1.1	386	405	21.6	494	10,654
	Insurance	0.4	775	310	-	-	-	0.4	775	310
	General reporting	53.5	530	28,340	17.5	572	9,993	63.9	589	37,620
Initial actions	Appointment matters	6.2	676	4,191	-	-	-	8.7	620	5,398
	Securing assets	5.4	539	2,911	-	-	-	5.4	523	2,823
	Notifications	20.3	458	9,294	-	-	-	20.8	447	9,300
Investigations	CDDA reporting	17.0	493	8,388	-	-	-	13.7	455	6,239
	Investigations	15.0	934	14,010	1.3	895	1,294	90.8	471	42,776
Total of above categories		242.3	536	129,849	46.1	406	18,707	468.8	462	216,675
Taxation	Tax	19.7	444	8,748	3.0	463	1,389	7.1	740	5,256
	VAT	10.7	438	4,672	0.6	480	288	8.8	495	4,357
Asset realisations	Book debts	107.4	720	77,346	-	-	-	270.4	681	184,124
	Other assets	2.9	775	2,248	0.1	495	50	10.9	744	8,108
	Antecedent transactions	-	-	-	-	-	-	3.8	775	2,945
Employees	Correspondence	18.0	480	8,640	1.3	458	573	22.2	518	11,471
	Pensions	6.5	480	3,120	-	-	-	2.1	480	1,008
Correspondence	Creditors	18.5	451	8,340	3.9	404	1,577	36.3	395	14,328
Distributions	Preferential creditors	11.5	433	4,985	-	-	-	-	-	-
	Unsecured creditors	27.5	374	10,275	-	-	-	1.8	387	696
Case specific matters	Collection of Records/Systems	46.5	464	21,577	-	-	-	48.5	457	22,155
Total fees estimate		511.5	547	279,799	57.5	432	24,813	883.8	536	473,603



Remuneration and expenses

Detailed information

Category 1 Disbursements

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

Category 2 Disbursements

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

Joint Administrators' Disbursements

Details of all disbursements are given below. To date, we have not recovered any disbursements but propose to do so shortly.

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estate and was given by the creditors on 31 December 2019.

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

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Travel	2,100	-	2,328	-	2,328
Accommodation	4,620	-	3,875	-	3,875
Subsistence	480	25	526	-	526
Telephone	120	-	40	-	40
Postage/Couriers	420	-	398	-	398
Specific Penalty Bond	230	-	230	-	230
Total disbursements	7,970	25	7,397	-	7,397

Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Mileage	231	-	231	-	231
Total disbursements	231	-	231	-	231

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



Deloitte.

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