

The Insolvency Act 1986

Administrator's progress report

Name of Company Climate Energy Limited	Company number 05310564
In the High Court of Justice, Chancery Division, Companies Court	Court case number 6593/2015

We Chad Griffin and Simon Kirkhope, both of FTI Consulting LLP, 200 Aldersgate Street,
London, EC1A 4HD

Former administrators of the above company attach a progress report for the period

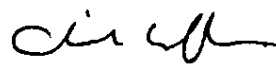
From

9 April 2016

to

29 September 2016

Signed



Joint Administrator

Dated 28 October 2016

Contact Details:

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

Tom Jones	
FTI Consulting LLP, 200 Aldersgate Street, London	
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When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



JOINT ADMINISTRATORS' FINAL PROGRESS REPORT FOR THE PERIOD:

CLIMATE ENERGY LIMITED – 9 OCTOBER 2015 TO 29 SEPTEMBER 2016
CLIMATE CONSULTING LIMITED – 6 NOVEMBER 2015 TO 29 SEPTEMBER 2016
CLIMATE ENERGY (NFP) LIMITED – 7 OCTOBER 2015 TO 29 SEPTEMBER 2016
CLIMATE ENERGY SERVICES LIMITED – 7 OCTOBER 2015 TO 30 SEPTEMBER 2016

CLIMATE ENERGY LIMITED (COMPANY NUMBER 05310564) ('CEL')
CLIMATE CONSULTING LIMITED (COMPANY NUMBER 06734046) ("CONSULTING")
CLIMATE ENERGY (NFP) LIMITED (COMPANY NUMBER 03343973) ('NFP')
CLIMATE ENERGY SERVICES LTD (COMPANY NUMBER 06575500) ('SERVICES')
(COLLECTIVELY "THE COMPANIES")

28 OCTOBER 2016

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Glossary

THE ACT	INSOLVENCY ACT 1986 (AS AMENDED)	THE RULES	INSOLVENCY RULES 1986 (AS AMENDED)
ADMINISTRATORS // LIQUIDATORS	CHAD GRIFFIN AND SIMON KIRKHOPE	HSBC / THE BANK / THE SECURED CREDITOR	HSBC BANK PLC
JPA	JP ASSOCIATES	SIP	STATEMENT OF INSOLVENCY PRACTICE
GDCS	GREEN DEAL COMMUNITIES SCHEME	WIP	WORK IN PROGRESS
HMRC	HM REVENUE AND CUSTOMS	CEL	CLIMATE ENERGY LIMITED
CONSULTING	CLIMATE CONSULTING LIMITED	SOLUTIONS	CLIMATE ENERGY SOLUTIONS LIMITED
NFP	CLIMATE ENERGY (NFP) LIMITED	CEN	CEN (HOLDINGS) LIMITED
SERVICES	CLIMATE ENERGY SERVICES LTD.	COMPANIES	CEL, CONSULTING, NFP, SERVICES
GROUP	CEL, CEN, CONSULTING, NFP, SERVICES, SOLUTIONS		

1. Introduction

- 1.1 Chad Griffin and Simon Kirkhope ("the Administrators") were appointed as Joint Administrators of NFP and Services on 7 October 2015, CEL on 9 October 2015, and Consulting on 6 November 2015
- 1.2 Full details of the statutory information relating to our appointments are set out in Appendix A.
- 1.3 This report together with appendices contains information in relation to the activities undertaken, receipts and payments into the insolvency estates (Appendix B) and the Administrators' time costs in accordance with Statement of Insolvency Practice 9 ("SIP9") (Appendix D) since the respective dates of the Administrators' appointment
- 1.4 Further details of the Companies can be found in the Administrators' proposals dated 30 November 2015 ("Proposals") or the Administrators' six month progress report dated 6 May 2016 ("Progress Report")
- 1.5 Our Proposals, as summarised in Section 4 of this report, were approved at the initial meetings of creditors, held by correspondence on 16 December 2015
- 1.6 A creditors committee has not been formed in any of the administrations
- 1.7 A summary of the estimated returns to creditors is set out in Section 3 of this report
- 1.8 This report includes information required to be provided to creditors pursuant to R 2.110 of the Rules in relation to the Companies and is a final report into the administrations
- 1.9 No extension of the period of the administrations of the Companies has been requested or given
- 1.10 Pursuant to Paragraph 83 of Schedule B1 to the Act, the Administrators notified the Registrar of Companies of the intention to convert the administrations of the Companies to Creditors' Voluntary Liquidations ("CVLs"). This notice was registered by the Registrar of Companies on 29 September 2016 for CEL, Consulting and NFP, and on 30 September 2016 for Services, with the Companies therefore converting to liquidation on these respective dates
- 1.11 In accordance with the Proposals, Chad Griffin and Simon Kirkhope have been appointed as Liquidators of the Companies
- 1.12 The Administrators and Liquidators are bound by the Insolvency Code of Ethics. Prior to our appointment we considered potential ethical threats in undertaking the appointments in accordance with the Code. We did not consider that there were any matters that would prevent us taking the appointments. If any creditor of the Companies would like further information on this, they should contact the Liquidators' office on the details set out at the end of this report.
- 1.13 A creditors' guide to insolvency in general can be found at the below location
<http://www.creditorinsolvencyguide.co.uk/>

Administrators' remuneration

- 1.14 At the initial meetings of creditors held by correspondence on 16 December 2015, the Administrators' remuneration was fixed by reference to the time properly given by the Administrators and their staff. Details of the rules in relation to Administrators' remuneration, together with details of the Administrators' time costs to date, the original fee estimates, and the Administrators' revised fee estimates are set out in Appendix C
- 1.15 The Administrators have incurred total time costs of £584,951 throughout the administrations, of which £433,965 was paid in the CEL administration. Fees have not yet been drawn in respect of the Consulting, NFP or Services administrations
- 1.16 The Administrators have exceeded the original fee estimate in each of the administrations of the Companies, as summarised in the below table. The Administrators are seeking approval for the revised fee estimates shown at a meeting convened by the Liquidators to be held by correspondence on 17 November 2016. The breakdowns of the revised estimates by work stream are included at Appendix C

£	Original Fee Estimate	Revised Fee Estimate Administration	Revised Fee Estimate - Liquidation	Total Revised Fee Estimate
CEL	455,000	536,629	135,000	671,629
Consulting	15,000	N/A	12,500	27,500
NFP	10,000	N/A	12,500	22,500
Services	15,000	22,860	20,000	42,860

- 1 17 These estimates include additional fees incurred during the administrations of CEL and Services along with the expected future fees that will be incurred during the Liquidations of all of the Companies. The additional fees incurred during the administrations of NFP and Consulting will be written off
- 1 18 The original fee estimates have been exceeded due to the additional attention required by the administrators and their staff in dealing with certain aspects of the administrations which have proved more lengthy or complex than originally anticipated. These include
- Overseeing a protracted sales process in respect of the freehold premises in Witham,
 - Working with the local authorities to facilitate completion of work and therefore reduce unsecured installer claims against the Companies,
 - Pursuing the sale of the CEL's intangible assets,
 - Overseeing the sale of chattels and return of leased assets,
 - Responding to the high volume of correspondence from unsecured creditors, dealing with specific creditor issues and queries and adjudicating the large volume of unsecured creditor claims received,
 - Work to confirm intercompany balances and producing estimated outcome analysis to support the decision to convert the administrations to liquidations in order to pay dividends to unsecured creditors
- 1 19 It is not currently anticipated that these estimates will be revised further during the liquidations of the Companies
- 1 20 A creditors' guide to administrators' fees setting out creditors' rights to further information and how fees are approved can be found here
- https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf
- 1 21 If creditors wish to be supplied with a hard copy of this guidance they should contact the Liquidators on the details set out at the end of this report
- 1 22 Additional information in relation to the Administrators' staffing policies can be found in Appendix E

Creditors' Right to Challenge Remuneration and/or Expenses

- 1 23 Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors of the relevant entity or with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), challenging the amount or the basis of the remuneration which the Administrators 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 report detailing the remuneration and/or expenses in question, in accordance with Rule 2 109 of the Rules

Creditors' Right to Request Information

- 1 24 Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors of the relevant entity or, with leave of the Court, may, in writing, request the Administrators of the Companies to provide additional information regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

Other Group entities

- 1 25 As disclosed in our previous reports to creditors, Chad Griffin and Simon Kirkhope were also appointed as Administrators of Solutions and CEN on 7 October 2015 and 19 October 2015, respectively
- 1 26 This report does not cover the affairs of Solutions or CEN, which will be reported separately
- 1 27 Creditors of Solutions resolved at a meeting of creditors, held by correspondence dated 23 September 2016, that the administration would be extended for 12 months, to 6 October 2017
- 1 28 The Administrators of CEN have issued a final progress report and made an application for the dissolution of CEN

2. Conduct of the Administration

Administration purpose/strategy

- 2.1 The purpose of an administration must be to achieve one of the following statutory objectives
- a Rescuing the company as a going concern,
 - b Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - c Realising property in order to make a distribution to one or more secured or preferential creditors
- 2.2 Administrations were seen as preferable over winding up the Companies, to preserve the trading operations that existed at the time of the appointments and to retain the optionality of achieving a sale(s) of the trading entities / businesses
- 2.3 Consequently, the purpose of the administrations was statutory objective b

Receipts and payments during the period

- 2.4 A full account of the receipts and payments for the Companies are provided at Appendix B
- 2.5 Details of the main assets and transactions during the period are summarised below

Business disposal

- 2.6 Steps were initially taken to pursue accelerated sales of the trading entities / businesses within the Group, particularly those of the Companies
- 2.7 Given changes in the regulatory market, uncertainty with stakeholder support, the level of indebtedness of the Group and the low interest received in the sales' processes, it was subsequently determined that sales of the trading entities / businesses were not viable
- 2.8 Shortly after the appointments, the decision was made to cease trading although a small number of staff were retained by the Administrators for a short period to assist with the wind down process, and the Administrators focused on maximising realisations from the remaining assets in the Companies

Wind down of trading

- 2.9 At the date of appointment the head office of the Companies was a freehold property in Witham, Essex. There were also leasehold offices in Bristol, Croydon and Motherwell. The Croydon office lease was held by CEN however this office was also utilised by the Companies. Members of the Administrator's staff attended all offices on day one of the Administrations to meet with employees and take control of the Companies' assets.
- 2.10 Twenty five employees were made redundant on day one of the administrations, with a further seventy six employees stood down whilst a sale of the business was explored. Those initially stood down were made redundant on 12 October 2015, once it had become clear that a sale of the business(es) would not be possible. The remaining fourteen members of staff, all of which were employed by CEL, were retained temporarily to assist the Administrators in the orderly handover and wind down of operations. These staff members were paid by CEL for their post administration period of employment.
- 2.11 Of the fourteen employees retained, three were from the Bristol office, two from the Croydon office and one from the office in Motherwell. These staff members were asked to assist with the boxing up and removal of company records from the leasehold premises. Both the Bristol and Motherwell offices were vacated on 15 October 2015 with the Croydon office vacated on 2 November 2015, following which keys were returned to the respective landlords.
- 2.12 The eight employees retained at the Witham head office included members of the CEL management team, the facilities coordinator, two HR staff and members of the finance team. They assisted in exploring the potential sale option, finalising employee expenses and commission claims, locating and taking control of company assets e.g. leased vehicles, producing financial information required by the Administrators and the boxing up of records.
- 2.13 All retained staff had been made redundant by 16 October 2015.

Property

Freehold property

- 2 14 The principal asset of the Group was a freehold property at Witham owned by CEL which was subject to the Bank's fixed charge. The property was a 9,651 sq ft detached office premises spread over two floors and set on a 0.46 acre site.
- 2 15 After protracted negotiations, the property was sold on 1 March 2016 for £1.25m.
- 2 16 Realisations were sufficient to satisfy the Bank's claim in full and the net surplus proceeds have been retained in the insolvency estate.

Leasehold property

- 2 17 CEL had three leasehold properties at the date of administration comprising of a warehouse in Witham and offices in Bristol and Motherwell.
- 2 18 The lease on the warehouse in Witham was due to expire on 31 January 2016 however the landlord took possession on 9 October 2015, the date of administration.
- 2 19 We sought the voluntary surrender of the remaining two leases as the properties are no longer required for the purposes of the administration and note that the properties were vacated and the keys returned to the landlords.
- 2 20 Given that the surrenders of the leases for the offices in Bristol and Motherwell have not been formally accepted, the Liquidators of CEL intend to disclaim the Bristol lease and renunciate the Motherwell lease, given that it is not possible to disclaim this lease under Scottish law.

Trade debtors

- 2 21 The directors' statements of affairs recorded an estimated realisable value for trade debtors of £2.0m, £23k and £15k for CEL, Consulting and Services, respectively. No trade debtors were estimated to be received in NFP.
- 2 22 CEL's debtor balance consisted of significant trade debtors from local authorities under the GDCS, in the amount of £705k. Recoveries from this source have not been possible as, the required substantiation for guarantees and warranties required under the GDCS could not be provided by CEL or the Administrators, the claims were disputed and/or the local authorities had counter claims against CEL.
- 2 23 The Administrators appointed JPA to assist with the collection of the remaining trade debtors of £1.3m, of which £114k was recovered. The recoverability of these trade debtors was impacted by the aging of the debtors (some in excess of 24 months overdue at the date of our appointment) and the fact that work had not been completed or warranties not issued for many customers.
- 2 24 CEL was the only entity covered by this report where trade debtor recoveries were possible.
- 2 25 There are also intercompany receivable balances for each of the Companies, these will rank as unsecured claims in the relevant insolvency estate(s).
- 2 26 No further realisations are anticipated from trade debtors in any of the Companies.

Intercompany balances

- 2 27 There are a number of intercompany balances across the Companies, which will rank as unsecured claims in the relevant insolvency estate.
- 2 28 It is anticipated that each of the Companies will be in receipt of funds from distributions from one or more of the other Companies, as the claims cannot be directly offset.
- 2 29 Any recoveries from this source are dependent on the funds available for distribution and the total value of claims adjudicated in the appropriate insolvency estate(s).
- 2 30 The intercompany balances are the only remaining assets to be realized in the liquidations of the Companies.

Cash at Bank

- 2 31 Upon our appointments the Administrators recovered £31k, £3k and £28k from accounts held with the Bank in Consulting, NFP and Services, respectively
- 2 32 As at the date of appointment for CEL, the Bank swept c. £418k from CEL's pre-appointment bank account under the terms of its security. Accordingly, as these funds did not form part of the insolvency estate, they are not recorded in the receipts and payments at Appendix B
- 2 33 The Bank advanced an amount of £230k into the CEL insolvency estate, in the form of a fixed charge loan account, to fund wind down costs whilst legal advice was being sought in relation to CEL's deposit account. This advance has also been repaid in full

Deposit account

- 2 34 In addition, CEL held £257k in customer / consumer deposits in a separate account, albeit it was not a trust account, as at the date of appointment
- 2 35 Legal advice was sought in respect of the funds held in the deposit account and we were advised that the funds held in this account should be treated as CEL's and available for the benefit of its general creditors
- 2 36 As such, any claims from depositors rank as unsecured claims against CEL. The Administrators have communicated this message to all known depositors who had incomplete work in progress or where work had not started as at the date of our appointment
- 2 37 At the relevant time, the Bank agreed that the funds held in the deposit account would not be set off against its outstanding debt on appointment, under the Bank's security. As noted above, the Bank has now been repaid in full from fixed charge realisations

Chattels and other plant and equipment

- 2 38 CEL had various motor vehicles, equipment items and chattel assets documented in its books and records
- 2 39 The Administrators instructed agents Wyles Hardy and Sweeney Kincaid to remove vehicles and chattel assets from the Group's premises (where cost effective to do so) and to pursue sales of these assets. All chattel assets have been realised with realisations totaling £37k
- 2 40 There are no remaining items that can be commercially realised and all known third party lease providers have collected their assets where the assets were identifiable

Taxation

- 2 41 We notified HMRC of our appointment and have submitted the Company's pre-appointment corporation tax returns and note that it is unlikely that there will be any pre appointment corporation tax recoveries. The relevant corporation tax and VAT returns for the administration period have been submitted and any further returns required will be submitted by the Liquidators

Statutory investigations

- 2 42 We have undertaken investigation work in accordance with SIP2, including a review of the books and records of the Companies, in order to understand the realisable assets of the Companies and have compared these to the values in the directors' statement of affairs
- 2 43 The data gathered from our investigations assisted with our statutory duties, pursuant to the Company Directors Disqualification Act 1986, to review the conduct of all directors who served in respect of the Companies in the 3 year period prior to the date of the administrations. We have concluded our review and have submitted final returns to the Department for Business, Innovation and Skills. The content of our reports in relation to this are confidential

3. Estimated outcomes

Estimated dividend for creditors

Estimated dividend for creditors

	Secured creditors ¹	Preferential creditors	Unsecured creditors	Shareholders
CEL				
Estimated debt (£)	£524k ²	£150k	£9,568k	£100
Estimated return (p/£)	100p in the £	100p in the £	5 32p in the £	Nil
Consulting				
Estimated debt (£)	Nil ¹	Nil	£1,536k	£9
Estimated return (p/£)	Nil ¹	Nil	0 31p in the £	Nil
NFP				
Estimated debt (£)	Nil ¹	Nil	£3,921k	£1
Estimated return (p/£)	Nil ¹	Nil	1 06p in the £	Nil
Services				
Estimated debt (£)	Nil ¹	£7k	\$3,829k	£1
Estimated return (p/£)	Nil ¹	100p in the £	1 79p in the £	Nil

Notes

- 1 HSBC had a fixed and floating charge over the assets of the Companies which has been satisfied in full from CEL's fixed charge realisations.
 2 At the date of our appointment, under the terms of its security HSBC swept funds of £418k held in CEL's bank account.

- 3 1 The estimated returns to creditors above assume a pro-rated return to creditors of the same class in accordance with UK insolvency law. Unsecured creditors rank behind both secured and preferential creditors, whilst shareholders rank behind all classes of creditor.
- 3 2 The actual dividends paid from the liquidations of the Companies may differ from the above estimates, pending finalisation of the adjudication of claims and the realisation of intercompany dividends.

Secured creditors

- 3 3 At the date of the appointments the Secured Creditor was owed £524k by the Group, excluding CEN. The Secured Creditor held debenture security dated 27 October 2009 over the CEL's assets, which included a legal charge on all freehold property and a floating charge over all other assets. The Secured Creditor also held debenture security over the assets of Consulting (dated 19 July 2011), NFP (dated 18 July 2011), Services (dated 26 July 2011), and Solutions (dated 27 October 2009).
- 3 4 As discussed above, the Secured Creditor swept £418k from CEL's bank account upon appointment, under the terms of its security. The Secured Creditor also advanced an amount of £230k to fund wind down costs whilst legal advice was sought in relation to CEL's deposit account. The advance was repaid in full.
- 3 5 The Secured Creditor had net exposure on appointment of £106k, which has been satisfied in full, in addition to interest due, from CEL's fixed asset realisations.

Preferential creditors

- 3 6 Under the Act the only classes of preferential creditor are employees in respect of certain claims in relation to arrears of wages, holiday pay, pension contributions and redundancy. All employees were paid arrears of wages prior to the dates of the administrations although certain amounts categorised as wages remained outstanding (e.g. commissions).
- 3 7 Correspondence was sent to all known employees of the Companies when they were made redundant, advising them that they should complete an RP1 form to claim their entitlement of holiday pay, payment in lieu of notice and redundancy pay. We engaged ERA Solutions to assist with these claims and to liaise with the Redundancy Payments Service where necessary.
- 3 8 To date, we have received preferential claims of £100k and £7k in CEL and Services, respectively.

3 9 Work to finalise claims in relation to pre-appointment pension contributions is still on-going and it is therefore likely that additional preferential claims will be lodged. We estimate that these additional claims will be circa £50k.

3 10 Based on information currently available, it is anticipated that CEL and Services will pay a full dividend to preferential creditors of 100p in the £ in due course.

Unsecured creditors

3 11 Unsecured creditors rank behind both secured and preferential creditors.

3 12 Under Section 176A of the Act where after 15 September 2003 a company has granted a creditor a floating charge, as is the case for the Companies, a proportion of the net floating charge asset realisations must be made available for the unsecured creditors, known as 'the Prescribed Part'.

3 13 There is no need for the Prescribed Part, as the only floating charge creditor was the Bank which has been repaid in full from fixed charge realisations. Hence, to the extent there are any floating charge realisations, these will be available for the unsecured creditors, after costs.

3 14 On present information, it is anticipated that a small distribution will be payable to the unsecured creditors of the Companies (see the above table).

3 15 The Liquidators of the Companies issued a notice to creditors to submit claims. This was published in the London Gazette on 11 October 2016.

3 16 Creditors wishing to submit a claim should use the creditors statement of claim form provided at Appendix F, with any claims made being supported by copy invoices or other relevant documentation sufficient to allow the claim to be adjudicated. There is no requirement to submit a new claim if one has previously been submitted to the administrators.

4. Summary of Proposals and Exit Route

4 1 A copy of the Administrators' Proposals are included at Appendix G as required by rule 2.110 of the Rules. The Administrators have performed their functions in accordance with statutory objective b and there have been no amendments to or deviations from these Proposals although the administrators note the following.

- NFP has been converted to liquidation despite it being considered in the Proposals that the most likely exit route from administration would be a move straight to dissolution. It has become apparent during the administration of this entity that there will be funds available to pay a distribution to unsecured creditors and therefore it was appropriate for the conversion to liquidation to be pursued.
- The original fee estimates included in the Proposals have been exceeded for all of the Companies and approval is being sought for revised fee estimates.

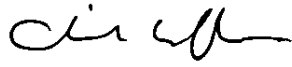
4 2 As it is anticipated that there will be sufficient realisations in each of the Companies to enable a distribution to unsecured creditors, the Companies have been converted to CVL pursuant to Paragraph 83 of Schedule B1 to the Act with Chad Griffin and Simon Kirkhope being appointed as Liquidators as prescribed in the Proposals.

5. Next report and further questions

5 1 This report represents a final report into the administrations of the Companies for the period to 29 September 2016 for CEL, Consulting and NFP and the period to 30 September 2016 for Services. The next statutory report will be issued within two months of the next anniversary of the conversions to liquidation.

5 2 Should you have any queries in the meantime or wish to be sent a hard copy of this report please contact us on climateenergy@fticonsulting.com or 020 3727 1019.

For and on behalf of the Companies



Chad Griffin

Joint Liquidator (Former Joint Administrator)

Chad Griffin and Simon Kirkhope are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390(2)(a) of the Insolvency Act 1986

Appendix A – Statutory information

Company and Appointment Information

	Climate Energy Limited	Climate Energy (NFP) Limited
Trading names	Climate Energy Limited	Climate Energy (NFP) Limited
Registered number	5310564	3343973
Registered office	C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	C/O FTI Consulting LLP, 200 Aldersgate Street London EC1A 4HD
Director(s)	Mr Mizanal Choudhury Mr Andrew Holmes	Mr Mizanal Choudhury Mr Andrew Holmes
Company secretary	N/A	N/A
Shareholdings	Climate Energy Holdings Ltd (100%)	CEN (Holdings) Limited (100%)
Court reference	6593/2015	6588/2015
Court	High Court of Justice Chancery Division Companies Court	High Court of Justice Chancery Division Companies Court
Administration appointment date	9 October 2015	7 October 2015
Appointer	Company Directors	Company Directors
Liquidation appointment date	29 September 2016	29 September 2016

	Climate Energy Services Limited	Climate Consulting Limited
Trading names	Climate Energy Services Limited	Climate Consulting Limited
Registered number	6575500	6734046
Registered office	C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD
Director(s)	Mr Mizanal Choudhury Mr Andrew Holmes	Mr Mizanal Choudhury Mr Andrew Holmes
Company secretary	N/A	N/A
Shareholdings	Climate Energy Limited (100%)	CEN (Holdings) Limited (100%)
Court reference	6595/2015	2892/2015
Court	High Court of Justice Chancery Division Companies Court	High Court of Justice Chancery Division Companies Court
Appointment date	7 October 2015	6 November 2015
Appointer	Company Directors	Company Directors
Liquidation appointment date	30 September 2016	29 September 2016

Administrators' Information

	Administrator 1	Administrator 2
Name	Chad Gnffin	Simon Kirkhope
Address	200 Aldersgate Street, London EC1A 4HD	200 Aldersgate Street, London EC1A 4HD
Authorising body	The Institute of Chartered Accountants in England and Wales	The Institute of Chartered Accountants in England and Wales

The appointments of the Administrators were made by the directors of the Companies pursuant to Paragraph 22 of Schedule B1 of the Act. We have also received written consent to the appointments from the holder of a qualifying floating charge over the assets of the Companies along with the necessary consents necessary under the Consumer Credit Act. The validity of the appointments has been confirmed by our legal advisors, King & Wood Mallesons LLP.

Pursuant to Paragraph 100 of Schedule B1 of the Act, any function of the Administrators may be exercised by any or all of the Administrators named above.

The center of main interest of the Companies is the United Kingdom. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Administrations. The proceedings are main proceedings as defined by Article 3 of those regulations.

Appendix B – Administrators' receipts and payments account

Climate Energy Limited - Administrators' Receipts and Payments for the period 9 October 2015 to 25 September 2016					
	Statement of affairs	From To	09/10/2015 08/04/2016	09/04/2016 18/10/2016	Total
	£		£	£	£
Fixed charge receipts					
Freehold Land & Property	1 000 000 00			1 250 000 00	1 250 000.00
Bank interest				283 40	283 40
Total	1,000 000.00		-	1,250,283.40	1,250,283.40
Fixed charge payments					
Office Holders Fees				40 000 00	40 000 00
Legal Fees and Expenses				1 785 00	1 785 00
Agents Fees and Expenses				15 625 00	15 625 00
Fixed Charge Exposure / Distribution	(524 068 58)			110 837 70	110 837 70
VAT Receivable				11 482 00	11 482 00
Transfer to floating charge account				1 070 553 70	1 070 553 70
Total	(524,068.58)			1,250,283.40	1,250,283.40
Floating charge receipts					
Plant and Machinery	1 000 00				-
Furniture & Equipment	2 000 00			26 227 00	26 227 00
Motor Vehicles	2 000 00		2 778.00	8 600 00	11 378 00
Computer Equipment/Software	5 000 00			-	-
Book Debts	2 022 598 00		75 317 92	38 655 43	113 973 35
Bank Current Account	462 039 00			-	-
Cash at Bank	257,128 00		257 125 68	-	257 125 68
Petty Cash	500 00		117 61	-	117 61
Euro Bank Account	1,614 81			-	-
Bank Interest Net of Tax			42 96	53 57	96 53
Prepayment Recoveries			1 513 86	-	1 513 86
Sundry Income			2 891 40	-	2 891 40
Miscellaneous Income			986.40	-	986 40
Transfer from fixed charge account				1 070,553 70	1,070 553 70
VAT Payable				5 227 80	5 227 80
Total			340 773.83	1,149 317 50	1,490 091.33
Floating charge payments					
Bank Charges			60 00	-	60 00
Leasehold Land & Property			519 30	-	519 30
Legal Fees and Expenses			46 002 48	4 001 00	50 003 48
Agents Fees and Expenses			1 320 00	-	1 320 00
Other Property Costs			2 317 58	-	2 317 58
Postage & Stationery			4 261.51	1 599 47	5 860 98
Website			750 00	-	750 00
Payroll Services			4 768 90	-	4 768 90
Specific Bond			1 516 00	-	1 516 00
Site Security			1 042 80	-	1 042 80
Health & Safety Inspections			1 387 80	-	1 387 80
Agents/Valuers Fees			4 127 73	25 591.24	29 718 97
Ransom Creditors			8 759 77	-	8 759 77
Storage Costs			4 650 00	-	4 650 00
Statutory Advertising			676 63	74 00	750 63
Rents Payable			8 785 99	-	8 785 99
Rates			5 133 23	679 81	5 813 04
Wages & Salaries			10 166 04	-	10 166 04
PAYE & NI			6 865 71	-	6 865 71
Wages (Temporary Staff)			2 437 50	-	2 437 50
Heat & Light			-	5 899 58	5 899 58
Office Holders Fees			-	393 964 96	393 964 96
Office Holders Expenses			-	16 125 01	16 125 01
VAT Receivable			16 585 94	88,907 17	105 493 11
Total			132,134 91	536,542.24	668,977.15
Current Surplus / (Deficit)			208,638.92	612,475.26	821,114.18

Note 1. The fixed charge loan provided by the Secured creditor was repaid in full and is therefore not shown within fixed charge realisations.

Note 2 The £418k swept by the Secured creditor from CEL accounts on appointment to offset amounts due is also not included in the above table.

Appendix B – Administrators' receipts and payments account

Climate Consulting Limited - Administrators' Receipts and Payments for the period 6 November 2015 to 29 September 2016				
Statement of affairs	From	06/11/2015	06/05/2016	Total
	To	05/05/2016	29/09/2016	
Floating charge receipts	£		£	£
Depositors Current Account	22,995 00	-	-	-
Bank Account Co-op	8,000 00	-	-	-
Cash at Bank	28 570 55	31,346 31	-	31,346 31
Bank Interest Net of Tax	-	3 22	6 72	9 94
Total	59,565 55	31,349 53	6 72	31,356.25
Floating charge payments				
Total		-	-	-
Current Surplus / (Deficit)		31,349 53	6 72	31,356.25

Climate Energy (NFP) Limited - Administrators' Receipts and Payments for the period 7 October 2015 to 29 September 2016				
Statement of affairs	From	07/10/2015	07/04/2016	Total
	To	06/04/2016	29/09/2016	
Floating charge receipts	£		£	£
Bank Current Account	555 06	3,094 74	-	3,094 74
VAT Liability	4,463 87	-	-	0 00
Bank Interest	-	0 37	0 64	1 01
Total	5,018.93	3,095.11	0.64	3,095 75
Floating charge payments				
Statutory Advertising	-	96 09	-	96 09
VAT	-	18 14	-	18 14
Total		114.23	-	114.23
Current Surplus / (Deficit)		2,980.88	0 64	2,981.52

Climate Energy Services Limited - Administrators' Receipts and Payments for the period 7 October 2015 to 30 September 2016				
Statement of affairs	From	07/10/2015	07/04/2016	Total
	To	06/04/2016	30/09/2016	
Floating charge receipts	£		£	£
Furniture and Fixtures	500 00	-	-	-
HSBC Account	467 31	-	-	-
Bank Current Account	40 925 61	27 799 64	-	27,800
Debtors Control Account	15 000 00	-	-	-
Bank Interest	-	-	9 36	9 36
Total	56,892.92	27,799 64	9.36	27,809 00
Floating charge payments				
Statutory Advertising	-	178 18	-	178.18
VAT	-	33 48	-	33.48
Total		211.66	-	211.66
Current Surplus / (Deficit)		27,587.98	9.36	27,597.34

Appendix C – Administrators' time costs and expenses

Pre-Administration fees

Information in relation to FTI's involvement with the Companies prior to the date of the Administrations is detailed below, pursuant to Rule 2.33 (2B) of the Rules

By a letter of engagement dated 28 September 2015, FTI were engaged by the Group to review the latest short term cash flow forecast, assist the Group in engaging with key stakeholders, act as a sounding board for the Board in relation to their fiduciary duties and support in the assessment and implementation of strategic options

Our fees incurred in relation to these advisory services amounted to £30,000 (plus VAT). This was billed, and paid by the Group prior to the date of our appointments as Administrators

The work performed prior to our appointments enabled the administrations of the Companies to proceed as efficiently as practically possible

All pre-appointment costs referred to above were paid prior to our appointments and a request to draw these fees as an expense of the administrations has therefore not been made. We are not aware of any other costs or expenses incurred in relation to the Companies by another party qualified to act as an insolvency practitioner in the period prior to our appointment as Administrators, in respect of work with a view to placing the Companies into administration

Administrators' fees

Pursuant to Rule 2.106 of the Rules the remuneration of the Administrators can be fixed on the basis of one of the following.

- a as a percentage of the value of property with which he has to deal,
- b by reference to time properly given by the Administrator and his staff attending to matters arising in the administration, or
- c a set amount.

As approved by the creditors of the Companies by meetings by correspondence held on 16 December 2016, the Administrators will be remunerated by basis b of the above

Administrators have to date drawn fees totaling £393,965 in respect of the floating charge work and £40,000 in respect of the fixed charge work undertaken. All fees billed to date are in relation to CEL.

Fee approval

A copy of the 'Creditors' Guide to Administrators' Fees' is available at

https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf

Creditors can alternatively request a copy from us and we will provide a paper copy by post

Administrators' fee estimate

A breakdown of the revised estimates are as follows

Climate Energy Limited	Original Administrators' Fee Estimate		Additional Time Costs Incurred to Date		Revised Administrators' Fee Estimate		Liquidators' Fee Estimate		Total Revised Fee Estimate	
	Hr	£	Hr	£	Hr	£	Hr	£	Hr	£
Administration and Planning	400	97,297	324	72,646	724	169,944	100	31,000	824	200,944
Investigations	175	41,738	48	4,893	223	46,631	-	-	223	46,631
Realisation of assets	301	101,998	(16)	(15,812)	285	86,186	18	6,360	303	92,546
Trading / Wind down	25	9,383	1	130	26	9,513	-	-	26	9,513
Creditors	380	97,781	32	12,443	412	110,224	240	67,490	652	177,714
Tax	63	22,694	2	243	66	22,937	40	13,600	106	36,537
Reporting	90	33,094	29	(660)	119	32,434	50	16,550	169	48,984
Other	38	11,016	(12)	(3,450)	27	7,566	-	-	27	7,566
Fixed Charge related	100	40,000	55	11,196	155	51,196	-	-	155	51,196
Total	1,573	455,000	463	81,629	2,035	536,629	448	135,000	2,484	671,629
Expenses		14,177		(302)		13,875		15,000	-	28,875

JOINT ADMINISTRATORS' PROGRESS REPORT



Climate Consulting Limited	Original Administrators' Fee Estimate		Additional Time Costs Incurred to Date		Revised Administrators' Fee Estimate		Liquidators' Fee Estimate		Total Revised Fee Estimate	
	Hr	£	Hr	£	Hr	£	Hr	£	Hr	£
Administration and Planning	25	4 769	(1)	2 341	25	7 110	15	3 930	40	11,040
Investigations	1	160	1	530	2	690	-	-	2	690
Realisation of assets	7	1 512	(4)	(497)	3	1,015	4	1,160	7	2 175
Trading / Wind down	6	2 537	(6)	(2 537)	-	-	-	-	-	-
Creditors	6	1 815	2	845	8	2 660	6	1,840	14	4 500
Tax	4	1 758	(3)	(1,363)	1	395	6	2 040	7	2 435
Reporting	7	2 450	1	683	8	3,133	14	3 530	22	6 663
Other	-	-	-	-	-	-	-	-	-	-
Incurred and not to be billed	-	-	-	(3)	-	(3)	-	-	-	(3)
Total	56	15,000	(9)	-	47	15,000	45	12,500	92	27,500
Expenses	-	1,000	-	(818)	-	182	-	500	-	682

Climate Energy (NFP) Limited	Original Administrators' Fee Estimate		Additional Time Costs Incurred to Date		Revised Administrators' Fee Estimate		Liquidators' Fee Estimate		Total Revised Fee Estimate	
	Hr	£	Hr	£	Hr	£	Hr	£	Hr	£
Administration and Planning	25	4 139	(7)	917	18	5 056	15	3 930	33	8 986
Investigations	1	184	-	(7)	1	178	-	-	1	178
Realisation of assets	1	184	(1)	(136)	0	48	4	1,160	4	1 208
Trading / Wind down	-	-	-	-	-	-	-	-	-	-
Creditors	7	1 286	(5)	(516)	2	770	6	1 840	8	2 610
Tax	4	1 758	(3)	(1,518)	2	240	6	2 040	8	2 280
Reporting	7	2 450	4	1,719	11	4 169	14	3 530	25	7 699
Other	-	-	-	-	-	-	-	-	-	-
Incurred and not to be billed	-	-	-	(460)	-	(460)	-	-	-	(460)
Total	45	10,000	(11)	0	34	10,000	45	12,500	79	22,500
Expenses	-	1,000	-	(909)	-	91	-	500	-	591

Climate Energy Services Ltd	Original Administrators' Fee Estimate		Additional Time Costs Incurred to Date		Revised Administrators' Fee Estimate		Liquidators' Fee Estimate		Total Revised Fee Estimate	
	Hr	£	Hr	£	Hr	£	Hr	£	Hr	£
Administration and Planning	25	4 769	9	4 663	34	9,432	23	5 860	57	15 292
Investigations	1	160	0	34	1	194	-	-	1	194
Realisation of assets	7	1,512	(4)	(484)	3	1 028	3	765	6	1,793
Trading / Wind down	6	2,537	6	2,670	12	5 207	-	-	12	5,207
Creditors	6	1 815	1	403	7	2 218	22	5 740	29	7 958
Tax	4	1 758	(2)	(1,438)	2	320	11	3 585	13	3 905
Reporting	7	2 450	5	2,012	12	4 462	14	4 050	26	8 512
Other	-	-	-	-	-	-	-	-	-	-
Total	58	15,000	15	7,860	71	22,860	73	20,000	143	42,860
Expenses	-	1,000	-	(693)	-	307	-	1 000	-	1,307

The hourly rates charged by the administrators, and the subsequent liquidators, is provided at Appendix E

Post-appointment time costs and expenses

An analysis of the Administrators' time in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade to date, is enclosed at Appendix D

The main areas of our work have been as follows

- Accessing and reviewing the Companies' books and records,
- Corresponding with key stakeholders, specifically the Local Authorities, consumers and third party contractors,
- Winding down the trading operations of the business, liaising with Local Authorities and third party contractors to facilitate the completion of current work in progress,
- Communications with unsecured creditors in relation to consumer deposits held and the progress / likely outcomes of the administrations,
- Engaging in negotiations regarding the sale of parts of the business as a going concern,
- Seeking the return of the Companies' pre-appointment cash reserves and deposits, liaising with the Secured Creditor to minimise cash set off against fixed and floating charge exposure,
- Notifications to relevant tax authorities,

- Addressing queries in relation to the leasehold properties of CEL and making preparations for the sale of the freehold property owned by CEL.
- Organising for the collection, valuation and sale of CEL's chattel assets Including the identification and return of third party owned assets / assets subject to retention of title claims,
- Communication with employees and management of employee claims and payroll processing,
- Reporting to the Secured Creditor
- Complying with statutory formalities including relevant filings and statutory communications,
- Maintaining the Administration records for the Companies,
- Overseeing the sale of the freehold property in Witham,
- Preparing VAT and Tax returns,
- Logging creditor claims,
- Liaising with ERA Solutions in relation to employee claims, and
- Providing references for former employees

All fees and out of pocket expenses incurred to date are detailed in Appendix D

Category 1 expenses are not subject to creditor approval Approval to draw Category 2 disbursements was given at initial meetings of creditors held by correspondence on 16 December 2015 and relate to costs which are apportioned overheads such as mileage and data storage Further details in relation to this can be found at Appendix E together with additional information in relation to our policy on staffing, the use of subcontractors, and details of our current charge out rates by staff grade

Time costs to be incurred during the liquidation

It is anticipated that the majority of time costs incurred during the liquidation of the Companies will be due to progressing the following work streams

- Adjudicating remaining creditor claims,
- Realising intercompany balances,
- Administering distributions to creditors, and
- Complying with ongoing tax and statutory requirements

Appendix D – Time cost analysis

Climate Energy Limited - Analysis of Administrators' Time Costs In Accordance with SLP9 for the period 9 April 2016 to 29 September 2016

Task	Senior Managing Director	Managing Director / Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Strategy and planning				0.5	0.5	92.5	185.0
Appointment and related formalities				47.8	47.8	8 843.0	185.0
Receipts and payments accounts			0.8	14.8	15.6	3 054.0	195.8
Checklist and reviews		1.0	4.2	5.9	11.1	2 965.5	267.2
Cashiering and reconciliations				4.8	4.8	888.0	185.0
Case management			49.2	0.2	49.4	19 471.0	394.1
Fixed Charge cashiering / funding		0.8			0.8	396.0	495.0
Subtotal		1.8	54.2	74.0	129.2	35,710.0	
Realisation of assets							
Book debts				0.4	0.4	74.0	185.0
Other assets			0.5		0.5	197.5	395.0
Health & Safety/Insurance				0.3	0.3	55.5	185.0
Fixed charge property			7.0	2.0	9.0	3 135.0	348.3
Subtotal			7.5	2.7	10.2	3,462.0	
Trading							
Ongoing trading / monitoring				0.7	0.7	129.5	185.0
Subtotal				0.7	0.7	129.5	
Creditors (correspondence and claims)							
Unsecured creditors	-		15.2	9.8	25.0	7 457.0	298.3
Employees				1.0	1.0	185.0	185.0
Subtotal			15.2	10.8	26.0	7 642.0	
Tax							
Post appointment CT		4.0		5.4	9.4	2 979.0	316.9
Post appointment VAT		13.0		9.4	22.4	7 174.0	320.3
Tax advice on transactions		1.5		1.0	2.5	877.5	351.0
Subtotal		18.5		15.8	34.3	11,030.5	
Reporting							
Other statutory reports/meetings	-		34.9	34.3	69.2	19 171.0	277.0
Secured creditor reports			4.0		4.0	1,580.0	395.0
Subtotal			38.9	34.3	73.2	20,751.0	
Total Time by Grade		20.3	115.6	138.3	273.6		
Total Cost by Grade		8,998.5	44,141.0	25,585.5	78,725.0		
Average by Grade		443.3	381.2	185.0	287.7		
	Fixed charge time cost	Floating charge time cost	Total Time Costs	Category 1	Category 2	Total	
Total Costs in Period	5,111.0	73,614.0	78,725.0	541.3	3,000.0	82,286.3	

Appendix D – Time cost analysis

Climate Energy Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 9 October 2015 to 29 September 2016

Task		Senior Managing Director	Managing Director / Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	5.0	15.3	23.4	2.7	46.4	16 927.5	364.8
Initial actions	A2	3.0	15.3	15.3	26.2	59.8	17 662.0	295.4
Appointment and related formalities	A3	1.0	26.0	28.6	389.4	445.0	81 194.5	182.5
Receipts and payments accounts	A4			28.8	46.7	75.5	15 423.0	204.3
Checklist and reviews	A5		1.0	33.0	10.3	44.3	12 894.5	291.1
Cashiering and reconciliations	A6			5.6	5.1	10.7	2 364.0	220.9
Bonding and IPS maintenance	A7		0.2	2.7	0.2	3.1	857.0	278.5
Case management	A8			58.2	0.2	58.4	22 621.0	387.3
Fixed Charge cashiering / funding	A9		15.9	3.3		19.2	8,320.5	433.4
Subtotal		9.0	57.8	195.6	480.8	743.2	178,264.0	
Investigations								
Correspondence with directors	B1				0.4	0.4	64.0	160.0
Directors questionnaire/checklists	B2		1.8			1.8	801.0	445.0
Statement of affairs	B3				0.7	0.7	112.0	160.0
Reports of Directors conduct	B4				0.7	0.7	129.5	185.0
Books and records	B5		3.9	1.2	65.1	70.2	12 532.5	178.5
Electronic records	B6		5.7	106.2	37.1	149.0	32 992.3	221.4
Subtotal		0.0	11.4	107.4	104.0	222.8	48,631.3	
Realisation of assets								
Cash and investments	C1	3.0	11.7			14.7	6 541.5	445.0
Sale of business	C2	2.0	23.8			25.8	11,481.0	445.0
Book debts	C4	1.0	15.4	114.5	0.4	131.3	47 447.0	361.4
Property plant and vehicles	C6		9.4		61.3	70.7	13 991.0	197.9
Other assets	C7		5.7	8.7	21.9	36.3	9 120.5	251.3
Health & Safety/Insurance	C8			2.2	16.2	18.4	3 160.5	171.8
Legal issues/litigation	C9	2.0			0.6	2.6	986.0	379.2
Fixed charge property	C10		2.2	31.2	43.9	77.3	19 688.0	254.7
Subtotal		8.0	68.2	156.6	144.3	377.1	112,415.5	
Trading								
Initial control of operations	D1		12.7			12.7	5 651.5	445.0
Ongoing trading / monitoring	D2		6.3		0.7	7.0	2 933.0	419.0
Closure of trading	D3				5.8	5.8	928.0	160.0
Subtotal		-	19.0	-	6.5	25.5	9,512.5	
Creditors (correspondence and claims)								
Unsecured creditors	E1		25.6	89.7	144.1	259.4	65 845.0	253.8
Pensions	E3		8.1		1.2	9.3	3 796.5	408.2
Employees	E4		30.4	94.8	15.3	140.5	40 182.5	286.0
Lease creditors	E7				2.5	2.5	400.0	160.0
Subtotal		-	64.1	184.5	163.1	411.7	110,224.0	
Tax								
Initial reviews CT and VAT	F1		2.0			2.0	890.0	445.0
Pre-appointment CT	F2		10.0	-	18.9	28.9	7 474.0	258.6
Pre-appointment VAT	F3		1.0		3.0	4.0	925.0	231.3
Post appointment CT	F4		4.0	0.5	5.4	9.9	3 106.5	313.8
Post appointment VAT	F5		5.8		9.4	15.2	8,249.0	542.7
Tax advice on transactions	F6		4.5		1.0	5.5	2 292.5	416.8
Subtotal		-	27.3	0.5	37.7	65.6	22,937.0	
Reporting								
Proposals	G2	0.8	4.6	10.7	23.2	39.3	9 860.0	250.9
Other statutory reports/meetings	G3			43.8	36.1	79.9	22 574.0	282.5
Secured creditor reports	G4	3.0	7.9	32.4		43.3	16 645.5	384.4
Subtotal		3.8	12.5	86.9	59.3	162.5	49,079.5	
Other								
Other	H2		11.5		15.3	26.8	7 565.5	282.3
Subtotal		-	11.5	-	15.3	26.8	7,565.5	282.3
Total Time by Grade		20.8	271.8	731.5	1,011.0	2,035.1		
Total Cost by Grade		9,256.0	129,954.5	230,858.8	186,560.0	536,629.3		
Average by Grade		445.0	478.1	315.6	164.7	263.7		
Fixed charge time cost								
Total Costs to Date		51,195.5	485,433.8	536,629.3	8,760.0	5,115.0	550,504.3	
Amount Billed		(40,000.0)	(383,965.0)	(433,965.0)	(8,760.0)	(5,115.0)	(447,840.0)	
WIP		11,195.5	91,468.8	102,664.3			102,664.3	

Appendix D – Time cost analysis

Climate Consulting Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 06 May 2016 to 29 September 2016								
Task	Senior Managing Director	Managing Director	Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Checklist / Reviews / Filing		-		0.9	4.9	5.8	1,262.0	217.6
Cashiering and reconciliations		-			3.7	3.7	684.5	185.0
Case management		-		1.5	0.3	1.8	648.0	360.0
Subtotal		-	-	2.4	8.9	11.3	2,594.5	
Tax								
Post appointment VAT			1.0			1.0	395.0	395
Subtotal		-	1.0	-		1.0	395.0	
Reporting								
Other statutory reports/meetings			-		0.4	0.4	74.0	185.0
Subtotal		-	-	-	0.4	0.4	74.0	
Total Time by Grade			1.0	2.4	9.3	12.7		
Total Cost by Grade			395.0	948.0	1,720.5	3,063.5		
Average by Grade			395.0	395.0		241.2		
	Time Costs	Category 1	Category 2	Total				
Total Costs to Date	3,063.5	182.1		3,245.6				
Amount Billed								
WIP	3,063.5	182.1		3,245.6				

Climate Consulting Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 06 November 2015 to 29 September 2016								
Task	Senior Managing Director	Managing Director	Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning		0.5				0.5	222.5	445.0
Appointment and related formalities				0.2		0.2	70.0	350.0
Checklist / Reviews / Filing				10.7	4.9	15.6	4,692.0	300.8
Cashiering and reconciliations					3.7	3.7	684.5	185.0
Bonding and IPS maintenance				1.5	0.2	1.7	443.0	260.6
Case management				2.5	0.3	2.8	998.0	356.4
Subtotal		0.5		14.9	9.1	24.5	7,110.0	
Investigations								
Reports of Directors conduct				-	0.7	0.7	129.5	185.0
Electronic records		-		1.6		1.6	560.0	350.0
Subtotal		-		1.6	0.7	2.3	689.5	
Realisation of assets								
Book debts				2.9		2.9	1,015.0	350.0
Subtotal				2.9		2.9	1,015.0	
Creditors (correspondence and claims)								
Unsecured creditors				7.6		7.6	2,660.0	350.0
Subtotal				7.6		7.6	2,660.0	
Tax								
Post appointment VAT			1.0			1.0	395.0	395
Subtotal			1.0	-		1.0	395.0	
Reporting								
Proposals	0.8	0.6		3.8		5.2	1,953.0	375.6
Other statutory reports/meetings		-		2.8	0.4	3.2	1,180.0	368.8
Subtotal	0.8	0.6		6.6	0.4	8.4	3,133.0	
Total Time by Grade	0.8	1.1	1.0	33.6	10.2	46.7		
Total Cost by Grade	356.0	469.5	395.0	11,880.0	1,882.0	15,002.5		
Average by Grade	445.0	445.0	395.0	353.6		321.3		
	Time Costs	Category 1	Category 2	Total				
Total Costs to Date	15,002.5	182.1		15,184.6				
Amount Billed								
WIP	15,002.5	182.1		15,184.6				

Appendix D – Time cost analysis

Climate Energy (NFP) Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 7 April 2016 to 29 September 2016

Task	Senior Managing Director	Managing Director	Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Checklist / Reviews / Filing	A5			1.1	3.4	4.5	1,063.5	236.3
Cashiering and reconciliations	A6				0.8	0.8	148.0	185.0
Case management	A8			1.5	0.3	1.8	648.0	360.0
Subtotal				2.6	4.5	7.1	1,859.5	
Reporting								
Other statutory reports/meetings	G3				0.4	0.4	74.0	185.0
Subtotal					0.4	0.4	74.0	
Total Time by Grade				2.6	4.9	7.5		
Total Cost by Grade				1,027.0	906.5	1,933.5		
Average by Grade				395.0		257.8		
	Time Costs	Category 1	Category 2	Total				
Total Costs to Date	1,933.5	91.0		2,024.5				
Amount Billed								
WIP	1,933.5	91.0		2,024.5				

Climate Energy (NFP) Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 7 October 2015 to 29 September 2016

Task	Senior Managing Director	Managing Director	Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning		0.6				0.6	282.0	470.0
Initial actions				0.3	0.6	0.9	172.5	191.7
Appointment and related formalities				1.2		1.2	306.0	255.0
Checklist / Reviews / Filing				3.7	3.4	7.1	1,973.5	278.0
Cashiering and reconciliations				1.4	1.1	2.5	553.0	221.2
Bonding and IPS maintenance				2.8		2.8	771.0	275.4
Case management				2.5	0.3	2.8	998.0	358.4
Subtotal		0.8		11.9	5.4	17.9	5,058.0	
Investigations								
Statement of affairs					0.3	0.3	48.0	160.0
Reports of Directors' conduct					0.7	0.7	129.5	185.0
Subtotal					1.0	1.0	177.5	
Realisation of assets								
Health & Safety / Insurance / Regulatory					0.3	0.3	48.0	160.0
Subtotal					0.3	0.3	48.0	
Creditors (correspondence and claims)								
Unsecured creditors				2.2		2.2	770.0	350.0
Subtotal				2.2		2.2	770.0	
Tax								
Pre-appointment CT					1.5	1.5	240.0	160.0
Subtotal					1.5	1.5	240.0	
Reporting								
Proposals	0.8	1.9		4.6		7.3	2,811.5	385.1
Other statutory reports/meetings				3.4	0.4	3.8	1,357.0	357.1
Subtotal	0.8	1.9		8.0	0.4	11.1	4,168.5	
Total Time by Grade	0.8	2.5		22.1	8.8	34.0		
Total Cost by Grade	356.0	1,127.5		7,400.5	1,518.0	10,402.0		
Average by Grade	445.0	451.0		337.6		307.6		
	Time Costs	Category 1	Category 2	Total				
Total Costs to Date	10,480.0	91.0		10,571.0				
Amount Billed								
WIP	10,480.0	91.0		10,571.0				

Appendix D – Time cost analysis

Climate Energy Services Limited - Analysis of Administrators' Time Costs In Accordance with SIP5 for the period 7 April 2016 to 30 September 2016

Task	Senior Managing Director	Managing Director	Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	-		-		1.0	1.0	185.0	185.0
Checklist / Reviews / Filing	-			5.5	9.1	14.6	3 856.0	264.1
Cashiering and reconciliations	-				3.3	3.3	610.5	185.0
Case management	-			-	0.3	0.3	55.5	185.0
Subtotal				5.5	13.7	19.2	4,707.0	
Reporting								
Other statutory reports/meetings				0.3	0.4	0.7	192.5	275.0
Subtotal				0.3	0.4	0.7	192.5	
Total Time by Grade	-		-	5.8	14.1	19.9		
Total Cost by Grade	-		-	2,291.0	2,608.5	4,899.5		
Average by Grade	-		-	395.0	0.0	248.2		
Time Costs		Category 1	Category 2	Total				
Total Costs to Date	4,899.5	307.3	-	5,206.8				
Amount Billed	-							
WIP	4,899.5	307.3		5,206.8				

Climate Energy Services Limited - Analysis of Administrators' Time Costs In Accordance with SIP5 for the period 7 October 2015 to 30 September 2016

Task	Senior Managing Director	Managing Director	Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning		0.6			1.0	1.6	467.0	291.9
Initial actions				0.3	0.6	0.9	172.5	191.7
Appointment and related formalities			-	1.2		1.2	306.0	255.0
Checklist / Reviews / Filing				11.7	9.1	20.8	6 026.0	289.7
Cashiering and reconciliations		0.4		1.4	3.6	5.4	1 213.5	224.7
Bonding and IPS maintenance				3.0		3.0	841.0	280.3
Case management				1.0	0.3	1.3	405.5	311.9
Subtotal		1.0		18.6	14.6	34.2	9,431.5	
Investigations								
Statement of affairs					0.4	0.4	64.0	160.0
Reports of Directors conduct					0.7	0.7	129.5	185.0
Subtotal					1.1	1.1	193.5	
Realisation of assets								
Book debts			-	2.8		2.8	980.0	350.0
Health & Safety / Insurance / Regulatory					0.3	0.3	48.0	160.0
Subtotal				2.8	0.3	3.1	1,028.0	
Trading								
Ongoing trading / monitoring		11.7				11.7	5 206.5	445.0
Subtotal		11.7				11.7	5,206.5	
Creditors (correspondence and claims)								
Unsecured creditors				6.2		6.2	2 170.0	350.0
Employees					0.3	0.3	48.0	160.0
Subtotal				6.2	0.3	6.5	2,218.0	
Tax								
Pre-appointment CT					0.5	0.5	80.0	160.0
Pre-appointment VAT					1.5	1.5	240.0	160.0
Subtotal					2.0	2.0	320.0	
Reporting								
Proposals	0.8	1.9		5.1		7.8	2 986.5	382.9
Other statutory reports/meetings				3.7	0.4	4.1	1 475.5	359.9
Subtotal	0.8	1.9		8.8	0.4	11.9	4,462.0	
Total Time by Grade	0.8	14.6		36.4	18.7	70.5		
Total Cost by Grade	356.0	6,532.0		12,609.5	3,362.0	22,859.5		
Average by Grade	445.0	447.4		348.4		324.2		
Time Costs		Category 1	Category 2	Total				
Total Costs to Date	22,859.5	307.3	-	23,166.8				
Amount Billed	-							
WIP	22,859.5	307.3		23,166.8				

Appendix E – Additional Information in relation to Administrators' fees pursuant to SIP9

Detailed below is FTI's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will draw from a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard. All time incurred by the Administrators and their staff is recorded in six minute increments.

Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis, and the fees (excluding VAT) paid to each advisor to date.

Name of professional advisor	Basis of fee arrangement	Fees paid to date (£)
King & Wood Mallesons LLP (legal advice)	Hourly rate and disbursements	50,199.98
Addleshaw Goddard LLP (legal advice re intercompany debtors)	Hourly rate and disbursements	1,588.50
Wyles Hardy (asset valuers and agents)	Hourly rate and disbursements	31,510.54
JP Associates (book debt collectors)	20% of recoveries	7,839.22
ERA (employee advice and claims processing)	Hourly rate and disbursements	4,250.00
CAPA (business rates recovery)	30% of recoveries	519.30
Kemsley (estate agents)	1.25% of sale proceeds	15,625.00
Sweeney Kincaid (Scotland asset valuers and agents)	20% of recoveries	2,082.20
Payline (payroll services)	Hourly rate and disbursements	518.90

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

We have utilised the services of other teams within FTI Consulting LLP to assist with the administration processes. The fees of our tax, technology and strategic communications teams have been included in our SIP9 analysis provided to creditors of the Companies and allocated to the work streams and entities to which their work related, for approval by those parties approving our fees.

We consider that the rates chargeable for these services are in line with general market practice and that the service is comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the administration work streams has been possible.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors which was given at the initial meetings of creditors held by correspondence on 16 December 2015. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder.

On this assignment we have incurred category 2 disbursements in the following classes. We have also indicated alongside, the basis of calculation of these costs.

Type of expense	Basis of incurring cost
Postage and fulfilment by Williams Lea	Costs incurred based on numbers of letters printed
IT equipment ordered internally	Cost price
Subsistence for meetings	Charge based on number of attendees per meeting
Data Management (10 units)	£25 per unit per month

Category 2 expenses of £5,115.00 have been billed to date and paid to date in CEL. No Category 2 expenses have been billed from Consulting, NFP or Services.

Charge-out rates

A schedule of the FTI charge-out rates, as agreed with the Secured Creditor for this assignment, is as follows. We note that this represents a discount against FTI's standard charge-out rates.

Grade	2015 £ (Per hour)	2016 £ (Per hour)
Senior Managing Director	445	495
Managing Director	445	495
Senior Director	350	395
Director	350	395
Senior Consultant	350	395
Consultant	255	295
Analyst	160	185

Appendix F – Creditors' statement of claim form

Climate Energy Services Limited	- date of administration – 7 October 2015 - date of liquidation – 30 September 2016	<input type="checkbox"/>
Climate Energy (NFP) Limited	- date of administration – 7 October 2015 - date of liquidation – 29 September 2016	<input type="checkbox"/>
Climate Energy Limited	- date of administration – 9 October 2015 - date of liquidation – 29 September 2016	<input type="checkbox"/>
Climate Consulting Limited	- date of administration – 6 November 2015 - date of liquidation – 29 September 2016	<input type="checkbox"/>

(Please tick the box corresponding to the company you are making a claim in)

Note – creditors who have previously submitted a claim are not required to re-submit their claim following receipt of this report.

Name and address of creditor _____

Amount claimed in the Administration
 (Including VAT) £ _____

Signature of creditor _____

Name of creditor _____

Telephone _____

E-mail _____

Date _____/_____/_____

Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to Will Marsden at FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD or email it to climateclimateenergy@fticonsulting.com

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account.

Claims lodged in the Administration should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Customs and Excise for the VAT element through their VAT return

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice

Appendix G – Administrators' Proposals

Proposed Strategy, Actions and Activities

- The Administrators will continue to manage the affairs of the Companies in order to achieve the purpose of the Administrations
- To do all such other things and generally exercise all of our powers as contained in Schedule B1 of the Act, as the Administrators consider desirable or expedient to achieve the statutory purpose of the Administrations
- To investigate and as appropriate pursue any claims the Companies may have
- We shall be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless they conclude, in their reasonable opinion, that the respective company in administration will have no assets available for distribution
- We shall be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit. In relation to potential distributions to unsecured creditors, we may at our discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) of Schedule B1 of the Act

Creditors Committee

- In the event the creditors of any of the Companies so determine, a creditors committee may be appointed in respect of one or more of the Companies, the committee shall comprise no more than five and not less than three creditors of that company

Proposed Exit Routes

- The most likely deemed exit route for each company after the completion of the Administrations based on information currently available is provided below

Company	Most likely exit strategy	Rationale
Climate Energy Limited	Creditors Voluntary Liquidation	Possible distribution to unsecured creditors
Climate Consulting Limited	Creditors Voluntary Liquidation	Possible distribution to unsecured creditors
Climate Energy Services Limited	Creditors Voluntary Liquidation	Possible distribution to unsecured creditors
Climate Energy (NFP) Limited	Dissolution	Dissolution preferred as no likely distribution to unsecured creditors

- The Joint Administrators may exit the Administrations into Creditors' Voluntary Liquidations ("CVL") pursuant to Paragraph 83 of Schedule B1 to the Act in order to either make a distribution to unsecured creditors
- It is proposed that the Administrators would be appointed as liquidators, with any liquidator being able to undertake acts required or authorised under any enactment individually. The creditors are entitled to nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before the proposals are approved
- Should a conversion to a CVL not be deemed to be the most appropriate exit route, once all assets have been realised, and if there are no funds available to enable a distribution to the unsecured creditors and a liquidation process is not required, the Administrators shall file a notice pursuant to Paragraph 84 of Schedule B1 to the Act together with their final progress report at Court and with the Registrar of Companies for the dissolution of that Company
- In the event that there are no funds available for distribution to unsecured creditors, but the Administrators still believe liquidation to be the most appropriate route (for example if it is necessary to disclaim a lease), the Administrators will exit the Administration by a compulsory liquidation. The Administrators give notice that on such a petition the Joint Administrators will seek their appointment as liquidators pursuant to Section 140 of the Act

Discharge of Administrators

- The Administrators will be discharged from liability in accordance with Paragraph 98(1) of Schedule B1 of the Act immediately upon their appointment as Administrators ceasing to have effect.

Administrators' Remuneration

- In respect of each company, the unsecured creditors, or a Creditors Committee if one is appointed, be asked to agree
 - that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations calculated at the prevailing hourly charge out rates used by FTI at the time when the work is performed, plus VAT,
 - that the Administrators be authorised to draw their remuneration and disbursements (including category 2 expenses) in dealing with the administration estate as and when funds permit and in accordance with the fee cap proposed as part of the Administrators' fee estimate

Administrators' fee estimate

- Where the Administrator proposes that the basis of the administrators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff, the Administrator is required to provide an estimate of their fees and expenses that are likely to be incurred by the Administrator and, where applicable, a subsequent liquidator
- The Administrators', and where applicable the subsequent liquidators', fees cannot exceed the fee estimate without the approval from the unsecured creditors or, should one be appointed, the Creditors Committee
- The Administrators' fee estimate for each of the Companies is provided below
- Please note that the fee estimate represents our estimate of the time costs that will likely be incurred in undertaking our duties in respect of the Companies. The fee will only be drawn where there are sufficient realisations from the Companies' assets to do so

Company	Time costs to date	Further time costs anticipated	Administrators floating charge fee estimate	Administrators fixed charge fee estimate
Climate Energy Limited	£306,473	£148,527	£415,000	£40,000
Climate Energy Solutions Limited	£6,889	£13,111	£20,000	Nil
Climate Consulting Limited	£1,295	£13,705	£15,000	Nil
Climate Energy Services Limited	£8,384	£6,617	£15,000	Nil
Climate Energy (NFP) Limited	£1,258	£8,742	£10,000	Nil
CEN (Holdings) Limited	£656	£9,344	£10,000	Nil



CRITICAL THINKING
AT THE CRITICAL TIMESM

About FTI Consulting

FTI Consulting, LLP is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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