In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up

Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0 9 8 1 2 6 7 3
Company name in full	Tonik Energy Limited

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

2 Liquidator's name

Full forename(s)	Matthew James
Surname	Cowlishaw

3 Liquidator's address

Building name/number	The Colmore Building, 20 Colmore Circus
Street	Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

4 Liquidator's name ❶

Full forename(s)	Paul James
Surname	Meadows

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	The Colmore Building, 20 Colmore Circus
Street	Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

From date	d 1 d 3	m 1 m 0	y 2 y 0 y 2 y 2
To date	d 1 d 2	m 1 m 0	y 2 y 0 y 2 y 3

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X	X
Signature date	d 1 d 1	m 1 m 2 y 2 y 0 y 2 y 3

LIQ03
Notice of progress report in voluntary winding up

Presenter information

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

Contact name: Vinay Mistry

Company name: Teneo Financial Advisory Ltd

Address: The Colmore Building
20 Colmore Circus Queensway

Post town: Birmingham

County/Region:

Postcode: B4 6AT

Country:

DX:

Telephone: +44 121 619 0120

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

Teneo

The Global CEO Advisory Firm

Court Case No. 471 of 2020
High Court of Justice Chancery Division
Birmingham District
Company Number: 09812673

Registered Office:
c/o Teneo Financial Advisory Limited
The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Tonik Energy Limited (in liquidation) ("the Company")

Progress report to creditors for the 12 month period to 12 October 2023 pursuant to Section 104A Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

11 December 2023

Matthew James Cowlishaw and Paul James Meadows ("the Joint Liquidators") were appointed Joint Liquidators of the Company on 13 October 2021. The affairs, business and property of the Company are managed by the Joint Liquidators. The Joint Liquidators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators 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.

Contents	1
Key messages	2
Progress of the liquidation	4
Information for creditors	9
Remuneration and expenses	11

Key messages

Key messages

Joint Liquidators of the Company

Matthew James Cowlishaw

Paul Meadows

Teneo Financial Advisory Limited

The Colmore Building

20 Colmore Circus

Queensway

Birmingham

B3 3HN

Contact details

Email: vinay.mistry@teneo.com

www.ips-docs.com

Tel: 0121 619 0149

Progress of the liquidation during the report period

- HM Revenue & Customs ("HMRC") have exercised their right of set off in respect of pre-administration VAT refunds and submitted a net unsecured claim in the Liquidation.
- VAT refunds of c.£185k were realised in relation to the previous administration period.
- Retention funds held by the Merchant Services Provider GoCardless Ltd ("GoCardless") of c.£424k were realised in the period.
- Book debts of c.£37.3k and an energy industry balancing settlement refund of £1.5k were received in the period.
- The court handed down a final decision in related Energy Supply Companies' ("ESC") insolvencies in respect of Ofgem and Supplier of Last Resort ("SoLR") debts ranking as unsecured claims. Please see page 5 for further details.

Costs

- Please note all fees, costs and expenses, unless otherwise stated, are reported net of VAT.
- Our fees have been fixed on a time costs basis.
- Our time costs for the period of the report are c.£135k. For the reasons set out on page 12, our time costs have exceeded the fees estimate budget, however we will not be seeking approval from the unsecured creditors to authorise an increased fee.
- Category 1 third party costs consisting of legal fees totalling c.£1.3k and debt collection costs of £4.3k have been incurred in the report period. Please refer to page 7 for further details.
- No category 1 expenses (disbursements) have been incurred in the report period. Please refer to page 7 for further details.
- We have not incurred category 2 expenses in the report period.

Outstanding matters

- Finalise the collection of residual customer book debts
- Declare and pay a distribution to the preferential creditors.
- Finalise adjudication of unsecured creditor claims and declare and pay a first and final distribution to the unsecured creditors.

Dividend prospects

- Secured creditors have been paid in full.
- A preferential pension scheme claim for c.£0.3k will be settled in full, in the next reporting period.
- Secondary Preferential creditor – There is no Secondary Preferential Creditor due to the date of the preceding administration appointment.
- Unsecured creditors should be paid a dividend in the next reporting period which is currently estimated at c.6p in the £.
- Please see page 10 for further information.

Progress of the liquidation

Summary 5

Receipts and payments 7

Progress of the liquidation

Progress of the liquidation

Work done during the report period

Asset Realisations

Funds from Merchant Services Provider

The retention of c.£424k which was referred to in our previous report as being received after the end of the last reporting period, is now reflected in the receipts and payments account on page 8.

Book debts

We have collected c.£37k in the reporting period. There remains a balance of c.£114k of customer debts due to the Company. We have continued to engage Creditstyle during the report period to communicate directly with customers in order to collect outstanding balances on our behalf. It is unlikely that the remaining balances will result in any material recoveries for the benefit of creditors.

Energy Industry Refund

Funds totalling c.£1.5k were realised in the period from Elexon in respect of a refund under the Energy Industry's Balancing and Settlement Code.

Other Receipts

Bank Interest

Bank interest of c.£86.6k has been realised in the period of the report.

VAT Refund – Administration We have recovered input VAT totalling c.£185k in the period of the report from HMRC relating to the previous administration.

Pre-appointment VAT

The pre administration VAT refund due to the Company has been set off by HMRC against the Company's unsecured PAYE and NIC liability. Accordingly there will be not be a refund paid to the Company in respect of the pre appointment VAT position. Please see page 10 for further information.

Investigations

If you have any information that you feel we should know, please contact us in writing using the contact details on the cover page above.

Ofgem and SoLR unsecured claims

As previously reported, an application had been made to Court to hear a number of arguments from various other Energy Supply Company insolvencies in relation to whether certain Ofgem and SoLR claims are provable debts in the insolvencies.

These related to Ofgem's obligations under renewables obligations of failed ESC insolvent companies and SoLR claims arising from the honouring of customer credit balances.

Judgement was handed down by the Court on 11 November 2022 and this judgement confirmed that the claims were provable debts.

The appeal window for the judgement expired on 14 April 2023 with no appeals lodged. We have commenced work on the agreement of the Ofgem and SoLR claims which have been submitted in the liquidation and these are now substantively agreed. Please see page 10 for further information.

Employment Matters

Employment Tribunals

Work was done to obtain court judgments in respect of 45 employee claimants who were making protective award claims. The court handed down three judgments for protective award claims made by employees. These awards have been included in employees' claims against the Company and all employees' claims against the Company have now been adjudicated.

Progress of the liquidation

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, including updating the creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting of the Liquidation period progress
- Correspondence
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HMRC 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.

Progress of the liquidation

Summary

Third party costs incurred during the report period

Joint Liquidators' – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

Prior to instructing providers of specialist advice and or services, we evaluated whether the work/advice was both warranted and also that the cost of same represented best value for the estate. We reviewed all such arrangement periodically during the period of the liquidation to ensure that best value continued to be obtained.

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

Agents' Costs

- Credit Style Limited, who are experienced in this area, have been engaged by us in respect of debt collection services. Recoveries from Creditstyle attract an 11-14% commission depending on the stage of collection. In addition Creditstyle are operating on a "no collect, no fee" basis. In respect of this work they have incurred costs of c.£4.3k in the report period which have been paid in full. VAT is not chargeable on their fees.

Legal Costs

- Gately Plc who are experienced in this area, were engaged to advise on employment tribunal matters. They have incurred costs of c.£1.3k in the report period which have been paid in full.

Disbursements – Category 1

Category 1 disbursements are payments made by us direct to third parties and for which no approval is required. No such costs have been incurred in the report period.

Payment of Category 1 Expenses

All costs have been paid, as shown in the receipts and payments account on page 8.

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

Category 2 Expenses

These are payments:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; and also
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited ("Teneo" and "the Transaction") on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 14.

Progress of the liquidation

Receipts and payments

Tonik Energy Limited
Joint Liquidators' receipts and payments account
13 October 2022 to 12 October 2023

£	Notes	Period	To date
Receipts			
Funds from Administration account		-	3,081,014
Administration VAT Refund	A	185,127	185,127
Furniture & Equipment		-	1,110
Book Debts		37,275	172,288
Bank Interest Gross	B	86,579	87,898
Merchant Services Retention	C	424,012	424,012
Energy Industry Refund		1,498	1,498
Total receipts		734,491	3,952,948
Payments			
Wages and Salaries		-	9,341
Former Joint Administrators' Remuneration		-	214,079
Former Joint Administrators' Expenses		-	8,343
Former Joint Administrators Pre-Admin Fee		-	42,462
Liquidators' Category 1 expenses		-	415
Debt Collection Costs		4,343	24,748
Payroll costs		-	657
Contribution to costs		-	8,684
Legal Fees		1,326	17,670
Customer Refund		222	951
Storage Costs		1	5
Postage & Redirection		-	289
Statutory Advertising		-	99
Bank Charges		12	75
Total payments		5,904	327,818
Balance			3,625,130
Made up of:			
Interest Bearing Bank Account	B		3,624,219
Vat Control Account	D		910
Balance in hand			3,625,129

A receipts and payments account is provided opposite, detailing the transactions in the liquidation to 12 October 2023, and all transactions since the date of our appointment.

Notes to receipts and payments account

Statement of Affairs

Please refer to our previous administration reports should you wish to view the preceding statement of affairs figures

A - Administration VAT Refund

Funds received in respect of VAT accrued in the Administration period.

B - Bank interest

All funds are held in an interest-bearing account. The associated corporation tax on interest received has been and will continue to be accounted for to HMRC.

C – Merchant Services Retention

Funds received from GoCardless in respect of monies held in escrow.

D - VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HMRC in due course.

Rounding note

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

Information for creditors

Outcome for creditors 10

Information for creditors

Secured creditors

The Company's records show that the Company owed British Petroleum Plc ("BP") c.£5m in its capacity as the Secured Creditor. BP had a floating charge debenture which was granted by the Company on 8 December 2017.

BP's agreed claim was settled in full in the preceding administration and no further distributions will be made.

Preferential creditors

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

To date we have received one preferential claim totalling c£0.3k in respect of unpaid pension contributions, which is line with expectations. This claim will be paid in full in the next report period. No other preferential claims are anticipated.

Secondary Preferential Debts due to HMRC

As the preceding administration appointment pre dated 1 December 2020, the Secondary Preferential Debt provisions do not apply.

Unsecured creditors

Based on present information, sufficient funds will be realised to enable a dividend to be paid to unsecured creditors over and above the maximum Prescribed Part fund that was available. The quantum of the dividend that will be made available to unsecured creditors is not yet finalised but is estimated to be up to 6p in the £.

As noted on page 5, HMRC's claim has been finalised following the set off of pre-appointment VAT against outstanding PAYE and NIC liabilities. Their final claim is c.£485k.

We have admitted 60 claims to date totalling c.£57m and have received a further 17 claims totalling c.£4.4m which we are currently assessing.

As the Ofgem and SoLR court matters have now concluded a notice of intended dividend is being sent to commence the payment of an unsecured dividend. Please see page 5 for further details.

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 is £1,000 or less, unless you wish to vote in this decision, or any other, decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – 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.

Remuneration and expenses

Joint Liquidators' remuneration 12

Detailed information 14

Remuneration and expenses

Joint Liquidators' remuneration

Joint Liquidators' 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 front of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed by the creditors on 28 January 2021 in the preceding administration by reference to the time properly given by the Joint Administrators (and now the Joint Liquidators) and their staff in attending to matters arising in the liquidation as set out in the fees estimate, plus VAT.

Time costs incurred

A copy of our Fees Estimate detailing the work that we anticipated would need to be undertaken on this case for the duration of the appointment together with estimates of the likely cost and amount of time that each part of that work will take to complete was provided in our proposals on 27 November 2020.

Time costs - analysis of actual against budget

As you will see our total time costs in respect of the Liquidation appointment to date are c.£329,242 made up of 584 hours at a blended charge out rate of £564 across all grades of staff.

Please note that costs of c.£119k were omitted from the costs summary provided in our last progress report. These have now been included in the Fees Estimate table on page 13.

Our actual time costs are higher than we anticipated for the Administration and Liquidation periods for the following reasons:

- Higher costs than expected were incurred while recovering book debts due to the complex nature of final billing to former customers.
- Ongoing trading matters such as cashflow monitoring, employee payroll, general management of operations as well as significant correspondence with suppliers.
- Lengthy and complex ongoing winding down matters such as employee payroll, liaison with retained employees as well as correspondence with suppliers.
- Additional cashiering tasks have been carried out with relation to purchase ledger, bank reconciliation activity.
- Higher volume than anticipated of customer queries regarding final billings and disputes.
- Dealing with the Company's VAT affairs in respect of both pre and post appointment periods.
- Agreement of the unsecured creditors' claims in respect of Ofgem and SoLR claims has been more complex than anticipated.

For the reasons set out above and opposite, our time costs to date are higher than anticipated. However, we currently consider it unlikely that we will seek to draw a fee greater than c.£1.6m as provided in our Fees Estimate.

Time costs – Fees drawn to date

We have not drawn any remuneration as Joint Liquidators and we have not drawn any remuneration in the period of this report.

All 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.

Fees Estimate and Joint Liquidators' actual time costs for the period 13 October 2022 to 12 October 2023 and for the entire period of the liquidation to date

Activity		Anticipated Time and Costs during the Administration per Fees Estimate			Actual Time and Costs during the Period			Actual Time and Costs for Liquidation to Date		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	60.0	630	37,800	41.9	523	21,953	71.6	512	36,652
	Case supervision	108.2	726	78,607	41.0	678	27,803	88.5	588	52,036
	Case reviews	8.4	512	4,302	0.4	900	360	20.4	817	16,660
	Case closure matters	20.5	577	11,835	6.0	650	3,900	12.0	733	8,790
Statutory & compliance	Compliance & IPS diary	16.5	493	8,133	2.7	900	2,430	19.7	872	17,200
	Insurance	11.5	638	7,335	0.4	650	260	0.4	650	260
	General reporting	76.7	523	40,081	34.7	534	18,540	51.9	538	27,925
	Statutory meetings	-	-	-	-	-	-	3.8	900	3,420
	Regulatory & other legislation	2.4	500	1,200	-	-	-	-	-	-
Initial actions	Appointment matters	36.0	795	28,630	-	-	-	-	-	-
	Securing assets	8.0	868	6,940	-	-	-	-	-	-
	Notifications	52.0	457	23,755	-	-	-	20.8	475	9,880
Investigations	CDDA reporting	19.5	532	10,380	-	-	-	-	-	-
	Investigations	49.0	588	28,805	-	-	-	1.0	815	815
Total of above categories		468.7	614	287,803	127.1	592	75,245	290.1	599	173,638
Taxation	Tax	17.4	671	11,678	5.6	903	5,058	16.6	821	13,623
	VAT	35.1	587	20,598	10.9	399	4,350	43.4	499	21,655
Asset realisations	Third party assets	48.0	671	32,190	-	-	-	-	-	-
	Book debts	488.2	609	297,324	3.8	770	2,888	6.3	614	3,838
	Chattel assets	62.7	659	41,310	-	-	-	-	-	-
	Other assets	128.0	626	80,085	8.3	584	4,827	26.7	524	13,998
	Property	21.0	758	15,916	-	-	-	-	-	-
	Retention of title	2.0	563	1,125	-	-	-	-	-	-
Trading	Day 1 control of trading	37.0	768	28,400	-	-	-	-	-	-
	Ongoing trading	361.9	622	225,225	-	-	-	-	-	-
	Monitoring trading	165.1	654	107,963	-	-	-	-	-	-
	Closure of trade	62.6	585	36,630	-	-	-	-	-	-
Employees	Consultation	68.0	597	40,563	2.6	593	1,532	18.4	609	11,216
	Correspondence	118.4	541	64,008	1.1	650	704	17.6	468	8,222
	Employment tribunals	-	-	-	8.7	733	6,355	15.7	710	11,166
	Pensions	0.5	495	248	3.8	815	3,124	5.9	757	4,478
Correspondence	Creditors	141.6	468	66,213	46.0	599	27,511	50.8	635	32,244
	Shareholders	2.1	1,000	2,100	-	-	-	-	-	-
	Customers	438.0	501	219,490	5.3	406	2,130	90.3	373	33,670
	Press & media queries	12.6	890	11,214	-	-	-	-	-	-
Distributions	Secured creditors	12.8	469	6,004	-	-	-	-	-	-
	Preferential creditors	40.2	448	17,994	2.3	650	1,495	2.3	650	1,495
	Unsecured creditors	-	-	-	-	-	-	-	-	-
Total fees estimate		2,731.9	591	1,614,079	225.3	600	135,218	584.0	564	329,242

Remuneration and expenses

Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Liquidators' Category 2 Expenses (including disbursements)

As described on page 7, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs.

Specific approval is required before these costs and expenses can be drawn from the liquidation estate and which was given in the preceding administration by the unsecured creditors on 28 January 2021, other than in relation to the Deloitte LLP costs which are discussed further below.

As discussed on page 7 prior to the Transaction, the work delivered by other Deloitte service lines was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made).

Following the Transaction, whilst all such costs continued to be paid out of our approved remuneration (i.e. was not be an additional cost) we will provide you with a narrative summary of the work being delivered. We will also provide a summary rates table of the applicable charge out rates in force at the time of the report.

Deloitte LLP – Services being provided

We have detailed below the services which were provided by Deloitte LLP, the costs of which are included in our fee estimate and will thus be paid out of our approved remuneration:

- Deloitte Global Financial Advisory India **("DIJV") –** were engaged to assist with general case management and administration. Their work, which is no longer ongoing, was charged on a time costs basis. They have not charged any costs in the period.

Deloitte LLP Charge out Rate Bands (£/hour)

Grade	Rate (£/hour)
Partners	1502 - 1549
Directors	1265 - 1302
Associate Directors	1150 - 1187
Managers/Assistant Managers	99 - 420
Consultants	593 - 887
Associates	142 - 357
Administrators/Analysts	95 - 389
Agent	36

Remuneration and expenses
Detailed information

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.

Teneo®

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

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