



For further information, please  
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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 1 0 8 7 1 6 5 7

Company name in full Neon Reef Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Robert Andrew

Surname Croxen

### 3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

### 4 Administrator's name ①

Full forename(s) Paul

Surname Berkovi

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
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**Presenter information**

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

Contact name **Ruth Turner**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House  
91 Western Road**

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

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

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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
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Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

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**NEON REEF LIMITED IN ADMINISTRATION**

# **Joint Administrators' first progress report**

**For the period from 24 November 2021 to 23 May 2022**

*21 June 2022*

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# 1 Executive summary

- The Directors resolved on 24 November 2021 to appoint Rob Croxen, Paul Berkovi and Mark Firmin (we"/"us"/"our") as Joint Administrators. The notice of appointment was lodged at the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) at 01:20 pm on 24 November 2021. On that date the Company was placed into administration and our appointment as Joint Administrators became effective.
- This progress report covers the period from the date of our appointment to 23 May 2022.
- The Company's principal assets were its cash held at the date of appointment and its customer debtor book. We negotiated a sale of the debtor book to British Gas Trading Limited ("British Gas") as the appointed Supplier of Last Resort ("SoLR"). The sale completed on 23 December 2021 (the "Debt Sale"). As part of this agreement, we also agreed a sale of the Database to support the migration of customers to British Gas and to improve the collectability of the debtor book (the "Database Sale").
- We delivered our statement of proposals ("proposals") to all known creditors on 11 January 2022. We used deemed consent to obtain approval of our proposals and the creditors are treated as having approved our proposals without modification on 26 January 2022.
- The Company's operational platform has now been wound down. We continue to realise the remaining assets of the Company, principally the monies held at Smart Debit, the Company's direct debit service provider (Section 3 – Strategy and progress of the administration to date).
- We are not aware of any secured claims against the Company (Section 4 - Dividend prospects).
- Based on current estimates, we anticipate that the ordinary and secondary preferential creditors should receive a dividend of 100p in the £ (Section 4 – Dividend prospects).
- Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this due to the uncertainty surrounding asset realisations, costs and quantum of claims, but we will do so when we have completed the realisation of assets, the payment of associated costs and the adjudication of claims (Section 4 – Dividend prospects).
- Please note you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and are available on the Portal. Unless defined otherwise in this progress report, terms defined in this report shall have the same meaning assigned to them in our proposals. Furthermore, unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Rob Croxen  
Joint Administrator

## 2 A message to customers

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

As the Company no longer has access to its operating systems, it is not possible for further bills, statements or information to be provided to customers.

If customers have any outstanding queries, including those regarding ongoing supply, outstanding credit balances or making payment in respect of outstanding debit balances, then please use the following dedicated British Gas webpages to contact British Gas direct:

<https://www.britishgas.co.uk/solr/neon-reef.html>

In addition, further information and support can be found on the Ofgem website. Below is a link to the Ofgem statement that has been issued with regards to the current situation and your new supplier:

<https://www.ofgem.gov.uk/publications/ofgem-appoints-british-gas-take-customers-neon-reef-limited-and-social-energy-supply-ltd>

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

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

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

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

# 3 Strategy and progress of the administration to date

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

Our proposals summarised the key matters, including but not limited to:

- background information;
- the funding and financial position of the Company;
- events leading to the administration;
- details of the SoLR, and the SoLR process;
- details of pre-administration work;
- details of our appointment as administrators;
- employee information up to the date of our proposals;
- our strategy for realising the Company's assets; including information relating to the customer debtor book;
- the key terms and benefits of the Debt Sale; together with pricing benchmarking information; and
- information relating to data, and data privacy work undertaken, up to the date of our proposals.

This update should be read in conjunction with, and provides an update to, section 4 of our statement of proposals (Strategy and progress of the administration to date). Key matters detailed in the proposals are not repeated in this report.

## 3.1 Strategy and progress to date

As set out in our proposals, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if it were wound up.

Since the date of our proposals, the following work has been completed.

### 3.1.1 Operating platform

The Company's operating platform was maintained for approximately three months to allow the various activities set out in our proposals and this report to be completed. During this time we have worked closely with critical suppliers to ensure the platform continued to function.

The Company's operating platform has now been decommissioned and we have worked with the Company's suppliers to discharge any costs incurred during this period.

### 3.1.2 Employees

At the date of our proposals, the Company had five employees who were retained to assist with (i) supporting customers and responding to customers' queries, (ii) winding down the Company's operations, (iii) providing information to British Gas to fulfil our obligations in relation to the Debt Sale and Database Sale, and (iv) discharging our statutory duties.

Following the wind-down of the operating platform, these employees have all been made redundant.



### 3.1.3 Customer debtor book

#### *Final billing process*

The final billing process referred to in our proposals concluded on 4 January 2022. As part of this process, in excess of 9,400 bills were produced for debit balance customers. The value of these bills totalled approximately £1.5 million.

#### *Debtor collections and customer receipt reconciliations*

In the period since our appointment, amounts have been collected from customers through a combination of regular direct debits (in the first week following our appointment only, as regular direct debit collections were ceased after this period), the variable direct debit ("VDD") collection referred to in our proposals, via payments made by customers directly into the Company's pre-appointment bank account, and cheques addressed directly to the joint administrators.

We continue to work on a reconciliation of the customer receipts received by the Company following our appointment, to ensure they are paid to British Gas or retained by the Company as an asset realisation, as appropriate. We currently estimate that approximately £0.6 million has been realised via direct debits from customers with debit balances. These monies are currently held by SmartDebit and will be released to the Company once the customer receipt reconciliation is complete and has been agreed with British Gas. An update on the final position will be provided in our next progress report.

#### *Debt Sale*

At the time that the Debt Sale was agreed, the quantum of debtor balances (and therefore the final purchase price) could only be estimated as the final billing process had not been completed. Following completion of the final billing process and the VDD collection, the final debtor balances and purchase price have been calculated. The final purchase price is £399,769.

In total we estimate that realisations from customer debtor balances, through both direct debit collections and the Debt Sale to British Gas, will be approximately £1.0 million.

### 3.1.4 Data and data privacy

#### *Data transfer*

To facilitate the transfer of customer accounts and to comply with the terms of the Debt Sale and Database Sale, large volumes of data were prepared and provided to British Gas. This included providing British Gas with details of all customer credit balances. Our obligations to provide information relating to the Database Sale are now complete and the final information under the Debt Sale, being the customer receipt reconciliations referred to in section 3.1.3 above, is expected to be provided to British Gas shortly.

#### *Data privacy*

We worked closely with our data and IT specialists and British Gas to ensure that the transfer of data to British Gas was conducted in accordance with the GDPR and industry best practice.

#### *Data back-up*

We have obtained copies of the information necessary to fulfil our statutory duties.

### 3.1.5 Cash at bank

In our proposals we noted that we had transferred £1,458,286 of cash at bank at the time of our appointment to the administration bank accounts. On further reconciliation, we have confirmed that of this amount:

- £1,455,813 represented cash at bank at the time of our appointment;
- £1,837 relates to receipts from customers with credit balances that were received between our appointment and transferring the balance to the administration bank accounts. This amount is payable to British Gas and is now included in 'Third party monies received in error' in the receipts and payments account in Appendix 2; and
- £636 related to receipts from customers with debit balances that were received between our appointment and transferring the balance to the administration bank accounts (now included in 'Book debts' in the receipts and payments account in Appendix 2).

Per the Statement of Affairs prepared by the directors of the Company, cash at bank at appointment was £1,522,538. We have reviewed the Company's bank statements to determine the variance between this amount and the bank balance of £1,455,813 referred to above. It predominantly related to payments to suppliers and employees that were made by the Company immediately before our appointment and had not been reflected in the cash balance in the Statement of Affairs, and a Bounce Back Loan of c.£32,000 that was netted off the account balance by the bank following our appointment prior to remitting the funds to us.

#### 3.1.6 Cash in transit

Cash in transit of approximately £479,000 remains held by SmartDebit. This includes deposits held by SmartDebit which were referred to as merchant deposits in the Statement of Affairs. We are in the process of finalising the reconciliation of all amounts held by SmartDebit and requesting a transfer to the administration bank account.

#### 3.1.7 Direct debit transfer

The transfer of all customer direct debit mandates from the incumbent direct debit provider, SmartDebit, to British Gas is now complete. This means that the Company is no longer exposed to risk in relation to potential future indemnity claims.

#### 3.1.8 Customer communications

We have continued to implement our communications strategy to manage customer enquiries and to direct customers to the appropriate information being provided by Ofgem and British Gas.

As part of this strategy, the Company's online customer chat function and the mailbox were maintained, however, following the completion of the final billing process and transfer of customer information to British Gas, the customer chat function and mailbox support were closed on 18 February 2022. Since this date, customers have been directed to British Gas for enquiries about their accounts and any amounts owing to them.

We have worked extensively with the Company's customer service team, British Gas, Ofgem and Citizens' Advice to assist customers who have queries regarding their accounts.

#### 3.1.9 VAT

A refund of £32,368 has been realised from HMRC in respect of pre-administration VAT. An additional pre-appointment VAT return for the period immediately preceding our appointment has been prepared and submitted by the Company and we expect to receive a refund of £30,101 in relation to this period in due course.

We continue to account for VAT on expenses of the administration and amounts billed to customers as part of the final billing process. We are in the process of preparing post-appointment VAT returns and we will take steps to deregister for VAT at the appropriate time.

#### 3.1.10 Industry prepayments

The Statement of Affairs refers to industry prepayments of c.£73,000. We have investigated and confirmed that these prepayments are all held by creditors of the Company that are owed amounts in excess of the amounts on deposit. Therefore no recovery is expected from this asset.

### 3.2 Asset realisations

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

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

#### 3.2.1 Cash at bank

Shortly following our appointment, we obtained control of the Company's pre-appointment bank accounts and £1,455,813 has been realised in the administration.

#### 3.2.2 Database Sale

£125,000 has been received in relation to the Database Sale.

#### 3.2.3 Book debts

Customers have paid a total of £14,510 into the Company's pre-appointment bank account since our appointment.

A non-refundable deposit of £120,000 was paid by British Gas under the Debt Sale agreement. The remaining consideration in respect of the Debt Sale will be deducted from monies owed to British Gas once the customer receipts reconciliation referred to in section 3.1.3 has been completed.

#### 3.2.4 Pre-appointment VAT refund

Following our appointment, we received a VAT refund from HMRC of £32,368 in respect of VAT claims submitted by the Company prior to our appointment.

#### 3.2.5 Investigations

We have reviewed the affairs of the Company to determine if there are any actions which can be taken against third parties to increase recoveries for creditors. No causes of action have been identified and it is not considered necessary to carry out further investigation work.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

### 3.3 Expenses

#### 3.3.1 Payments

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

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

#### *Administrators' pre appointment fees and disbursements*

As detailed in section 6 below, in the period of this report, we have received approval from the Company's creditors to draw our unpaid pre-administration costs as an expense of the administration. In the period of the report, we have paid our unpaid pre-administration costs in full, totalling £104,113, together with our pre-appointment disbursements of £150.

#### *Administrators' post appointment fees and disbursements*

We have drawn post appointment fees of £630,722 and post appointment disbursements of £399 in the period.

#### *Suppliers*

During the period of this report, we have paid IT suppliers a total of £117,397. These expenses were incurred and paid in order to maintain the operational platform of the Company whilst the final billing process, transfer of customer information to British Gas and other activities were completed. The most significant of these were £68,648 to Dyball Associates Limited and £30,000 to V39 Limited.

#### *Wages and salaries*

We have paid gross wages of £83,123 to employees retained during the administration. This sum includes payments to HMRC in respect of PAYE, NIC and pension contributions.

#### *Legal fees and disbursements*

During the period of the report we have paid total legal fees of £92,788. Of this, £24,525 relates to services provided in the pre-administration period and £68,264 relates to services provided post-appointment, notably advising us in relation to the application for directions, detailed in section 5, the Database Sale and Debt Sale and our investigations into the affairs of the Company. We have also paid post-appointment legal disbursements of £4,069.

#### *Third party monies received in error*

We have received a total of £7,397 of third party monies in the period since appointment, and of that we have been able to allocate and redistribute £887 to the correct payees. The remaining third party funds will be redistributed in due course.

### 3.3.2 Professional advisors and sub-contractors

Since the date of our proposals, we have engaged the following additional professional advisers and sub-contractors:

#### *Legal advisers*

Simmons and Simmons LLP ("S&S") were instructed to provide legal advice in relation to our investigations into the affairs of the Company and the conduct of the Company's Directors, in line with our statutory obligations under the Company Directors Disqualification Act 1986. S&S was selected as due to its reputation and its experience in work of this nature. Its fees have been agreed on a time cost basis.

#### *Call centre*

Due to the large volume of calls received directly to us from former customers of the Company, it has been necessary for us to utilise the services of Adetiq Limited ("Adetiq"), an external call centre provider. Whilst the work performed by Adetiq could have been performed by us and our staff, we consider it has been more cost efficient to use this service. Adetiq were chosen due to their expertise in dealing with calls of this nature and their competitive costs. Adetiq's costs are charged on a fixed fee basis, per number of calls received.

We regularly review costs incurred by our professional advisors and sub-contractors to ensure they are reasonable and in line with estimates provided.

### **3.4 Schedule of expenses**

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

## 4 Dividend prospects

### 4.1 Secured creditors

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

### 4.2 Preferential creditors

Based on current estimates, we anticipate that the ordinary and secondary preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration.

### 4.3 Unsecured creditors

Based on current estimates, we anticipate that the unsecured creditors should receive a dividend. We have yet to determine the amount and timing of this payment, but we will do so when we have completed the realisation of assets and the payment of associated costs, together with the adjudication of claims (see section 5 below for further details).

As set out in our proposals, we anticipate that the most likely exit route from administration will be a creditors' voluntary liquidation. Any dividends to unsecured creditors will therefore most likely be paid in a subsequent liquidation.

# 5 Other matters

## 5.1 Court directions application

There are a number of potential creditor claims or contingent creditor claims that have been, or could be, lodged in the administration estate. These claims could be substantial and if admitted would have significant impact on the percentage return to unsecured creditors of the estate.

These claims are complex and will need consideration of both insolvency legislation and legislation for the provision of energy when deciding if they should be admitted into the estate. We need to agree a position on these claims to progress the administration, allow a timely distribution to creditors and to close the administration in an efficient manner.

Therefore, together with seven other energy retail administrations where Managing Directors from A&M have been appointed as Joint Administrators, we have engaged legal advisors and legal counsel to apply for Court directions on this matter. This approach allows us to spread the cost of the application across a number of cases, making it more cost efficient for each individual company in administration.

In addition, two other energy supply companies have applied to have their applications on the same matter heard alongside our application.

We are working together with Ofgem on this application and have invited participation from both the relevant SoLRs and the shareholders of the energy supply companies to ensure the Court can consider the arguments and provide clear guidance on how these claims should be treated.

We hope to be able to secure a hearing date for the directions application to be heard during October 2022 and will provide an update in our next progress report.

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

## 6.1 Joint Administrators' remuneration and category 2 expenses

### 6.1.1 Basis of remuneration and category 2 expenses

During the period, the Company's creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided to creditors;
- category 2 expenses (as defined in Statement of Insolvency Practice 9) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 4; and
- unpaid pre-administration costs will be paid as an expense of the estate.

We estimate that the total amount of remuneration to be paid from the estate will be £1,566,720, in addition to our pre-administration fees of £104,113. This includes any remuneration paid to date.

### 6.1.2 Time costs

From the date of our appointment to 23 May 2022, we have incurred time costs of £1,092,875. These represent 1,742 hours at an average rate of £627 per hour.

### 6.1.3 Remuneration

During the period we have drawn remuneration of £630,722.

### 6.1.4 Additional information

#### *Fees estimate*

We do not anticipate that the fees estimate of £1,566,720 will be exceeded during the administration and we do not anticipate to draw remuneration in excess of the previously approved amount of £1,566,720.

#### *Expenses estimate*

We do not anticipate that the expenses to be incurred during the administration will exceed our original expenses estimate of £416,658.

#### *Time spent and charging policy*

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Alvarez & Marsal Europe LLP for the period from our appointment to 23 May 2022. We have also attached our charging policy.



## 6.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Joint Administrators' fees	104,113.00	104,113.00	104,113.00	Nil
Joint Administrators' disbursements	150.40	150.40	150.40	Nil
Legal fees	25,082.50	25,082.50	24,524.50*	Nil*
<b>Total</b>	<b>129,345.90</b>	<b>129,345.90</b>	<b>128,787.90</b>	<b>Nil</b>

\* WBD has amended its pre-administration costs to £24,524.50. The difference of £558 compared to the previously disclosed amount of £25,082.50 relates to a reclassification by WBD from the pre-administration period to the post-appointment period.

On 10 February 2022, we obtained approval from the creditors to pay these unpaid pre-administration costs as an expense of the administration.

# 7 Future strategy

## 7.1 Future conduct of the administration

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

- performing the final reconciliation of customers receipts and collecting monies due from SmartDebit;
- collecting monies due from British Gas in relation to the Debt Sale;
- continuing to respond to creditor and customer queries;
- preparing and submitting any post-appointment VAT and tax returns and liaising with HMRC in relation to the same;
- discharging any outstanding costs and expenses of the administration;
- adjudicating and paying preferential creditor claims;
- concluding our application to the Court for directions in relation to certain creditor claims;
- if appropriate, seeking an extension of the administration;
- if appropriate, agreeing the Company's unsecured creditor claims; and
- taking the necessary steps to bring the administration to an end.

## 7.2 Discharge from liability

The creditors granted approval that we be discharged from liability in respect of any actions as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

## 7.3 Future reporting

We will provide a further progress report within one month of 23 November 2022 or earlier if the administration has been completed prior to that time.

# Appendix 1 – Statutory information

## Company information

Company name	Neon Reef Limited
Date of incorporation	18 July 2017
Company registration number	10871657
Present registered office	Suite 3, Regency House, 91 Western Road, Brighton, BN1 2NW

## Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Courts, Companies and Insolvency List (ChD) (CR-2021-002188)
Appointor	The Directors
Date of appointment	24 November 2021
Joint Administrators	Rob Croxen, Paul Berkovi and Mark Firmin
Joint Administrators' contact details:	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Email: <a href="mailto:INS-NEONRL@alvarezandmarsal.com">INS-NEONRL@alvarezandmarsal.com</a>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	23 November 2022

# Appendix 2 – Receipts and payments account

## Neon Reef Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 24/11/2021 To 23/05/2022 £	From 24/11/2021 To 23/05/2022 £
	ASSET REALISATIONS		
NIL	Intangible assets	NIL	NIL
NIL	Database Sale	125,000.00	125,000.00
1,602,019.80	Book Debts	134,510.30	134,510.30
61,397.32	VAT Refund (pre-appointment)	32,368.01	32,368.01
1,522,538.01	Cash at Bank	1,455,813.23	1,455,813.23
		1,747,691.54	1,747,691.54
	OTHER REALISATIONS		
	Bank Interest	6.90	6.90
NIL	Prepayments	NIL	NIL
	Sundry Refunds	423.72	423.72
	Third Party Monies Received in Error	7,396.64	7,396.64
415,772.81	Cash in transit	NIL	NIL
73,315.54	Industry prepayments	NIL	NIL
114,518.78	Merchants deposits	NIL	NIL
		7,827.26	7,827.26
	COST OF REALISATIONS		
	Repayment of Third Party Monies Rec'	886.67	886.67
	Suppliers	117,396.50	117,396.50
	Specific Bond	200.01	200.01
	Administrators' Fees		
	Pre-administration Fees	104,113.00	104,113.00
	Post-appointment Administrators' Fees	630,722.00	630,722.00
	Administrators' Disbursements		
	Pre-administration Disbursements	150.40	150.40
	Post-appointment Administrators' Disb	398.84	398.84
	Contractor Costs		
	Post-appointment Contractor Costs	2,000.00	2,000.00
	Agents/Valuers Fees/Disbursements		
	Post-appointment Agents/Valuers Fees	1,400.00	1,400.00
	Legal Fees/Disbursements		
	Pre-administration Legal Fees	24,524.50	24,524.50
	Post-appointment Legal Fees	68,263.66	68,263.66
	Post-appointment Legal Disburseme	4,069.88	4,069.88
	Insurance of Assets	280.00	280.00
	Wages & Salaries	83,123.09	83,123.09
	Bank Charges	78.30	78.30
		(1,037,606.85)	(1,037,606.85)
	PREFERENTIAL CREDITORS		
(68,243.00)	HMRC PAYE	NIL	NIL
(14,530.63)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(8,967,962.96)	Trade & Expense Creditors	NIL	NIL
(147,741.73)	Employees	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(5,406,966.06)		717,911.95	717,911.95
	REPRESENTED BY		

**Neon Reef Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 24/11/2021 To 23/05/2022 £	From 24/11/2021 To 23/05/2022 £
REPRESENTED BY CONTINUED		
Floating VAT Receivable		190,587.97
Floating Charge Current		552,323.98
Floating VAT Payable		(25,000.00)
		717,911.95

- Funds are held in an interest bearing bearing account.

# Appendix 3 – Schedule of expenses

## A3.1 Schedule of Expenses

<b>Schedule of expenses for the period from 24 November 2021 to 23 May 2022</b>	
<b>Category</b>	<b>Incurred in the period (£)</b>
Agent's fees	1,400.00
Bank charges	78.30
Bond	200.01
Contractor costs	2,000.00
Insurance of assets	280.00
Joint Administrators' disbursements	398.84
Legal fees	71,775.69
Legal disbursements	6,755.78
Suppliers	117,396.50
Wages and salaries	83,123.09
<b>Total</b>	<b>283,408.21</b>

## A3.2 Requests for further information and right to challenge our remuneration and expenses

### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Ruth Turner at [INS-NEONRL@alvarezandmarsal.com](mailto:INS-NEONRL@alvarezandmarsal.com)

## Appendix 4 – Charging policy

### Joint Administrators' charging policy

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

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

*Hourly rates*

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

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

Charge-out rates (£/hour) for: Restructuring		
Grade	From 24 November 2021 to 27 March 2022	From 28 March 2022
Managing Director	985	1,150
Senior Director	935	1,030
Director	865	950
Associate Director	690	760
Senior Associate	595	655
Associate	450	495
Analyst	255	280
Support	190	210

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

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

If you are unable to access this guide and would like a copy, please contact Ruth Turner at [INS-NEONRL@alvarezandmarsal.com](mailto:INS-NEONRL@alvarezandmarsal.com)

### *Policy for the recovery of disbursements*

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such

disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.
- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

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

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

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

*Disbursements falling within category 1 expenses:*

<b>Nature of disbursement</b>	<b>Amounts incurred in the period (£)</b>	<b>Amounts paid in the period (£)</b>
Call centre costs	729.37	86.38
Change of registered office fee	41.67	41.67
Postage	193.37	170.89
Statutory advertising	99.90	99.90
<b>Total</b>	<b>1,064.31</b>	<b>398.84</b>

*Disbursements falling within category 2 expenses:*

No disbursements falling within category 2 expenses have been incurred during the period covered by this report.



*Our time cost summary in accordance with SIP 9*

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 23 May 2022 in accordance with SIP 9.

<b>Fees incurred category</b>	<b>Hours</b>	<b>Time cost (£)</b>	<b>Average hourly rate (£)</b>
Engagement Control	153.55	88,992.25	579.6
Appointment and Risk	66.18	48,633.65	734.9
Reports, Decision Making & Remuneration	152.60	80,630.00	528.4
Correspondence & Statutory Filing	169.80	99,045.25	583.3
Investigations	150.03	86,265.50	575.0
Asset Realisations	605.20	425,282.50	702.7
Costs of Realisation	114.90	68,498.00	596.2
Tax	100.00	65,527.75	655.3
Cashiering	64.80	31,038.00	479.0
Employees and Pensions	112.75	56,525.75	501.3
Claims and Distributions	51.80	42,436.50	819.2
<b>Total</b>	<b>1,741.61</b>	<b>1,092,875.15</b>	<b>627.51</b>

**SIP 9 narrative for the period from 24 November 2021 to 23 May 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Engagement control</b>	<ul style="list-style-type: none"><li>- Formulating, monitoring and reviewing the administration strategy</li><li>- Briefing our staff on the administration strategy and matters in relation to various work-streams</li><li>- Regular case management and reviewing of process, including regular team update meetings and calls</li><li>- Meeting with management to review and update strategy and monitor progress</li><li>- Reviewing and authorising junior staff correspondence and other work</li><li>- Dealing with queries arising during the appointment</li><li>- Reviewing matters affecting the outcome of the administration</li><li>- Allocating and managing staff/case resourcing and budgeting exercises and reviews</li><li>- Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters</li><li>- Complying with internal filing and information recording practices, including documenting strategy decisions</li></ul>	<p>To ensure appropriate oversight, decision making and overall control of the administration</p> <p>This will ensure the case is progressed efficiently, maximising realisations and minimising costs</p>	<p>No direct financial benefit</p> <p>Enables overall progress with the appointment and strategy</p>

**SIP 9 narrative for the period from 24 November 2021 to 23 May 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Appointment &amp; risk</b>	<ul style="list-style-type: none"><li>- Collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets</li><li>- Reviewing the Company's IT infrastructure, understanding what data is held and where it is held</li><li>- Obtaining confirmation of the validity of our appointment</li><li>- Arranging bonding and complying with statutory requirements</li><li>- Considering Health and Safety matters in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with</li><li>- Arranging ongoing insurance cover for the Company's business and assets</li><li>- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place</li><li>- Assessing the level of insurance premiums</li><li>- Liaising with our legal advisors and GDPR and data specialists to ensure an appropriate control environment is operated by the Company including the implementation of any improvements required</li><li>- Liaising with our disputes and investigations team ("D&amp;I") in relation to data that is required to be copied/backed up</li></ul>	To comply with statutory requirements and protect the Company's assets	No direct financial benefit

**SIP 9 narrative for the period from 24 November 2021 to 23 May 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Reports, decision making &amp; remuneration</b>	<ul style="list-style-type: none"><li>- Preparing statutory receipts and payments accounts</li><li>- Drafting and publishing our proposals and drafting this progress report</li><li>- Obtaining approval of our proposals</li><li>- Ensuring compliance with all statutory obligations within the relevant timescales</li><li>- Preparing for the creditors' decision relating to the agreement of the basis of our remuneration, category 2 expenses and unpaid pre-administration costs</li><li>- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9</li><li>- Preparing and reviewing the fees estimate</li><li>- Preparing and reviewing the expenses estimate</li><li>- Seeking approval of the basis of remuneration from the relevant parties</li></ul>	To comply with statutory requirements and to ensure creditors are informed of progress of the administration	No direct financial benefit
<b>Correspondence &amp; statutory filing</b>	<ul style="list-style-type: none"><li>- Uploading information to the Portal</li><li>- Providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders and advertising our appointment</li><li>- Dealing with creditor queries</li><li>- Liaising with regulatory bodies to provide regular updates on the progress of the administration</li><li>- Dealing with customer queries ensuring they are directed to the appropriate customer service team or to SoLR</li><li>- Dealing with other stakeholders' queries</li></ul>	To comply with statutory requirements and to ensure creditors and other stakeholders are informed of progress of the administration	No direct financial benefit

**SIP 9 narrative for the period from 24 November 2021 to 23 May 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Investigations	<ul style="list-style-type: none"><li>- Locating relevant Company books and records, arranging for their collection, review and ongoing storage</li><li>- Reviewing Company and Directorship searches and advising the Directors of the effect of the administration</li><li>- Liaising with the directors to produce the Statement of Affairs and filing it with the Registrar of Companies</li><li>- Reviewing the questionnaires submitted by the Directors of the Company</li><li>- Reviewing pre-appointment transactions</li><li>- Drafting the statutory report and submitting to the the Insolvency Service</li><li>- Liaising with the Insolvency Service in relation to the Directors conduct report</li><li>- Requesting information from stakeholders who have raised any matters that need to be considered for further investigation</li><li>- Liaising with regulatory bodies to understand any concerns they may have raised or matter that need to be considered for further investigation</li></ul>	To comply with statutory requirements and to pursue any potential asset recoveries for the estate	Maximising asset realisations and minimising potential liabilities may increase the dividend prospects for creditors

## SIP 9 narrative for the period from 24 November 2021 to 23 May 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Asset realisations</b>	<ul style="list-style-type: none"> <li>- Collating information from the Company's records regarding assets</li> <li>- Dealing with the Company's' pre-appointment bank accounts</li> <li>- Analysing the outstanding debtors</li> <li>- Engaging a third-party valuer to provide a valuation of the debtor book</li> <li>- Seeking legal advice in relation to book debt collections and the Debt Sale and Database Sale</li> <li>- Negotiating and agreeing the Database Sale and Debt Sale with British Gas</li> <li>- Overseeing the final billing process</li> <li>- Liaising with the direct debit provider to recover amounts it is holding and regarding the transfer of direct debit mandates to British Gas</li> <li>- Overseeing the preparation of data files in relation to the databases that have been sold to British Gas</li> <li>- Dealing with queries from the SoLR and managing the information flow</li> <li>- Collecting the refund from HMRC relating to pre-appointment VAT</li> <li>- Performing Land Registry searches</li> </ul>	To realise the value of the Company's business and assets	<p>Realisation of assets and minimising the costs/liabilities may increase the dividend prospects for creditors</p> <p>Overseeing the final billing process increased the value of the debtor book and entering into the Debt Sale protected value contained in the debtor book</p>
<b>Costs of realisation</b>	<ul style="list-style-type: none"> <li>- Liaising and negotiating with key suppliers to ensure that those services deemed critical to the delivery of the administration strategy are maintained</li> <li>- Establishing a system of controls for the continued delivery of the operational platform including purchase order and invoice payment systems</li> <li>- Preparing and issuing instruction letters to third parties, as necessary</li> <li>- Liaising with third parties regarding costs incurred</li> <li>- Reviewing costs incurred to ensure recorded accurately</li> <li>- Arranging payment of the costs in a timely manner</li> </ul>	To settle costs of third parties who have facilitated the realisation of the Company's assets and mitigation of the administration costs/liabilities	Realisation of assets and minimising the costs/liabilities may increase the dividend prospects for creditors

## SIP 9 narrative for the period from 24 November 2021 to 23 May 2022

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Tax</b>	<ul style="list-style-type: none"> <li>- Gathering initial information from the Company's records in relation to the taxation position of the Company</li> <li>- Submitting relevant initial notifications to HMRC</li> <li>- Communicating and corresponding with HMRC</li> <li>- Reviewing the Company's pre-appointment corporation tax and VAT position</li> <li>- Analysing and considering the tax effects of the book debt collections, Debt Sale and Database Sale for efficient use of tax assets and to maximise realisations</li> <li>- Working on tax returns relating to the periods affected by the administration</li> <li>- Analysing VAT related transactions</li> <li>- Reviewing the Company's duty position to ensure compliance with duty requirements</li> <li>- Dealing with post appointment tax compliance</li> </ul>	To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the administration	Minimising the costs/liabilities of the administration may increase the dividend prospects for creditors
<b>Cashiering</b>	<ul style="list-style-type: none"> <li>- Setting up administration bank accounts</li> <li>- Preparing and processing vouchers for the payment of post-appointment invoices</li> <li>- Creating remittances and sending payments to settle post-appointment invoices</li> <li>- Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employees' banks</li> <li>- Reconciling post-appointment bank accounts to internal systems</li> <li>- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments</li> </ul>	To effectively manage funds, receive asset realisations and discharge the costs of the administration	Receipt of bank interest maximises asset realisations which may increase the dividend prospects for creditors

<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"> <li>- Engaging Clumber and Evolve to act as an agent to provide assistance across employee and pension related matters</li> <li>- Developing and enacting a communication strategy for employees, including holding employee briefing meetings to update employees on progress in the administration and on our strategy</li> <li>- Dealing with queries from employees regarding various matters relating to the administration and their employment</li> <li>- Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments</li> <li>- Administering the Company's payroll, including associated taxation and other deductions and preparing PAYE and NIC returns</li> <li>- Communicating and corresponding with HMRC</li> <li>- Conducting various redundancy processes for staff as appropriate</li> <li>- Dealing with issues arising from the employee redundancies, including statutory notifications and liaising with the Redundancy Payments Service and providing support for those made redundant to complete the required paperwork to support claims</li> <li>- Managing claims from employees</li> <li>- Ensuring security of assets held by employees</li> <li>- Collating information and reviewing the Company's pension scheme</li> <li>- Calculating employee pension contributions and review of pre-appointment unpaid contributions</li> <li>- Liaising with the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment</li> <li>- Ensuring compliance with our duties to issue statutory reports</li> </ul>	To provide effective and informative communication to employees	<p>Retaining and managing employees to deliver the book debt collection strategy may increase the dividend prospects for creditors</p> <p>Assistance to employees will enable them to recover the maximum claims in the administration</p>
		To comply with statutory requirements	



**SIP 9 narrative for the period from 24 November 2021 to 23 May 2022**

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
<b>Claims &amp; distributions</b>	- Reviewing and updating the list of unsecured creditors	To comply with statutory requirements	Ensuring creditor records are kept up to date, claims are agreed at the correct value and funds are distributed accurately to the relevant creditors (where appropriate)
	- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records	To ensure that creditors are informed of the progress of the administration	
	- Responding to creditors regarding queries about the administration and their claims	To advise creditors of the progress of their claims	
	- Agreeing preferential creditor claims		
	- Applying to Court for directions in relation to certain creditor claims		

# Appendix 5 – Glossary

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

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
Adetiq	Adetiq Limited
British Gas	British Gas Trading Limited
Company	Neon Reef Limited
Clumber	Clumber Consultancy Limited
Database Sale	Sale of the customer data to British Gas
Debt Sale	Sale of the debtor book to British Gas
Directors	Benjamin Bolt, Simon Yarwood and Sarah Hayes
Evolve	Evolve IS Limited
GDPR	General Data Protection Regulation
HMRC	HM Revenue & Customs
Joint Administrators/we/our/us	Rob Croxen, Paul Berkovi and Mark Firmin
Ofgem	Office of Gas and Electricity Markets
RPS	Redundancy Payments Service
RoC	Renewables Obligation Certificate
Sale Agreement	Agreement for the Database and Debt Sale
S&S	Simmons and Simmons LLP
SIPs	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
SoLR	Supplier of Last Resort
SoLR transfer date	21 November 2021
VDD	Variable direct debit
WBD	Womble Bond Dickinson UK LLP

# Appendix 6 – Notice: About this progress report

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

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

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

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

Rob Croxen, Paul Berkovi and Mark Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

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