



JOINT LIQUIDATORS' PROGRESS REPORT FOR THE PERIOD:

CLIMATE ENERGY LIMITED – 29 SEPTEMBER 2019 TO 28 SEPTEMBER 2020

CLIMATE ENERGY LIMITED (COMPANY NUMBER: 05310564) (“CEL”)
(“THE COMPANY”)

26 NOVEMBER 2020

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Glossary

Abbreviation / Term	Meaning / Definition
The Act	Insolvency Act 1986 (as amended)
Administrators / Liquidator(s) or Joint Administrators / Joint Liquidators	Chad Griffin and Simon Kirkhope for the period to 23 April 2020, Simon Kirkhope thereafter
CEL or the Company	Climate Energy Limited
CEN	CEN (Holdings) Limited
The Companies	CEL, Consulting, NFP, Services
NFP	Climate Energy (NFP) Limited
Consulting	Climate Consulting Limited
CVL	Creditors' Voluntary Liquidation
The Group	CEL, CEN, Consulting, NFP, Services, Solutions
HMRC	HM Revenue and Customs
HSBC / The Bank / The Secured Creditor	HSBC Bank Plc
The Period	29 September 2019 to 28 September 2020
The Previous Reports	Previous progress reports
The Proposals	The Joint Administrators' proposals dated 30 November 2015
The Rules	Insolvency (England & Wales) Rules 2016
Services	Climate Energy Services Limited
SIP	Statement of Insolvency Practice
Solutions	Climate Energy Solutions Limited
WIP	Work in progress

1. Introduction

- 1.1 Chad Griffin and Simon Kirkhope were appointed as Joint Administrators of CEL on 9 October 2015.
- 1.2 The administration of the Company was converted to a CVL on 29 September 2016. The conversion to CVL took place pursuant to Paragraph 83 of Schedule B1 of the Act and Rule 3.60 of the Rules, and in accordance with the Proposals Chad Griffin and Simon Kirkhope were appointed as Joint Liquidators of CEL.
- 1.3 On 23 April 2020 Chad Griffin gave notice of his resignation as Joint Liquidator of the Company to the Registrar of Companies under s171 of the Act. Pursuant to rule 6.25 of the Rules a decision procedure for a replacement liquidator was not sought and Chad Griffin ceased to act as Joint Liquidator of the Company. Following a period of 21 days, Chad Griffin was released as Joint Liquidator of the Company on 14 May 2020.
- 1.4 Full details of the statutory information relating to the appointments are set out in Appendix A.
- 1.5 Further details in respect of both the administration and liquidation process can be found in the Administrators' Proposals or the Administrators' and Liquidators' Previous Reports.
- 1.6 No creditors committee has been formed in either the administration or subsequent liquidation.
- 1.7 This report is prepared pursuant to Section 104A of the Act. The purpose of this report is to provide creditors with an update on the progress of the Liquidation during the period from 29 September 2019 to 28 September 2020 ("the Period").
- 1.8 A creditors' guide to insolvency can be found using the link provided below.
<http://www.creditorinsolvencyguide.co.uk/>
- 1.9 As disclosed in our Previous Reports Chad Griffin and Simon Kirkhope were appointed as Joint Administrators of NFP and Services on 7 October 2015 and Consulting on 6 November 2015. The administrations of the companies were converted to CVLs on 29 September 2016 in respect of Consulting and NFP, with Services converting on 30 September 2016. The conversions to CVLs took place pursuant to Paragraph 83 of Schedule B1 of the Act and Rule 3.60 of the Rules. This report does not cover the affairs of NFP, Services or Consulting as the liquidators have received their release from office please contact our office if you require information in relation to these entities.
- 1.10 Chad Griffin and Simon Kirkhope were also appointed as Administrators of CEN and Solutions on 19 October 2015 and 7 October 2015 respectively. This report does not cover the affairs of CEN or Solutions as both companies have been dissolved.
- 1.11 Two further group companies, Climate Energy Holdings Limited and Climate Energy Homes Limited, were in liquidation and administration respectively, we understand that the Climate Energy Holdings Limited liquidation will be concluding shortly and that Climate Energy Homes Limited has been dissolved. Separate liquidators and administrators were appointed in respect of these two companies.

2. Progress of the Liquidation

Background Information and Initial Actions

- 2.1 A full background to the administration appointments together with details of the steps taken to pursue a sale of all or part of the businesses, and the actions taken during the wind down of trading was provided in the Proposals and the Previous Reports provided to creditors during both the administration and liquidation.

Receipts and Payments During the Period

- 2.2 A full account of the receipts and payments is provided at Appendix B.
- 2.3 No receipts have been received in the Period.
- 2.4 Payments made during the Period include:
 - Office holders' fees;

- Data compliance costs; and
 - Bank charges.
- 2.5 It is intended that the remaining funds currently held in the liquidation bank account will be applied to the Liquidator's outstanding fees (subject to the fees estimate previously approved by creditors).

Asset Realisations

- 2.6 Asset realisations to date have been discussed in the Previous Reports.
- 2.7 The only asset remaining to be realised is funds due to the Company from legal proceedings brought by the Crown Prosecutor, following an Essex Police investigation, against a former employee who had stolen significant amounts from the Company prior to the appointment of the Joint Administrators. These legal proceedings were delayed as a consequence of the COVID-19 pandemic, however they have now concluded with the relevant individual found guilty and a compensation award has been made to the Company's benefit of c. £100k. We are yet to receive any cash realisations and continue to pursue the matter with HM Courts and Tribunals Service.

Intercompany Balances

- 2.8 There were several intercompany balances across the Companies. These were treated as unsecured claims in the relevant insolvency estate(s). The Company submitted a claim against NFP (£102,639) and Consulting (£692,572) and Services submitted a claim against the Company totaling £1,688,007.
- 2.9 As the claims could not be directly offset, each of the Companies received funds from distributions from one or more of the other Companies.
- 2.10 An assessment was made of the Company's potential realisations from the abovementioned legal proceedings, and the associated costs of dealing with such realisations. Given the circularity of intercompany balances and costs likely to be incurred, any realisations would have provided negligible value to third party creditors of Services, Consulting and NFP. The decision was therefore taken to conclude each of the liquidations of Services, Consulting and NFP.

Taxation

- 2.11 During the period corporation tax returns were not required for the Company with HMRC confirming this was the case. In respect of VAT, CEL has been deregistered for VAT purposes, we will look to recover future VAT incurred through a Form VAT 427.
- 2.12 A final tax return will be completed once we are in receipt of any realisations from the legal proceedings previously mentioned. On the basis of current information we do not believe this will result in a tax charge to the Company.

Statutory Investigations

- 2.13 During the administration we undertook investigation work in accordance with SIP2, including a review of the books and records of the Company, to understand realisable assets which we then compared to the values in the directors' statement of affairs.
- 2.14 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 Company in the three-year period prior to the date of the administration.
- 2.15 We concluded our review and submitted final returns to the Department for Business, Energy and Industrial Strategy during the Administration. The content of our report in relation to this are confidential. As the Liquidation appointment date predated the Rules, which changed with effect from 6 April 2017, there was no requirement to also report on the directors conduct in the Liquidation.
- 2.16 We have not become aware of any further relevant information during the Liquidation of the Company and therefore further reports to the Department for Business, Energy and Industrial Strategy have not been required.

2.17 For the avoidance of doubt, the recovery of stolen funds previously detailed is with reference to a former employee of the Company and not a company director.

Future Work to be Concluded in the Liquidation

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

2.19 The main areas of our work to be completed and future work streams have been set out in the body of the report but can be summarised as follows:

Category	Description (O – Ongoing, F – Future)	Rationale
Administration & Planning	<ul style="list-style-type: none"> Cashiering and reconciliation of bank accounts - O Complying with statutory formalities including relevant filings and statutory communications – O Maintaining the Liquidation record – O 	Statutory / compliance requirement; to ensure efficient project management
Realisation of Assets	<ul style="list-style-type: none"> Continued correspondence with Essex Police and HM Courts & Tribunal Services regarding realisation from the fraud case – O 	Identify, assess and seek to realise potential value
Creditors & Shareholders	<ul style="list-style-type: none"> Dealing with unsecured creditor queries where applicable – O Management of a potential second unsecured dividend, including issuing a notice of intended dividend, reviewing proofs of debt, adjudicating claims, calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend – F 	Statutory requirements; required for orderly case management
Reporting & other matters	<ul style="list-style-type: none"> Preparing, reviewing and issuing a final report to creditors and members and Companies House – F Should it be required, completion of a decision procedure for an increase to the current liquidation fee estimate. 	Required by statute and to inform creditors of progress in the administration of the case

Liquidators' Remuneration

2.20 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 the Administrators'/Liquidators' remuneration, together with details of the Liquidators' time costs to date and the Administrators'/Liquidators' revised fee estimates are set out at Appendix C.

2.21 Following the Administration, and with consideration given to the additional work required, revised fee estimates were approved by the creditors of the Company at meetings held by correspondence on 17 November 2016.

2.22 The table below shows the approved fee estimate for the Company together with the fees incurred to date. £35k (excluding VAT) of fee approval remains undrawn as at the end of the Period.

2.23 As shown below, the actual time costs incurred have exceeded the fees estimate. This is largely a result of the creditor adjudication and distribution process being more complicated than initially anticipated. It is not anticipated that a revision to the fees estimate will be sought in respect of time already incurred in excess of the previous fees estimate.

2.24 However, should additional monies be received that the payment of a further unsecured dividend is required, we may seek a revision to the fees estimate (by convening a decision procedure of creditors) for the anticipated time costs in paying a second dividend and closing the liquidation. Further details will be provided to creditors for their consideration in due course in the event a revision of the fees estimate is requested.

Entity	Total Administrators' Fees Incurred		Total Liquidators' Fees Incurred		Total Fees Incurred to the end of the Period		Total Approved Fee Estimate		Fees Paid to the end of the Period
	Hr	£	Hr	£	Hr	£	Hr	£	£
CEL	2,035	536,629	1,829	425,556	3,864	962,185	2,484	671,629	636,629

2.25 A creditors' guide to liquidators' fees setting out creditors' rights to further information and how fees are approved can be found here:

<http://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/guide-to-liquidators-fees-6-april-2017-england-wales.pdf>

2.26 If creditors wish to be supplied with a hard copy of this guidance, they should contact a member of the Liquidators' staff on the details set out at the end of this report.

2.27 Additional information in relation to the Administrators' / Liquidators' staffing policies can be found in Appendix E.

Creditors' Right to Challenge Remuneration and / or Expenses

2.28 In accordance with 18.34 of the Rules, 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, challenging the amount or the basis of the remuneration which the Liquidators 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.

Creditors' Right to Request Information

2.29 Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors of the Company or, with leave of the Court, may, in writing, request the Liquidator of the Company 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 18.9 of the Rules.

3. Estimated Outcomes

3.1 Please see below a table detailing the current level of return and estimated future level of return to creditors:

Estimated dividend for creditors				
	Secured Creditors	Preferential Creditors	Unsecured Creditors	Shareholders
CEL				
Estimated debt (£)	524k ²	100k	9,709k	100
Current Level of Return (p/£)	100p in the £	100p in the £	5.7p in the £	Nil
Estimated Future Level of Return (p/£)	Nil ¹	Nil	Uncertain	Nil

1. HSBC had a fixed and floating charge over the assets of three 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 £418,000 held in CEL's bank account.

3.2 The Current Level of Returns and the Estimated Future Level of Returns to creditors 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.

3.3 Estimated future creditor returns are subject to realisations from the criminal proceedings instigated by Essex Police which remain uncertain. Due to the various complexities involved in receipt of these monies we have not estimated any upside from this for unsecured creditors at this stage. However, where realisations are made there would be a small benefit to unsecured creditors of up to c. 1p in the £.

3.4 We note as the Services' liquidation has concluded, the associated unsecured intercompany claim of £1.7m from Services into the Company's liquidation estate will not participate in any future distributions.

Secured Creditors

3.5 As previously reported, the Secured Creditor was repaid in full from the fixed asset realisations in the CEL administration.

Preferential Creditors

3.6 Under the Act the main classes of preferential creditor are employees (arrears of wages, holiday pay and pension contributions).

3.7 On 27 September 2017 we wrote to all employees of the Company giving notice of an intended dividend to all preferential creditors of 100 pence in the pound. The notice set a last date for proving of 24 October 2017.

3.8 In the directors' statement of affairs the Company showed pension contributions as outstanding. We instructed agents to review the position and they spoke with all the pension providers to whom the Company made contributions, and they were informed that neither employee nor employer contributions remained outstanding.

3.9 Claims totaling £100k were received from preferential creditors of the Company by the last date for proving and the preferential creditors were paid a dividend of 100p in the pound on 17 November 2018.

Unsecured Creditors

3.10 The Liquidators issued a notice to all the Company's known unsecured creditors to submit claims. This was published in the London Gazette and the Times on 11 October 2016.

3.11 Pursuant to rule 14.29 of the Rules the Liquidators issued a notice of intended dividend to all creditors on 19 December 2018. Given the lapse in time from October 2016, creditors who had not yet proved their debts were given notice that the last date for proving was the 25 January 2019. If the unsecured creditors of the Company failed to prove their debts by this date, their claims would not be considered for dividend purposes.

3.12 Following receipt of all claims and completion of the adjudication process, a first dividend to the Companies' unsecured creditors was paid as follows:

First Dividend			
Entity	Value (£)	Rate (p in £)	Date Paid
CEL	557,430	5.74	20 March 2019

3.13 Any unclaimed dividends will be paid over to the unclaimed dividends account.

4. Next Report and Further Questions

4.1 This report represents a report into the liquidation of the Company for the period to 28 September 2020.

4.2 The Liquidator is required to provide a further progress report to creditors within two months of the anniversary of the end of the Period, or to provide a final account when the affairs of the Company are fully wound up, whichever is sooner.

4.3 Should you have any queries in the meantime, or wish to be sent a hard copy of this report please contact a member of the Liquidators staff on climateenergy@fticonsulting.com or 020 3727 1019.

For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'SK'.

Simon Kirkhope
Liquidator

Simon Kirkhope is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

The Liquidator is bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvencypractitioner-code-of-ethics>.

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

Appendix A – Statutory Information

Company and Appointment Information

Climate Energy Limited

Trading names	Climate Energy Limited
Registered number	05310564
Registered office	C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD
Director(s)	Mr Mizanal Choudhury, Mr Andrew Holmes
Company secretary	N/A
Shareholdings	Climate Energy Holdings Limited (100%)
Administration Court reference	6593/2015
Court	High Court of Justice Chancery Division Companies Court
Administration appointment date	9 October 2015
Appointer	Company Directors
Liquidation appointment date	29 September 2016

Liquidators' Information

Liquidator

Name	Simon Kirkhope*
Address	200 Aldersgate Street, London EC1A 4HD
Authorising body	The Institute of Chartered Accountants in England and Wales

*Chad Griffin resigned as one of the Joint Liquidators' on 23 April 2020 receiving his release on 14 May 2020. No replacement was sought.

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

The administration of the Company was converted to Creditors' Voluntary Liquidations on 29 September 2016. The conversion to CVL took place in accordance with Rule 3.60 of the Rules and in accordance with the Proposals Simon Kirkhope and Chad Griffin were appointed as Joint Liquidators of the Companies.

Prior to the resignation of Chad Griffin and pursuant to Paragraph 100 of Schedule B1 of the Act, any function of the Liquidators was exercised by any or both of the Liquidators named above. Since Mr Griffin's release, Mr Kirkhope has acted as the sole Liquidator of the Company.

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

Appendix B – Liquidators' Receipts and Payments Account

Climate Energy Limited - Liquidators' Receipts and Payments for the period 29 September 2016 to 28 September 2019			
£	From To	29 Sep 2019 28 Sep 2020	Full Liquidation Period
Floating charge receipts			
Book Debts		-	9,474.83
Electricity Refund		-	3,470.40
Bank Interest		-	35.24
Specific Bond		-	158.00
Transfer of Surplus Cash from Administration		-	932,865.00
Rates		-	216.48
Total		-	946,219.95
Floating charge payments			
Postage & Stationary		-	4,894.75
Legal Fees		-	7,929.74
Statutory Advertising		-	308.01
Office Holders Fees		100,000.00	202,664.29
Sundry Expenses		-	4,331.00
Data Compliance Costs		40.00	80.00
Agents/Valuers Fees		-	2,000.00
Preferential Dividend ¹		-	100,034.29
Insurance of Assets		-	8,509.45
VAT - Irrecoverable ²		-	19,110.61
Employee Related Costs		-	4,270.00
Bank Charges		7.96	19.71
Unsecured Dividend ³		-	557,429.66
Total		100,047.96	911,581.51
Current Surplus / (Deficit)		(100,047.96)	34,638.44
Represented by			
VAT Receivable		(53.36)	824.60
Floating Charge Account ⁴		(99,994.60)	33,813.84
Total		(100,047.96)	34,638.44

¹ Preferential dividend paid to preferential creditors of CEL on 17 Nov 2017 at 100p in the £.

² £17,500 capital good adjustment applied following discussions with the FTI tax team this relates to the pre liquidation period but has been applied in the post liquidation period. Additionally there is a further VAT irrecoverable amount totalling £1,610 which we have been unable to recover.

³ Unsecured dividend paid to unsecured creditors of CEL on 20 Mar 2019 at 5.7p in the £.

⁴ Funds held in non-interest bearing accounts to avoid the cost of servicing the account and the need for future tax returns.

Appendix C – Liquidators' Time Costs and Expenses

Liquidators' fees

Pursuant to rule 18.16 IR 2016 the remuneration of the Administrators/Liquidators can be fixed on the basis of one of the following:

- as a percentage of the value of property with which they have to deal;
- by reference to time properly given by the Administrator/Liquidator and his staff attending to matters arising in the administration/liquidation; or
- a set amount.

As approved by the creditors of the Company by meeting by correspondence held on 16 December 2015, the Administrators/Liquidators will be remunerated by basis b. of the above.

Liquidators' fee estimate

A breakdown of the revised estimate provided in the final administration report for the Company are shown below.

CEL - Fee Estimate										
	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	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	64	22,694	2	243	65	22,936	40	13,600	105	36,536
Reporting	90	33,094	29	(660)	119	32,434	50	16,550	169	48,984
Other	38	11,015	(12)	(3,450)	27	7,566	-	-	27	7,566
Fixed Charge Related	100	40,000	55	11,196	154	51,195	-	-	154	51,195
Total	1,573	455,000	463	81,629	2,035	536,629	448	135,000	2,483	671,629
Expenses	-	14,177	-	(302)	-	13,875	-	15,000	-	28,875

The revised fee estimate was approved by the creditors of the Company at a meeting convened by the Liquidators and held by correspondence on 17 November 2016.

The table below shows the approved fee estimate for the Company together with fees incurred to date. As detailed earlier in the report should future assets be realised from the previously discussed legal proceedings the Liquidator is likely to take the necessary steps to increase the current fee estimate.

Entity	Total Administrators' Fees Incurred		Total Liquidators' Fees Incurred		Total Fees Incurred to the end of the Period		Total Approved Fee Estimate		Fees Paid to the end of the Period
	Hr	£	Hr	£	Hr	£	Hr	£	£
CEL	2,035	536,629	1,829	425,556	3,864	962,185	2,484	671,629	636,629

As previously reported, the Administrators incurred total time costs of £536,629 (plus VAT) during the administration of the Company, of which £433,965 was paid in the administration. As covered in the Previous Reports, the remaining time costs of £102,664.29 in respect of CEL were subsequently paid during the liquidation.

The hourly rates charged by the Administrators, and the subsequent Liquidators, are provided at Appendix E.

Post-appointment time costs and expenses

An analysis of the Liquidators' 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 in the liquidations of the Companies during the period have been as follows, some of these workstreams continue whilst other have been finalised (these are disclosed as follows O – Ongoing, F – Future, C – Complete):

Category	Description (O – Ongoing, F – Future, C-Complete)	Rationale
Administration & Planning	<ul style="list-style-type: none"> Appointment and related formalities – C Cashiering and establishment and reconciliation of bank accounts – O Complying with statutory formalities include relevant filings and statutory communications – O Maintaining the Liquidation record – O 	Statutory / compliance requirement; to ensure efficient project management
Realisation of Assets	<ul style="list-style-type: none"> Continued correspondence with Essex Police and HM Courts and Tribunal Services regarding ongoing fraud case and potential realisations – O Looking at the Estimated Outcomes for CEL on receipt of the above funds – C 	Identify, assess and seek to realise potential value
Creditors & Shareholders	<ul style="list-style-type: none"> Responding to creditor queries – O Updating creditors on case progression – O Payment of an initial unsecured dividend, including issuing a notice of intended dividend, reviewing proofs of debt, adjudicating claims, calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend – C Dealing with creditors in relation to the adjudication of creditor claims – C Chasing creditors in respect of having not cashed their cheques - O Addressing queries in relation to the leasehold properties of the Company – C 	Statutory requirements; required for orderly case management
Tax / VAT	<ul style="list-style-type: none"> Notifications sent to relevant tax authorities – C Filing relevant corporation tax returns – O De registering the Company for VAT purposes – C Recovering any VAT due to the Company through the submission of VAT 427 forms – O 	
Reporting & other matters	<ul style="list-style-type: none"> Preparing, reviewing and issuing annual progress reports to creditors and members and Companies House – O Preparing, reviewing and issuing a final progress report to creditors, members and companies house – F 	Required by statute and to inform creditors; required in order to seek approval as required for administration strategy including disposal of assets subject to security

Creditors should be made aware that a number of the time costs incurred by the office holders and their staff during the period involve work that does not provide a perceived benefit to the estate e.g. the statutory formalities to report to the Companies creditors.

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.

Expenses incurred and to be incurred during the remainder of the Liquidation

The table below details the expenses incurred to date as well as an estimate of the likely quantum of future expenses remaining to be incurred during the liquidation. The amount estimated as remaining to be incurred consists of the costs for getting an external mailing Company to print and provide letters and cheques to the Company's creditors in the event of a second dividend.

As you can see the level of expenses is in excess of the initial liquidation expenses estimate this is driven by a number of legacy costs incurred during the Administration being invoiced during the liquidation including but not limited to legal fees, insurance costs and employee related costs.

Liquidation Expenses Estimate and Amount Incurred					
Type of Expense	Overview of Costs Incurred	Initial Expenses		Total Future	
		Estimate	Total Incurred	Estimate	Total Estimate
Postage & Stationary	Costs incurred in mailouts to creditors (including the distribution payments)	-	4,895	5,000	9,895
Legal Fees	Payment of legal fees incurred during the Administration, and legal fees for finalising the surrendered	-	7,930	-	7,930
Statutory Advertising	Costs of Advertisements placed in the London Gazette, eg Appointment Notices, Advertisements for claims.	-	308	-	308
Sundry Expenses	Payment of Administration expense in relation to debtor collections.	-	4,331	-	4,331
Data Compliance Costs	Annual Information Commissioners fee.	-	80	-	80
Agents/ Valuers Fees	Debtor realisations conducted by JP Associates	-	2,000	-	2,000
Insurance of Assets	Insurance costs for amounts due as part of the Administration.	-	8,509	-	8,509
Employee Related Costs	ERA solutions costs for handling employee claims.	-	4,270	-	4,270
Bank Charges	Accounts charges incurred through Barclays.	-	20	-	20
Total¹		15,000	32,343	5,000	37,343
Notes					

¹The initial expenses estimate was not split between the anticipated future expenses to be incurred.

Appendix D – Time Cost Analysis

Time cost analysis in compliance with SIP9 for the Company for the reporting Period

Climate Energy Limited - Analysis of Time Costs In Accordance with SIP9 for the period 29 September 2019 to 28 September 2020

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Strategy and planning	-	9.2	6.5	-	15.7	6,201.5	395.0
Appointment and related formalities	-	-	4.5	-	4.5	1,777.5	395.0
Checklist and reviews	-	12.2	1.0	45.0	58.2	13,539.0	232.6
Cashiering and reconciliations	-	-	3.8	52.3	56.1	11,176.5	199.2
Bonding and IPS maintenance	-	-	-	2.0	2.0	370.0	185.0
Subtotal	-	21.4	15.8	99.3	136.5	33,064.5	
Investigations							
Books and records	-	-	-	4.9	4.9	906.5	185.0
Subtotal	-	-	-	4.9	4.9	906.5	
Realisation of assets							
Book debts	-	10.0	-	-	10.0	3,950.0	395.0
Other assets	-	0.5	-	-	0.5	197.5	395.0
Subtotal	-	10.5	-	-	10.5	4,147.5	
Creditors (correspondence and claims)							
Unsecured creditors	-	-	11.5	7.5	19.0	5,930.0	312.1
Subtotal	-	-	11.5	7.5	19.0	5,930.0	
Tax							
Post appointment VAT	-	-	1.0	1.0	2.0	480.0	240.0
Tax advice on transactions	-	-	-	0.5	0.5	92.5	185.0
Subtotal	-	-	1.0	1.5	2.5	572.5	
Reporting							
Other statutory reports/meetings	-	2.0	21.0	56.3	79.3	19,500.5	245.9
Subtotal	-	2.0	21.0	56.3	79.3	19,500.5	
Other							
Other	-	-	-	2.5	2.5	462.5	185.0
Subtotal	-	-	-	2.5	2.5	462.5	
Total Time by Grade	-	33.9	49.3	172.0	255.2		
Total Cost by Grade	-	13,390.5	19,373.5	31,820.0	64,584.0		
Average by Grade	-	395.0	393.0	185.0	253.1		
	-	33.9	49.3	172.0	255.2		
	Time Costs (£)	Category 1	Category 2	Total (£)			
Total Costs to Date (£)	64,584.0	36.0	-	64,620.0			
Amount Billed	-	-	-	-			
Total WIP	64,584.0	36.0	-	64,620.0			

Time cost analysis in compliance with SIP9 for the Company for the full Liquidation Period

Climate Energy Limited - Analysis of Time Costs In Accordance with SIP9 for the period 29 September 2016 to 28 September 2020

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Strategy and planning	-	10.7	13.6	6.5	30.8	10,810.0	351.0
Appointment and related formalities	-	1.2	12.0	-	13.2	5,160.0	390.9
Receipts and payments accounts	-	0.6	2.8	9.2	12.6	2,779.0	220.6
Checklist and reviews	-	27.1	8.7	143.3	179.1	39,562.5	220.9
Cashiering and reconciliations	-	1.5	6.9	147.9	156.3	30,940.5	198.0
Bonding and IPS maintenance	-	1.5	0.2	2.0	3.7	955.0	258.1
Case Admin	-	0.8	11.8	12.7	25.3	6,716.5	265.5
Subtotal	-	43.4	56.0	321.6	421.0	96,923.5	
Investigations							
Reports of Directors' conduct	1.5	-	-	0.6	2.1	778.5	370.7
Books and records	-	-	-	5.4	5.4	999.0	185.0
Electronic records	-	-	-	1.2	1.2	222.0	185.0
Other investigations	-	-	0.8	8.0	8.8	1,716.0	195.0
Subtotal	1.5	0.0	0.8	15.2	17.5	3,715.5	
Realisation of assets							
Sale of business	-	-	0.3	-	0.3	88.5	295.0
Book debts	-	10.0	1.0	-	11.0	4,229.0	384.5
Property, plant and vehicles	-	-	2.0	1.6	3.6	854.0	237.2
Other assets	-	0.5	-	-	0.5	197.5	395.0
Health & Safety/Insurance	-	0.6	0.4	-	1.0	355.0	355.0
Legal issues/litigation	-	0.6	-	-	0.6	237.0	395.0
Subtotal	-	11.7	3.7	1.6	17.0	5,961.0	
Trading							
Ongoing trading / monitoring	-	0.2	-	5.0	5.2	1,004.0	193.1
Employees - recruitment	-	-	-	0.4	0.4	74.0	185.0
Subtotal	-	0.2	0.0	5.4	5.6	1,078.0	
Creditors (correspondence and claims)							
Unsecured creditors	-	26.8	187.4	833.2	1,047.4	233,552.5	223.0
Pensions	-	-	1.3	-	1.3	513.5	395.0
Employees	-	1.7	43.6	17.1	62.4	16,676.0	267.2
Lease creditors	-	-	3.3	-	3.3	1,163.5	352.6
Subtotal	-	28.5	235.6	850.3	1,114.4	251,905.5	
Tax							
Initial reviews CT and VAT	-	-	2.0	-	2.0	790.0	395.0
Post appointment CT	0.7	13.5	-	12.5	26.7	10,041.5	376.1
Post appointment VAT	-	1.7	1.4	27.2	30.3	6,687.5	220.7
Tax advice on transactions	-	-	-	0.7	0.7	129.5	185.0
Other post appointment tax	-	0.3	-	-	0.3	118.5	395.0
Subtotal	0.7	15.5	3.4	40.4	60.0	17,767.0	
Reporting							
Other statutory reports/meetings	-	24.0	55.1	111.5	190.6	47,743.0	250.5
Subtotal	0.0	24.0	55.1	111.5	190.6	47,743.0	
Other							
Other	-	-	-	2.5	2.5	462.5	185.0
Subtotal	-	-	-	2.5	2.5	462.5	
Total Time by Grade	2.2	123.3	354.6	1,348.5	1,828.6		
Total Cost by Grade	1,014.0	48,519.5	124,065.0	251,957.5	425,556.0		
Average by Grade	460.9	393.5	349.9	186.8	232.7		

	Time Costs	Category 1	Category 2	Total
Total Costs to Date	425,556.0	145.8	-	425,701.8
Amount Billed	(100,000.0)	-	-	(100,000.0)
Total WIP	325,556.0	145.8	-	325,701.8

*Note: Total time costs have been adjusted to reflect a change in charge-out rates that occurred in January 2017. These changes had not been accounted for in previous progress reports. Please note, this additional time has no impact on the return to creditors or the level of Joint Liquidators' remuneration which is dictated by the fees estimate.

Time cost analysis in compliance with SIP9 for the Companies for the Administration Period

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	5.0	15.3	23.4	2.7	46.4	16,927.5	364.8
Initial actions	3.0	15.3	15.3	26.2	59.8	17,662.0	295.4
Appointment and related formalities	1.0	26.0	28.6	389.4	445.0	81,194.5	182.5
Receipts and payments accounts	-	-	28.8	46.7	75.5	15,423.0	204.3
Checklist and reviews	-	1.0	33.0	10.3	44.3	12,894.5	291.1
Cashiering and reconciliations	-	-	5.6	5.1	10.7	2,364.0	220.9
Bonding and IPS maintenance	-	0.2	2.7	0.2	3.1	857.0	276.5
Case management	-	-	58.2	0.2	58.4	22,621.0	387.3
Fixed Charge cashiering / funding	-	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	-	-	-	0.4	0.4	64.0	160.0
Directors questionnaire/checklists	-	1.8	-	-	1.8	801.0	445.0
Statement of affairs	-	-	-	0.7	0.7	112.0	160.0
Reports of Directors' conduct	-	-	-	0.7	0.7	129.5	185.0
Books and records	-	3.9	1.2	65.1	70.2	12,532.5	178.5
Electronic records	-	5.7	106.2	37.1	149.0	32,992.3	221.4
Subtotal	-	11.4	107.4	104.0	222.8	46,631.3	
Realisation of assets							
Cash and investments	3.0	11.7	-	-	14.7	6,541.5	445.0
Sale of business	2.0	23.8	-	-	25.8	11,481.0	445.0
Book debts	1.0	15.4	114.5	0.4	131.3	47,447.0	361.4
Property, plant and vehicles	-	9.4	-	61.3	70.7	13,991.0	197.9
Other assets	-	5.7	8.7	21.9	36.3	9,120.5	251.3
Health & Safety/Insurance	-	-	2.2	16.2	18.4	3,160.5	171.8
Legal issues/litigation	2.0	-	-	0.6	2.6	986.0	379.2
Fixed charge property	-	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	-	12.7	-	-	12.7	5,651.5	445.0
Ongoing trading / monitoring	-	6.3	-	0.7	7.0	2,933.0	419.0
Closure of trading	-	-	-	5.8	5.8	928.0	160.0
Subtotal	-	19.0	-	6.5	25.5	9,512.5	
Creditors (correspondence and claims)							
Unsecured creditors	-	25.6	89.7	144.1	259.4	65,845.0	253.8
Pensions	-	8.1	-	1.2	9.3	3,796.5	408.2
Employees	-	30.4	94.8	15.3	140.5	40,182.5	286.0
Lease creditors	-	-	-	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	-	2.0	-	-	2.0	890.0	445.0
Pre-appointment CT	-	10.0	-	18.9	28.9	7,474.0	258.6
Pre-appointment VAT	-	1.0	-	3.0	4.0	925.0	231.3
Post appointment CT	-	4.0	0.5	5.4	9.9	3,106.5	313.8
Post appointment VAT	-	5.8	-	9.4	15.2	8,249.0	542.7
Tax advice on transactions	-	4.5	-	1.0	5.5	2,292.5	416.8
Subtotal	-	27.3	0.5	37.7	65.5	22,937.0	
Reporting							
Proposals	0.8	4.6	10.7	23.2	39.3	9,860.0	250.9
Other statutory reports/meetings	-	-	43.8	36.1	79.9	22,574.0	282.5
Secured creditor reports	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	-	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	166,560.0	536,629.3		
Average by Grade	445.0	478.1	315.6	164.7	263.7		
	Fixed charge time cost	Floating charge time cost	Total Time Costs	Category 1	Category 2	Total	
Total Costs to Date	51,195.5	485,433.8	536,629.3	8,760.0	5,115.0	550,504.3	
Amount Billed	(51,195.5)	(485,433.8)	(536,629.3)	(8,760.0)	(5,115.0)	(550,504.3)	
WIP	-	-	-	-	-	-	

Appendix E – Additional Information in Relation to Liquidators' 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, Senior Director, Director, Senior Consultant, Consultant and Associate. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

Regarding 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, e.g., report compilation and distribution, do we seek to charge and recover our time in this regard. All time incurred by the Administrators/Liquidators and their staff is recorded in six-minute increments.

Professional Advisors

Fees paid to professional advisors during the Liquidations are shown below. We have also indicated alongside the basis of our fee arrangements, which are subject to review on a regular basis. Details of fees paid to professional advisors during the administrations of the Companies are included in the Previous Reports.

Professional Advisor Fees		
Name of professional advisor	Basis of fee arrangement	Fees paid to date (Excluding VAT) (£)
King & Wood Mallesons LLP (former legal advisors)	Hourly rate and disbursements	7,010
JP Associates (book debt collectors)	20% of recoveries	2,000
ERA (employee advice and claims processing)	Hourly rate and disbursements	4,270
Brodies LLP (legal advisors re Scottish lease)	Hourly rate and disbursements	920

Note: Fees paid in the liquidations may relate to the administration period.

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 Company 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.

Disbursements	
Type of Expense	Basis of Incurring Cost
Postage and fulfilment by Williams Lea, or Mail & Print	Cost incurred based on number of letters printed
IT equipment ordered internally	Cost price
Subsistence for meetings	Chared based on number of attendees per meeting
Data Management (10 units)	£25 per unit per month

Category 2 expenses of £5,115 have been billed and paid in CEL as of 28 September 2020.

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

FTI Consulting LLP: Summary of Charge-Out Rates		
Grade	2015 £ (Per Hour)	2016-2020 £ (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
Associate	160	185

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.