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### 1 Company details

Company number 0 9 9 3 3 3 1 3

Company name in full Orbit Energy Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Joanne

Surname Hewitt-Schembri

### 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> 0	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 3	<sup>d</sup> 1	<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> 4	<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 **Emily Thompson**

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.
- ☐ You have signed the form.

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DX 33050 Cardiff.

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# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶  
Attach this to the relevant form.  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Mark Granville

Surname

Firmin

## 3 Insolvency practitioner'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

**ORBIT ENERGY LIMITED – IN ADMINISTRATION**

# **Joint Administrators' first progress report**

**For the period from 1 December 2021 to 31 May 2022**

*24 June 2022*

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# 1 Executive summary

- Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin of Alvarez & Marsal Europe LLP (“A&M”) were appointed as Joint Administrators of Orbit Energy Limited (the “Company”) on 1 December 2021.
- This is our first progress report which covers the period from the date of our appointment to 31 May 2022.
- On 24 October 2021, the directors of the Company resolved that the Company was insolvent. On 8 November 2021, the directors of the Company applied to the High Court of Justice Business and Property Courts of England & Wales (the “Court”) for an administration order in respect of the Company. The Court hearing was scheduled for 29 November 2021, and in the meantime, on 25 November 2021, the Office of Gas and Electricity Markets Authority (“Ofgem”) announced the commencement of the Supplier of Last Resort (“SoLR”) process.
- Prior to our appointment, on 29 November 2021, Ofgem gave notice to the Company that its licences to supply energy were being revoked. On 1 December 2021, the Company’s customers were transferred to ScottishPower Energy Retail Limited (“ScottishPower”), which had been appointed as the SoLR.
- An administration order was made by the Court on 1 December 2021 and we were duly appointed as Joint Administrators.
- We delivered our statement of proposals (“Proposals”) to all known creditors on 21 January 2022. Further details regarding the background and events leading up to our appointment can be found in our Proposals. We initially sought approval of our Proposals by deemed consent and, subsequently, by an electronic voting procedure. Our Proposals were ultimately approved by creditors at a requisitioned physical meeting of creditors held on 6 April 2022.
- The Company’s principal assets comprised cash at bank and cash in transit with electronic payment providers, customer debit balances and unbilled energy usage (together, the “Book Debts”) and interests in (or claims in relation to) two cash balances which had been transferred, shortly prior to our appointment, to Genie Energy Ltd (“GEL”) and Shoreditch Energy Limited (“SEL”) respectively.
- Funds totalling £16.0m have been recovered from GEL during the period of this report and we are expecting to receive imminently the funds (\$28.3m plus any accrued interest) held by the US Court (the “Funds”), following the final order recording Judge Wiles’ findings and rulings in the US Chapter 15 Bankruptcy proceeding (see Section 3 - Strategy and progress of the administration to date).
- We have maintained the Company’s operating platform and retained a number of the Company’s employees for a limited period of time in order to complete the final billing process and to facilitate the migration of customers to ScottishPower. This included agreeing the terms of a data sharing agreement (“DSA”) with ScottishPower.
- We have instructed Barratt Smith & Brown Limited (“BSB”) to collect the Company’s Book Debts. Further details of our overall strategy and progress to date is provided in this report (Section 3 - Strategy and progress of the administration to date).

- We are not aware of any secured creditor claims against the Company (Section 4 - Dividend prospects).
- We anticipate that the preferential creditors should receive a dividend of 100p in the £ plus statutory interest (Section 4 – Dividend prospects).
- We anticipate that the unsecured creditors should receive a dividend in this case. We have yet to determine the total amount of this due to the ongoing realisation of assets and the ongoing uncertainty around quantum of claims. Assuming that we will be in possession of the Funds imminently, we consider there is a good prospect that all creditors will ultimately receive a total dividend of 100p in the £ plus statutory interest. We will be better placed to advise on this further in due course (Section 4 – Dividend prospects).
- We recently made an application to Court for permission to make distributions to unsecured creditors of the Company. Following a hearing on 16 May 2022, the Court made an order on 17 May 2022 granting us permission to make an interim distribution to unsecured creditors of the Company. The interim distribution is anticipated to be paid to creditors in Summer 2022. Further details are provided later in this report. (Section 4 – Dividend Prospects).
- Please note you should read this progress report in conjunction with our Proposals, the updates given to creditors on 4 March 2022, 29 April 2022 and 11 May 2022 (together, the “Creditor Updates”), which are available on the Portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Joanne Hewitt-Schembri  
Joint Administrator



## 2 A message to customers

All customers have transferred to ScottishPower under Ofgem's SoLR process. We are now in the process of winding down the Company's operations and IT systems.

### *Update on final billing*

Substantially all of the Company's customers have received final bills. Any queries in relation to final bills (including accounts for which final bills have not been received) should be directed as set out below.

### *Queries relating to credit balances or ongoing energy supply*

All customer queries regarding final bills, ongoing supply, or outstanding credit balances should be directed to ScottishPower by email to [contactus@scottishpower.com](mailto:contactus@scottishpower.com).

### *Queries relating to debit balances*

We have appointed a collections agent, BSB, to collect the Company's Book Debts. If you switched away from the Company prior to 1 December 2021 and had an outstanding debit balance, BSB may contact you about this balance, too.

All customer queries regarding accounts in a debit position should be directed to BSB directly at [collections\\_team@thebsbco.com](mailto:collections_team@thebsbco.com). Please include your full Orbit account number as your BSB reference.

### *Additional support*

If customers need 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 on our progress to date. It follows the information provided in our Proposals.

Our Proposals summarised the key matters and included (among other things):

- a message to the Company's customers;
- details of the SoLR and the SoLR process;
- background information, including the events leading to the administration;
- funding and financial position of the Company; and
- actions taken by us following our appointment as Joint Administrators.

This update should be read in conjunction with, and provides an update to, section 5 of our Proposals (Strategy and progress of the administration to date) and the Creditor Updates.

## 3.1 Strategy

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 the Company were wound up without first being in administration.

### *Maintenance of the operating platform and the DSA*

The Joint Administrators have maintained the Company's operating platform and have retained a number of employees for a limited period of time in order to complete the final billing process and to facilitate the migration of customers to ScottishPower. As part of this process, we agreed the terms of a DSA with ScottishPower on 23 December 2021.

Since the date of our Proposals, the following key activities have been completed as part of the final billing process:

- Remaining Company employees were retained to complete the final billing process and deliver the services under the DSA;
- We engaged with the Company's key suppliers to ensure we had the necessary continued support to maintain the operating platform and ensure it remains operational throughout the process;
- Substantially all customers' accounts have been issued with a final bill combining outstanding balances with unbilled energy usage;
- The Company continued to deal with customer queries and provided support to the SoLR during the migration process; and
- The Company issued scheduled payment reminders in relation to final bills and facilitated customer payments via its telephone line, website and direct debit platforms.

Under the terms of the DSA, the SoLR was required to make a contribution to the costs of the final billing process which included the costs associated with the continued operations of the Company. During the period of this report, we received £158,191 from ScottishPower and a smaller, final contribution is in the process of being calculated and is expected to be received shortly.

The final billing process was largely completed by 31 March 2022. During the period of this report, approximately 47,000 final bills have been issued in relation to customers' accounts.

#### *Employees*

At the date of our appointment, the Company had a total of 27 employees. Of these employees, 11 were working their notice and two employees resigned in the period immediately following our appointment.

We retained the remaining 14 employees to assist with the final billing process. An employee consultation process was commenced shortly after our appointment to formally notify employees that their employment was at risk of redundancy.

During the period of this report, nine employees have been made redundant and two further employees have resigned. Three employees remain employed by the Company and are currently working their notice periods. The remaining employees are continuing to support us with matters relating to the final billing process including the wind-down of operations / IT.

#### *Customer communications*

Shortly following our appointment, we developed and implemented a communications plan to manage customer enquiries. This involved directing customers to information being provided by Ofgem (as the regulator overseeing the SoLR process) and ScottishPower (as the customers' new supplier).

As part of the final billing process, we retained one of the Company's external customer service providers to deal with customer queries and to assist in processing customer payments. As a result, the Company's telephone lines remained open until 31 March 2022. The Company is still receiving a small number of enquiries by email. These are being met with an automated response which directs customers in the manner outlined above.

#### *Data and data privacy*

As part of the final billing process and to facilitate the transfer of customer accounts, relevant data was provided to ScottishPower under the terms of the DSA. We have retained access to certain of this data that is required to fulfil our statutory duties.

We are continuing to work with our data privacy colleagues to ensure that data migration is conducted in accordance with data protection policy and industry best practice. The review of potential data privacy and data protection matters will remain ongoing whilst the Company works to deliver the strategy of the administration.

#### *Amounts transferred to Genie Energy Limited*

As noted at paragraph 5.1.6 of our Proposals, GEL was holding approximately £37.7m of the Company's funds at the time of our appointment.

In our Creditor Updates we have described how, between 1 February 2022 and 8 February 2022, we recovered £16.0m of these funds directly from GEL. As a result, a balance of c.£21.7m (comprising the Funds) remained outstanding.

Following our further update to creditors on the developments in the Chapter 15 bankruptcy case in the US on 11 May 2022, we are pleased to report that we are expecting to receive imminently the balance of the "Funds, following the final order recording Judge Wiles' findings and rulings in the US Chapter 15 Bankruptcy proceeding.

GEL had up to 14 days from the date of the final order to file a notice of appeal. The deadline for filing a notice of appeal (being 1 June 2022) has now expired and the Joint Administrators understand that no appeal has been filed with the US Court.

*Amounts transferred to Shoreditch Energy Limited*

As detailed in our update to creditors on 29 April 2022, we have continued to reserve our position in relation to the Escrow Agreement (as previously defined in our Proposals), including whether (or not) steps need to be taken to seek to unwind this arrangement. Since the meeting of creditors on 6 April 2022, we have sought to extend the temporary standstills with both Ofgem and the SoLR, such that they have agreed not to make any claims under the Escrow Agreement or otherwise seek to draw down on these funds for a period of time.

The reason for this is that we consider that, if the Company can pay its creditors in full, plus statutory interest, following release of the funds currently held by the US Court and depending on other asset realisations and the level of creditor claims, it may not be necessary to review the escrow arrangements and potentially pursue the unwinding of the Escrow Agreement for the benefit of creditors. To date, Ofgem, SoLR and SEL as shareholder have been supportive of this approach. We continue to monitor the situation.

*Cash on appointment*

As at the date of our appointment, the Company had £8.3m in its bank accounts at HSBC. This amount has been recovered in full.

The accounts remain open to enable a small number of receipts which are still being paid into these accounts. These amounts are transferred to our administration account on a regular basis and are accounted for as receipts from customers or other third parties as appropriate.

*Cash in transit*

The Directors' Statement of Affairs indicated that, at the date of our appointment, the Company had up to £346.9k of 'cash in transit', being held or processed by one the Company's payment providers, GoCardless Limited ("GoCardless") or Stripe Payments Europe Limited ("Stripe").

We have identified recoveries in respect of cash in transit (being the amounts held by Stripe and GoCardless immediately upon our appointment) of £44.0k. The difference between the amount recovered and the Statement of Affairs value appears to be due to timing differences, as all relevant amounts have been accounted for.

*Book debts and unbilled energy usage*

The net book value of the Company's customer debit balances at 30 November 2021 was £3.2m. This amount is net of an £8.0m provision for doubtful debts. The net book value of the Company's unbilled energy usage at 30 November 2021 was an additional £3.4m. The combined net book value of customer debit balances and unbilled energy usage (referred to in this report as Book Debts) in the Directors' Statement of Affairs is therefore £6.6m.

One of the purposes of the final billing process was to combine customers' outstanding balances with unbilled energy usage. As part the final billing process, the Company issued 22,245 final debit bills with a total value of £9.8m (and a further 24,485 credit bills with a value of at £5.2m).

On 10 May 2022, we instructed BSB to take over collection of the Company's Book Debts. At the point of handover, the gross value of the outstanding Book Debts (including historic final bills) was c.£9.6m. Credit Resource Solutions Limited ("CRS"), the Company's incumbent debt collection agent, has been retained to collect a smaller element of the Book Debts (approximately £368.0k) which includes accounts in pre-existing payment plans.

We will continue to consider options in relation to the Company's Book Debts including a potential sale in due course.

#### *Trade debtors and prepayments*

The net book value of the Company's trade debtors and prepayments as at 30 November 2021 was £85.5k. These balances primarily related to prepayments made to suppliers. Work is ongoing in respect of the recovery of these amounts.

Further balances may become due to the Company as a result of energy usage volume reconciliations. This work is also ongoing.

#### *Tax and VAT*

Based on Company records, we anticipated that a VAT refund would be due to the Company in relation to the pre-administration period. We duly arranged for a pre-administration VAT return to be submitted and a refund of £262.0k has been applied against the Company's pre-administration corporation tax liability.

The pre-administration corporation tax return has also been prepared and submitted resulting in a net claim into the estate of c.£3.5m including interest and penalties (after setting off of the pre-administration VAT refund).

## **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.

#### *Amounts transferred to Genie Energy Limited*

During the period of this report, we have recovered £16.0m in relation to amounts transferred to GEL prior to our appointment. A further \$28.3m plus any accrued interest constituting the Funds is expected to be received from the US Court imminently as a result of the US Chapter 15 process.

#### *Cash transferred to Shoreditch Energy Limited*

During the period of this report, we received £35,000 from SEL in relation to amounts transferred to SEL prior to our appointment.

#### *Book debts and unbilled energy usage*

During the period of this report, we have realised £4.3m from customers in relation to Book Debts. This amount has been received from customers via Stripe, GoCardless and by direct payment into the Company's pre-appointment bank accounts.

Of the amounts initially collected by GoCardless, we agreed that GoCardless should retain £471,479 as collateral against future fees and chargeback claims in the administration (the "GoCardless Collateral"). For this reason, this amount was not at that time recognised as a receipt in our receipts and payments account. At the end of the period of this report:

- £71,806 (plus VAT) of the GoCardless Collateral has been applied to GoCardless' fees (the net amount being recognised as a customer receipt in our receipts and payments account);
- a further £385,312 continues to be retained as GoCardless Collateral.

Any GoCardless Collateral amount which is not applied to fees or chargebacks within 6 months of the termination of the agreement (or within 6 months of cessation of transaction processing, if later) will be returned to the administration estate.

*Cash at bank*

Funds totalling c.£8.3m were realised from the Company's pre-appointment bank account shortly following our appointment.

*Cash in transit*

During the period of this report, we have realised £43,990 in relation to cash in transit.

*SoLR support services fees*

Under the terms of the DSA, ScottishPower agreed to provide a contribution towards the costs of completing the final billing process (based on numbers of bills issued). During the period of this report, we received £158,191 from ScottishPower in relation to this agreement.

*Trade deposits and prepayments*

During the period of this report, we realised c.£1.7m in relation to the Company's trade deposits and prepayments. These amounts relate to deposits paid or prepaid charges to pre-appointment suppliers and counterparties.

*Bank interest*

Interest amounting to £14,272 has been received on the funds held on deposit in the administration bank accounts.

*Sundry receipts*

During the period of this report, we have realised £2,830 in sundry refunds and £10,980 relating to the recharge of certain Company employee costs.

*Third party monies received in error*

During the period of this report, we have received £133,431 which we believe has been paid to the Company in error. We expect this amount will be returned to the relevant trade counterparties in due course.

*Unallocated cash from customers*

During the period of this report, we estimate that we have received up to £600,000 from customers in relation to accounts which were already in credit or are now in credit as a result of the payment. These amounts represent funds to which the Company is not entitled and will be returned to the SoLR. We understand the SoLR has already processed all or substantially all of the credit balances for the affected customers.

### 3.2.1 Investigations

We have reviewed the affairs of the Company to identify if there are any actions which can be taken against third parties to increase recoveries for creditors.

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 and our ongoing investigations work 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.

*Joint Administrators' fees and disbursements*

During the period of this report, no remuneration was drawn.

Shortly following the end of the period of this report, we drew £2,430,120 in relation to our approved fees and a further £4,184 in relation to disbursements. (Section 6 – Joint Administrators’ remuneration and disbursements).

*Contractor costs*

During the period of this report, payments totalling £18,100 have been made to contractors as follows:

- Clumber Consultancy Limited (“Clumber”) (£500);
- Hargreaves Consulting Limited (£14,000); and
- DGA Data Services Limited (£3,600).

The costs paid to Clumber relate to a review the Company’s pre-appointment pension arrangements. Other costs relate to amounts paid to former employees of the Company for consultancy services in relation to the final billing process.

*Legal fees and disbursements*

During the period of this report, payments totalling £903,259 have been made relation to legal fees and disbursements as follows:

- CMS Cameron McKenna Nabarro Olswang LLP (“CMS”) - £499,200;
- Womble Bond Dickinson LLP (“WBD”) - £42,267; and
- Patterson Belknap Webb & Tyler LLP (“PBWT”) - £361,793.

*Suppliers and duress payments*

During the period of this report, payments totalling £830,570 have been made to suppliers for the purposes of maintaining the Company’s operating platform. Duress payments totalling £97,817 (which we deemed commercially appropriate to pay) have been made to the following suppliers:

- The Company’s IT support providers which were critical to the final billing process;
- The Company’s customer service and collections support services providers; and
- The Company’s payroll service provider for facilitating payment of the employees and HMRC.

Further payments to these suppliers are expected until the wind-down is complete and all costs continue to be carefully monitored. These amounts are being paid as an expense of the administration.

*Wages and salaries*

In order to complete the final billing process and to assist us with our statutory duties it has been necessary for the Company to retain a number of employees. During the period of this report, payments totalling £443,623 have been made in relation to wages, salaries and other payroll costs.

### 3.3.2 Professional advisers and sub-contractors

Details of professional advisers and sub-contractors instructed during the period (and which were not otherwise described in our Proposals) are provided below.

*PBWT*

We have engaged PBWT to advise on legal matters in respect of the proceedings issued in the United States. PBWT was selected due to its reputation and expertise in these matters. It has been agreed that PBWT’s fees will be calculated on a time cost basis.

#### *BSB*

We have engaged BSB to collect the Company's Book Debts. BSB was selected due to its experience and expertise in these matters and was selected as part of a process in which we invited proposals from seven different parties. As part of the selection process, proposals were also sought on the outright sale of the Company's interests in the Book Debts.

BSB will receive a commission for recoveries it makes.

#### *Adetiq Limited*

Due to the large volume of calls we have received from former customers, it has been necessary for us to instruct an external call centre provider, Adetiq Limited ("Adetiq"), to assist with call volumes. This was in addition to the Company's pre-appointment call centre provider. Whilst this is work that could have been performed by us and our staff, we considered that it would be more cost efficient to use Adetiq's services.

Adetiq was selected based on its expertise in dealing with calls of this nature and its competitive cost structure. Adetiq's costs are charged on a fixed fee basis, per number of calls received.

We regularly review costs incurred by our agents and legal advisers 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).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

#### *Legal fees and disbursements*

We have incurred approximately £599,500 of legal fees and disbursements that have not yet been paid in the period covered by this report. This amount relates to the following:

- approximately £350,430 relates to post-appointment legal advice provided by CMS (including legal Counsel fees of £26,360);
- approximately £30,331 relates to post-appointment ad-hoc legal advice provided by WBD; and
- approximately £218,739 relates to legal advice provided by PBWT in respect of the US legal matters.

We expect these costs will be paid in the subsequent reporting period.

#### *Agents' fees and disbursements*

Hilco Valuation Services Limited ("Hilco") has been instructed to assist with the realisation of the Company's computers and office equipment. Hilco has incurred costs of c.£2,000 which have not yet been invoiced or paid. We expect these costs to be invoiced and paid in the subsequent reporting period.

#### *Insurance costs*

Insurance premiums of £720 have been incurred but have not yet been paid. We expect these costs to be paid in the subsequent reporting period.



*Contractor costs*

We have instructed Evolve IS Limited ("Evolve") as our employment consultant. Evolve has incurred costs of £725 which have not yet been invoiced or paid. We expect these costs to be invoiced and paid in the subsequent reporting period.

*Operating platform costs*

We have incurred additional costs of £17,198 in maintaining the Company's operating platform which have not yet been paid. We expect these costs to be paid in the subsequent reporting period.

## 4 Dividend prospects

### 4.1 Secured creditors

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

### 4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee (2) unlimited accrued holiday pay and (3) certain pension benefits, rank as ordinary preferential claims.

The amount of ordinary preferential claims is currently uncertain but, based on our understanding of amounts due to employees, this amount is expected to be minimal.

In addition, certain HMRC claims rank as secondary preferential claims. We have received a secondary preferential claim from HMRC of £131,674.

We anticipate that the ordinary and secondary preferential creditors should receive a dividend of 100p in the £ plus the potential for statutory interest.

A notice of intention to declare a dividend was issued on 19 May 2022 and the last date for proving claims was 14 June 2022. We anticipate that a dividend to preferential creditors will be declared shortly.

### 4.3 Unsecured creditors

As detailed in our update letter to creditors dated 11 May 2022, we made an application to Court for permission to make distributions to the unsecured creditors of the Company. That application was heard on 16 May 2022.

On 17 May 2022, the Court made an order granting permission to make an initial distribution to unsecured creditors of the Company of:

- a) Up to £14.7m in the event that the Funds are not received prior to the making of the distributions; or
- b) In the event that the Funds are received and the appeal period for the US order has expired without an appeal prior to the making of the distributions, up to £30.0m.

A notice of intention to declare a dividend was issued on 19 May 2022 and the last date for proving claims was 14 June 2022. We are in the process of adjudicating claims and we anticipate that an initial dividend to unsecured creditors will be declared shortly. Once the Joint Administrators have adjudicated all creditor claims, an initial dividend will be declared no later than 2 months from the last date for proving claims (i.e. by 14 August 2022).

We are yet to finalise the total amount of the dividends which are likely to be paid to the unsecured creditors in this case. This is due to the uncertainty surrounding ongoing asset realisations, costs and quantum of claims. Assuming that we will be in possession of the Funds imminently, we consider there is a good prospect that all creditors will ultimately receive a total dividend of 100p in the £ plus statutory interest. We will be better placed to advise on this further in due course.

# 5 Other matters

## 5.1 Other case specific matters

### 5.1.1 Court directions applications

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 could have an impact on the percentage return to unsecured creditors of the estate.

In a number of other live energy company administrations, the appointed administrators in those cases have engaged legal counsel and applied to Court for directions in relation to these claims.

Based on legal advice, we do not currently think the specific circumstances in this case justify seeking to join the Company to the applications. However, the outcome of that hearing, which is currently listed to be heard late 2022, could inform how we should treat similar claims in this administration. We will continue to monitor the applications and further updates will be given in due course, where applicable.

### 5.1.2 Shareholder Application

On 28 March 2022, SEL and GEL filed an application at Court (the "Shareholder Application") seeking the following relief:

1. For the Court to bring the administration to an end and return the Company to its directors;
2. Alternatively, the Joint Administrators to take steps to bring the administration to an end and return the Company to its directors; and
3. Further and alternatively, the Joint Administrators to prioritise payment of creditors with a view to ending the administration as quickly and efficiently as possible, including consulting with the directors with regards to creditor claims and making distributions accordingly.

This application has been made on the basis that (i) the Company is solvent and (ii) the Joint Administrators should make a distribution to creditors. For reasons that should be apparent from the Creditor Updates on our efforts to progress the administration as quickly and efficiently as reasonably possible, the process to recover the Funds and the application to make an initial distribution to unsecured creditors, we consider the Shareholder Application is without merit, is highly likely to be dismissed by the Court and will only result in the incurrance of unnecessary costs and potential delays in the administration. Accordingly, we have requested that GEL / SEL withdraw the Shareholder Application. Failing that, we have explained to GEL / SEL that we would defend it rigorously and have reserved the right to pursue GEL and SEL for costs.

GEL and SEL have not yet withdrawn the application. A directions hearing which had been scheduled for 24 June 2022 in relation to the Shareholder Application was recently vacated by consent. By order of the Court, the hearing of the Shareholder Application will be listed on the first available and convenient date after 17 February 2023. We will update creditors again in due course.

## 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 fees which we anticipate incurring during the administration (and hence the amount of remuneration to be paid from the estate) will be £4,236,631, in addition to our pre-administration fees of £179,669.

For completeness, one of the creditors of the Company, SEL (which is also the immediate shareholder of the Company and has common directors), together with certain smaller connected party creditors, recently intimated that it intends to file an application at Court challenging our remuneration to date. As it stands, this application is yet to be filed but if/to the extent these steps are taken, we intend to take all necessary steps to defend the application accordingly.

#### 6.1.2 Time costs

From the date of our appointment to 31 May 2022 we have incurred time costs of £2,926,395. These costs represent 4,531 hours at an average rate of £658 per hour.

#### 6.1.3 Remuneration

During the period of this report, we did not draw any remuneration.

Shortly following the end of the period, we drew £2,430,120 in relation to our approved fees and a further £4,184 in relation to disbursements.

#### 6.1.4 Additional information

##### *Fees estimate*

We do not currently anticipate that the fees estimate of £4,236,631 will be exceeded during the administration and we do not anticipate drawing remuneration in excess of the previously approved amount of £4,236,631.

##### *Expenses estimate*

We do not currently anticipate that the expenses to be incurred during the administration will exceed our original expenses estimate of £5,976,775.

Within this amount, the estimated costs for suppliers have been exceeded during the period of this report but this is principally because the Company's operating platform has been retained for longer than originally anticipated and the associated costs are therefore higher. The overall expenses estimate is not affected.

##### *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 31 May 2022. We have also attached our charging policy.

## 6.2 Pre-administration costs

In our Proposals, we disclosed the following pre-administration costs which were unpaid at the date of our appointment:

Unpaid pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Joint Administrators' fees	117,005	117,005	-	117,005
Legal fees – WBD	39,313	39,313	-	39,313
Legal fees – CMS	4,340	4,340	-	4,340
<b>Total</b>	<b>160,658</b>	<b>160,658</b>	<b>-</b>	<b>160,658</b>

On 18 May 2022, we obtained approval from the Company's creditors to pay these unpaid pre-administration costs as an expense of the administration. These amounts have not yet been paid but it is anticipated that they will be settled shortly.

# 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 accordance with our statutory duties and in order to achieve the purpose of the administration. We expect that this will include but not be limited to:

- Concluding the residual aspects of the final billing process and completing the wind-down of the Company's operating platform;
- Dealing with employee matters, including overseeing the Company's payroll process (as part of the maintenance of the operating platform);
- Continuing to pursue the realisation of the Book Debts with the assistance of our appointed agents;
- Finalising all other asset realisations;
- Discharging any outstanding costs and expenses of the administration;
- Preparing and submitting any necessary VAT and tax returns and seeking clearance from HMRC in due course;
- Continuing to correspond with key stakeholders and creditors, including providing updates on the progress of the administration;
- Dealing with any legal challenges to the administration;
- If appropriate, seeking an extension of the administration;
- Adjudicating preferential creditor claims and paying a dividend to preferential creditors;
- Adjudicating the Company's unsecured creditor claims and paying a dividend to unsecured creditors; and
- Taking the necessary steps to bring the administration to an end and seeking discharge from liability from the Court.

## 7.2 Discharge from liability

We will seek approval from the Court that we will be discharged from liability in respect of any action as Joint Administrators upon 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 30 November 2022 or earlier if the administration has been completed prior to that time.

# Appendix 1 – Statutory information

## Company information

Company name	Orbit Energy Limited
Date of incorporation	31 December 2015
Company registration number	09933313
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 of England and Wales Insolvency and Companies List (ChD)
Appointor	Court
Date of appointment	1 December 2021
Joint Administrators	Joanne Hewitt-Schembri, 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-ORBIEL@alvarezandmarsal.com">INS-ORBIEL@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	30 November 2022

# Appendix 2 – Receipts and payments account

## Orbit Energy Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 01/12/2021 To 31/05/2022 £	From 01/12/2021 To 31/05/2022 £
	<b>ASSET REALISATIONS</b>	
37,729,683.61	Cash transferred to Genie	16,000,000.00
11,953,022.23	Cash transferred to Shoreditch	35,000.00
6,625,304.88	Book Debts and unbilled energy usage	4,274,700.93
85,511.38	Trade deposits & prepayments	1,740,009.45
8,306,115.70	Cash at Bank	8,290,318.63
346,906.75	Cash in transit	43,990.40
	SOLR Support Services Fees	
	Operational Platform Fees	158,191.00
		<u>30,542,210.41</u>
	<b>OTHER REALISATIONS</b>	
	Bank Interest	14,272.17
	Unallocated cash from customers	
	Unassigned	600,000.00
	Sundry Refunds	2,829.60
	Third Party Monies Received in Error	
	Other	133,430.71
	Employee Services Fee	10,980.00
		<u>761,512.48</u>
	<b>COST OF REALISATIONS</b>	
	Suppliers	830,569.67
	Specific Bond	200.01
	Sundry Expenses	220.36
	Contractor Costs	
	Post-appointment Contractor Costs	18,100.00
	Legal Fees/Disbursements	
	Post-appointment Legal Fees	893,145.82
	Post-appointment Legal Disbursements	10,113.58
	Duress Payments	97,816.97
	Stationery & Postage	54.45
	Re-direction of Mail	385.20
	Wages & Salaries	443,623.43
	Bank Charges	726.92
		<u>(2,294,956.41)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(78,705.91)	HMRC PAYE	NIL
Uncertain	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(32,723,882.23)	Trade & Expense Creditors	NIL
(6,452,924.22)	Intercompany Creditors	NIL
		<u>NIL</u>
<u>25,791,032.19</u>		<u>29,008,766.48</u>
	<b>REPRESENTED BY</b>	
	Floating VAT Receivable	286,677.60
	Barclays Current Account	5,708,709.87
	Barclays Current Account 2	3,256,352.85
	Lloyds Current Account	7,000,000.00
	Bank of Scotland Current Account	7,000,000.00
	Santander Corporate Bonus	6,002,400.17
	Floating VAT Payable	(263,718.85)
	Go Cardless VAT Control Account	18,344.84
		<u>29,008,766.48</u>



## Notes

1. Funds are held in interest bearing accounts.
2. Due to the level of funds currently held in the administration, we have spread the funds across five bank accounts to reduce the potential risks associated with the banking system.
3. The Directors' Statement of Affairs refers to a single aggregate figure for assets of £67.8m. We understand this is based on the Company's draft balance sheet dated 30 November 2021. For the purposes of our receipts and payments account above, we have provided an estimated breakdown of the Directors' Statement of Affairs, based on that balance sheet.
4. At the date of our appointment, the Company submitted monthly VAT returns. Our VAT colleagues have been in correspondence with HMRC to request a switch to quarterly returns to reduce the burden of reporting and to minimise costs in the administration estate. We continue to account for VAT on expenses of the administration and post-appointment customer receipts in the normal way and will submit VAT returns for the post-appointment period in due course once agreed with HMRC.

# Appendix 3 – Schedule of expenses

## A3.1 Schedule of Expenses

A summary of the expenses incurred during the period of this report is set out below:

Schedule of expenses for the period from 1 December 2021 to 31 May 2022	
Category	Incurred in the period (£)
Suppliers	847,768
Contractor Costs	18,825
Joint Administrators' disbursements	4,194
Legal fees / disbursements	1,502,760
Agents' fees / disbursements	2,000
Duress Payments	97,817
Re-direction of mail	385
Wages and salaries	443,623
Sundry Expenses	220
Insurance	720
Bank Charges	727
Specific bond	200
Pre-administration legal fees	43,653
<b>Total</b>	<b>2,962,892</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 [INS-ORBIEL@alvarezandmarsal.com](mailto:INS-ORBIEL@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.

The charge-out rates used may periodically change (for example to cover annual inflationary cost increases) over the period of the administration. On 28 March 2022, our charge-out rates were increased as set out below.

Charge-out rates (£/hour)		
Grade	From 1 Dec 2021	From 28 Mar 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

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 INS-ORBIEL@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>
Change of registered office	41.67	41.67
Courier	321.94	321.94
Customer call centre	2,228.64	2,228.64
Postage	634.08	634.08
Statutory advertising	303.40	303.40
Sundry	667.41	667.41
<b>Total</b>	<b>4,197.14</b>	<b>4,197.14</b>

*Disbursements falling within category 2 expenses:*

No disbursements falling within category 2 expenses have been incurred or paid during the period.

*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 31 May 2022 in accordance with SIP 9.

<b>Category</b>	<b>Hours</b>	<b>Time cost (£)</b>	<b>Average hourly rate (£)</b>
Engagement Control	676.5	405,177.50	598.98
Appointment & Risk	114.1	67,524.75	592.06
Reports, Decision Making & Remuneration	607.9	421,369.50	693.16
Correspondence & Statutory Filing	395.0	189,732.50	480.40
Investigations	142.6	99,627.50	698.65
Asset Realisations	1,420.5	1,015,473.50	714.87
Costs of Realisation	164.8	81,826.00	496.52
Tax	174.0	125,829.90	723.20
Cashiering	313.6	156,333.50	498.51
Employees & Pensions	214.1	140,118.20	654.39
Claims & Distributions	296.5	213,143.50	718.87
Exit Routes & Closure	11.1	10,239.00	922.43
<b>Total</b>	<b>4,530.6</b>	<b>2,926,395.35</b>	<b>657.99</b>

## SIP 9 narrative for the period from 1 December 2021 to 31 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>- Regular team update meetings and calls to monitor progress across all workstreams</li> <li>- Meetings between Joint Administrators and senior management in relation to priority issues / complex matters</li> <li>- Daily team calls and calls with management to discuss progress of the administration</li> <li>- Reviewing and authorising junior staff correspondence and other work</li> <li>- Allocating and managing staff/case resourcing</li> <li>- Regular budgeting and cost reviews</li> <li>- Complying with internal filing and information recording practices</li> </ul>	To ensure appropriate oversight of the day-to-day matters, decision making and overall control of the administration which will help to progress the case, maximising realisations and minimising costs.	No direct financial benefit.
<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>- Arranging bonding and complying with statutory requirements</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>- Arranging for redirection of the Company's mail</li> <li>- Initial and ongoing liaison with GDPR and data specialists to ensure appropriate management of the</li> </ul>	To comply with statutory requirements, ensure the administration is managed efficiently and effectively and to protect Company assets.	No direct financial benefit.

## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<p>data and related risk, particularly in relation to customer and employee data held by the Company</p> <ul style="list-style-type: none"> <li>- Monitoring and overseeing responses (or responding) to Data Subject Access Requests</li> <li>- Ongoing consultation between the Joint Administrators and senior management in relation to potential risks and complex situations</li> </ul>		
<b>Reports, decision making &amp; remuneration</b>	<ul style="list-style-type: none"> <li>- Preparing and maintaining our statutory receipts and payments accounts, including in relation to large volumes of customer receipts</li> <li>- Drafting and publishing our Proposals on 21 January 2022 and preparing progress report</li> <li>- Initiating deemed consent/electronic voting decision procedures and issuing notices of the same to creditors</li> <li>- Dealing with resultant correspondence specifically relating to decision procedures</li> <li>- Considering in detail the requests from certain creditors in relation to a physical meeting to consider our Proposals</li> <li>- Preparation for and hosting the physical meeting of creditors to consider (and ultimately approve) our Proposals on 6 April 2022</li> <li>- Prepare and issue minutes of the physical meeting of creditors and issue appropriate notices to creditors, the Court and the Registrar of Companies</li> <li>- Preparing, reviewing and monitoring/maintaining a detailed estimated outcome statement which was ultimately exhibited in US and UK Court proceedings and circulated to all creditors, which analyses likely outcomes for creditors under various scenarios</li> <li>- Preparing to seek approval to the basis and quantum of remuneration and disbursements and approval to the drawing of pre-administration costs from the relevant</li> </ul>	To comply with statutory requirements and to ensure creditors are informed of progress of the administration.	No direct financial benefit.

## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<p>parties; including reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9, and preparing a remuneration report and accompanying decision procedure</p> <ul style="list-style-type: none"> <li>- Preparing and reviewing the fees and expenses estimates</li> <li>- Issuing relevant notices to directors in relation to preparation of statement of affairs and related correspondence</li> <li>- Issue copy Statement of Affairs to Registrar of Companies and prepare a copy to include with our Proposals</li> <li>- Ensuring compliance with all statutory obligations outlined above within the relevant timescales</li> </ul>		
<b>Correspondence &amp; statutory filing</b>	<ul style="list-style-type: none"> <li>- Uploading information (including our Proposals and notices of decision procedures and physical meetings) to the Portal</li> <li>- Initial correspondence with the Company, including management</li> <li>- Issuing initial notices and other correspondence to the Company's directors and members, including advising the directors of the effect of the administration</li> <li>- Corresponding in relation to the directors'/ shareholders' application for termination of the administration and responding accordingly</li> <li>- Ongoing correspondence with creditors and dealing with creditors' queries</li> <li>- Publishing additional updates (including the Creditor Updates) to creditors following key milestones</li> <li>- Continuing to deal with customer queries, including vulnerable customers and complaints, and ensuring they are directed to the appropriate customer service team members or organisations</li> </ul>	To comply with statutory requirements and to ensure creditors are informed of progress of the administration.	No direct financial benefit.



## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<ul style="list-style-type: none"> <li>- Providing initial and other statutory notifications of our appointment and ongoing matters to the Registrar of Companies</li> <li>- Preparing updates to Ofgem in relation to the progress of the administration, dealings with customers (including certain potentially vulnerable customers) and the administration itself</li> <li>- Reviewing correspondence regarding possible formation of a creditors' committee</li> <li>- Preparing and publishing statutory advertising in the Gazette and other relevant publications or locations if applicable</li> </ul>		
<b>Investigations</b>	<ul style="list-style-type: none"> <li>- Locating relevant Company books and records, principally electronic in this case, arranging for their collection, imaging, review (where applicable) and ongoing storage</li> <li>- Reviewing Company and Directorship searches</li> <li>- Reviewing the questionnaires submitted by the Directors of the Company and liaising with the directors on their responses</li> <li>- Reviewing pre-appointment transactions including Company bank statements</li> <li>- Reviewing correspondence with regulatory bodies to understand any concerns they may have raised or matters that need to be considered for further investigation</li> <li>- Drafting the statutory CDDA report, performing the relevant investigations in the context of the Company's history and directors' conduct and submitting to the relevant authority</li> </ul>	To comply with statutory requirements and to pursue any potential asset recoveries for the estate.	This work may identify potential actions the Company may have which the Joint Administrators can consider pursuing in order to maximise recoveries for the estate
<b>Asset realisations</b>	<ul style="list-style-type: none"> <li>- Collating information from the Company's records regarding assets</li> </ul>	To realise the value of the Company's business and assets	Realisation of assets may increase the dividend prospects for creditors.

## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<ul style="list-style-type: none"> <li>- Dealing with the Company's' pre-appointment bank accounts, including initial recovery of funds and ongoing correspondence regarding amounts subsequently paid to the Company's pre appointment bank account in error</li> <li>- Liaising with agents regarding the valuation and sale of office equipment and furniture</li> <li>- Reviewing the inter-company debtor position between the Company and other group companies</li> <li>- Continuing to pursue recovery of certain trade debtors and other deposits including prepayments, including receipts from EON and Siemens/Itron</li> <li>- Developing and monitoring our strategy for collection of Company's Book Debts, and liaising with third party agents with a view to outsourcing collection of the Company's Book Debts</li> <li>- Selection and engagement BSB and handover of Book Debts for collection, and ongoing engagement whilst collection continues</li> <li>- Reconciliation of debtor balances and unbilled energy usage with latest management accounts</li> <li>- Reconciliation of amounts received from customers and other parties to understand which balances relate to customer credit balances and should be passed to the SoLR</li> <li>- Taking steps to recover amounts held by GoCardless and Stripe on our appointment, and engaging with payment services providers in relation to ongoing provision of services, which we currently expect will be maintained whilst book debt collection activity continues</li> <li>- Continuing to monitor GoCardless and Stripe platforms against reported collections activity</li> <li>- Reconciling amounts paid into the Company's pre appointment bank account and allocating those</li> </ul>		

## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<p>appropriately to our receipts and payments account, and making appropriate provisions for amounts which may need to be refunded</p> <ul style="list-style-type: none"> <li>- Seeking to understand and recover (as appropriate) amounts transferred to GEL and SEL prior to our appointment</li> <li>- Protracted correspondence with the directors/shareholders and their legal advisers regarding return of the amounts transferred to GEL</li> <li>- Detailed steps in considering appropriate course(s) of action to recover the amounts which constitute assets of the Company, including in conjunction with legal advisers</li> <li>- Issuing of Chapter 15 bankruptcy proceedings in the US for recovery of the funds; and detailed attendance / participation in those proceedings</li> <li>- Seeking to understand the status of the Escrow Agreement in relation to the amounts transferred to SEL</li> <li>- Ongoing engagement with parties relevant to the Escrow Agreement in particular in relation to proposed standstill arrangements and consideration of alternative courses of action</li> <li>- Meetings with and negotiating a data sharing agreement with the SoLR</li> <li>- Planning the strategy for implementation of the DSA, including instructions and liaison with professional advisers including legal advisers</li> <li>- Overseeing the Company's staff in relation to delivering the DSA services which is ongoing</li> <li>- Dealing with queries from the SoLR and managing the information flow, including setting up a secure file transfer protocol</li> </ul>		

## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<ul style="list-style-type: none"> <li>- Developing a final billing strategy for customers' accounts, in conjunction with Company management including setting up control systems for operations</li> <li>- Dealing with key suppliers in relation to day-to-day operations during the final billing process</li> <li>- Ongoing monitoring of the final billing process in relation to costs, timeline and progress, including regular calls with management and the SoLR</li> <li>- Commence preparation for the wind-down of the operating platform</li> </ul>		
<b>Costs of realisation</b>	<ul style="list-style-type: none"> <li>- Liaising with third parties regarding costs incurred, and reviewing and monitoring costs incurred to ensure recorded accurately</li> <li>- Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters</li> <li>- Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions in order to ensure continued support, and at the appropriate time, settling final costs and withdrawing undertakings</li> <li>- Attending to supplier queries and correspondence</li> <li>- Arranging payment of the costs in a timely manner as and when funds allow</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.
<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 HM Revenue and Customs</li> <li>- Reviewing the Company's pre-appointment corporation tax and VAT position</li> </ul>	To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the administration.	Realisation of assets and minimising the costs/liabilities may increase the dividend prospects for creditors.

## SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<ul style="list-style-type: none"> <li>- Working initially on tax returns relating to the periods affected by the administration and dealing with post appointment tax compliance</li> <li>- Reviewing the DSA to ensure the appropriate tax and VAT treatment of the different services and asset sales</li> <li>- Considering the tax and VAT implications of payments made to suppliers in relation to pre-appointment supplies (i.e., duress payments)</li> <li>- Understanding the VAT treatment in relation to the Company's pre-appointment statements issued to customers (for the Company the tax point is when a customer pays, not when a billing statement is issued) and the VAT consequences in relation to pre and post appointment debtor collections</li> <li>- Considering the VAT treatment in relation to issuing final billing statements to customers</li> <li>- Considering the tax liability in respect of the profit generated from the Company's pre-appointment hedging facility (including review of analysis prepared by/on behalf of SEL and GEL), and submitting a return in relation to the pre appointment period which has been acknowledged by HMRC</li> <li>- Ongoing correspondence with HMRC regarding pre appointment tax affairs</li> <li>- Dealing with post appointment tax compliance</li> </ul>		
<b>Cashiering</b>	<ul style="list-style-type: none"> <li>- Setting up administration bank accounts in GBP and US dollar</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> </ul>	To comply with statutory requirements	Receipt of bank interest maximises asset realisations which may increase the dividend prospects for creditors.

**SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<ul style="list-style-type: none"><li>- Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employees' banks</li><li>- Reviewing and processing employee expense requests</li><li>- Preparing receipt, payment and journal vouchers in order to maintain our receipts and payments account</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>		
<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"><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>- Detailed consideration around employee retention strategy for the final billing process and the terms thereof</li><li>- Engaging Evolve to act as an agent to provide assistance across employee related matters</li><li>- Holding employee briefing meetings to update employees on progress in the administration on our strategy</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>- Dealing with matters arising from or related to the employee redundancies, including statutory notifications and liaising with the Redundancy Payments Service</li></ul>	To provide effective and informative communication to employees, and to comply with statutory requirements.	Assistance to employees will enable them to recover the maximum claims in the circumstances.

**SIP 9 narrative for the period from 1 December 2021 to 31 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?
	<ul style="list-style-type: none"><li>- Managing claims from employees in conjunction with Evolve</li><li>- Ensuring security of assets held by employees and recovery of laptops following termination of employment</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></ul>		
<b>Claims &amp; distributions</b>	<ul style="list-style-type: none"><li>- Reviewing and updating the list of unsecured creditors</li><li>- Advertising for creditor claims</li><li>- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records</li><li>- Responding to creditors regarding queries about the administration and their claims</li><li>- Reconciling complex energy volume claims and corresponding with creditors regarding the ongoing adjustments</li><li>- Analysing the Company's cost accruals and updating creditor claims accordingly</li><li>- Agreeing preferential creditor claims</li><li>- Agreeing unsecured creditor claims</li></ul>	To comply with statutory requirements, to ensure that creditors are informed of the progress of the administration and to advise creditors of the progress of their claims.	Ensuring creditor records are kept up to date and claims are agreed at the correct value.
<b>Exit routes &amp; closure</b>	<ul style="list-style-type: none"><li>- Analysis in relation to potential exit routes from administration</li><li>- Planning for potential exit routes in development of administration strategy</li></ul>	For the purposes of issuing our Proposals and developing the administration strategy	No direct financial benefit

# 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
BSB	Barratt Smith & Brown Limited
Clumber	Clumber Consultancy Limited
CMS	CMS Cameron McKenna Nabarro Olswang LLP
Company	Orbit Energy Limited in administration
Court/ the Court	High Court of Justice Business and Property Courts of England and Wales
Creditor Updates	Update to creditors on 4 March 2022, 29 April 2022 and 11 May 2022
CRS	Credit Resource Solutions
Directions Application	Application
Directors	Avraham Goldin and Michael Stein
DSA	Data Sharing Agreement between the Joint Administrators, the Company and Scottish Power dated 23 December 2021
Evolve	Evolve IS Limited
Funds	The balance of funds held by GEL
GEL	Genie Energy Limited
GoCardless	GoCardless Limited
GoCardless Collateral	Funds held by GoCardless as collateral for costs and customer chargeback claims
Hilco	Hilco Valuation Services Limited
HMRC	HM Revenue & Customs
Joint Administrators/we/our/us	Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin
Ofgem	Office of Gas and Electricity Markets
Proposals	Statement of proposals dated 21 January 2022
PBWT	Patterson Belknap Webb & Tyler LLP
Portal	A secure online insolvency portal
ScottishPower	ScottishPower Energy Retail Limited
Shareholders' Application	Application to Court issued by GEL and SEL on 28 March 2022
SIPs	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
SoLR	Supplier of last resort – ScottishPower
Stripe	Stripe Payments Europe Limited
VAT	Value added tax
WBD	Womble Bond Dickinson LLP



# Appendix 6 – Notice: About this progress report

This progress report has been prepared by Joanne Hewitt-Schembri, Paul Berkovi and Mark Firmin the Joint Administrators of Orbit Energy 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 or any other company in the same group.

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.

Joanne Hewitt-Schembri, 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.