

# AM10

## Notice of administrator's progress report



Companies House

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07/03/2020

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COMPANIES HOUSE

### 1 Company details

Company number 0 5 8 4 9 5 8 0

Company name in full UTILITYWISE PLC

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

### 2 Administrator's name

Full forename(s) Andrew

Surname Johnson

### 3 Administrator's address

Building name/number FTI Consulting LLP, 200

Street Aldersgate Street

Post town London

County/Region Greater London

Postcode E C 1 A 4 H D

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Chad

Surname Griffin

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number FTI Consulting LLP, 200

Street Aldersgate Street

Post town London

County/Region Greater London

Postcode E C 1 A 4 H D


Country United Kingdom

② Other administrator  
Use this section to tell us about  
another administrator.

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<b>6</b>	<b>Period of progress report</b>							
From date	d 1	d 3	m 0	m 8	y 2	y 0	y 1	y 9
To date	d 1	d 2	m 0	m 2	y 2	y 0	y 2	y 0

<b>7</b>	<b>Progress report</b>
<input checked="" type="checkbox"/> I attach a copy of the progress report	

<b>8</b>	<b>Sign and date</b>							
Administrator's signature	Signature 							X
Signature date	d 0	d 6	m 0	m 3	y 2	y 0	y 2	y 0

# AM10

## Notice of administrator's progress report

### 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 **Oliver Penton**

Company name **FTI Consulting LLP**

Address **200 Aldersgate Street**

Post town **London**

County/Region **Greater London**

Postcode **E C 1 A 4 H D**

Country **United Kingdom**

DX

Telephone **020 3727 1700**

### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

### Important information

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

### Where to send

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

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

### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



# JOINT ADMINISTRATORS' REPORT FOR THE PERIOD 13 AUGUST 2019 TO 12 FEBRUARY 2020

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UTILITYWISE PLC (IN ADMINISTRATION) (COMPANY NUMBER: 05849580) ("UTW") ("THE COMPANY")

Issued on 6 March 2020

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## Glossary

<b>The Act</b>	Insolvency Act 1986 (as amended)	<b>The Rules</b>	Insolvency (England and Wales) Rules 2016
<b>EIC</b>	<b>Energy Intelligence Centre Limited</b>	<b>Secured Lender</b>	<b>National Westminster Bank Plc</b>
<b>Corporate / Corporate Business</b>	Operating business unit of EIC and T-Mac	<b>SIP2</b>	Statement of Insolvency Practice 2
<b>Enterprise / Enterprise Business</b>	Operating business unit of the Company	<b>SIP7</b>	Statement of Insolvency Practice 7
<b>FTI</b>	FTI Consulting LLP	<b>SIP9</b>	Statement of Insolvency Practice 9
<b>ICON</b>	<b>ICON Communication Centres s.r.o</b>	<b>the Group</b>	Utilitywise Plc and subsidiaries
<b>Joint Administrators / Administrators</b>	Andrew Johnson and Chad Griffin	<b>the Period</b>	13 August 2019 to 12 February 2020
<b>Old EIC</b>	TMAC and EIC	<b>T-Mac</b>	T-Mac Technologies Limited
<b>RPS</b>	Redundancy Payments Service		

## 1. Introduction

- 1.1 Andrew Johnson and Chad Griffin were appointed as Joint Administrators of the Company on 13 February 2019. Pursuant to Rule 18.6 of the Rules we are required to send creditors a report setting out what has happened in the administration in the six months since our last report. This report therefore covers the period 13 August 2019 to 12 February 2020 ("the Period").
- 1.2 Full details of the statutory formalities relating to our appointment are set out in Appendix A.
- 1.3 This report, together with appendices, contains details of our actions during the Period and our time costs in accordance with SIP 9 (Appendices B and C).
- 1.4 A summary of receipts and payments in accordance with SIP7 for the Company is included at Appendix E, which includes a trading statement, relating to costs incurred by the Administrators during the winding down of the Company's operations. Further information in relation to the wind-down and the background to our appointment, can be found in our Proposals dated 5 April 2019 and our subsequent report dated 4 September 2019, both of which are available here:  
  
<https://www.fticonsulting-emea.com/cip/utilitywise-plc>
- 1.5 If you wish to receive a hard copy of this report, the reports above, or any other soft copies referenced throughout this report, please contact the administrators at [UWadministrators@fticonsulting.com](mailto:UWadministrators@fticonsulting.com) or on 020 3727 1700, or by writing to: The Administrators, Utilitywise Plc (In Administration), C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD. Creditors can also use these contact details if they have any specific queries in relation to this report or the Administration in general.
- 1.6 The estimated return to creditors is set out in Sections 2 and 4 of this report.

### Administrators' remuneration

- 1.7 In our Proposals we proposed that our remuneration would be fixed on the basis of time costs incurred by us and our staff properly spent in carrying out the Administration. This fee basis and estimate was agreed by preferential creditors and the Secured Lender on 23 April 2019 and 26 April 2019 respectively.
- 1.8 The Administrators are seeking an increase to their initial fee estimate previously provided to creditors, further details of which can be found at page 16 of this report.
- 1.9 Details of the rules in relation to Administrators' remuneration together with details of our time costs to date and our fee estimate are set out in Appendices B and C.
- 1.10 A creditors' guide to Administrators' fees setting out creditors' rights to further information and how fees are approved can be found here:  
  
<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017>
- 1.11 In accordance with Rules 18.34 of the Rules, any secured creditor or, an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders challenging the amount or the basis of the remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34(3) of the Rules.
- 1.12 Additional information in relation to our staffing policies can be found in Appendix D.

### Further information

- 1.13 Any secured creditor, or unsecured creditor, with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators 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(2) of the Rules.
- 1.14 Further information on insolvency processes in general including a step-by-step guide can be found at the following website:  
<http://www.creditorinsolvencyguide.co.uk/>
- 1.15 We are bound by the Insolvency Code of Ethics and we did not identify any ethical threats in consideration of our appointment, but a copy of our considerations can be provided on request.
- 1.16 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. The privacy and security of personal information is very important to us. You can find more information on how FTI uses your personal information at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

## 2. Summary estimated creditor returns

- 2.1 Given that the total realisations from the Company's assets are uncertain and final preferential claims are yet to be received, it is not yet possible to determine the exact returns to creditors. Our current estimate is shown below:

Estimated Return to Creditors			
Creditor Type	Estimated Claim (£m) <sup>1</sup>	Estimated Net Distribution (£m)	Estimated Net Distribution (p/£)
Secured Lender <sup>2</sup>	21.1	5.2	25
Preferential Creditors	0.6	0.6	100
Unsecured Creditors	76.1	0.2	0.3
Shareholders	17.8	0.0	NIL
<b>Total</b>	<b>115.5</b>	<b>6.1</b>	

[1] Based on estimates from Statement of Affairs, and may therefore be subject to change

[2] Net Distribution includes direct distributions following the sale of EIC

- 2.2 Further details are set out in section 4 of this report.

## 3. Progress of the Administration

### Asset Realisations

This section of the Report should be read in conjunction with our previous reports.

#### Sale of the Corporate Division

- 3.1 Following the business and assets sale of the Corporate business by the directors of EIC and T-Mac ("Old EIC") in April 2019, we have continued to liaise, along with the remaining Old EIC director, with the purchaser of the Corporate business ("the Purchaser").

- 3.2 Following the sale, certain funds were paid into escrow and were due to Old EIC on the completion of certain contract novations with customers and suppliers to the Purchaser. We have assisted the Old EIC director with negotiations with the purchaser regarding the release of these funds.
- 3.3 An 'in principle' commercial agreement has been agreed with the Purchaser and is expected to be signed imminently. The escrow funds will flow to Old EIC and will not form part of the administration estate immediately.
- 3.4 Additionally, we have worked with the director of Old EIC to ensure that all the corporate affairs of Old EIC are satisfactorily concluded, including the novation of certain property assets to the Purchaser, and the release of security deposits and settlements of lease liabilities.
- 3.5 It is expected that Old EIC will be solvently liquidated and any remaining assets will be distributed to the Company (as shareholder) and will ultimately be for the benefit of the Secured Lender due to their fixed charge security against the shares in Old EIC.
- 3.6 As such, this process is considered to be for the benefit of the Company's creditors, as any additional proceeds will ultimately reduce the size of the Secured Lender's claim against the Company.
- 3.7 Costs incurred in the above workstreams will be met out of further fixed charge realisations arising from the liquidation of Old EIC in accordance with SIP7.

#### Legal settlement

- 3.8 Following the administration, we notified the debtors that the settlement was still due, and the full amount of the settlement, being £1.05m, was subsequently recovered.

#### Book debts and accrued revenue

- 3.9 We have contacted all debtors and expect to continue receiving amounts as they fall due in line with the Third-party introducers ("TPI") agreements.
- 3.10 Whilst we have had better than anticipated success in generating cash from the book debts and accrued revenue, a large number of suppliers remain unwilling to pay commissions in advance, even for a commercial discount. Continuing collections relate to supply arrangements that go out to 2021, and in some cases, there are contracts that have not yet gone live, going out to 2023 and beyond, that could result in further collections.
- 3.11 We have collected nearly £750k of debtors, with a further c£800k agreed in principle as payable by suppliers (including expected receipts from an "in principle" settlement with a major supplier that is in the process of being documented)
- 3.12 Unfortunately, the overwhelming majority of TPI contracts are unable to be novated (meaning we cannot sell or otherwise assign the right to receive future commissions).
- 3.13 Further, due to the non-linear nature of the commissions (which are dependent on end-user usage, early termination penalties and offsets, customer attrition or non-commencement and the level of prior invoicing by the Company against forecast revenue) it is not possible to determine with precision the likely levels of recoverable income.
- 3.14 At present our best estimate is of future collections of c£400k so we consider that there is a rationale to continue the administration, likely for a period beyond February 2021, the current end date, but we will continue to assess whether this will be necessary as the year progresses, based on the level of commissions that are continuing to be received.

#### Pre-administration VAT

- 3.15 A pre-administration VAT reclaim has been submitted and received from HMRC. However, we continue to assess whether HMRC has any valid counterclaims in respect of this receipt. Consequently, this realisation has not been included in our calculations in respect of estimated returns to creditors.



### Receipts and payments during the Period

3.16 A full receipts and payments account for the Administration during the period covered by this report is provided at Appendix E.

### Employees

3.17 A number of employees have made claims to an employment tribunal, with further claims submitted after the statutory date by which claims were supposed to have been lodged. It is currently uncertain when the tribunal will confirm whether these claims can be considered or not.

3.18 Prior awards from the tribunal have been notified to the Redundancy Payments Service and are expected to be paid by them to claimants in due course. However, the lack of final resolution of all claims means there may be delays in payments being made by the RPS.

3.19 We have requested that payment is made to all claimants as soon as possible in order that a final RPS claim can be received, in order to facilitate the payment of a preferential dividend to creditors.

3.20 We have requested a finalised proof of debt from the Redundancy Payments Service on a number of occasions and our Employment Rights Act specialist (ERA Solutions) have held meetings and escalated complaints within the RPS in order to receive a final preferential claim.

3.21 However, due to system issues following a major re-vamp of their IT systems, the RPS have, as yet, been unable to issue a final proof of debt.

3.22 Consequently, we are unable to finalise adjudication of preferential claims against the Company and are therefore unable to pay a dividend to preferential creditors at this time.

3.23 Based on realisations and the interim proof of debt provided by the RPS we currently anticipate paying a dividend of 100p / £ to preferential creditors, however this cannot be confirmed until the final proof of debt has been received from the RPS.

### Taxation

3.24 We have notified HM Revenue and Customs of our appointment and in due course appropriate filings will be made to support the Company's corporation tax and VAT positions at the date of the Administration.

3.25 We have submitted our first VAT return covering the post-appointment period and intend to submit additional VAT returns as necessary.

3.26 We have notified HMRC of the closure of the Company's Save-As-You-Earn ("SAYE") scheme, which is administered by Link Group.

### Shareholders / SAYE

3.27 Any former members of the SAYE scheme who consider they may have funds receivable, should contact Link Group directly to request such funds at sayeteam@linkgroup.co.uk (or by post at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU quoting the following information.

- Full name
- Full address
- The Company and Scheme
- A note to confirm the intention to close
- Investor Code or National Insurance Number
- Signature

3.28 Link Group also hold unclaimed shareholder funds in relation to ordinary dividends paid by the Company prior to administration, which can be claimed from them in writing using the contact details above, as long as shareholders provide their name, address, name of the Company and any amounts due to them.

### **Statutory investigations**

3.29 We have undertaken initial investigation work in accordance with SIP2 including a review of the accounts of the Company in order to understand the realisable assets of the Company and comparing these to the values in the directors' statement of affairs. We did not consider that further investigations were required nor that there are any further assets available to the Company other than those set out earlier in this report.

3.30 The data gathered from our initial 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 3-year period prior to the date of the Administration. We have concluded our review and have submitted a final return to the Department for Business, Energy and Industrial Strategy. The content of our reports in relation to this are confidential.

3.31 Should any creditors have any further relevant information in relation to directors' conduct, they should provide details in writing to the Administrators. This request forms part of our normal investigations into directors' conduct and does not imply any criticism of the directors in this particular case.

### **Remaining Steps**

3.32 The major steps remaining to be completed before the Administration can be completed are set out below:

- Collection of commissions from energy suppliers and collection of the legal settlement – many suppliers have made it clear these cannot be collected in advance and thus we will have to continue to invoice in arrears, until the contracts to which the commissions relate, have elapsed;
- Finalisation of the settlement with the Purchaser of Old EIC, to ensure conditional consideration is received;
- Distribution of proceeds of liquidation of subsidiaries to the Fixed Charge Lender;
- Engagement with Employee Tribunal Service;
- Continued compliance with tax legislation and seeking clearance from HMRC for closure;
- Collation of unsecured and preferential creditor claims;
- Distribution of net realisations to creditors (where possible); and
- Ongoing statutory duties.

3.33 Further details are set out in Appendix B.

3.34 We have already extended the period of the administration to 12 February 2021 with the consent of the Company's creditors. We will continue to assess whether any further extension is required.

## **4. Estimated outcomes**

### **Secured creditors**

4.1. At the date of appointment, the Secured Lender was owed approximately £21m by the Group. The Secured Lender holds fixed and floating charge security over the Company (including its shares in EIC, T-Mac and ICON) via two charges created on 12 June 2013 and 20 April 2015 and registered to NatWest and RBS respectively. The Secured

Lender was also entitled to set-off any amounts held in the Company's bank account at appointment. At appointment, the account was overdrawn.

- 4.2. The final return to the Secured Lenders is currently uncertain and is dependent on the conditional sales proceeds arising from the sale of EIC and T-Mac set out above, as well as floating charge proceeds arising from the other commission/debtor realisations set out above (to the extent that total net floating charge realisations exceed preferential claims).
- 4.3. However, based on our current expectations of total realisations, the current estimate of returns to the Secured Lender is between £5.2m and £5.3m.

#### **Preferential creditors**

- 4.4. Under the Act, the main classes of preferential creditor are employees in respect of certain claims in relation to arrears of wages, holiday pay and pensions contributions.
- 4.5. We have paid retained staff their wages and accrued holiday to the date of their redundancy.
- 4.6. We are currently awaiting confirmation from the RPS of the level of preferential claims against the Company, which are expected to be around £0.6m. Based on current estimated floating charge realisations and costs of realisations, we anticipate a dividend of 100 pence for every pound owed to preferential creditors, according to the RPS' interim proof of debt.

#### **Unsecured creditors**

- 4.7. Unsecured creditors rank behind both secured and preferential creditors.
- 4.8. There are unlikely to be sufficient funds to repay the Secured Lender in full, therefore a distribution to unsecured creditors would only arise by virtue of section 176A(2)(a) of the Act, a Prescribed Part dividend up to a maximum of £600k (less any costs incurred in making the distribution).
- 4.9. Under Section 176A of the Act where after 15 September 2003 a company has granted a creditor a floating charge, a proportion of the net property of a company achieved from floating charge asset realisations must be made available for the unsecured creditors ("the Prescribed Part").
- 4.10. The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) and is calculated as follows:
  - 50% of net property up to £10k.
  - Plus 20% of net property in excess of £10k.
  - Subject to a maximum of £600k.
- 4.11. We currently have insufficient information to calculate the exact size of the Prescribed Part and the return to unsecured creditors, given that the calculation is subject to the total level of floating charge realisations, the costs of realisations and the cost of paying preferential creditors, all of which remain uncertain. However, based on the currently available information, we currently estimate the unsecured creditor return at £200k.
- 4.12. Creditors wishing to submit a claim should use the creditors statement of claim form provided at Appendix F, with any claims made being supported by copy invoices or other relevant documentation sufficient to allow your claim to be adjudicated.
- 4.13. Under section 176A(5) of the Act the administrator is able to apply to court to disapply the net property provisions relating to the Prescribed Part on the grounds that the costs of distributing the Prescribed Part are disproportionate to the benefits. *We do not currently intend to make such an application.*

## Shareholders

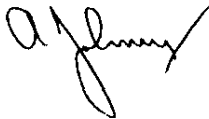
- 4.14. As it is highly unlikely that there will be sufficient assets to repay the Company's creditors in full there will not be any return or distribution to shareholders. All trading in shares has been suspended and the shares have been de-listed.
- 4.15. As at the date of the administration the share register is frozen. Shares can only be transferred with the express consent of the administrators.
- 4.16. Shareholders wishing to transfer shares should contact [UWadministrators@fticonsulting.com](mailto:UWadministrators@fticonsulting.com) for further information.

## 5. Next report and further questions

- 5.1 We are required to provide a further progress report to all creditors within one month of the end of the first 6 months from the end of the Period, or when the administrations come to an end, whichever is sooner.

Should you have any queries in the meantime please do not hesitate to contact a member of the Administrators' team on 020 3727 1700 or by email at [UWadministrators@fticonsulting.com](mailto:UWadministrators@fticonsulting.com).

For and on behalf of the Company



**Andrew Johnson**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability.

Andrew Johnson and Chad Griffin are 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 Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-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

Utilitywise PLC	
<b>Trading names</b>	Utilitywise Plc
<b>Registered number</b>	05849580
<b>Incorporation Date</b>	19 June 2006
<b>Nature of Business</b>	35130 - Distribution of electricity, 70229 - Management consultancy activities other than financial management, 74901 - Environmental consulting activities
<b>Registered office</b>	C/O FTI Consulting LLP, 200 Aldersgate St, London, EC1A 4HD
<b>Director(s)</b>	Brendan Peter Flattery, Richard Stephen Laker, Richard Brinsley Sheridan and Simon Waugh
<b>Company secretary</b>	Natalie Gerrard
<b>Directors' shareholdings</b>	Brendan Flattery 60,000 £0.001 ordinary shares <sup>1</sup>
<b>Court reference</b>	CR-2019-001097
<b>Court</b>	High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List (ChD)
<b>Appointment date</b>	13 February 2019
<b>Appointer</b>	Richard Laker (a director of the Company) pursuant to Paragraph 22 of Schedule B1 of the Act. Pursuant to Paragraph 29 of the Schedule B1 of the Act, notice of intention to appoint administrators was given to, and waived by the Secured Lenders.
<b>Appointer's address</b>	Utilitywise House, 3&4 Cobalt Park Way, Cobalt Business Park, North Tyneside, Tyne and Wear, NE28 9EJ

[1] Per 2017 audited accounts. It is uncertain from the Company's register who owns what shares due to nominee shareholdings.

### Administrators' Information

	Administrator 1	Administrator 2
<b>Name</b>	Andrew Johnson	Chad Griffin
<b>Address</b>	200 Aldersgate Street, London EC1A 4HD	200 Aldersgate Street, London EC1A 4HD
<b>Authorising body</b>	ICAEW	ICAEW

The appointment of the Administrators was made by Richard Laker (a director of the Company) pursuant to Paragraph 22 of Schedule B1 to the Act.

The security is in favour of National Westminster Bank Plc and was granted on 12 June 2013 and is a fixed and floating charge debenture. An additional debenture securing specific liabilities was granted in favour of Natwest Markets Plc (The Royal Bank of Scotland Plc acted as Security Agent) on 20 April 2015.

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

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

Pursuant to Paragraphs 76(2)(b) and 78(2) of Schedule B1 to the Act, the period of the administration was extended by one year to 12 February 2021, follow the consent of the Secured Lender and Preferential creditors on 12 November and 20 September 2019 respectively.

## Appendix B – Administrators' time costs and expenses

### Pre-Administration fees

Information in relation to the Joint Administrators' involvement with the Company prior to the date of Administration is detailed below, pursuant to Rule 3.1, Rule 3.35(10)(a) and Rule 3.36.

FTI Consulting LLP ("FTI") provided advisory services pursuant to a letter of engagement dated 16 August 2018 ("LoE") with The Royal Bank of Scotland plc, in relation to their secured lending to the Company, and its subsidiaries. The Company was also party to this letter of engagement and was responsible for making payments under this engagement letter as part of the terms of its funding from the Secured Lender.

FTI's initial engagement scope was to carry out a review of the options available to the Secured Lender and to consider the contingency plans / proposals provided by the Group to the Secured Lender.

FTI's work included preparation of a high-level Estimated Outcome Statement and identifying key issues and risks in relation to contingency options and developing potential strategies for realising key assets of the Group. This work also included a review of the Group's short-term cash flow forecast.

On 24 September 2018, under an addendum to the LoE, FTI provided a high-level review of the Group's separation plan in relation to the Corporate Business.

On 2 January 2019, under a further addendum to the LoE FTI undertook detailed contingency planning work for a potential insolvency process. This work was undertaken alongside planning for a consensual re-financing of the Group, as well as consideration of an accelerated M&A process of the Group outside of the administration.

The Company's board considered it necessary to consider all available options in order to maximise the returns to the Company's creditors, in accordance with their fiduciary duties. Consequently, FTI's work during this period included both specific planning for the administration appointment, as well as other potential outcomes that did not involve an insolvency appointment. The latter aspects included meetings with the Secured Lender, management, M&A advisors, the Company's NOMAD, as well as diligence, outcome modelling, cashflow analysis and other ad-hoc advisory work, which did not directly relate to an insolvency appointment.

*Insolvency workstreams included planning the appointment strategy, client take on including money laundering checks, ethics checks, GDPR checks, drafting of appointment documents, preparation for day 1, analysis of the Company's assets, drafting of correspondence, understanding the operational connections between the Enterprise and Corporate business, drafting day 1 communications cascades, liaison with operational management, mapping of key operational suppliers, preparation of master control schedules, understanding of the Group's property position, understanding the Group's lease creditor position and understanding the Groups' management and structure amongst others. It was necessary to complete these workstreams ahead of administration in order to have an implementable strategy at administration.*

Prior to the appointment of Administrators, £167,200 plus VAT of time costs and £5,824 plus VAT of out-of-pocket expenses were incurred and paid by the Company. Approval for payment of further pre-administration time costs of £28,451 plus VAT and out-of-pocket costs of £8,357 plus VAT was received on 26 April 2019 however payment of these costs has not been made to date.

There are no other fees that have been charged by any other insolvency practitioner for preparation for an insolvency appointment.

### Administrators' fee basis and fee approval

Pursuant to Rule 18.16 of the Rules the remuneration of the administrators can be fixed on the basis of one of the following

- as a percentage of the value of property with which he has to deal;

- by reference to time properly given by the Administrator and his staff attending to matters arising in the Administration; or
- a set amount.

The basis of the Administrators' fees will be determined by a creditors committee (if one is established by the creditors of the Company) or by a meeting of creditors of the Company (if one is convened). If no committee is established and no meeting is convened, the remuneration of the Administrators will be fixed in accordance with option b above and that proposed fees will be approved in accordance with Rule 18.18 of the Rules. These rules are outlined below:

Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act, the basis of the Administrators' remuneration may be fixed by approval of:

- Each secured creditor; or
- If the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of the preferential creditors who respond to an invitation to consider approval.

There is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration.

Pursuant to the rules set out above we sought approval from creditors as described below:

- **Preferential creditors:** a decision was sought to fix the basis of our fees at the same time as issuing the Proposals. Approval was provided by voting preferential creditors in advance of the decision date (23 April 2019), therefore the decision to fix our fees was approved by preferential creditors on this date. However, we have since identified some technical deficiencies in the proof of debt provided by the RPS when voting in relation to this matter. We have therefore requested a revised proof, in order to substantiate their claim, and will re-issue the request to approve the fee basis, on receipt of this proof. We have also flagged this issue to our regulatory body and requested that they raise this matter with the Insolvency Service.
- **Secured creditors:** a decision was sought to fix the basis of our fees at the same time as issuing the Proposals. Approval was provided by the Secured Lender on 26 April 2019. We have subsequently drawn fixed charged fees of £200k plus VAT, which we consider remains appropriate in spite of the issues raised above in relation to the RPS proof of debt since these fees have been approved by the only creditor impacted by this drawing, the Secured Lender. We have not yet drawn any floating charge related fees.
- Further to the approvals from both preferential and secured creditors our fee basis has been fixed by reference to time properly given by the Administrator and their staff attending to matters arising in the Administration, in line with the fee estimate provided to creditors.

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

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

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

#### **Post-appointment time costs and expenses**

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 overleaf

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

Category	Description (O – Ongoing, C – Completed, F – Future)	Rationale
<b>Administration &amp; Planning</b>	<ul style="list-style-type: none"> <li>• Cashiering and establishment and reconciliation of bank accounts - O</li> <li>• Complying with statutory formalities include relevant filings and statutory communications – O</li> <li>• Maintaining the Administration record – O</li> <li>• Requesting creditor extension and complying with statutory formalities – C</li> </ul>	Statutory / compliance requirement; to ensure efficient project management
<b>Investigations</b>	<ul style="list-style-type: none"> <li>• Review of relevant accounting and statutory records in accordance with SIP2 – C</li> <li>• Gathering books and records of the business and ensuring appropriate storage facilities in place – C</li> <li>• Completion and filing of the relevant forms to the Insolvency Service with regards Directors conduct – C</li> </ul>	Statutory requirement; to assess whether potential claims can be brought for the benefit of creditors
<b>Realisation of Assets</b>	<ul style="list-style-type: none"> <li>• Performing background checks, collating information and reviewing legal documentation to facilitate sale process – C</li> <li>• Oversight of due diligence for sales processes – C</li> <li>• Liaising with advisers regarding sale process – C</li> <li>• Meetings and discussions with potential purchasers – C</li> <li>• Understanding and oversight of IT environment and operational transition – C</li> <li>• Liaison with Corporate staff in relation to separation issues – C</li> <li>• Ongoing support and correspondence with the Corporate business to realise further conditional consideration - O</li> <li>• Sale of chattel assets – C</li> <li>• Continued correspondence and negotiations with suppliers regarding collection of book debts – O</li> </ul>	Identify, assess and seek to realise potential value for the potential financial benefit of the Company's creditors
<b>Trading</b>	<ul style="list-style-type: none"> <li>• Collation of debtor information – C</li> <li>• Wind-down of operational site – C</li> <li>• Management and liaison with lease creditors – C</li> <li>• Discussions and correspondence with landlord – C</li> <li>• Managing insurance and health and safety processes of business - C</li> <li>• Finalisation of trading, including payment of final invoices – O</li> </ul>	Necessary to facilitate administrators' duties, e.g. collection of company data; maximisation of asset realisations through collation of information in relation to the Enterprise business, including book debts, separation of Corporate business, sale of data book and sale of subsidiaries.



<p><b>Creditors &amp; Shareholders</b></p>	<ul style="list-style-type: none"> <li>• Establishment of employee claims including any additional claims or offsets arising from flexi-time, holiday allowances, employee loans – O</li> <li>• Responding to employee queries and complaints - O</li> <li>• Responding to shareholder queries – O</li> <li>• Correspondence with Secured Lender – O</li> <li>• Dealing with unsecured creditor queries – O</li> <li>• Maintaining up to date creditor information on the case management system - O</li> <li>• Management of a potential unsecured or preferential 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</li> </ul>	<p>Statutory requirements; required for orderly case management</p>
<p><b>Tax</b></p>	<ul style="list-style-type: none"> <li>• Notifications to relevant tax authorities – C</li> <li>• Liaising with taxation team to ensure recovery of pre and post-appointment tax recoverable – O</li> <li>• Completion of quarterly VAT returns – O</li> <li>• Preparing and filing Corporation Tax returns – O</li> <li>• Seeking closure clearance from HMRC – F</li> <li>• Paying tax deducted from any potential dividends paid to employees – F</li> </ul>	<p>Statutory requirements; ensure tax attributes assessed and utilized; recovery of taxes for the benefit of creditors.</p>
<p><b>Reporting &amp; other matters</b></p>	<ul style="list-style-type: none"> <li>• Preparing, reviewing and issuing proposals to the creditors, members and Companies House – C</li> <li>• Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court – C</li> <li>• Preparing, reviewing and issuing 6-month progress reports to creditors, members and Companies House - C</li> <li>• Preparing, reviewing and issuing final reports to creditors and members and Companies House – F</li> <li>• Reporting to the Secured Lender – O</li> <li>• Miscellaneous and ad-hoc tasks not falling within the categories above – F</li> </ul>	<p>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</p>

Further information in relation to our time costs can be found in the SIP9 analysis in Appendix C.

A summary of time costs incurred and drawn during the Period is shown below:

<b>Summary of Time and Expenses During Period (£)</b>								
Company	Time Costs Incurred	Other Fee Adjustment	Billed in Period	Cat 1 Expenses	Billed in Period	Cat 2 Expenses	Billed in Period	Current Total
Utilitywise Plc	133,791	0	(200,000)	0	0	0	0	(66,209)
	<b>133,791</b>	<b>0</b>	<b>(200,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(66,209)</b>

<b>Utilitywise Plc (13 Aug 19 to 12 Feb 20)</b>						
	Senior Managing Director	Managing Director/ Director	Senior Consultant/ Consultant	Associate	Total Hours	Total Cost
Administration and Planning	0.0	2.1	59.7	77.8	139.6	36,963
Investigations	0.0	1.0	2.0	91.4	94.4	23,694
Realisation of assets	4.6	17.0	2.5	30.6	54.7	16,647
Trading	0.0	0.0	13.1	23.0	36.1	9,025
Creditors	0.0	3.9	23.0	29.1	56.0	14,994
Tax	0.8	15.1	13.5	9.4	38.8	11,394
Reporting	3.0	2.7	41.5	29.0	76.2	19,950
Other	0.0	3.0	0.0	0.0	3.0	1,125
<b>Total</b>	<b>8.4</b>	<b>44.8</b>	<b>155.3</b>	<b>290.3</b>	<b>498.8</b>	<b>133,791</b>
<b>Total (Inc VAT)</b>						<b>160,549</b>

A summary of time costs incurred and drawn for the Full Administration Period is shown below:

<b>Summary of Time and Expenses During the Full Administration Period (£)</b>								
Company	Time Costs Incurred	Other Fee Adjustment	Billed in Period	Cat 1 Expenses	Billed in Period	Cat 2 Expenses	Billed in Period	Current Total
Utilitywise Plc	867,322	(32,322)	(200,000)	21,380	0	534	0	656,915
	<b>867,322</b>	<b>(32,322)</b>	<b>(200,000)</b>	<b>21,380</b>	<b>0</b>	<b>534</b>	<b>0</b>	<b>656,915</b>

<b>Utilitywise Plc (13 Feb 19 to 12 Feb 20)</b>						
	Senior Managing Director	Managing Director/ Director	Senior Consultant/ Consultant	Associate	Total Hours	Total Cost
Administration and Planning	93.0	134.2	67.9	348.0	643.1	193,844
Investigations	0.0	33.3	12.1	118.9	164.3	44,497
Realisation of assets	209.1	382.4	218.1	67.9	877.5	298,141
Trading	14.5	161.1	62.5	232.6	470.7	135,709
Creditors	0.5	110.3	34.9	213.5	359.2	101,822
Tax	2.2	19.3	18.8	9.4	49.7	14,850
Reporting	33.3	49.6	76.5	53.3	212.7	64,375
Other	10.3	12.5	17.5	0.0	40.3	14,084
<b>Total</b>	<b>362.9</b>	<b>902.7</b>	<b>508.3</b>	<b>1,043.6</b>	<b>2,817.5</b>	<b>867,322</b>
<b>Adjustment</b>	<b>(0.2)</b>	<b>(71.1)</b>	<b>(10.5)</b>	<b>(19.0)</b>	<b>(100.8)</b>	<b>(32,322)</b>
<b>Adjusted Total</b>	<b>362.7</b>	<b>831.6</b>	<b>497.8</b>	<b>1,024.6</b>	<b>2,716.7</b>	<b>835,000</b>
<b>Adjusted Total (Inc VAT)</b>						<b>1,002,000</b>

The £200k of time costs billed to date relate solely to costs incurred in relation to fixed charge realisations, namely the sale of the subsidiaries. The invoices were paid out of the administration estate however as the proceeds of the subsidiary sale did not flow through the estate, these costs were recharged to the subsidiaries. £200k of reimbursements (plus VAT) were received during the Period from funds which would otherwise have been repaid to the Secured Lender.

Category 1 expenses are not subject to creditor approval. Category 2 disbursements do require approval from creditors and relate to services provided to us by associated companies and costs which are apportioned overheads such as mileage and data storage. Further details in relation to this can be found at Appendix D (if applicable) together with additional information in relation to our policy on staffing, the use of subcontractors, and details of our applicable charge out rates by staff grade.

## Administrators' fee estimate

A breakdown of the fees incurred to date (and during the reporting period) together with the Administrators' revised fee estimate is provided below.

The Administrators' fee estimate represents the likely time costs that will be incurred in undertaking their duties in respect to the Company during the Administration and, should the administrator become liquidator, their duties in the liquidation (however this is not envisaged in this instance). It is important to note that the amount of remuneration drawn will be limited by the realisations from the Company's assets and as such fees will only be drawn if there are funds in the Administration (in addition to agreed funding provided by the Secured Lender), or subsequent liquidation, to do so.

### Fee estimate for Utilitywise Plc

	Incurred to date			To be incurred			Total estimate			Rationale
	Hr	£	£/Hr	Hr	£	£/Hr	Hr	£	£/Hr	
Administration and Planning	643	193,844	301	77	23,179	301	720	217,023	301	Includes statutory requirements, cashing, file maintenance etc
Investigations	164	44,497	271	-	-	271	164	44,497	271	Finalisation of D return and collation of books and records
Realisation of assets	878	298,141	340	62	21,235	340	940	319,376	340	Sale of EIC, ICON and Enterprise assets
Trading	471	135,709	288	9	2,681	288	480	138,391	288	Finalisation of administration trading
Creditors	359	101,822	283	118	33,393	283	477	135,214	283	Creditor correspondence including potential dividend payments
Tax	50	14,850	299	25	7,559	299	75	22,409	299	Finalisation of post-administration tax position
Reporting	213	64,375	303	37	11,289	303	250	75,664	303	Statutory and other stakeholder reporting
Other	40	14,084	349	10	3,390	349	50	17,474	349	Other administration matters
<i>Adjustment for daily fee cap *</i>		(32,322)								
<b>Administrators' fee estimate</b>	<b>2,818</b>	<b>835,000</b>	<b>296</b>	<b>339</b>	<b>102,727</b>	<b>303</b>	<b>3,156</b>	<b>970,049</b>	<b>307</b>	

\* A cap is in place which limits the daily cost for each of the Administrators' staff. Where an individual has incurred costs greater than the cap, the additional cost has been deducted.

The revised fee estimate is based on the administration concluding in February 2021 with no requirement for an extension of the administration. Should the administration remain open for longer, or any of the workstreams become more time intensive, then the Administrators may provide a further fee estimate to creditors.

The main areas of work that will result in further incurrence of time costs are as follows:

### Creditors

- Continue to liaise with with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding respective creditor claims.
- Maintaining up to date creditor information on the case management system.
- Management of potential unsecured or preferential dividend(s), 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.

### Administration and Planning

- Continued maintenance of physical/electronic case files.
- Maintaining the case on the practice's electronic case management system and entering data.
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Undertaking regular reconciliations of the bank account.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.

### Realisations of Assets

- Corresponding and negotiating with debtors to collect outstanding book debts.

### Tax

- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.

## Reporting

- Preparing, reviewing and issuing 6-month progress reports to creditors and members and submission to Companies House.
- Ad-hoc reports to the Secured Lenders, as necessary
- Preparing, reviewing and issuing final reports to creditors and members and submission to Companies House.

## Other

- Miscellaneous and ad-hoc tasks not falling within the categories above.

Pursuant to Rule 18.30 of the Rules (Rule 2.109AB of the 1986 Rules) and with consideration given to the additional work required, the Administrators sought approval for a revised fee estimate from the Secured Lender on 10 February 2020. Additionally, pursuant to Rule 18.25 of the Rules, the Administrators will be seeking the approval of the preferential creditors for the revised fee estimate outlined in the table above.

## Administrators' expenses estimate

Utilitywise Plc - Estimate of Costs (incl VAT)						
Payee	Type of Cost	Cost to date (£)		Estimated Future Costs (£)		Estimated Total Cost (£)
		Fixed	Floating	Fixed	Floating	
Pinsent Masons LLP	Legal fees	97,500	168,095	-	50,000	315,595
Addleshaw Goddard	Legal fees	3,600	-	-	-	3,600
Deloitte LLP	M&A Advisor	288,000	-	-	-	288,000
Herax Partners	M&A Advisor	165,000	-	-	-	165,000
Shareholder Corporate Finance	M&A Advisor	135,000	-	-	-	135,000
ERA Solutions	Employee Advisor	-	35,412	-	15,000	50,412
FTI Consulting LLP	Office Holder's Fees	240,000	-	24,000	900,000	1,164,000
Sanderson Weatherall	PPE Sales Agent	10,693	-	-	-	10,693
Lovetts	Debt Collection Fees	-	452	-	182	634
Rent (inc Insurance and Service Charge) <sup>1</sup>	Trading Costs	4,572	-	-	-	4,572
Property Expenses	Trading Costs	-	13,156	-	2,000	15,156
Utilities and Rates	Trading Costs	-	15,051	-	-	15,051
Retained Staff	Trading Costs	54,042	81,042	-	-	135,084
Pension Contributions	Trading Costs	7,188	11,708	-	-	18,897
Payroll Expenses	Trading Costs	693	795	-	-	1,488
PAYE/NIC	Trading Costs	29,581	44,572	-	-	74,153
Staff Vehicles	Trading Costs	-	-	-	-	-
Data Protection Costs	Insolvency Costs	-	-	-	120	120
Contingency Costs	Insolvency Costs	-	-	-	10,000	10,000
Leased IT Assets / Software	Trading Costs	49,621	241	-	-	49,862
Administration Costs	Insolvency Costs	-	2,771	-	500	3,271
<b>Total Cost Estimate</b> <sup>2</sup>		<b>1,085,490</b>	<b>373,295</b>	<b>24,000</b>	<b>977,802</b>	<b>2,460,588</b>

<sup>1</sup> Rent was due to be paid by the Company however the cost was covered by the subsidiary due to their continued occupation of the premises. The £4.3k payment relates to insurance cover.

<sup>2</sup> Total costs have exceeded our previous estimate, primarily due to a variance in the cost of our M&A advisors. This is due to the sale processes taking longer than originally anticipated.

Administrators' Expenses			
	Incurred	To be incurred	Total
Travel	6,959	-	6,959
Accommodation	10,328	-	10,328
Subsistence	2,492	-	2,492
Miscellaneous	1,902	467	2,369
Category 2	534	466	1,000
<b>Total</b>	<b>22,216</b>	<b>932</b>	<b>23,148</b>

\* Misc includes office supplies and document couriers

## Appendix C – Time cost analysis

### Utilitywise Plc - Analysis of Time Costs In Accordance with SIP9 for the period 13 February 2019 to 12 February 2020

Task		Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
<b>Administration and Planning</b>								
Strategy and planning	A1	82.0	55.8	-	-	137.8	56,100.0	407.1
Initial actions	A2	11.0	65.3	-	105.8	182.1	53,709.4	294.9
Appointment and related formalities	A3	-	1.2	5.8	13.8	20.8	5,312.5	255.4
Receipts and payments accounts	A4	-	-	-	24.3	24.3	6,075.0	250.0
Checklist and reviews	A5	-	3.3	32.7	59.9	95.9	26,018.8	271.3
Cashiering and reconciliations	A6	-	7.1	25.4	137.1	169.6	43,337.5	255.5
Bonding and IPS maintenance	A7	-	1.5	4.0	7.1	12.6	3,290.6	261.2
<b>Subtotal</b>		<b>93.0</b>	<b>134.2</b>	<b>67.9</b>	<b>348.0</b>	<b>643.1</b>	<b>193,843.8</b>	
<b>Investigations</b>								
Correspondence with directors	B1	-	7.0	-	-	7.0	2,406.3	343.8
Directors questionnaire/checklists	B2	-	0.4	-	4.1	4.5	1,175.0	261.1
Statement of affairs	B3	-	4.4	-	8.2	12.6	3,562.5	282.7
Reports of Directors' conduct	B4	-	1.0	6.0	-	7.0	1,875.0	267.9
Books and records	B5	-	7.0	2.3	94.3	103.6	26,718.8	257.9
Electronic records	B6	-	11.9	3.8	7.5	23.2	6,990.6	301.3
Other investigations	B7	-	1.6	-	4.8	6.4	1,768.8	276.4
<b>Subtotal</b>		<b>-</b>	<b>33.3</b>	<b>12.1</b>	<b>118.9</b>	<b>164.3</b>	<b>44,496.9</b>	
<b>Realisation of assets</b>								
Sale of business	C2	203.1	203.4	207.0	3.5	617.0	212,175.0	343.9
Post-completion obligations	C3	3.4	13.8	-	-	17.2	6,662.5	387.4
Book debts	C4	2.6	50.0	8.1	30.2	90.9	29,196.9	321.2
Property, plant and vehicles	C6	-	49.4	0.6	30.7	80.7	24,900.0	308.6
Other assets	C7	-	39.5	1.9	3.5	44.9	15,493.8	345.1
Health & Safety/Insurance	C8	-	4.0	-	-	4.0	1,409.4	352.3
Legal issues/litigation	C9	-	2.1	0.5	-	2.6	846.9	325.7
Fixed Charge Property	C10	-	20.2	-	-	20.2	7,456.3	369.1
<b>Subtotal</b>		<b>209.1</b>	<b>382.4</b>	<b>218.1</b>	<b>67.9</b>	<b>877.5</b>	<b>298,140.6</b>	
<b>Trading</b>								
Initial control of operations	D1	-	-	2.0	38.8	40.8	10,200.0	250.0
Ongoing trading / monitoring	D2	14.5	155.0	28.3	149.8	347.6	104,278.1	300.0
Closure of trading	D3	-	4.3	21.4	44.0	69.7	17,856.3	256.2
Employees - Payroll	D4	-	1.8	10.8	-	12.6	3,375.0	267.9
<b>Subtotal</b>		<b>14.5</b>	<b>161.1</b>	<b>62.5</b>	<b>232.6</b>	<b>470.7</b>	<b>135,709.4</b>	
<b>Creditors (correspondence and claims)</b>								
Unsecured creditors	E1	-	16.0	13.4	120.7	150.1	39,521.9	263.3
Secured creditors	E2	-	10.7	2.0	-	12.7	4,481.3	352.9
Pensions	E3	-	1.3	-	-	1.3	487.5	375.0
Employees	E4	0.5	73.8	19.5	88.4	182.2	53,278.1	292.4
ROT creditors	E5	-	3.0	-	-	3.0	1,031.3	343.8
Shareholders	E6	-	1.0	-	2.0	3.0	875.0	291.7
Lease creditors	E7	-	4.5	-	2.4	6.9	2,146.9	311.1
<b>Subtotal</b>		<b>0.5</b>	<b>110.3</b>	<b>34.9</b>	<b>213.5</b>	<b>359.2</b>	<b>101,821.9</b>	
<b>Tax</b>								
Initial reviews CT and VAT	F1	-	-	-	8.5	8.5	2,125.0	250.0
Pre-appointment CT	F2	-	8.1	0.3	-	8.4	2,859.4	340.4
Pre-appointment VAT	F3	-	-	0.5	-	0.5	125.0	250.0
Post appointment CT	F4	1.4	2.2	-	-	3.6	1,368.8	380.2
Post appointment VAT	F5	-	4.6	17.0	0.4	22.0	6,059.4	275.4
Tax advice on transactions	F6	-	2.4	1.0	0.5	3.9	1,275.0	326.9
Other post appointment tax	F7	0.8	2.0	-	-	2.8	1,037.5	370.5
<b>Subtotal</b>		<b>2.2</b>	<b>19.3</b>	<b>18.8</b>	<b>9.4</b>	<b>49.7</b>	<b>14,850.0</b>	
<b>Reporting</b>								
Proposals	G2	-	20.8	31.5	13.5	65.8	18,612.5	282.9
Other statutory reports/meetings	G3	1.8	0.3	32.0	29.0	63.1	16,150.0	255.9
Secured creditor reports	G4	31.5	28.5	13.0	10.8	83.8	29,612.5	353.4
<b>Subtotal</b>		<b>33.3</b>	<b>49.6</b>	<b>76.5</b>	<b>53.3</b>	<b>212.7</b>	<b>64,375.0</b>	
<b>Other</b>								
Other	H1	10.3	12.5	17.5	-	40.3	14,084.4	349.5
<b>Subtotal</b>		<b>10.3</b>	<b>12.5</b>	<b>17.5</b>	<b>-</b>	<b>40.3</b>	<b>14,084.4</b>	
<b>Total Time by Grade</b>								
Total Time by Grade		362.9	902.7	508.3	1,043.6	2,817.5		
Total Cost by Grade		158,768.8	317,709.4	129,943.8	260,900.0	867,321.9		
Adjustment		(87.5)	(24,859.4)	(2,625.0)	(4,750.0)	(32,321.9)		
Adjusted Cost		158,681.3	292,850.0	127,318.8	256,150.0	835,000.0		
Average by Grade		437.3	324.4	250.5	245.4	296.4		

	Time Costs	Category 1	Category 2	Total
Total Costs to Date	835,000.0	21,661.6	534.4	857,196.0
Amount Billed	(200,000.0)	-	-	(200,000.0)
Total WIP	635,000.0	21,661.6	534.4	657,196.0

## Appendix C – Time cost analysis

### Utilitywise Plc - Analysis of Time Costs In Accordance with SIP9 for the period 13 August 2019 to 12 February 2020

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
<b>Administration and Planning</b>							
Appointment and related formalities	-	-	5.8	-	5.8	1,450.0	250.0
Receipts and payments accounts	-	-	-	8.6	8.6	2,150.0	250.0
Checklist and reviews	-	-	31.5	30.6	62.1	17,156.3	276.3
Cashiering and reconciliations	-	2.1	20.4	38.6	61.1	15,706.3	257.1
Bonding and IPS maintenance	-	-	2.0	-	2.0	500.0	250.0
<b>Subtotal</b>	-	<b>2.1</b>	<b>59.7</b>	<b>77.8</b>	<b>139.6</b>	<b>36,962.5</b>	
<b>Investigations</b>							
Books and records	-	-	1.2	84.3	85.5	21,375.0	250.0
Electronic records	-	-	0.8	7.1	7.9	1,975.0	250.0
Other investigations	-	1.0	-	-	1.0	343.8	343.8
<b>Subtotal</b>	-	<b>1.0</b>	<b>2.0</b>	<b>91.4</b>	<b>94.4</b>	<b>23,693.8</b>	
<b>Realisation of assets</b>							
Sale of business	1.2	-	-	-	1.2	525.0	437.5
Post-completion obligations	3.4	4.0	-	-	7.4	2,987.5	403.7
Book debts	-	10.5	2.2	27.1	39.8	11,262.5	283.0
Property, plant and vehicles	-	2.0	0.3	-	2.3	825.0	358.7
Other assets	-	0.5	-	3.5	4.0	1,046.9	261.7
<b>Subtotal</b>	<b>4.6</b>	<b>17.0</b>	<b>2.5</b>	<b>30.6</b>	<b>54.7</b>	<b>16,646.9</b>	
<b>Trading</b>							
Ongoing trading / monitoring	-	-	-	14.5	14.5	3,625.0	250.0
Closure of trading	-	-	6.8	8.5	15.3	3,825.0	250.0
Employees - Payroll	-	-	6.3	-	6.3	1,575.0	250.0
<b>Subtotal</b>	-	-	<b>13.1</b>	<b>23.0</b>	<b>36.1</b>	<b>9,025.0</b>	
<b>Creditors (correspondence and claims)</b>							
Unsecured creditors	-	-	11.7	15.0	26.7	7,125.0	266.9
Secured creditors	-	-	2.0	-	2.0	500.0	250.0
Employees	-	2.9	9.3	14.1	26.3	6,993.8	265.9
Shareholders	-	1.0	-	-	1.0	375.0	375.0
<b>Subtotal</b>	-	<b>3.9</b>	<b>23.0</b>	<b>29.1</b>	<b>56.0</b>	<b>14,993.8</b>	
<b>Tax</b>							
Initial reviews CT and VAT	-	-	-	8.5	8.5	2,125.0	250.0
Pre-appointment CT	-	7.5	-	-	7.5	2,578.1	343.8
Pre-appointment VAT	-	-	0.5	-	0.5	125.0	250.0
Post appointment CT	-	2.2	-	-	2.2	756.3	343.8
Post appointment VAT	-	4.1	13.0	0.4	17.5	4,887.5	279.3
Tax advice on transactions	-	-	-	0.5	0.5	125.0	250.0
Other post appointment tax	0.8	1.3	-	-	2.1	796.9	379.5
<b>Subtotal</b>	<b>0.8</b>	<b>15.1</b>	<b>13.5</b>	<b>9.4</b>	<b>38.8</b>	<b>11,393.8</b>	
<b>Reporting</b>							
Other statutory reports/meetings	1.8	-	32.0	29.0	62.8	16,037.5	255.4
Secured creditor reports	1.2	2.7	9.5	-	13.4	3,912.5	292.0
<b>Subtotal</b>	<b>3.0</b>	<b>2.7</b>	<b>41.5</b>	<b>29.0</b>	<b>76.2</b>	<b>19,950.0</b>	
<b>Other</b>							
Other	-	3.0	-	-	3.0	1,125.0	375.0
<b>Subtotal</b>	-	<b>3.0</b>	-	-	<b>3.0</b>	<b>1,125.0</b>	
<b>Total Time by Grade</b>	<b>8.4</b>	<b>44.8</b>	<b>155.3</b>	<b>290.3</b>	<b>498.8</b>		
<b>Total Cost by Grade</b>	<b>3,675.0</b>	<b>16,409.4</b>	<b>41,131.3</b>	<b>72,575.0</b>	<b>133,790.6</b>		
<b>Average by Grade</b>	<b>437.5</b>	<b>366.3</b>	<b>264.9</b>	<b>250.0</b>	<b>268.2</b>		
	Time Costs	Category 1	Category 2	Total			
<b>Total Costs to Date</b>	<b>133,790.6</b>	-	-	<b>133,790.6</b>			
<b>Amount Billed</b>	-	-	-	-			
<b>Total WIP</b>	<b>133,790.6</b>	-	-	<b>133,790.6</b>			

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

Detailed below is FTI's policy in relation to:

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

### Staff allocation and the use of subcontractors

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

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case.

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

### Professional advisors

On this assignment we have used or intend to use the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Professional Advisor Fees			
Name of Professional Advisor	Service	Basis of Fee Arrangement	Fees to Date (incl. VAT)
Deloitte LLP	M&A Advisor	Weekly retainer fee (plus success fee)	£288,000
Pinsent Masons LLP	Legal Advice	Hourly rate and disbursements	£265,595
Herax Partners	M&A Advisor	Monthly retainer fee (plus success fee)	£165,000
Shareholder Corporate Finance	M&A Advisor	Monthly retainer fee (plus success fee)	£135,000
ERA Solutions	Employee Advisor	Hourly rate and disbursements	£35,412
Sanderson Weatherall	Auctioneer	Percentage of realisations	£10,693
Addleshaw Goddard	Legal Advice	Hourly rate and disbursements	£3,600
Lovetts	Debtor Realisations	Fixed cost per realisation	£452

### Deloitte

We note that the total fees paid to Deloitte include amounts in relation to pre-appointment work undertaken that have been paid from the administration estate of the Company. During this period, Deloitte acted as the Company's pre-appointment M&A advisor. Following our appointment, Deloitte were retained to assist with the sale of the intellectual property and other assets, including data, of the Company. The choice to retain Deloitte was based on the Administrators' perception of their knowledge of both the Company and the type of work required.

### Pinsent Masons

Pinsent Masons have provided both pre-appointment and post-appointment legal advice to the Company. The advice included, but was not limited to; drafting sale documentation, assisting with GDPR matters, and other employee queries. The service provided by Pinsent Masons is a specialist service which the Administrators' staff could not appropriately perform in house.

Further work is anticipated to be carried out by Pinsent Masons in respect of legal advice relating to the escrow funds and the collection of outstanding book debts.

#### Herax Partners

Herax Partners were engaged to assist Deloitte in the sale of ICON. ICON was a standalone business operating in the Czech Republic, for which the Company was the sole shareholder. Herax Partners had previously acted as M&A advisors to the Company when a sales process for ICON was run in 2018. It was the Administrators' view that Herax Partners should be contacted in order to re-instate interest from parties contacted in the previous sales process.

#### ERA Solutions

ERA Solutions have been engaged by the Administrators to assist the Company's former employees in submitting their claims against the Company. They have commenced this work and continue to liaise directly with employees in respect of their claims against the Company.

Payments to date total £35,412 (VAT Inc). Accordingly, I currently envisage ERA Solutions fees in the Administration will total £50,000 (VAT Inc.). However, this is subject to change depending on the number of claims lodged and whether the Administrators request ERA Solutions to provide additional services.

The choice of ERA Solutions was based on the Administrators' perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. It was also considered that the basis on which they will charge their fees represented value for money and was more cost effective than if the work had been undertaken by the Administrators' staff.

#### Sanderson Weatherall

We engaged chattel agents, Sanderson Weatherall to assist with the sale of a large volume of chattel assets on site at the Company's offices in North Tyneside, primarily furniture and IT equipment. This sale was concluded in a short period of time, as the costs of continued occupation of the Company's leased property were considered to exceed the realisable value of the chattel assets. It was considered that the basis on which they charged their fees represented value for money.

#### Addleshaw Goddard

Addleshaw Goddard were the Company's pre-appointment legal advisors. The balance paid to Addleshaw Goddard relates to the pre-appointment costs incurred by the Company in connection with the appointment of the Administrators.

#### Lovetts

Lovetts have been engaged to collect debts from former employees of the Company. Whilst this function could be carried out by the Administrators' staff, it is more cost effective and efficient for Lovetts to undertake these duties.

#### Other FTI Teams

We have utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our tax 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. These disbursements can include costs incurred which relate to payments due to associated Company for the provision of services to the office holder.

**Charge-out rates**

A schedule of FTI's charge-out rates (exclusive of VAT) for this assignment to date is below. All time incurred by the Administrators and their staff is recorded in six-minute increments.

<b>Grade</b>	<b>£ (Per Hour)</b>
Senior Managing Director	437.50
Managing Director	375.00
Senior Director	343.75
Director	343.75
Senior Consultant	306.25
Consultant	250.00
Analyst (experienced)	250.00
Analyst (junior)	250.00

Our fees are subject to an additional cap on this assignment whereby charges are restricted to 8 hours per day.

## Appendix E – Receipts and payments

Utilitywise Plc		Statement of Affairs		13 Feb 19 - 12 Aug 19	13 Aug 20 - 12 Feb 2020	Total
Administrators' Account of Receipts And Payments		£	£	£	£	£
<b>Fixed Charge Receipts</b>						
Sale of Subsidiary	1	4,000,000	1,408,103	-	-	1,408,103
Loan from Floating Charge Account			-		51	51
Recharge of Fixed Charge Costs			604,362		-	604,362
Fixed Charge VAT Payable			102,192		(102,192)	-
<b>Subtotal</b>		<b>4,000,000</b>	<b>2,114,657</b>		<b>(102,141)</b>	<b>2,012,516</b>
<b>Fixed Charge Payments</b>						
Fixed Charge Advisor Fees	2		(559,300)		-	(559,300)
Office Holder's Fees			-		(200,000)	(200,000)
Fixed Charge Legal Fees			(84,250)		-	(84,250)
Fixed Charge Insurance Costs			(30,728)		-	(30,728)
Fixed Charge Trading Deficit			(145,443)		(254)	(145,697)
Fixed Bank Charges			-		(90)	(90)
Fixed Charge VAT Receivable	6		(69,850)		74,850	5,000
Fixed Charge VAT Irrecoverable			-		(5,000)	(5,000)
<b>Subtotal</b>			<b>(889,571)</b>		<b>(130,494)</b>	<b>(1,020,065)</b>
<b>Fixed Charge Surplus/Deficit</b>			<b>1,225,086</b>		<b>(232,635)</b>	<b>992,451</b>
<b>Floating Charge Receipts</b>						
Sales			351,607		263,687	615,294
Property, Plant and Equipment		30,000	103,278		-	103,278
Intellectual Property			200,000		-	200,000
Book Debts	6	448,000	595,262		(8,591)	586,672
Legal Settlement			750,996		300,203	1,051,199
Refund of Rent Deposit			-		55,960	55,960
Other Debtors and Prepayments			30,691		6,201	36,892
Petty Cash	3	6,431	5,583		-	5,583
Misc Income			60		384	444
Floating Charge VAT Payable			125,764		(125,764)	-
<b>Subtotal</b>		<b>484,431</b>	<b>2,163,242</b>		<b>492,080</b>	<b>2,655,322</b>
<b>Floating Charge Payments</b>						
Floating Charge Advisor Fees	2		(48,722)		(6,775)	(55,497)
Floating Charge Legal Fees			(115,942)		(26,817)	(142,759)
Pre-Appointment Legal Fees			(3,851)		-	(3,851)
Printing, Stationery & Postage			-		(1,106)	(1,106)
Insolvency Expenses	4		(1,105)		(560)	(1,665)
Loan to Fixed Charge Account			-		(51)	(51)
Bank Charges			(335)		(72)	(407)
Floating Charge Trading Deficit			(172,827)		(221)	(173,047)
Floating Charge VAT Receivable	6		(26,499)		25,032	(1,467)
<b>Subtotal</b>			<b>(369,281)</b>		<b>(10,569)</b>	<b>(379,850)</b>
<b>Floating Charge Surplus/(Deficit)</b>			<b>1,793,960</b>		<b>481,511</b>	<b>2,275,472</b>
<b>Net realisations</b>			<b>3,019,046</b>		<b>248,876</b>	<b>3,267,922</b>
<b>Distributions</b>						
Fixed Charge Distribution			(981,853)		-	(981,853)
<b>Subtotal</b>			<b>(981,853)</b>		<b>-</b>	<b>(981,853)</b>
<b>Total Balance Held</b>			<b>2,037,192</b>		<b>248,876</b>	<b>2,286,069</b>
<b>Made Up As Follows</b>						
Floating Charge Account			1,905,007		1,948,839	3,853,846
Fixed Charge Account	5		132,185		(132,190)	(5)
Floating Charge VAT Payable	6		-		(29,424)	(29,424)
VAT Control Account			-		(1,538,349)	(1,538,349)
<b>Total</b>			<b>2,037,192</b>		<b>248,876</b>	<b>2,286,069</b>

<sup>1</sup> See section 3 for details of the business and assets sale which was completed during the Period

<sup>2</sup> Advisor fees includes the cost of agent/valuers used during both business and assets sales, bonus payments upon completion of these sales and continued debt collector costs

<sup>3</sup> The petty cash collected was lower than the SoA amount due to outdated information used to prepare the SoA

<sup>4</sup> These include insolvency bonding, statutory advertising and re-direction of mail charges

<sup>5</sup> Non-interest bearing account

<sup>6</sup> Adjustments relating to prior period made in current period

While trading ceased immediately upon the appointment of Administrators the costs set out in the 'Trading R&P' below were incurred while the Enterprise business was wound down and the Corporate business was separated (including movement of IT equipment and transfer of employees).

<b>Utilitywise Plc - Administrators' Trading Receipts And Payments</b>					
£	13 Feb 19 - 12 Aug 19		13 Aug 19 - 12 Feb 20		Total
	Fixed	Floating	Fixed	Floating	
<b>Trading Payments</b>					
Insurance Costs	(4,318)	-	(254)	-	(4,572)
Property Expenses <sup>1</sup>	-	(12,972)	-	(184)	(13,156)
Utilities and Rates	-	(15,051)	-	-	(15,051)
Retained Staff	(54,042)	(81,042)	-	-	(135,084)
Pension Contributions	(7,188)	(11,708)	-	-	(18,897)
Payroll Expenses <sup>2</sup>	(693)	(795)	-	-	(1,488)
PAYE/NIC	(29,581)	(44,572)	-	-	(74,153)
Leased IT Assets / Software	(43,186)	(201)	-	-	(43,387)
Ransom Payment <sup>3</sup>	-	(701)	-	-	(701)
VAT	(6,435)	(5,785)	-	(37)	(12,256)
<b>Total Payments</b>	<b>(145,443)</b>	<b>(172,827)</b>	<b>(254)</b>	<b>(221)</b>	<b>(318,745)</b>
<b>Trading Surplus/(Deficit)</b>	<b>(145,443)</b>	<b>(172,827)</b>	<b>(254)</b>	<b>(221)</b>	<b>(318,745)</b>

**SIP7 disclosures**

- As the Company is a service-based business there is no WIP or stock utilised in trading
- Unpaid trading costs incurred to date are likely to be minimal, and include vehicle and other property expenses billed in arrears. There are a limited number of suppliers who have yet to provide us with invoices for expenses incurred in February and March 2019.
- Administrators time costs in relation to trading to date are £126,684
- £2.0m was held in the interest bearing Administration bank accounts as at 12 August 2019
- There have been no trading receipts to date
- Funding of the trading loss is discussed in the Initial Actions section of the report

**Additional notes**

- <sup>1</sup> Includes waste disposal, on-site security and cleaning
- <sup>2</sup> Employee expenses that were categorised as 'Misc expenses' in the Statement of Proposals have been included in Payroll Expenses. These include transport and subsistence for retained staff
- <sup>3</sup> Payment to lessor of printers which were required on-site for a limited period following appointment

## Appendix F – Creditors' statement of claim form

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

IN THE	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST
Number:	CR-2019-001097
Name of Company in Administration:	Utilitywise Plc
Company Registration Number:	05849580
Date of Administration:	13 February 2019
1 Name of creditor (If a company, please also provide the company registration number).	
2 Correspondence address of creditor (including any email address)	
3 Total amount of claim (£) (include any Value Added Tax)	
4 If amount in 3 above includes (£) outstanding uncapitalised interest, state amount.	
5 Details of how and when the debt was incurred. (If you need more space, attach a continuation sheet to this form)	
6 Details of any security held, the value of the security and the date it was given.	
7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.	
8 Details of any document by reference to which the	



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### Joint Administrators' Report

### 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 centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Andrew Johnson  
JOINT ADMINISTRATOR

Admitted for dividend for

Amount (£)

Date

Andrew Johnson  
JOINT ADMINISTRATOR

Notes:

1. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.



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About FTI Consulting

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