

TO ALL KNOWN CREDITORS

3 August 2023

Ref: JR/DH/BT/KH/RF/JB
Email: pbvadministration@uk.ey.com

Dear Sir/Madam

Power by Britishvolt Limited (in Administration) ("the Company")

**High Court of Justice, Business and Property Courts of England and Wales,
Insolvency & Company Lists, Number CR2023000236**

I refer to the appointment of Daniel Christopher Hurd, Joanne Honor Robinson and Alan Michael Hudson as Joint Administrators of the Company on 17 January 2023. The Joint Administrators act as agents of the Company only and without personal liability. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any of them.

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"), to provide creditors with a report on the progress of the Administration. This report covers the period from 17 January 2023 to 16 July 2023 ("the Period") and should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") dated 13 March 2023, including the definitions contained therein. Statutory information about the Company, the Administration and the office holders is provided in Appendix 1. A copy of the Proposals can be obtained at www.ey.com/en_uk/pbvadministration.

1. Summary of progress

On 17 January 2023, the Company (registered number 12381543) entered administration. The appointment was made by the Company's directors in accordance with paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

1.1 Approval of the Proposals

The Proposals were issued to all known creditors on 13 March 2023. The Proposals were approved by deemed consent on 29 March 2023. Further details of the arrangements and any steps to be taken by creditors were given in the formal notice of deemed consent delivered to creditors with the Proposals.

1.2 Formation of the Creditors' Committee

The Creditors' Committee was formally constituted on 4 April 2023 and is formed of the following creditors:

- Evans Randall Services Limited
- Glencore International AG

- Manz AG
- Hana Technology Co. Limited

The main role of the Creditors' Committee is to consult on the administration strategy and ensure creditors' views are represented and considered.

The first formal meeting of the Creditors' Committee was held on 25 April 2023 and, at this meeting, the Joint Administrators provided an update on the progress of the Administration to date and sought approval of certain resolutions. This meeting was held virtually and was chaired by Dan Hurd (one of the Joint Administrators) and all committee members attended the meeting. The Creditors' Committee was asked to consider the following resolutions at this meeting:

1. That the Joint Administrators' remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration and charged based on the rate card used in the fee estimate dated 13 March 2023.
2. That the Joint Administrators be authorised to invoice and be paid on account, 80% of their fees as incurred and that approval from the Creditors' Committee will be required to invoice the remaining 20% of their fees and all of their Category 2 disbursements, up to the limits provided in their fee estimate dated 13 March 2023.
3. That in accordance with the provisions of Rule 3.52 of the Insolvency (England and Wales) Rules 2016, the Joint Administrators' unpaid pre-Administration costs in the amount of £93,818 (excluding VAT), can be met as an expense of the Administration.
4. Payment of unpaid pre-Administration expenses relating to legal fees of £40,435 (excluding VAT) can be met as an expense of the Administration.
5. That the Joint Administrators be authorised to invoice and be paid Category 2 expenses in the amount of £40,776 (excluding VAT) as an expense of the Administration.

The members of the Creditors' Committee voted unanimously in favour of the above resolutions.

A second formal meeting of the Creditors' Committee was held on 20 June 2023. The purpose of this meeting was to provide an update on the progress of the Administration. All committee members attended this meeting except for Glencore International AG.

Further meetings will be held when the Joint Administrators determine it appropriate to provide an update on the progress of the Administration or when requested by the Creditors' Committee.

1.3 Sale of business / assets

Please refer to the Proposals for detailed information on the sale of Company's business and the majority of its assets to Recharge Production UK Limited ("the Buyer").

As noted in the Proposals, the Buyer purchased the Company's business and assets for £8.57m. This amount was payable in a number of instalments. The final instalment remains unpaid and overdue. As a result, the Buyer is in default of the Business Sale Agreement ("BSA").

The Joint Administrators are using the protections and guarantees afforded in connection with the BSA to pursue the outstanding amounts due from the Buyer. Due to commercial sensitivities surrounding the current status of this matter, the Joint Administrators cannot comment on this situation any further at the moment. A further update concerning this matter will be provided in the next progress report to creditors.

1.4 Apportionments

The Joint Administrators funded certain trading costs (wages, security and motor vehicle lease expenses) which were incurred as a result of the delayed finalisation of the sale of the Company's business and the majority of its assets. As part of the BSA, it was provided that the Buyer would reimburse the Joint Administrators for these costs, which totalled £300k, as apportionments.

The Buyer failed to pay these apportionment amounts by the due date. However, after a period of negotiations with the Buyer, the Joint Administrators were able to recover the apportionment amounts in full, partly from moneys held by National Grid Electricity Systems Operator Limited ("NGESO") and partly from a payment from the Buyer.

1.5 Intercompany loan – Sale of Ashington property

An intercompany loan of £434k is payable by BV Properties Midlands Limited ("BVPM") to the Company.

BVPM's only asset is the property known as the "Ashington Property". There was no realisable value included on the Company's statement of affairs for the Ashington Property, as the property was not on the Company's balance sheet. After discussions with the directors of BVPM, it was agreed that the property would be marketed for sale. An independent agent has provided an indicative estimate of the property's realisable value. The agent is currently negotiating with an interested party and hopes to complete on the sale of the property by the end of August. Should the sale not proceed with this party, the Ashington Property will be listed for sale via auction.

The Joint Administrators understand from the directors that, apart from the intercompany loan, BVPM has no other material liabilities and therefore the net proceeds (i.e. sale proceeds less any direct costs relating to the sale) from the sale of the Ashington Property, less an amount to fund a liquidation of BVPM, will be used to partially repay the intercompany loan account between BVPM and the Company.

1.6 Other assets

The Company also owned the following assets which were not included in the sale to the Buyer:

Motor vehicles

The Company owned three vehicles which were used by former employees. These vehicles have been sold, with gross realisations before costs totalling £77k. These sale proceeds have now been received.

IT equipment

The Company owned numerous items of IT equipment (laptops, monitors, mobile phones and other peripherals), with the majority being located at employee residences as the workforce largely worked remotely. The following auctions were held to realise the equipment collected from the former employees:

1. 25 April 2023 – gross realisations totalled £59k before costs.
2. 15 June 2023 – gross realisations totalled £15k before costs.

The above sale proceeds have been received into the Company's bank account.

2. Receipts and payments account

A summary of the Joint Administrators' receipts and payments for the period from 17 January 2023 to 16 July 2023 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

3. Investigations

In accordance with the Company Directors Disqualification Act 1986, the Joint Administrators have made their confidential submission to the Insolvency Service.

The Joint Administrators have undertaken investigations as required by the Statement of insolvency Practice Number 2 (Investigations by Office Holders) ("SIP 2"). The Joint Administrators are not carrying out any further SIP 2 investigations at the present time and no specific investigations or actions have been requested by creditors to date.

4. Pre-Administration costs

A statement of pre-Administration costs was provided in the Proposals and totalled £134,253 plus VAT in respect of work incurred in preparing for the Administration. This total is comprised of costs incurred by the Joint Administrators in the amount of £93,818 and their legal advisers, Dentons, in the amount of £40,435. Further details relating to pre-Administration costs were also provided to creditors in the Proposals.

These costs were approved for payment as an expense of the Administration by resolution of the Creditors' Committee on 25 April 2023. The Joint Administrators have now invoiced and paid the approved Joint Administrators' costs of £93,818 and Dentons' legal fees of £40,435.

5. Distributions to creditors

5.1 Secured creditors

As noted in the Proposals, Katch Fund Solutions holds a fixed charge over the shares of Power by Britishvolt Properties Limited ("BVP") held by the Company, as security in respect of its lending to BVP. Other than this share security, there are no other fixed or floating charges registered against the Company's assets, with the Company having no direct secured lending.

5.2 Preferential creditors

5.2.1 Employees

Employee preferential claims currently total £279k for holiday pay and arrears of wages. The Joint Administrators expect to pay a dividend distribution of 100p in the £ in respect of employee preferential creditors.

A letter was sent to the employees and the Redundancy Payments Service ("RPS") on 9 June 2023. This was a pre-notice of intended dividend letter to: (i) confirm that employees and the RPS wished to be included in the dividend process; (ii) confirm the amount of their claim; and (iii) deal with any outstanding assets in the possession of employees. The amount of claim advised to the employees was calculated based on the presumption that the Protective Awards (discussed below) would be finalised and paid.

The employees have made claims and received payments from the RPS within the RPS' guidelines and limits. As such, an element of the £279k is claimed by and payable to the RPS. However, currently there

are two Protective Award claims within the Employment Tribunal process and the RPS are unable to submit their final claim until both Protective Award judgments are issued by the Employment Tribunal and paid by the RPS.

Once the final claim is received from the RPS, the Joint Administrators will then be in a position to issue the notice of intended dividend. The timing of issuing the notice cannot currently be provided as both steps are outside of the Joint Administrators' control, but the Joint Administrators expect to be able to update preferential creditors during November, by email.

5.2.2 HMRC

HMRC submitted a secondary preferential claim of £5.13m, consisting of £3.48m in respect of outstanding PAYE and NIC and £1.65m in respect of VAT. The Joint Administrators reviewed the calculations submitted by HMRC, which appeared to have been based on extrapolated estimates and, following a request to provide further evidence and a detailed review and analysis of the Company's data, HMRC's secondary preferential claim was subsequently revised down to £3.10m.

On 16 May 2023, HMRC was informed about the revised amount. On 11 July 2023, HMRC resubmitted its secondary preferential creditor claim in the amount of £3.03m (which is slightly lower than the amount the Joint Administrators reported above) in respect of outstanding PAYE and NIC after setting off a VAT refund.

The next steps are to formally agree the revised claim amount with HMRC and declare and then pay the secondary preferential dividend of 100p in the £.

5.3 Unsecured creditors

Unsecured creditor claims continue to be submitted in the Administration. It is estimated that total unsecured creditor claims may be in the region of £130m to £160m as noted in the Proposals. However, the final figure for total claims will not be known until all claims have been received and adjudicated and it is possible that the final unsecured claims' amount admitted for dividend may be materially higher or lower than this range. As such, it is not possible to provide an accurate estimate of unsecured creditor claims at this stage.

Based on the directors' statement of affairs, the five largest unsecured claims are:

Creditor name	Amount Owed (£)
DC Energy GmbH	26,599,480
Hana Technology CO., LTD.	22,315,837
Glencore International AG	20,010,116
Evans Randall Services Limited	10,785,000
Manz AG	9,652,881
TOTAL	89,363,314

It is too early in the Administration to advise if there will be sufficient funds available to pay a dividend to unsecured creditors or what the dividend will be. Should it be possible to pay a dividend to unsecured creditors (subject to future realisations and the costs of the Administration process), the Joint Administrators currently expect any dividend to be less than 1p in the pound. The Joint Administrators will provide an update on the expected unsecured creditor position in the Joint Administrators' next progress report to creditors.

If there are creditors who wish to submit a claim form but have yet to do so, please return a proof of debt form, enclosed at Appendix 5, together with all back up documentation in support of your claim.

6. Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to the Joint Administrators.

In certain circumstances, creditors are entitled to request further information about the Joint Administrators' remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in "A Creditors' Guide to Administrators' Fees" referred to above.

The Creditors' Committee passed a resolution on 25 April 2023, to fix the Joint Administrators' remuneration on a time cost basis and authorised the Joint Administrators to draw 80% of their fees as incurred and that approval from the Creditors' Committee would be required to invoice the remaining 20% of their fees and all of their Category 2 disbursements, up to the limits provided in their fee estimate. The Creditors' Committee have agreed the Joint Administrators' proposed hourly rate card for all personnel across Ernst & Young LLP working on the Administration of the Company.

During the period covered by this report, the Joint Administrators have incurred fees of £3,856,215. Of this sum, £1.9m has been invoiced and paid.

An analysis of the time spent, and a comparison with the fee estimate dated 13 March 2023, is attached as Appendix 3 to this report.

To 16 July 2023, the Joint Administrators' fees have exceeded the estimate by £411,362. The Joint Administrators will not draw remuneration in excess of the original fee estimate without the prior approval of the Creditors' Committee. Below is a table summarising the key areas of work:

	Per fee estimate dated 13 March 2023			Actuals in this report period			Variance - actuals vs estimate		
	Total hours	Time cost (£)	Average hourly rate (£)	Total hours	Time cost (£)	Average hourly rate (£)	Total hours	Time cost (£)	Average hourly rate (£)
Sale of business	1,948.0	1,330,480	683	2,038.2	1,405,275	689	(90.2)	(74,795.0)	829
Creditors	591.0	304,420	515	881.7	487,293	553	(290.7)	(182,872.5)	629
Employees	463.0	313,938	678	615.0	410,395	667	(152.0)	(96,457.0)	635
Administration & planning	406.0	227,760	561	765.4	402,153	525	(359.4)	(174,392.5)	485
Other	1,873.0	1,268,255	677	1,738.5	1,151,100	662	134.5	117,155.0	620
Total	5,281.0	3,444,853	652	6,038.8	3,856,215	639	(757.8)	(411,362)	543

The reasons why the Joint Administrators' fees have exceeded the fee estimate are:

- *Sale of business (variance of £75k)*

At the time of preparing the original fee estimate, the sale to the Buyer had not completed as the final amount of deferred consideration was due to be paid on 5 April 2023. As detailed earlier in this report, this amount remains outstanding and as a result, the Joint Administrators have had to spend a greater amount of time than anticipated in taking steps to preserve and recover this amount.

The Buyer also owed the Company £300k in respect of certain trading expenses incurred due to the delayed finalisation of the sale of the Company's business and the majority of its assets as noted in section 1.4 of this report. The Joint Administrators have been required to take further steps in order to recover these apportionment amounts. This extra work was not anticipated at the time of preparing the original fee estimate.

- *Investigation & CDDA (variance of £61k)*

The directors' conduct reporting submission to the Insolvency Service and the Joint Administrators' review of potential antecedent transactions (such as preferences, transactions at undervalue, etc.) required more resources than originally anticipated due to the number of directors and shadow directors and also the volume of transactions which were reviewed to determine if there may be any that may be recoverable for the benefit of creditors.

- *Employees (variance of £96k)*

Communicating with and dealing with claims from the Company's former employees has resulted in a higher than forecast amount of work needing to be undertaken by the Joint Administrators. This has also been complicated by employees submitting Protective Award claims within the Employment Tribunal process which results in delays and more of the Joint Administrators time being spent in dealing with these claims.

- *Other assets (variance of £64k)*

Due to the Company's employees working from home, more time has been incurred than originally forecast to recover the Company's IT assets (phones, monitors and laptops). As an alternative to physically recovering these items from former employees, the Joint Administrators are also seeking the former employees' agreement to reduce the value of their preferential claim (as the preferential dividend is expected to be 100p in the £) instead and they can retain the IT equipment.

As a result of the Joint Administrators' additional work, the amount realised in respect of the Company's IT assets is £278k higher than the amount expected to be realised as per the directors' statement of affairs. This is disclosed in the Joint Administrators' summary of receipts and payment listed in Appendix 2.

Separate to the above, the Joint Administrators have also spent time in dealing with the successful recovery of the security deposit of £163k from NGESO.

- *Creditors (variance of £183k) and Administration & planning (variance of £174k)*

The Joint Administrators' original forecast was based upon the sale completing on time and as a result, the Joint Administrators expected to have finalised the administration on or before 16 July 2023.

The delay to the completion of the sale of the Company's business and the majority of its assets has increased the amount of time the Joint Administrators need to spend to monitor and progress the Administration. This delay resulted in increased reporting to the Creditors' Committee and will also increase the number of reports to creditors as the original forecast only included a final report and no progress reports, which are due every six months.

In addition, dealing with enquiries from creditors has required more resources than originally anticipated in the Joint Administrators' fee estimate.

- *VAT & taxation (variance of £37k)*

The Joint Administrators have undertaken more work than anticipated in respect of VAT & taxation due to HMRC lodging an initial proof of debt which included an estimated VAT liability. As a result of the Joint Administrators' work on this matter, they identified that VAT was overstated and HMRC's preferential claim has been reduced from £5.13m to £3.03m.

The Joint Administrators will not draw remuneration in excess of the fee estimate without providing an explanation to all known creditors and obtaining the requisite approval from the Creditors' Committee. Any request for approval will specify all of the following:

- The reasons why the Joint Administrators have exceeded, or are likely to exceed, the fee estimate;
- The additional work the Joint Administrators have undertaken or proposes to undertake;
- The hourly rate or rates the Joint Administrators proposes to charge for each part of that additional work;
- The time that additional work has taken or the Joint Administrators expects that work will take;
- Whether the Joint Administrators anticipates it will be necessary to seek further approval; and
- The reasons it will be necessary to seek further approval.

7. Joint Administrators' statement of expenses incurred

During the period covered by this report, the Joint Administrators have incurred expenses totalling £1,240,228 plus VAT or, after deducting the apportionments recovered from the Buyer, £939,945 plus VAT. A breakdown of expenses incurred in this period is provided in Appendix 4 of this report and is summarised below:

Type of Expense	Incurred from 17 January 2023 to 16 July 2023 (£)	Deductions for apportionments (£)	Net amount incurred from 17 January 2023 to 16 July 2023 (£)
Legal fees	499,593	-	499,593
Employee costs	479,024	(277,405)	201,619
Security expenses	98,801	(22,878)	75,923
Agent fees	19,283	-	19,283
IT systems	26,617	-	26,617
Payments to subsidiary entities	21,530	-	21,530
Transportation costs	28,678	-	28,678
Other expenses	20,838	-	20,838
Sub-total	1,194,365	(300,283)	894,082

Category 1 disbursements	5,086	-	5,086
Category 2 disbursements	40,777	-	40,777
Sub-total - Disbursements	45,863	-	45,863
Total expenses (including disbursements)	1,240,228	(300,283)	939,945

In accordance with the Creditors' Committee passed a resolution on 25 April 2023 to approve payment of the Category 2 disbursements.

At the date of this report, the Joint Administrators have not exceeded the total estimate for expenses provided in their fee estimate and details of expenses document dated 13 March 2023, which was £1,312,624. However, the forecast for some individual types of expenses has been exceeded for the following reasons:

- The Joint Administrators were not aware of the expense at the date the Proposals were prepared;
- Further expenses were incurred in the recovery of assets from employees; and
- The forecast was an estimate only and the actual cost was higher than anticipated.

8. Future conduct of the Administration

The Joint Administrators will continue to deal with the Administration in line with the stated objective, which is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

Future tasks will include, but are not limited to, the following:

- Seeking to recover the deferred consideration and/or sell the Company's share in BVP;
- Monitoring the sale of the Ashington property and ensuring that the Company's loan to BV Properties Midlands Limited ("BVPM") is repaid from these proceeds;
- Finalising the position on IT assets held by former employees of the Company;
- Dealing with creditor and shareholder queries;
- Making distributions to the preferential creditors (as applicable);
- Any further investigations into the affairs of the Company which may be required;
- Preparation and lodgement of the Company's monthly VAT return with HMRC and other tax returns required;
- If it is deemed appropriate, seeking an extension and/or further extensions to the Administration from the Company's creditors and/or the Court (as applicable);
- Finalising the Administration including the payment of all Administration liabilities; and
- Undertaking any other actions required in order to fulfil the purpose of the Administration.

9. End of the Administration

If required to enable the Joint Administrators to complete their work to achieve the objective of the Administration, they may seek an extension to the period of the Administration beyond the statutory

period of one year, by consent of the preferential and unsecured creditors (where applicable) or by an order of the Court.

As outlined in the Proposals, the Joint Administrators may use either of the following exit route strategies to bring the Administration to an end:

9.1 *Dissolution*

It is proposed that if, at the end of the Administration, the Company has no property which might permit a distribution to its unsecured creditors, the Joint Administrators will send a notice to that effect to the Registrar of Companies.

On registration of the notice, the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986, the Company will be deemed to be dissolved three months after the registration of the notice.

9.2 *Creditors' voluntary liquidation*

In accordance with the Proposals that were approved by deemed consent on 29 March 2023, should the Joint Administrators make sufficient realisations to allow a distribution to be made to the Company's unsecured non-preferential creditors, the Company will move into a creditors' voluntary liquidation ("CVL") upon the filing of a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986 with the Registrar of Companies.

In the event that the Company moves into CVL, the liquidators will be Diana Frangou and Christopher John Lewis of RSM UK Restructuring Advisory LLP, as provided for in the proposals which were deemed approved by creditors on 29 March 2023, no other nominations having been received. As explained in the proposals, the Joint Administrators will not take appointment as Joint Liquidators because EY is an unsecured creditor of the Company. The appointment of Diana Frangou and Christopher John Lewis will ensure a third-party firm will be responsible for the adjudication of unsecured non-preferential creditors' claims and the payment of any distributions to such creditors.

10. Other matters

The Joint Administrators will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully
For and on behalf of the Company



Dan Hurd
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Daniel Christopher Hurd, Joanne Honor Robinson and Alan Michael Hudson, who act as agents of the Company only and without personal liability. As licensed insolvency practitioners, Daniel Christopher Hurd, Joanne Honor Robinson and Alan Michael Hudson are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Daniel Christopher Hurd is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales. Joanne Honor Robinson and Alan Michael Hudson are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	The High Court of Justice, Business and Property Courts of England and Wales, Insolvency & Companies List (ChD)	
Court reference:	CR-2023-000236	
Registered name of the company:	Power by Britishvolt Limited (in Administration)	
Registered office address of the company:	1 More London Place London SE1 2AF	
Registered number:	12381543	
Date of appointment of the joint administrators:	17 January 2023	
Details of any changes of administrator:	None	
Full names of the administrators:	Daniel Christopher Hurd Joanne Honor Robinson Alan Michael Hudson	
Office holder numbers:	20030, 19890 and 9200	
Administrators' addresses:	Ernst & Young LLP 1 Colmore Square Birmingham B4 6HQ	Ernst & Young LLP 1 More London Place London SE1 2AF
Telephone number:	020 7806 9465	
Name of alternative person to contact with enquiries about the case:	Cristina Smolievski	

Appendix 2

Power by Britishvolt Limited (in Administration)

Joint Administrators' summary of receipts and payments from 17 January 2023 to 16 July 2023:

Estimated to realise as per directors' statement of affairs	£	RECEIPTS	from 17 January 2023 to 16 July 2023	£	Notes
1,847,000		Uncharged assets:			
uncertain		Cash and cash equivalents	1,916,860		2
338,268		Assets under construction - Gigaplant	-		
69,597		Assets under construction - Gas pipework	-		
410,402		Motor vehicles – owned	77,000		
5,750		IT	688,348		3
uncertain		Debtors	-		
29,015		Prepayments	-		
409,856		Rental deposits	19,115		
511,969		Security deposits	162,958		
uncertain		R & D equipment	604,222		3
uncertain		IP	2,597,947		3
		Contracts	2,600,233		3
		Apportionments & adjustments owed by Buyer	304,549		
		Other receipts	39,654		
		Funding from Buyer for Further Assurances	18,000		4
			9,028,886		
		PAYMENTS			
		Administrators' remuneration	1,900,000		
		Administrators' remuneration - pre appointment	93,818		
		Administrators' disbursements	45,863		
		Legal fees and disbursements	500,239		
		Legal fees - pre appointment	40,435		
		Agent's fees	19,283		
		Employee Costs	479,024		
		IT Systems	26,617		
		Payments to subsidiary entities	21,530		
		Security Charges	98,801		
		Transportation Costs	28,678		
		Other payments	25,269		
		Total Payment	3,279,557		
		Net receipts/(payments)	5,749,329		
		Represented by:			
		Interest Bearing Account	5,217,017		
		Net VAT receivable	532,312		
			5,749,329		

Notes

1. Receipts and payments are stated net of VAT.
2. Reflects cash received from the Company's pre-appointment bank accounts.
3. Represents the funds received from the sale of the Company's business and substantially all of its assets at the date of this report.
4. The Joint Administrators have assisted the Buyer in dealing with matters that were not for the benefit of creditors and hence the Buyer has funded the Joint Administrators' time costs connected to this work. These time costs were not included in the fee estimate dated 13 March 2023. They have been listed separately as "Further Assurances (paid by Buyer)" in Appendix 3.

Appendix 3

Power by Britishvolt Limited (in Administration)

Joint Administrators' time costs for the period from 17 January 2023 to 16 July 2023 and a comparison with the fee estimate dated 13 March 2023

	Per fee estimate dated 13 March 2023			Actuals in this report period			Variance - actuals vs estimate		
	Total hours	Time cost (£)	Average hourly rate (£)	Total hours	Time cost (£)	Average hourly rate (£)	Total hours	Time cost (£)	Average hourly rate (£)
Administration & planning	406.0	227,760	561	765.4	402,153	525	(359.4)	(174,392.5)	485
Creditors	591.0	304,420	515	881.7	487,293	553	(290.7)	(182,872.5)	629
Data preservation	195.0	124,775	640	173.7	108,720	626	21.3	16,055.0	754
Employees	463.0	313,938	678	615.0	410,395	667	(152.0)	(96,457.0)	635
Immediate tasks	62.0	44,313	715	62.2	44,500	715	(0.2)	(187.0)	935
Investigation & CDDA	158.0	105,913	670	272.9	166,690	611	(114.9)	(60,777.0)	529
Job acceptance & strategy	111.0	80,025	721	51.4	41,550	808	59.6	38,475.0	646
Legal issues	139.0	98,775	711	8.5	7,275	856	130.5	91,500.0	701
Other assets	191.0	127,195	666	299.8	191,615	639	(108.8)	(64,420.0)	592
Property	36.0	27,710	770	43.4	30,560	704	(7.4)	(2,850.0)	385
Public relations issues	42.0	35,450	844	19.5	17,960	921	22.5	17,490.0	777
Reporting	325.0	197,045	606	277.8	178,803	644	47.2	18,242.5	386
Sale of business	1,948.0	1,330,480	683	2,038.2	1,405,275	689	(90.2)	(74,795.0)	829
Statutory duties	236.0	156,813	664	130.1	86,900	668	105.9	69,913.0	660
Trading	138.0	94,073	682	99.1	63,100	637	38.9	30,973.0	796
VAT & taxation	240.0	176,168	734	300.1	213,428	711	(60.1)	(37,259.5)	620
Sub-total	5,281.0	3,444,853	652	6,038.8	3,856,215	639	(757.8)	(411,362)	543
Further Assurances (paid by Buyer)	-	-	-	18.0	15,300	850	(18.0)	(15,300.0)	850
Total	5,281.0	3,444,853	652	6,056.8	3,871,515	639	(775.8)	(426,662)	550

Category of work	Description of work completed / to be completed
Administration & planning	Tasks providing a direct and indirect benefit to creditors:-
	<ul style="list-style-type: none"> • Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost monitoring and reporting • Liaising with the Company's bankers to secure the release of cash held in pre-appointment bank accounts • Monitoring internal systems and records in line with statutory requirements
Creditors	Tasks providing a direct benefit to creditors and as required by statute:-
	<ul style="list-style-type: none"> • Receipt and recording of preferential and unsecured creditor claims • Correspondence with preferential and unsecured creditors • Adjudicating on claims from preferential creditors and processing distributions (as applicable) • Reviewing retention of title claims from creditors • Calling and holding meetings of the Creditors' Committee. This includes preparing a written summary update and minutes of the meeting for circulation to the Creditors' Committee • Preparing updates to the Creditors' Committee
Data preservation	Tasks providing a direct and indirect benefit to creditors:-
	<ul style="list-style-type: none"> • Collection of equipment and imaging of books and records held on SharePoint sites, IT servers, mobile phones and laptops, by former employees of the Company • Discussions with key data storage providers and agreement of terms of supply in the Administration
Employees	Tasks providing a benefit to employees:-
	<ul style="list-style-type: none"> • Dealing with employees, including receipt and recording of employee claims • Processing January 2023 and February 2023 payrolls for employees retained following appointment • Undertaking calls with senior management, retained employees and redundant employees • Writing to employees regarding their TUPE transfer to the Buyer or redundancy (as applicable) • Assisting redundant employees with any claims against the Redundancy Payments Office or the Company • Corresponding with the Employment Tribunals and lawyers in relation to Employment Tribunal claims received for a Protective Award for lack of redundancy consultation. • Dealing with ad hoc employee enquiries including any data subject access request, which is a request from an employee to provide access to any of their personal data which is held by the Company. • Adjudicating of preferential claims – letters sent to employees with claim amounts/options regarding equipment held
Immediate tasks	Tasks providing a direct and indirect benefit to creditors and required by statute:-
	<ul style="list-style-type: none"> • Completion of workstreams requiring immediate attention following appointment, in order to execute the strategy which was subsequently outlined in the Proposals
Investigations & CDDA	Tasks required by statute:-
	<ul style="list-style-type: none"> • Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2: "Investigations by Office Holders"

Category of work	Description of work completed / to be completed
Job acceptance and strategy	<ul style="list-style-type: none"> • Making an online submission to the Director Conduct Reporting Service in accordance with the Company Directors Disqualification Act 1986 • Responding to queries raised by the Insolvency Service
Legal issues	<p>Tasks providing a direct and indirect benefit to creditors:-</p> <ul style="list-style-type: none"> • Matters relating to the appointment, initial planning of the Administration strategy and formulating and executing the strategy adopted
Other assets	<p>Tasks providing a direct and indirect benefit to creditors:-</p> <ul style="list-style-type: none"> • Liaising with the Joint Administrators' appointed legal advisors (Dentons) in connection with the sale of the business and substantially all of the assets of the Company to the Buyer and other workstreams, as required • Dealing with any ad hoc legal issues which may arise in the Administration
Property	<p>Tasks providing a direct benefit to creditors via asset realisations and preservation of assets:-</p> <ul style="list-style-type: none"> • Realising value from the Company's residual assets, including chattel assets and motor vehicles • Liaising with third party agents to collect IT equipment used by former employees from the Company's various sites and from former employees, with a view to realising those assets • Realising value from the Company's direct subsidiaries, including BV Properties Midlands Limited, which owns the Ashington Property
Public relations issues	<p>Tasks providing a direct and indirect benefit to creditors:-</p> <ul style="list-style-type: none"> • Dealing with all matters relating to the Company's leasehold properties, including correspondence with landlords, security firms and utility suppliers • Finalising matters in respect of the Company's lease relating to the industrial unit in Leamington Spa and other residual property matters • Making arrangements for the exit of leasehold properties • Negotiations with the landlords and collection of rent deposits
Reporting	<p>Tasks providing an indirect benefit to creditors:-</p> <ul style="list-style-type: none"> • Agreeing and issuing statements to the press, as required and dealing with enquiries from the media
Sale of business	<p>Tasks providing a direct benefit to creditors and as required by statute:-</p> <ul style="list-style-type: none"> • Preparing the Joint Administrators' Proposals, six monthly progress reports and final report
Statutory duties	<p>Tasks providing a direct benefit to creditors via asset realisations and preservation of critical assets:-</p> <ul style="list-style-type: none"> • Carrying out the sales process in respect of the business and the majority of the assets of the Company, including liaising with all interested parties, running the due diligence process, review of offers received, selection of the preferred bidder and negotiation of the sale agreement as outlined in the Joint Administrators' Proposals • Executing the sale of the business and the majority of the assets of the Company to the Buyer • Finalisation of post-completion steps under the terms of the BSA, including facilitation of the purchase of certain assets yet to be completed by the Buyer and deferred consideration matters
Trading	<p>Tasks required by statute:-</p> <ul style="list-style-type: none"> • Completion of statutory requirements of the Administration, including notifications to the creditors and members, advertising the appointment and filing documents at Companies House <p>Tasks providing a direct benefit to creditors by preserving and realising value in the Company's assets:-</p>

Category of work	Description of work completed / to be completed
	<ul style="list-style-type: none"> • Engagement with critical suppliers, including provision of letters of undertaking and subsequent cancellation of undertakings • Monitoring of trading and payments against the Administration cash flow forecast
VAT and taxation	<p>Tasks required by statute and possibly providing a direct and indirect benefit to creditors:-</p> <ul style="list-style-type: none"> • Filing of appointment notices with HM Revenue & Customs (“HMRC”) • Taxation matters in respect of the sale of the Company’s business and assets • Preparing corporation tax and VAT returns (pre and post-appointment), with input from EY VAT and tax specialists • Assessment of the VAT and tax treatment of other transactions and agreements entered into during the Administration • Preparing claims for VAT bad debt relief (as applicable) • Adjudication and payment of the secondary preferential claim to HMRC

Appendix 4

Power by Britishvolt Limited (in Administration) Summary of Joint Administrators' expenses incurred

Type of Expense	Per Fee Estimate dated 13/03/2023 (£)	Incurred from 17 January 2023 to 16 July 2023 (£)	Estimate to complete (£)	Deductions for apportionments (£)	Revised fee estimate (incurred + estimate to complete - deductions) (£)	Variance - Fee estimate vs revised fee estimate (£)
Payments made from the estate which are not disbursements – all Category 1						
(Please refer to notes 1, 2 and 3 at the end of this table for definitions)						
Legal fees	590,000	90,408	-	-	590,000	-
Employee costs	498,431	499,593	(277,405)	(22,878)	201,619	296,812
Security expenses	60,858	479,024	-	-	75,923	(15,065)
Agent fees	31,100	98,801	-	-	31,100	-
IT systems	23,667	19,283	-	-	26,617	(2,950)
Payments to subsidiary entities	21,530	26,617	-	-	21,530	(0)
Transportation costs	16,633	21,530	-	-	28,678	(12,045)
Insurance	18,773	28,678	-	-	9,601	18,773
Research and development expenses	4,307	9,172	-	-	-	-
Sundry expenses	1,000	4,306	-	-	4,306	1
Bank charges	642	1,180	-	-	2,180	(1,180)
Professional fees	-	180	-	-	642	-
Sub-total	1,266,941	1,194,365	113,283	(300,283)	1,007,389	259,572
Category 1 disbursements (notes 2 and 3)						
Accommodation costs	3,105	815	-	-	3,105	-
Public notices	300	2,290	-	-	300	-
Specific penalty bond	1,280	94	-	-	1,280	-
Subsistence	1,141	1,280	-	-	1,141	-
Travel costs	1,057	738	-	-	1,057	-
Category 2 disbursements (notes 2 and 3)	37,800	684	373	(300,283)	-	-
Bookkeeping services	37,800	684	373	-	38,800	(1,000)
Internal bulk copying, printing and postage	1,000	38,800	-	-	1,000	-
EY Sweden – People Advisory Services	-	659	341	-	1,318	(1,318)
Sub-total - Disbursements	45,683	45,863	2,133	-	48,001	(2,318)
Total expenses (including disbursements)	1,312,624	1,240,228	115,426	(300,283)	1,055,370	257,254

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2

Administration Proof of Debt

Rule 14.4, Insolvency (England and Wales) Rules 2016

Power by Britishvolt Limited (in Administration) ("the Company")

Date of Administration: 17 January 2023

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 17 January 2023

Less: any payments made to you after 17 January 2023 in respect of the claim

Less: any trade or other discounts (except early payment discounts) under Rule 14.20

Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of section 386, schedule 6, of the Insolvency Act 1986? If so, into which category of debt does it fall?

Continued on next page

Particulars of how and when the debt was incurred.

Is your claim secured? If so, please provide the following information:

- the nature of the security
- the date on which it was given
- the value which you put on the security

If you claim or have claimed reservation of title in respect of goods to which the debt refers, please give details here.

Please provide details of any document by reference to which the debt can be substantiated

Signed
Signature on behalf of creditor

Name _____

Address

Authority to sign on behalf of creditor

Date

For Administrator's use only

File with
Ryan Finlay
For Dan Hurd
Joint Administrator

Reviewed by

Notes to Administration Proof of Debt Form:

1. Please attach a detailed statement of your account as at the date on which the company entered Administration.
2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.