

# Joint Administrators' progress report from 20 December 2020 to 19 June 2021

**WRealisations Limited (formerly Wipac Limited)**  
(in administration)

High Court of Justice  
Business and Property Courts of England and Wales  
Insolvency and Companies List (CHD)

Case no. CR-2019-008576

15 July 2021

# Table of contents

<b>Abbreviations and definitions</b>	<b>3</b>
<b>Key messages</b>	<b>5</b>
<b>Overview of what we've done to date</b>	<b>6</b>
<b>Appendix A: Receipts and payments</b>	<b>9</b>
<b>Appendix B: Expenses</b>	<b>12</b>
<b>Appendix C: Remuneration update</b>	<b>13</b>
<b>Appendix D: Other information</b>	<b>18</b>

# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
<b>Administrators / we / us / our</b>	Rachael Maria Wilkinson and Zelf Hussain
<b>Bank</b>	HSBC Bank Plc, a secured creditor
<b>Company / Wipac</b>	WRealisations Limited (formerly Wipac Limited) - in administration
<b>Carclo</b>	Carclo Technical Plastics Limited
<b>Group</b>	The Carclo group of companies
<b>firm / PwC</b>	PricewaterhouseCoopers LLP
<b>HMRC</b>	HM Revenue & Customs
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>IA86</b>	Insolvency Act 1986
<b>preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>proposals</b>	Joint Administrators' proposals for achieving the purpose of administration
<b>Purchaser 1 / WTL</b>	Wipac Technology Limited
<b>Purchaser 2 / CTP</b>	Carclo Technical Plastics Limited
<b>ROT</b>	Retention of title clause that allows the supplier to retain ownership over the goods supplied until such time as certain conditions are met
<b>Sch.B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>Secondary preferential creditors</b>	HMRC in respect of taxes due from employees and customers that are withheld by the business and then paid over in one lump sum periodically to HMRC, such as VAT, PAYE and employees' National Insurance contributions
<b>secured creditors</b>	Creditors with security in respect of their debt, in accordance with Section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
<b>SIP 13</b>	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process

This report has been prepared by Rachael Maria Wilkinson and Zelf Hussain as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/wipac](http://www.pwc.co.uk/wipac). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Rachael Maria Wilkinson and Zelf Hussain have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. 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>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a 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. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# Key messages

## Why we've sent you this report

We're writing to update you on the progress of the administration of the Company in the six months since our last report dated 15 January 2021.

You can still view our earlier reports on our website at [www.pwc.co.uk/wipac](http://www.pwc.co.uk/wipac). Please get in touch with Madeline Finkill on 0113 289 4075 or at [madeline.finkill@pwc.com](mailto:madeline.finkill@pwc.com) if you need the password to access the reports.

## How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
<b>Secured creditors</b>		
- HSBC Bank Plc	17.5	c.17
- Carclo Group Pension Scheme	100 (paid)	100 (paid)
<b>Preferential creditors</b>	N/A	N/A
<b>Unsecured creditors</b>	c.1.5	up to 1

We explained in our previous reports that the Carclo Group Pension Scheme had a fixed charge over the freehold property, the sale of which was included in the pre-pack sale realising £7.2 million. Following the completion of the sale, the pension scheme was repaid its secured lending of £3.5 million in full.

HSBC will not be fully repaid its lending of £37.8 million out of its floating charge security over the Company's assets and will therefore suffer a shortfall in respect of its lending.

All employees transferred to either WTL or CTP (the purchasers of the business) under TUPE and consequently we do not anticipate there being any preferential creditor claims.

During the period covered by this report, we sent all creditors a Notice of Intended Dividend giving them the opportunity to submit final claims by 4 June 2021. We are currently in the process of finalising the dividend available to unsecured creditors from the prescribed part. Based on what we currently know, we expect the Company's unsecured creditors totalling £32,710,693.35 will get a dividend of about 1.5% from the prescribed part. The dividend will be declared before 4 August 2021.

## What you need to do

We are currently in the process of distributing the first and final dividend from the prescribed. This report is therefore for your information only and you do not need to do anything.

# Overview of what we've done to date

As explained in our previous progress reports and our proposals, the Company designed and manufactured headlamps, rear lamps and other exterior auxiliary lighting for the automotive industry. The Company employed 476 employees and operated from a freehold and several leasehold facilities in Buckinghamshire and Aylesbury.

The Company experienced a number of operational issues and struggled to meet contractual standards and specifications, which ultimately affected profits of the Company and the Group. By August 2019 it was clear that the Company could not continue to trade without additional funding but the Group was unable to provide the funding required. Therefore, the directors concluded that a pre-packaged sale of the business and assets of the Company would provide the best outcome for creditors and stakeholders.

Immediately following our appointment as Joint Administrators, two transactions for the sale of the Company's business and assets were completed to two separate parties. The sales resulted in 453 employees transferring to Purchaser 1 and 23 to Purchaser 2 (with the associated reduction in preferential claims). In relation to the smaller of the two sales, CTP (Purchaser 2) committed to paying specified unsecured liabilities in the sum of c.£915,000 thereby reducing the level of unsecured creditor claims.

Further detail regarding the steps taken leading up to our appointment and the sale can be found in our previous reports and proposals at [www.pwc.co.uk/wipac](http://www.pwc.co.uk/wipac).

Additional realisations were expected from book debts which were not included within the sale of the business and assets of the Company. Our progress in collecting these debts since we last reported is detailed in the next section.

When we last reported, the key outstanding matters in the administration were as follows:

- Reconciling the final collection of book debts and agreeing and paying commission to CTP;
- Reporting to the secured creditors on the outcome of the administration and paying distributions to them;
- Adjudication of unsecured creditor claims and distributing the prescribed part fund to unsecured creditors;
- Fulfilling our statutory duties as Administrators, including responsibility for the Company's VAT and tax affairs; and
- Winding down the Company's affairs generally, with a view to its dissolution.

In the next section we describe the recent progress in the administration. You will note that we remain in office in order principally to pay the distribution of the prescribed part to unsecured creditors and the final distribution to the secured creditor.

# Progress since we last reported

## Book debt realisations

As explained in our previous reports, the book debts in relation to the Company's Aylesbury business were excluded from the sale of the business and assets and we instructed CTP to collect the book debts on behalf of the Company on a commission basis. The book value of the ledger on appointment was c.£950,000 and in total CTP were able to collect c.£920k which is shown in our receipts and payments account across the three accounts. During the period covered by this report, we received a further £58,583, being the final amount expected from book debts. We also finalised the reconciliation of book debts and agreed and paid the commission due to CTP. The final commission payable totalled £70,655 as shown in our receipts and payments account.

## Pensions

We reported previously that we were dealing with a number of ongoing issues in relation to the Company's pension scheme that related to the quantum of the unsecured element of the pension scheme's claim and the issuing of the Section 75 Certificate, as well as the issue of the statutory failure notice. During the period covered by this report, we were able to conclude these matters to ensure the correct treatment of the pension scheme and no further work in respect of this is expected.

## Adjudication of creditor claims

During the period we have concluded the claims agreement process and a Notice of Intended Dividend was delivered to creditors to provide them with the final date for proving their claim of 4 June 2021. We received a number of large and complex claims which would have a significant impact on the dividend rate. All claims have now been adjudicated and we are currently in the process of declaring and paying the first and final unsecured dividend. We expect to distribute £500k to the unsecured creditors being the maximum prescribed part of £600k less the costs to distribute of £100k. We received claims in the amount of £60m and following the adjudication process admitted claims of c£32.7m.

## Utilities refund

During the period we also recovered a total of £7,517.57 in pre-appointment utility overpayments for properties that were vacant on our appointment. We do not expect any further recoveries in respect of pre-appointment utility refunds.

## Connected party transactions

In accordance with SIP13, we are required to disclose any known connected party transactions, or proposed connected party transactions, that occur during the administration.

As explained in our Proposals, WTL was set up specifically for the purchase of the business and is owned by Wuhu Anrui Optoelectrics Co. Limited. At the Purchaser's request, Christopher Malley (a director of the Company at the time of the administration) was appointed as director of WTL to meet the statutory requirement for a UK resident director. However, Mr Malley had no interest in the ownership of WTL or Wuhu Anrui Optoelectrics Co. Limited.

With regards to the sale of the Aylesbury business, Carclo Plc is the shareholder of CTP and the Company and Christopher Malley is director of both companies, albeit with limited involvement in the management of CTP.

No further connected party transactions are expected.

## Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 20 December 2020 to 19 June 2021.

## Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

## Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34.

This information can also be found in the guide to fees at:

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

You can also get a copy free of charge by telephoning Madeline Finkill on 0113 289 4075.

## What we still need to do

In summary, our ongoing and future work will be focussed on the following areas, after which the administration will end:

- Declare and pay the first and final dividend to unsecured creditors from the Prescribed Part;
- Pay a final distribution to the secured creditor; and
- Wind down the Company's affairs generally, with a view to its dissolution.

## Next steps

Following the payment of the prescribed part dividend, we will look to make a final distribution to the secured creditor and settle any final expenses of the administration including our outstanding fees. Any un-presented dividend cheques will be paid to the Insolvency Service prior to the closure of the administration which is due to automatically end on 19 December 2021.

We expect to send our next report to creditors at the end of the administration.

If you've got any questions, please get in touch with Madeline Finkill, on 0113 289 4075.

Yours faithfully  
For and on behalf of the Company



Rachael Maria Wilkinson  
Joint Administrator



# Appendix A: Receipts and payments

Wrealisations Limited (formerly Wipac Limited) - in administration Receipts and Payments Account - GBP				
Statement of Affairs	Fixed charge	20 December 2019 - 19 December 2020	20 December 2020 - 19 June 2021	Total
		£	£	£
	<i>Receipts</i>			
3,500,000	Freehold property	3,500,000.00	-	3,500,000.00
1	Intangibles (including goodwill) (WTL)	1.00	-	1.00
1	Intangibles (including goodwill) (Aylesbury)	1.00	-	1.00
<b>3,500,002.00</b>	<b>Total fixed charge receipts</b>	<b>3,500,002.00</b>	<b>-</b>	<b>3,500,002.00</b>
	<i>Payments</i>	-	-	-
	<b>Total fixed charge payments</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Fixed charge distribution	3,500,000.00	-	3,500,000.00
	<b>Net fixed charge realisations</b>	<b>2.00</b>	<b>-</b>	<b>2.00</b>
	<i>Floating charge</i>			
	<i>Receipts</i>			
	<b>WTL</b>			
3,700,000	Freehold property	3,700,000.00	-	3,700,000.00
1,766,000	Plant and machinery	1,766,000.00	-	1,766,000.00
1,533,990	Inventories	1,533,990.00	-	1,533,990.00
9	Other (see notes)	11.00	-	11.00
	<b>Aylesbury</b>			
49,990	Plant and machinery	49,990.00	-	49,990.00
200,000	Inventories	200,000.00	-	200,000.00
9	Other (see notes)	10.00	-	10.00
	Licence fee	-	-	-
	Third party funds	-	-	-
1,000,000	Book debts	359,897.75	58,583.00	418,480.75
	Pre-appointment VAT refund	5,882.44	-	5,882.44
	Sundry refunds including utilities	60.00	7,517.57	7,577.57
	Bank interest	3,725.87	-	3,725.87
<b>8,249,998.00</b>	<b>Total floating charge receipts</b>	<b>7,619,567.06</b>	<b>66,100.57</b>	<b>7,685,667.63</b>
	<i>Payments</i>			
	Legal fees	95,515.21	4,128.00	99,643.21
	Administrators' fees	218,814.30	71,387.05	290,201.35
	Pre-appointment legal fees	177,803.00	-	177,803.00
	Pre-appointment Administrators' fees	180,626.00	-	180,626.00
	Pre-appointment agents fees	12,138.33	-	12,138.33
	Pre-appointment data room fees	2,507.75	-	2,507.75
	Professional fees	4,000.00	-	4,000.00
	Insurance	625.00	(34.12)	590.88
	Statutory advertising	77.00	87.00	164.00
	Book debt commission	-	70,655.00	70,655.00
	Bank charges	-	-	-
	<b>Total floating charge payments</b>	<b>692,106.59</b>	<b>146,222.93</b>	<b>838,329.52</b>
	Floating charge distribution	5,500,000.00	950,000.00	6,450,000.00
	VAT Control account	(19,842.12)	(8,626.89)	(28,469.01)
	<b>Cash held in an interest bearing account</b>	<b>1,407,620.35</b>	<b>(1,038,749.25)</b>	<b>368,871.10</b>

**Wrealisations Limited (formerly Wipac Limited) - in administration**  
**Receipts and Payments Account - Euro**

	20 December 2019 - 19 December 2020	20 December 2020 - 19 June 2021	Total
<b>Floating charge</b>			
<i>Receipts</i>	(€)	(€)	(€)
Book debts	540,725.30	-	540,725.30
Funding from third parties	4.73	-	4.73
Bank interest	-	-	-
<b>Total floating charge receipts</b>	<b>540,730.03</b>	<b>-</b>	<b>540,730.03</b>
<i>Payments</i>			
Bank charges	-	2.26	2.26
<b>Total floating charge payments</b>	<b>-</b>	<b>2.26</b>	<b>2.26</b>
<b>Cash held in an interest bearing account</b>	<b>540,730.03</b>	<b>(2.26)</b>	<b>540,727.77</b>

**Wrealisations Limited (formerly Wipac Limited) - in administration**  
**Receipts and Payments Account - USD**

	20 December 2019 - 19 December 2020	20 December 2020 - 19 June 2021	Total
<b>Floating charge</b>			
<i>Receipts</i>	(£)	(£)	(£)
Book debts	54,465.12	-	54,465.12
Bank interest	47.04	13.78	60.82
<b>Total floating charge receipts</b>	<b>54,512.16</b>	<b>13.78</b>	<b>54,525.94</b>
<i>Payments</i>			
Bank charges	23.29	-	23.29
<b>Total floating charge payments</b>	<b>23.29</b>	<b>-</b>	<b>23.29</b>
<b>Cash held in an interest bearing account</b>	<b>54,488.87</b>	<b>13.78</b>	<b>54,502.65</b>

**Notes to the R&P**

1. Amounts shown exclude VAT. Funds currently held may include monies due to (or exclude monies which will be received in due course from) HMRC.
2. As explained further in Appendix C, our fees are based on time costs basis. The receipts and payments account shows the amount paid in the period and total to date.
3. Funds are held in interest bearing accounts.

4. Funds have been held in different currencies to reflect the Company's pre-appointment accounts and to receive funds from these accounts without incurring costs of exchange as we continued to erroneously receive funds due to the Purchasers. Funds held in the Euro and USD accounts have since been converted and transferred to the GBP following the period covered by this report.
5. The sale of business also includes the sale of the below items which are summarised in the receipts and payment account as 'Other'.

<b>WTL</b>	
Work in progress	1.00
Contracts	1.00
Business information	1.00
Intellectual property	1.00
Third party claims	1.00
Domain names	1.00
Records	1.00
Book debts	1.00
Prepayments	1.00
Leasehold property	2.00
<b>Total</b>	<b>11.00</b>
<b>Aylesbury</b>	
Work in progress	1.00
Contracts	1.00
Business information	1.00
Intellectual property	1.00
Third party claims	1.00
Domain names	1.00
Records	1.00
Book debts	1.00
Prepayments	1.00
Leasehold property	1.00
<b>Total</b>	<b>10.00</b>

# Appendix B: Expenses

Expenses are amounts properly payable by us as Administrators from the estate, but excludes our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the secured creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

No disbursements were incurred during the period covered by this report.

The table below provides details of the expenses incurred in the administration. This table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Nature of expenses	Bought Forward from preceeding period £	Incurred in the period £	Cumulative £	Estimate of future expenses £	Anticipated total £	Initial estimate £	Variance £
Legal fees and expenses	95,515	4,128	99,643	2,000	101,643	89,752	(11,891)
Administrators' fees	492,721	117,948	610,669	36,000	646,669	460,180	(186,489)
Administrators' disbursements	1,681	-	1,681	300	1,981	1,557	(424)
Pre-administration costs	373,075	-	373,075	-	373,075	373,075	-
Professional fees	4,000	-	4,000	-	4,000	-	(4,000)
Statutory advertising	77	87	164	77	241	154	(87)
Bank charges	-	-	-	200	200	200	-
Insurance	625	(34)	591	-	591	500	(91)
Book debt commission	-	70,655	70,655	-	70,655	-	(70,655)
Storage costs	-	-	-	2,000	2,000	500	(1,500)
<b>Total expenses (£)</b>	<b>967,694</b>	<b>192,784</b>	<b>1,160,478</b>	<b>40,577</b>	<b>1,201,055</b>	<b>925,918</b>	<b>(275,137)</b>
	€	€	€	€	€	€	€
Bank charges	-	2	2	10	12	-	(12)
<b>Total expenses (€)</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>10</b>	<b>12</b>	<b>-</b>	<b>(12)</b>
	\$	\$	\$	\$	\$	\$	\$
Bank charges	23	-	23	10	33	-	(33)
<b>Total expenses (\$)</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>10</b>	<b>33</b>	<b>-</b>	<b>(33)</b>

# Appendix C: Remuneration update

Our fees were approved on a time costs by the secured creditors. To 19 June 2021, we have drawn fees of £290,201.35 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £117,948.35. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

Our total time costs to 19 June 2021 are £610,504.05 and we have exceeded our initial fees estimate of £460,179.75, being the amount approved by the secured creditors as the fee approving body in this case. We originally expected to conclude the administration within the first year and our fees estimate was prepared on this basis. However, as explained earlier in our previous report, we sought a 12 month extension to the initial period of the administration. The principal reason for seeking the extension was to complete the additional work in respect of the agreement of unsecured creditors claims which had a significant impact on the level of dividend estimated to be received by the rest of the unsecured creditors. We also experienced delays in obtaining tax clearance from HMRC, which was required before the final distribution could be made to the secured creditor, and the prescribed part distribution could be made to the unsecured creditors.

Should we feel it appropriate to seek further approval to draw fees in excess of our fees estimate, we will approach the secured creditors as fee approving body.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

## Our hours and average rates

From 20 December 2020 to 19 June 2021

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Accounting and treasury	-	-	-	1.75	5.60	9.00	16.35	5,210.00	318.65
2 Assets	-	-	-	-	8.45	1.00	9.45	3,540.50	374.66
3 Creditors	-	8.50	5.10	4.80	97.35	4.80	120.55	53,431.35	443.23
4 Employees and Pensions	-	7.75	1.35	-	0.65	-	9.75	8,890.75	911.87
5 Investigations	-	-	-	-	-	-	-	-	-
6 Sale of business	-	1.25	-	0.20	0.35	-	1.80	1,131.50	628.61
7 Secured creditors	-	1.25	-	-	10.40	-	11.65	4,956.00	425.41
8 Statutory and compliance	-	0.75	1.85	6.20	21.00	12.90	42.70	16,004.75	374.82
9 Strategy and planning	1.00	1.50	0.95	3.15	11.20	2.60	20.40	9,106.75	446.41
10 Tax and VAT	-	-	4.90	3.50	15.20	4.10	27.70	15,676.75	565.95
<b>Total for the period</b>	<b>1.00</b>	<b>21.00</b>	<b>14.15</b>	<b>19.60</b>	<b>170.20</b>	<b>34.40</b>	<b>260.35</b>	<b>117,948.35</b>	<b>453.04</b>
Brought forward at 19 December 2020							1,102.55	492,555.70	
<b>Total from 20 December 2020 to 19 June 2021</b>							<b>1,362.90</b>	<b>610,504.05</b>	<b>447.94</b>

Category of work	Hours	Fees estimate (£)	Average hourly rate (£/hour)	Hours incurred to 19 June 2021	Time costs incurred to 19 June 2021 (£)	Average hourly rate (£/hour)
Accounting and treasury	65	18,256	280	91	28,142	309
Assets	21	5,227	249	38	12,372	326
Creditors	283	98,771	349	412	169,156	411
Employees and pensions	43	20,931	487	87	95,281	1,091
Investigations	28	6,400	229	26	8,332	325
Sale of business	285	84,274	296	225	83,704	373
Secured creditors	35	11,350	324	49	19,955	410
Statutory and compliance	252	95,000	377	246	88,251	359
Strategy and planning	76	38,483	509	94	42,409	449
Tax and VAT	130	81,490	629	96	62,903	654
<b>Total hours and fees estimate</b>	<b>1,217</b>	<b>460,180</b>	<b>378</b>	<b>1,363</b>	<b>610,504</b>	<b>448</b>

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	Up to 30 June 2021 £	From 1 July 2021 £
Partner	955	980
Director	720	740
Senior Manager	585	625
Manager	475	525
Senior Associate - Qualified	390	425
Associate	245	280
Support Staff	125	130

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2021 £	From 1 July 2021
Partner	1,600	1,680
Director	1,465	1,540
Senior Manager	1,355	1,425
Manager	815	860
Senior Associate/Consultant	605	640
Associate/Assistant Consultant	325	345
Support Staff	230	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

## Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work :

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>Processing payments and sanction screening/payment verification;</li> <li>Processing receipts into the administration bank accounts;</li> <li>Carrying out regular bank reconciliations;</li> <li>Processing bank journals; and</li> <li>Cheque logging.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all receipts and payments are appropriately accounted for; and</li> <li>To ensure good stewardship of funds held on behalf of creditors.</li> </ul>	<ul style="list-style-type: none"> <li>Statutory requirements and ensures good stewardship of estate funds.</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Agreeing the final book debt position and payment of the commission payable to CTP;</li> <li>Corresponding with utility companies regarding amounts due to the Company; and</li> <li>Obtaining a small insurance refund following the removal of cover.</li> </ul>	<ul style="list-style-type: none"> <li>To maximise recoveries for the administration.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of creditors.</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Receiving and following up creditor enquiries via telephone, email and post;</li> <li>Reviewing and preparing correspondence to creditors and their representatives;</li> <li>Assessing the validity of claims received and requesting further information from creditors;</li> <li>Liaising with creditors regarding their claims and providing updates in respect of dividends;</li> <li>Receiving proofs of debt and maintaining the register of claims along with creditor bank details for payment;</li> <li>Preparing and delivering the Notice of Intended dividend to all creditors; and</li> <li>Adjudicating all claims received before the final date for proving.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure creditors are provided with the relevant information regarding their claims; and</li> <li>To properly adjudicate creditor claims prior to the distribution of the Prescribed Part.</li> </ul>	<ul style="list-style-type: none"> <li>The work was necessary for administrative purposes and/or complying with statutory requirements and it enables the return of funds to creditors.</li> </ul>
<b>Employees and Pensions</b>	<ul style="list-style-type: none"> <li>Continued dealings with the Pension Scheme and the Pension Protection Fund, specifically in relation to the Section 75 certificate; and</li> <li>Liaising with the Pension Scheme with regards to the submission of their unsecured claim.</li> </ul>	<ul style="list-style-type: none"> <li>To provide all parties with the relevant information.</li> </ul>	<ul style="list-style-type: none"> <li>The work was necessary for administrative purposes and in order to determine the value of the Carclo Group Pension Scheme unsecured claim.</li> </ul>
<b>Secured creditors</b>	<ul style="list-style-type: none"> <li>Completing and providing periodic reports and updates to the secured creditor;</li> <li>Responding to secured creditor's queries; and</li> <li>Paying an interim distribution to the secured creditor.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the correct distribution of funds; and</li> <li>To inform the Secured Creditors of the estimated final outcome.</li> </ul>	<ul style="list-style-type: none"> <li>The work was necessary for administrative purposes and/or complying with statutory requirements and enabled the return of funds to the secured creditor.</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>Preparing and issuing the second progress report for creditors;</li> <li>Completing statutory/compliance matters; and</li> <li>Dealing with email and post correspondence</li> </ul>	<ul style="list-style-type: none"> <li>To ensure statutory compliance and case progression;</li> <li>To comply with insolvency law and regulation; and</li> <li>To ensure that creditors are kept informed of the</li> </ul>	<ul style="list-style-type: none"> <li>The work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.</li> </ul>



		progress of the administration.	
<b>Strategy and planning</b>	<ul style="list-style-type: none"> <li>• Internal case progression meetings and discussions; and</li> <li>• Monitoring of job costs.</li> </ul>	<ul style="list-style-type: none"> <li>• To plan for and execute the strategy to achieve the objective of the administration; and</li> <li>• To understand and control job costs.</li> </ul>	<ul style="list-style-type: none"> <li>• The work was necessary for administrative purposes and/or complying with statutory requirements and enabled costs to be controlled and minimised.</li> </ul>
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Preparation and submission of the Company's post appointment VAT returns; and</li> <li>• Liaising with HMRC in relation to the Company's VAT matters.</li> </ul>	<ul style="list-style-type: none"> <li>• This work ensured compliance with statutory tax obligations to HMRC.</li> </ul>	<ul style="list-style-type: none"> <li>• The work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.</li> </ul>

## Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>• Carrying out bank reconciliations and managing investment of funds;</li> <li>• General management and eventual closure of GBP, EUR and USD accounts; and</li> <li>• Raising cheques to unsecured creditors for payment of prescribed part dividend.</li> </ul>	• £2,500	<ul style="list-style-type: none"> <li>• Statutory requirement and ensures proper stewardship of estate funds.</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>• Calculating dividend rate and preparing dividend file;</li> <li>• Preparing correspondence to creditors announcing declaration of dividend;</li> <li>• Preparing and paying distribution;</li> <li>• Liaising with creditors regarding their dividend; and</li> <li>• Payment of unrepresented cheques to the Insolvency Service.</li> </ul>	• £18,000	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements.</li> </ul>
<b>Secured creditors</b>	<ul style="list-style-type: none"> <li>• Preparing reports to the secured creditor;</li> <li>• Responding to secured creditor's queries; and</li> <li>• Making a final distribution in accordance with security entitlements.</li> </ul>	• £3,000	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements.</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>• Preparing and issuing the final report to the creditors and the Registrar;</li> <li>• Filing the notice of move to dissolution; and</li> <li>• Dealing with records in storage.</li> </ul>	• £8,500	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes and/or complying with statutory requirements.</li> </ul>
<b>Strategy and planning</b>	<ul style="list-style-type: none"> <li>• Preparing for closure of the administration and considering key milestones; and</li> <li>• Closing down internal systems.</li> </ul>	• £1,000	<ul style="list-style-type: none"> <li>• This work is necessary for administrative purposes, ongoing control of costs and/or complying with statutory requirements.</li> </ul>
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Preparation and submission of post appointment VAT returns;</li> <li>• Deregistering for VAT purposes; and</li> <li>• Liaising with HMRC in relation to the Company's VAT matters.</li> </ul>	• £3,000	<ul style="list-style-type: none"> <li>• This work is necessary for complying with statutory requirements.</li> </ul>



## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

No work which we or our staff would normally do, has been subcontracted, nor do we anticipate there will be a requirement to subcontract any work in the future.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice, including advice regarding the sale of the business, assistance in the assignment of Company leases to the Purchasers and review of significant creditor claims	Womble Bond Dickinson LLP	Industry knowledge/ insolvency expertise	Time costs and disbursements
Asset valuation agents, including pre-appointment valuation reports of the Company assets	Lambert Smith Hampton Group Limited	Industry knowledge	Fixed fee
Pre-appointment data room	Intralinks Inc	Specialist	Fixed fee

# Appendix D: Other information

<b>Court details for the administration:</b>	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD) Case No. CR-2019-008576
<b>Company's registered name:</b>	WRealisations Limited (formerly Wipac Limited)
<b>Trading name:</b>	Wipac
<b>Registered number:</b>	00958139
<b>Registered address:</b>	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the Joint Administrators' appointment:</b>	20 December 2019
<b>Joint Administrators' names, addresses and contact details:</b>	Rachael Maria Wilkinson of PricewaterhouseCoopers LLP 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH  Zelf Hussain of PricewaterhouseCoopers LLP 7 More London Riverside, London, SE1 2RT  Contact: <a href="mailto:madeline.finkill@pwc.com">madeline.finkill@pwc.com</a>
<b>Extension(s) to the initial period of appointment:</b>	The period of the administration has been extended for a period of 12 months to 19 December 2021, by the consent of the secured creditors.