

Joint Administrators' final progress report from 20 June 2021 to 16 December 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

16 December 2021

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Administrators / we / us / our	Rachael Maria Wilkinson and Zelf Hussain
Bank	HSBC Bank Plc, a secured creditor
Company / Wipac	WRealisations Limited (formerly Wipac Limited) - in administration
Carclo	Carclo Technical Plastics Limited
Group	The Carclo group of companies
firm / PwC	PricewaterhouseCoopers LLP
HMRC	HM Revenue & Customs
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Prescribed Part	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
proposals	Joint Administrators' proposals for achieving the purpose of administration
Purchaser 1 / WTL	Wipac Technology Limited (together with Purchaser 2 "the Purchasers")
Purchaser 2 / CTP	Carclo Technical Plastics Limited (together with Purchaser 1 "the Purchasers")
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
Secondary preferential creditors	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
secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
SIP	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.
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
unsecured creditors	Creditors who are neither secured nor preferential

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 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. 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 website or by contacting the Joint Administrators.

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Key messages

Why we've sent you this report

We're pleased to let you know that our work in the administration of WRealisations Limited is now complete and so we set out below our final report.

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

How much creditors have received

The following table summarises the final outcome for creditors.

Class of creditor	Paid (p in £)	Previous estimate (p in £)
Secured creditor(s)		
- HSBC Bank Plc	17.75	17.5
- Carclo Group Pension Scheme	100	100
Preferential creditors	N/A	N/A
Unsecured creditors	1.53	1.5

As explained in our previous reports, Carclo Group Pension Scheme recovered their lending of £3.5 million in full out of their fixed charge security over the freehold property which was included in the pre-pack sale realising £7.2 million.

HSBC was not fully repaid its lending of £37.8 million out of its floating charge security over the Company's assets. We distributed a total of £6,710,249.67 amounting to 17.75% of their debt.

All employees transferred to either WTL or CTP (the Purchasers of the business) under TUPE and consequently there were no preferential creditor claims.

We've paid a dividend of 1.53% to the Company's unsecured creditors whose claims totalled £32,711,311.35 from the prescribed part totalling £500,000 after costs of distributing of £100,000.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

On 16 December 2021 we filed notices of move from administration to dissolution. The Companies will be dissolved three months after the notice has been registered by the Registrar of Companies.

The exit route was considered the most appropriate in the circumstances, as the purpose of the administration has been achieved and there are no assets left to realise.

We ceased to act on 16 December 2021. As resolved by the secured creditors, we will be discharged from liability in respect of any of our actions as Joint Administrators 14 days after this report is filed by the Registrar of Companies.

Overview of our work

Why we were appointed

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 agreed with customers. The operational issues resulted in additional unplanned costs and delays in winning work for new designs, and the profit recognition thereon. During early August, it became clear that due to the continuing losses in Wipac and the creditor arrears that had built up previously, the Company could not continue to trade without additional funding. Group was unable to provide this funding and therefore the Company approached its key customers for additional financial support, to allow time to explore and secure a sale. As there had been no interest in a share sale, the directors and Administrators concluded that a pre-packaged sale of the businesses and assets in Wipac Limited provided the optimum outcome for creditors and stakeholders.

Asset realisation

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 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.

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.

We also recovered £7,578 in sundry debts and refunds due to the Company as well as a pre-appointment VAT refund of £5,882.

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 were made during the administration.

Other matters

Since we last wrote to you, we've declared and paid the first and final dividend to unsecured creditors from the Prescribed Part which totalled £500,000 after the costs to distribute of £100,000. The dividend paid to unsecured creditors was 1.53p in the £. We also paid a final distribution to HSBC as a secured creditor and settled any final expenses of the administration including our outstanding fees.

During the period we have also considered and reviewed the Company's potential ability to recover funds from the other companies within the Group that are guarantors to the HSBC lending. The Company has repaid HSBC a total of £6,710,249.67 under this guarantee and therefore we assessed what possible value of any claim the Company may have against the other guarantors. However, such a claim would only arise in the event that HSBC was repaid their entire lending in full from the borrower and other guarantors and if a claim did arise there is no guarantee that recoveries would be made. After a detailed review of available information, including seeking legal advice, we determined that it is not possible to predict if and when such a claim might arise and therefore, in the circumstances, there is nothing in this regard which would prevent the closure of this administration.

All work in the administration is now complete.

Approval of our proposals

We issued to creditors our proposals dated 24 December 2019 for achieving the purpose of administration.

We said in our proposals that the Company does not have enough assets to pay a dividend to unsecured creditors other than from the prescribed part. This meant that we did not have to seek a decision from creditors regarding the approval of our proposals and our proposals would be treated as approved if creditors did not request a decision in the required manner.

We did however receive a request from a creditor that potentially had a significant claim and which met the threshold to request a decision procedure. A decision procedure was duly convened and creditors approved our proposals without modification by a decision by correspondence on 2 March 2020.

Investigations and actions

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

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods. HMRC has confirmed that it has no objection to the administration ending.

Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

Our fees

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

Pre-administration costs

You can find in Appendix E information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

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 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

If you would like a free copy or have any questions regarding this report, please get in touch with Madeline Finkill on 0113 289 4075.

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'RMW', with a long horizontal stroke extending to the right.

Rachael Maria Wilkinson
Joint Administrator

Appendices

Appendix A: Summary of our proposals

The Administrators pursued objective (b) which is achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The Administrators made the following proposals for achieving the purpose of administration:

Immediately following our appointment, we completed two transactions for the sale of the Company's business and assets were completed to two separate parties. As part of the pre-packaged sale, all employees were transferred to the Purchasers under TUPE resulting in a mitigation of preferential claims and unsecured claims against the Company.

The cost of managing the Company's affairs and conducting the administration (including our remuneration) was to be financed by the asset realisations of the Company. This is primarily from the sale of the business and assets but also includes any other asset realisations that are unconnected with the sale of the business. A licence to occupy was granted to the Purchasers in respect of the leasehold properties. We were to collect licence fees from the Purchasers and apply these in making monthly rent payments to various landlords until either the licence period of six months expires or when the Purchasers no longer required each licence.

The Administrators were to fulfil their duties to investigate the conduct of the Company's directors and report to the Department for Business, Energy and Industrial Strategy. The Administrators were to investigate any claims that the Company may have against any party and, where in the best interest of creditors, take steps to pursue such claims.

In addition, the Administrators were to do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations.

The Administrators were to use the net asset realisations to make distributions to the secured creditors and preferential creditors should any such creditors be identified.

It was expected that there would be no dividend to unsecured creditors of the Company other than from the Prescribed Part, therefore it was proposed that once our work as Administrators was finished, we'd file a notice with the Registrar of Companies and the Company would be dissolved three months later. Alternatively, if we thought there were matters that should be conducted in a liquidation rather than in administration, we could instead apply for a court order ending the administration and for it to be wound up.

If enough creditors wished to do so, a committee could have been formed to agree the Administrator's remuneration and discharge on our duties. An election of a creditor committee was not sought mainly because the Company had insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than from the Prescribed Part. Therefore, the proposals stated it would be for the secured and if applicable, the preferential creditors, to agree.

Appendix B: Receipts and payments

Wrealisations Limited (formerly Wipac Limited) - in administration				
Receipts and Payments Account - GBP				
Statement of Affairs	Fixed charge	20 December 2019 - 19 June 2021 £	20 June 2021 - 16 December 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
3,500,002.00	Total fixed charge receipts	3,500,002.00	-	3,500,002.00
	<i>Payments</i>	-	-	-
	Total fixed charge payments	-	-	-
	Fixed charge distribution to Carclo Group Pension Scheme	3,500,000.00	-	3,500,000.00
	Fixed charge distribution to HSBC	-	2.00	2.00
	Net fixed charge realisations	2.00	(2.00)	-
	Floating charge			
	<i>Receipts</i>			
	WTL			
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
	Aylesbury			
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	418,480.75	-	418,480.75
	Pre-appointment VAT refund	5,882.44	-	5,882.44
	Sundry refunds including utilities	7,577.57	-	7,577.57
	Bank interest	3,725.87	-	3,725.87
	Transfer from Euro account (book debts)	-	462,634.98	462,634.98
	Transfer from USD account (book debts)	-	38,947.16	38,947.16
8,249,998.00	Total floating charge receipts	7,685,667.63	501,582.14	8,187,249.77
	<i>Payments</i>			
	Legal fees	99,643.21	2,289.00	101,932.21
	Administrators' fees	290,201.35	129,172.65	419,374.00
	Administrators' disbursements	-	1,466.65	1,466.65
	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	590.88	-	590.88
	Statutory advertising	164.00	-	164.00
	Book debt commission	70,655.00	-	70,655.00
	Storage costs	-	5,525.53	5,525.53
	Bank charges	-	218.75	218.75
	Total floating charge payments	838,329.52	138,672.58	977,002.10
	Floating charge distribution to HSBC	6,450,000.00	260,247.67	6,710,247.67
	Prescribed part dividend to unsecured creditors of 1.53p in the £ declared on 28 July 2021	-	500,000.00	500,000.00
	VAT Control account	(28,469.01)	28,469.01	-
	Cash held in an interest bearing account	368,871.10	(368,871.10)	-

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

	20 December 2019 - 19 June 2021	20 June 2021 - 16 December 2021	Total
	(€)	(€)	(€)
Floating charge			
<i>Receipts</i>			
Book debts	540,725.30	-	540,725.30
Funding from third parties	4.73	-	4.73
Bank interest	-	-	-
Total floating charge receipts	540,730.03	-	540,730.03
 <i>Payments</i>			
Bank charges	2.26	-	2.26
Transfer to GBP account	-	540,727.77	540,727.77
Total floating charge payments	2.26	540,727.77	540,730.03
 Cash held in an interest bearing account	540,727.77	(540,727.77)	-

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

	20 December 2019 - 19 June 2021	20 June 2021 - 16 December 2021	Total
	(\$)	(\$)	(\$)
Floating charge			
<i>Receipts</i>			
Book debts	54,465.12	-	54,465.12
Bank interest	60.82	-	60.82
Total floating charge receipts	54,525.94	-	54,525.94
 <i>Payments</i>			
Bank charges	23.29	-	23.29
Transfer to GBP account	-	54,502.65	54,502.65
Total floating charge payments	23.29	54,502.65	54,525.94
 Cash held in an interest bearing account	54,502.65	(54,502.65)	-

Notes to the R&P

1. Amounts shown exclude VAT.
2. As explained further in Appendix D, our fees are based on time costs basis. The receipts and payments account shows the amount paid during the period and to date.
3. Funds were held in interest bearing accounts with Barclays Bank PLC.
4. On 28 July 2021 we declared and paid a first and final dividend to unsecured creditors at the rate of 1.53p in the £.
5. 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. During the period, funds held in the Euro and USD accounts have been converted and transferred to the GBP.

6. The sale of business also includes the sale of the below items which are summarised in the receipts and payment account as 'Other'.

WTL	
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
Total	11.00
Aylesbury	
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
Total	10.00

Appendix C: Expenses

Expenses are amounts properly payable by us as Administrators but exclude 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. The expense policy set out above has been approved by the secured creditors.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case:

Category	Costs incurred by	Policy	Costs incurred £
1	PwC	Postage	175.47
Brought forward at 19 June 2021			1,681.48
Total as at 16 December 2021			1,856.96

The table below provides details of the expenses incurred in the administration:

Nature of expenses	Bought forward from preceeding period	Incurred in the period	Total	Initial estimate	Variance
	£	£	£	£	£
Legal fees and expenses	99,643	2,289	101,932	89,752	(12,180)
Administrators' fees	610,504	105,235	715,739	460,180	(255,559)
Administrators' disbursements	1,681	175	1,856	1,557	(299)
Pre-administration costs	373,075	-	373,075	373,075	-
Professional fees	4,000	-	4,000	-	(4,000)
Statutory advertising	164	-	164	154	(10)
Bank charges	-	219	219	200	(19)
Insurance	591	-	591	500	(91)
Book debt commission	70,655	-	70,655	-	(70,655)
Storage costs	-	5,526	5,526	500	(5,026)
Total expenses (£)	1,160,313	113,444	1,273,757	925,918	(347,839)
	€	€	€	€	€
Bank charges	2	-	2	-	(2)
Total expenses (€)	2	-	2	-	(2)
	\$	\$	\$	\$	\$
Bank charges	23	-	23	-	(23)
Total expenses (\$)	23	-	23	-	(23)

The 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 during the administration.

Please note, that our brought forward Administrators' fees were misstated in our last report. We have updated this report to correctly reflect the brought forward figure of £610,504.

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed. As explained later in this report, this is mainly because we sought a 12 month extension to the initial period of the administration to ensure the additional work in respect of the agreement of unsecured creditors claims, which had a significant impact on the level of dividend estimated, could be completed. We also incurred £71k in book debt commission which had not been included in our original estimate but this is because this was dependent on the level of book debts recovered and was only incurred and payable in the event there was a net benefit to the estate.

Appendix D: Remuneration update

Our fees were approved on a time costs by the secured creditors. We've drawn fees of £419,374 in line with the approval given, as shown on the enclosed receipts and payments account. This includes £100,000 which was drawn from the Prescribed Part for the costs to distribute to the unsecured creditors. While we had approval of £460,180, we think £419,374 is proportionate to the value of the assets realised.

The time cost charges incurred in the period covered by this report are £105,235 bringing total time costs from 20 December 2019 to 16 December 2021 to £715,739.05. Our time costs exceeded our initial estimate of £460,180 which was the amount approved by the secured creditors as fee approving body. As explained earlier in our previous report, we sought a 12 month extension to the initial period of the administration which was not accounted for in our original fees estimate. 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. There were also 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.

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

Our hours and average rates

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	-	-	-	0.60	8.80	24.30	33.70	10,798.00	320.42
2 Assets	-	0.75	1.20	0.05	25.93	-	27.93	12,185.75	436.30
3 Creditors	-	0.50	3.55	6.60	43.90	24.45	79.00	31,398.00	397.44
4 Employees and Pensions	-	-	0.35	-	0.20	-	0.55	407.50	740.91
5 Investigations	-	-	-	-	-	-	-	-	-
6 Sale of business	-	-	-	-	-	-	-	-	-
7 Secured creditors	-	1.75	-	1.10	9.00	-	11.85	5,697.50	480.80
8 Statutory and compliance	-	0.75	0.80	8.65	24.90	24.60	59.70	22,982.25	384.96
9 Strategy and planning	0.50	3.80	1.30	1.70	21.60	1.60	30.50	14,582.50	478.11
10 Tax and VAT	-	-	2.10	0.95	6.75	0.90	10.70	7,183.50	671.36
Total for the period	0.50	7.55	9.30	19.65	141.08	75.85	253.93	105,235.00	414.43
Brought forward at 19 June 2021							1,362.90	610,504.05	447.94
Total from 20 December 2019 to 16 December 2021							1,616.83	715,739.05	442.68

Category of work	Hours	Fees estimate (£)	Average hourly rate (£/hour)	Hours incurred to 16 December 2021	Time costs incurred to 16 December 2021 (£)	Average hourly rate (£/hour)
Accounting and treasury	65	18,256	280	124	38,940	313
Assets	21	5,227	249	66	24,557	372
Creditors	283	98,771	349	491	200,554	408
Employees and pensions	43	20,931	487	88	95,689	1,093
Investigations	28	6,400	229	26	8,332	325
Sale of business	285	84,274	296	225	83,704	372
Secured creditors	35	11,350	324	61	25,653	422
Statutory and compliance	252	95,000	377	306	111,233	364
Strategy and planning	76	38,483	509	125	56,991	458
Tax and VAT	130	81,490	629	107	70,087	657
Total hours and fees estimate	1,217	460,180	378	1,617	715,739	443

Our time charging policy and hourly rates

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

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

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the administration. We called on colleagues in our Tax, VAT, Real Estate and Pensions departments where we needed their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Business Restructuring Services		Specialist teams	
	Up to 30 June 2021 £/hour	From 1 July 2021 £/hour	Up to 30 June 2021 £/hour	From 1 July 2021 £/hour
Partner	955	980	1,600	1,680
Director	720	740	1,465	1,540
Senior Manager	585	625	1,355	1,425
Manager	475	525	815	860
Senior Associate	390	425	605	640
Associate	245	280	325	345
Support staff	125	130	230	190

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

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:

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
<ul style="list-style-type: none"> Processing receipts into the administration bank accounts; Processing payments and sanction screening/payment verification; Carrying out regular bank reconciliations; Raising cheques to unsecured creditors for payment of prescribed part dividend; and Closure of the GBP, Euro and USD bank accounts. 	<ul style="list-style-type: none"> To ensure all receipts and payments are appropriately accounted for; and To ensure good stewardship of funds held on behalf of creditors. 	<ul style="list-style-type: none"> Statutory requirements and ensures good stewardship of estate funds.
Assets		
<ul style="list-style-type: none"> Reviewing the potential rights of the Company to recover 	<ul style="list-style-type: none"> To maximise recoveries for the 	<ul style="list-style-type: none"> This work was necessary to

<ul style="list-style-type: none"> funds from other guarantors to the Banks secured lending and assessing the impact on the current administration; and Liaising with our legal advisors on the options available. 	administration.	help realise financial value for the benefit of creditors.
Creditors		
<ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post; Calculating dividend rate and preparing dividend file; Preparing correspondence to creditors announcing declaration of dividend; Preparing and paying distribution; Liaising with creditors regarding their dividend; and Payment of unrepresented cheques to the Insolvency Service. 	<ul style="list-style-type: none"> To ensure creditors are provided with the relevant information regarding their claims; and To properly adjudicate creditor claims prior to the distribution of the Prescribed Part. 	<ul style="list-style-type: none"> The work was necessary for administrative purposes and/or complying with statutory requirements and it enables the return of funds to creditors.
Secured creditors		
<ul style="list-style-type: none"> Preparing the final report to the secured creditor; Responding to secured creditor's queries; and Making a final distribution in accordance with security entitlements. 	<ul style="list-style-type: none"> To ensure the correct distribution of funds; and To inform the secured creditors of the estimated final outcome. 	<ul style="list-style-type: none"> The work was necessary for administrative purposes and/or complying with statutory requirements and enabled the return of funds to the secured creditor.
Statutory and compliance		
<ul style="list-style-type: none"> Preparing and issuing the third progress report for creditors; Completing statutory/compliance matters; Dealing with email and post correspondence; Preparing and issuing the final report to the creditors and the Registrar; Filing the notice of move to dissolution; and Dealing with records in storage 	<ul style="list-style-type: none"> To ensure statutory compliance and case progression; To comply with insolvency law and regulation; and To ensure that creditors are kept informed of the progress of the administration. 	<ul style="list-style-type: none"> The work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.
Strategy and planning		
<ul style="list-style-type: none"> Internal case progression meetings and discussions; Monitoring of job costs; Preparing for closure of the administration and considering key milestones; and Closing down internal systems. 	<ul style="list-style-type: none"> To plan for and execute the strategy to achieve the objective of the administration; and To understand and control job costs. 	<ul style="list-style-type: none"> The work was necessary for administrative purposes and/or complying with statutory requirements and enabled costs to be controlled and minimised.
Tax and VAT		
<ul style="list-style-type: none"> Preparation and submission of post appointment VAT returns; Deregistering for VAT purposes; Drafting and reviewing the final VAT refund assignment; and Liaising with HMRC in relation to the Company's VAT matters. 	<ul style="list-style-type: none"> This work ensured compliance with statutory tax obligations to HMRC. 	<ul style="list-style-type: none"> The work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.

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 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 to a third party.

Legal and other professional firms

We 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 E: Pre-administration costs

We set out below an analysis of the work undertaken by the Administrators-in-waiting by grade and work type. This was previously omitted from our Remuneration Report dated 13 March 2020, but as explained, our costs related to the following work undertaken;

- Preparing and negotiating contracts and sale documents (including licences to occupy for 4 properties) for the sales of the business and assets upon the appointment of Administrators;
- Providing the Purchasers with the required documents to seek necessary approvals and complete their due diligence and incorporating this requirement into the sale documents;
- Planning the administration strategy and meeting with the directors to request information and discuss strategy for appointment;
- Consideration of the key practical issues to be addressed upon entering administration including the preparation of communications to key stakeholders and creditors;
- Drafting, coordinating and filing the necessary documents to effect the appointment of Administrators of the Company;
- Preparation of SIP16 report, the Administrators' proposals and other initial creditor communications; and
- Internal procedures in preparation for accepting the appointment.

Aspect of assignment	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Appointment formalities	-	4.70	-	3.50	-	8.20	3,226.00	393.41
2 Employees	1.00	4.25	9.00	11.70	-	25.95	12,328.00	475.07
3 Sale of business	103.20	26.00	8.05	53.75	12.50	203.50	95,223.00	467.93
4 Strategy and planning	35.50	43.85	15.45	53.70	4.50	153.00	67,525.00	441.34
5 Tax & VAT	-	0.60	2.00	-	-	2.60	2,324.00	893.85
Total for the period	139.70	78.80	32.50	122.65	17.00	393.25	180,626.00	459.32

Appendix F: Other information

Court details for the administration:	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD) Case No. CR-2019-008576
Company's registered name:	WRealisations Limited (formerly Wipac Limited)
Trading name:	Wipac
Registered number:	00958139
Registered address:	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the Joint Administrators' appointment:	20 December 2019
Joint Administrators' names, addresses and contact details:	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: madeline.finkill@pwc.com
Extension(s) to the initial period of appointment:	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.