

Joint administrators' progress report from 20 December 2019 to 19 June 2020

WRealisations Limited (formerly Wipac Limited)
(in administration)

High Court of Justice
Business and Property Courts of England and Wales
Insolvency & Companies List (ChD)
Case No. CR-2019-008576

17 July 2020

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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
Joint Administrators / we / us / our	Rachael Maria Wilkinson and Zelf Hussain
Bank	HSBC Bank Plc, a secured creditor
BEIS	Department for Business, Energy & Industrial Strategy
Company / Wipac	WRealisations Limited (formerly Wipac Limited)
CTP	Carclo Technical Plastics Limited
Group	The Carclo group of companies as set out in Appendix A
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Preferential creditors	Primarily employee 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
Purchaser 1 / WTL	Wipac Technology Limited
Purchaser 2 / CTP	Carclo Technical Plastics Limited
PwC	PricewaterhouseCoopers LLP
Rothschild	Rothschild & Co Limited
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured creditor	A creditor 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 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations

Abbreviation or definition	Meaning
SPA WTL	The agreement for the sale and purchase of the majority of the business and assets of the Company dated 20 December 2019 and made between Wipac Technology Limited, the Company and the Administrators.
SPA Aylesbury	The agreement for the sale and purchase of the business and assets of the Company relating to the Aylesbury businesses, dated 20 December 2019 and made between Carclo Technical Plastics Limited, the Company and the Administrators.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured Creditors	Creditors who are neither secured nor preferential
WTL	Wipac Technology Limited

This report has been prepared by Rachael Maria Wilkinson and Zelf Hussain as joint administrators of the Company, solely to comply with their 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. 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.

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 appointment as joint administrators on 20 December 2019.

If you require the password to view any documents on our website at www.pwc.co.uk/wipac please contact Madeline Finkill on 0113 289 4075 or madeline.finkill@pwc.com.

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 £)
Secured creditors:	
HSBC Bank Plc	c.16
Carclo Group Pension Scheme	100 (paid)
Preferential creditors	N/A
Unsecured creditors	up to 1

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 £7.2m. The pension scheme was therefore repaid its lending of £3.5m in full.

We don't think HSBC will be fully repaid its lending of £37.8m out of its floating charge security over the Company's assets.

All employees transferred to either WTL or CTP (the purchasers of the business) under TUPE and therefore we do not think the Company has any preferential creditors.

We think the Company's unsecured creditors totalling £63,223,479 (as per the directors statement of affairs) will get a dividend of about 1% from the prescribed part based on what we know currently. The amount of any dividend is dependent on the final value of claims that are received and admitted.

We've started asking for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

What you need to do

If you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at www.pwc.co.uk/wipac or you can get one by telephoning Madeline Finkill on 0113 289 4075. All creditors wishing to receive the anticipated dividend payment must submit a proof of debt.

Overview of what we've done to date

The circumstances leading to our appointment

In April 2019, the Group implemented a range of operational initiatives, however, although progress was made in increasing production efficiency, the costs of scrap, freight and production labour remained at higher than expected levels. As a result, the profits for the Company, and consequently the Group, were likely to fall below expectations for the year and the Company worked with its customers to develop a plan to refocus operations on its historical low-volume vehicle markets where it had previously been financially successful. With customer support, the monthly losses were reduced but still in the region of £0.5m per month.

In July 2019, the Company was marketed for sale by the Group with the support of Rothschild. There were three indicative offers put forward during this sale process, however, all three offers were on a trade and assets only basis. On 24 July 2019, PwC was instructed to take the process forward and conduct the following work:

- Undertake an accelerated merger and acquisition (“AMA”) process and provide transaction support following the prior sales process undertaken by Rothschild;
- draft an estimated outcome statement to illustrate potential recoveries for stakeholders in the event that a going concern sale was not achievable; and
- provide advice to the Company in respect of its financial position.

During early August 2019, 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. The Group was no longer able to fund the Company and therefore the Company approached its key customers for additional financial support, to allow time to explore and secure a sale. The customers agreed to this approach and continued to provide financial support to the business.

Immediately on our appointment, we completed two transactions for the sale of the Company's businesses and assets to two parties. At £10.75m, the sales represented the best offers received and so provided the best outcome for creditors in the circumstances. Certain assets such as the Company's book debts relating to the Aylesbury business were excluded from the sale and have continued to be realised and further detail regarding the work we have done can be found in the next section.

Progress since we last reported

Sale of business and assets

As detailed in our initial letter to creditors with the SIP16 report and in our Proposals for achieving the purpose of administration (both found on our website at www.pwc.co.uk/wipac), immediately following our appointment as joint administrators, we completed two transactions for the sale of the Company's businesses and the majority of its assets. The business and assets located at the site in Buckingham including the freehold property were sold to Wipac Technology Limited for consideration of £10.5m and the business and assets located in Aylesbury was sold to Carclo Technical Plastics Limited for consideration of £250,000. Total consideration of £10.75m was received on completion as shown in Appendix A.

Book debt realisations

The book debts in relation to the Aylesbury business were not included in the sale of the business and assets. During the period of this report, CTP has collected the book debts on behalf of the Company on a commission basis of 2.5% of the first 75% of the debtor book and 25% thereafter. The book value of the ledger at the time of our appointment was c.£950k and to date c.£940k has been recovered through CTP with the majority of the funds being received into the Company bank accounts as shown in Appendix A. We are currently reconciling the book debts received by CTP directly and agreeing the final commission payable to CTP.

Property

The Company traded from one freehold property and five leasehold properties located in Buckingham and Aylesbury. The sale of the business included the sale of the freehold property to WTL and the Purchasers continued to occupy four of the five leasehold properties under a Licence to Occupy. We offered surrender to the landlord of the vacant leasehold property and since our appointment we have liaised with the landlords to facilitate the assignment of the leases to the Purchasers. There is currently one leasehold left to assignment and we expect this to conclude shortly.

Connected party transactions

In accordance with SIP 13, we are required to disclose any known connected party transactions that occur in the period following our appointment or any proposed connected party transactions.

As explained in our Proposals, WTL was set up specifically for the purchase of the business and is owned by Wuhu Anrui Optoelectronics Co. Limited. At the Purchaser's request, Christopher Malley (a director of the Company) was appointed as a director of WTL to meet the statutory need for a UK resident director. However, Mr Malley has no interest in the ownership of WTL or Wuhu Anrui Optoelectronics 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 of the management of CTP. One of the Company's secured creditors (HSBC) is the secured lender to the Group.

In the event of a pre-pack sale to a connected party, the purchaser is advised to consult with the Pre-Pack Pool to obtain an independent opinion on the sale and increase the transparency of the pre-pack process and provide assurance for creditors that independent business experts have reviewed the proposed transaction. As the purchaser had already sought independent legal advice on the sale and the sale agreement provided for the purchaser to settle amounts outstanding to trade creditors related to the Aylesbury business, they were not minded to consult with the Pre-Pack Pool.

Retention of Title claims

During the period covered by this report, we received a total of 34 claims from creditors who informed us that they believed they held retention of title over goods supplied to the Company. We received 25 completed Retention of Title questionnaires and reviewed the basis of their claims with information from the Company records. We rejected 10 claims and two further claims were withdrawn. The remaining claims that were deemed valid were either settled by the Purchasers as required under the SPA, or the creditor was able to collect their assets.

Approval of our proposals

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

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

As administrators we are required to investigate the actions of the directors in the period leading up to insolvency and submit an online return to the Insolvency Service on our findings within three months of our appointment. We confirm that we have completed this but we are unable to provide further details due to statutory confidentiality reasons. Our duty to report on the conduct of the directors is an ongoing duty and we will conduct further investigations and report to the Insolvency Service should evidence come to light.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 20 December 2019 to 19 June 2020.

Our expenses

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

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course. We have filed corporation tax returns and sought clearance from HMRC to confirm that no tax is payable from the sale of the business and subsequent realisations.

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.

Pre-administration costs

You can find in Appendix D 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. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditorsguides/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

Whilst we have successfully achieved sales of the business and assets, the following work still remains to be conducted in the administration:

- Reviewing the final collection of book debts and agreeing and paying commission to CTP;
- Finalising the assignment of the final leasehold property to CTP;
- Reporting to the secured creditors on the outcome of the administration and paying distributions to the secured creditors;
- Adjudication of unsecured creditor claims;
- Distributing the prescribed part fund to unsecured creditors;
- Fulfilling our statutory duties as joint 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.

Next steps

We are currently considering the best strategy for ending the administration and we do not expect to seek an extension to the period of the administration. As explained earlier in this report, we are looking to distribute the Prescribed Part to the unsecured creditors shortly.

We expect our next report will be our final report at the end of the administration. This will be available on our website no later than 19 December 2020.

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

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

Rachael Maria Wilkinson
Joint Administrator

Appendix A: Receipts and payments

WRealisations Limited (formerly Wipac Limited) - in administration				
Receipts and Payments Account				
Statement of Affairs		20 December 2019 - 19 June 2020		
	Fixed charge			
	<i>Receipts</i>	£	€	\$
3,500,000	Freehold property	3,500,000.00	-	-
1	Intangibles (including goodwill) (WTL)	1.00	-	-
1	Intangibles (including goodwill) (Aylesbury)	1.00	-	-
3,500,002.00	Total fixed charge receipts	3,500,002.00	-	-
	<i>Payments</i>	-	-	-
	Total fixed charge payments	-	-	-
	Fixed charge distribution	3,500,000.00	-	-
	Net fixed charge realisations	2.00	-	-
	Floating charge			
	<i>Receipts</i>			
	WTL			
3,700,000	Freehold property	3,700,000.00	-	-
1,766,000	Plant and machinery	1,766,000.00	-	-
1,533,990	Inventories	1,533,990.00	-	-
1	Work in progress	1.00	-	-
1	Contracts	1.00	-	-
1	Business information	1.00	-	-
1	Intellectual property	1.00	-	-
1	Third party claims	1.00	-	-
1	Domain names	1.00	-	-
1	Records	1.00	-	-
1	Book debts	1.00	-	-
1	Prepayments	1.00	-	-
	Leasehold property	2.00	-	-
	Aylesbury			
49,990	Plant and machinery	49,990.00	-	-
200,000	Inventories	200,000.00	-	-
1	Work in progress	1.00	-	-
1	Contracts	1.00	-	-
1	Business information	1.00	-	-
1	Intellectual property	1.00	-	-
1	Third party claims	1.00	-	-
1	Domain names	1.00	-	-
1	Records	1.00	-	-
1	Book debts	1.00	-	-
1	Prepayments	1.00	-	-
	Leasehold property	1.00	-	-
	Licence fee	31,159.17	-	-
	Third party funds	-	2,246.52	-
1,000,000	Book debts	340,263.59	540,240.45	44,221.68
	Bank interest	3,725.87	-	34.62
8,249,998.00	Total floating charge receipts	7,625,149.63	542,486.97	44,256.30
	<i>Payments</i>			
	Legal fees	84,365.71	-	-
	Administrators' fees	161,583.30	-	-
	Pre-appointment legal fees	177,803.00	-	-
	Pre-appointment Administrators' fees	180,626.00	-	-
	Pre-appointment agents fees	12,138.33	-	-
	Pre-appointment data room fees	2,507.75	-	-
	Professional fees	4,000.00	-	-
	Insurance	625.03	-	-
	Statutory advertising	77.00	-	-
	Bank charges	-	-	15.60
	Total floating charge payments	623,726.12	-	15.60
	Floating charge distribution	(5,500,000.00)	-	-
	VAT Control account	(117,876.84)	-	-
	Cash held in an interest bearing account	1,383,548.67	542,486.97	44,240.70

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(s) 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 will be converted and transferred to the GBP account in due course.

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and include our fees, but exclude distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

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 to date.

Nature of expenses	Incurred to date £	Estimate of future expenses £	Anticipated total £	Initial estimate £	Variance £
Legal fees and expenses	84,366	15,000	99,366	89,752	(9,614)
Administrators' fees	361,996	98,184	460,180	460,180	-
Administrators' disbursements	1,236	300	1,536	1,557	21
Pre-administration costs	373,075	-	373,075	373,075	-
Professional fees	4,000	-	4,000	-	(4,000)
Statutory advertising	77	77	154	154	-
Bank charges	-	200	200	200	-
Insurance	625	-	625	500	(125)
Storage costs	-	500	500	500	-
Total expenses (£)	825,375	114,261	939,635	925,918	(13,718)
	€	€	€	€	€
Bank charges	100	20	120	-	(120)
Total expenses (€)	100	20	120	-	(120)
	\$	\$	\$	\$	\$
Bank charges	16	20	36	-	(36)
Total expenses (\$)	16	20	36	-	(36)

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed. This is because we required further legal and professional advice in relation to the adjudication of some of the large creditor claims we have received.

Appendix C: Remuneration update

Our fees have been approved on a time costs basis by the Secured Creditors. To 19 June 2020, we have drawn fees of £161,583.30 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 £361,830.50. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

We think that our time costs will exceed our initial fees estimate of £460,179.75, the amount approved by the Secured Creditors as fee approving body, but we do not expect to seek further fee approval to draw fees in excess of that amount.

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

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Accounting and treasury	-	-	0.30	6.35	35.40	8.20	-	50.25	14,650.25	291.55
2 Assets	-	5.50	-	1.15	19.60	-	-	26.25	8,314.25	316.73
3 Creditors	6.00	51.25	9.70	4.80	109.55	12.15	19.30	212.75	82,128.50	386.03
4 Employees and Pensions	-	19.80	23.25	2.55	1.10	2.75	-	49.45	53,553.50	1,082.98
5 Investigations	-	4.00	0.40	4.55	13.40	3.30	-	25.65	8,332.25	324.84
6 Sale of business	-	30.55	0.45	1.15	158.55	-	-	190.70	67,635.25	354.67
7 Secured creditors	0.50	7.50	-	0.65	16.05	-	-	24.70	9,624.25	389.65
8 Statutory and compliance	1.50	15.25	9.10	28.75	89.55	10.60	1.40	156.15	53,856.75	344.90
9 Strategy and planning	6.20	19.00	3.85	8.85	25.00	-	-	62.90	28,508.00	453.23
10 Tax and VAT	-	1.80	16.40	2.25	24.15	3.50	-	48.10	35,227.50	732.38
Total for the period	14.20	154.65	63.45	61.05	492.35	40.50	20.70	846.90	361,830.50	427.24

Category of work	Hours	Fees estimate (£)	Average hourly rate (£/hour)	Hours incurred to 19 June 2020	Time costs incurred to 19 June 2020 (£)	Average hourly rate (£/hour)
Accounting and treasury	65	18,256	280	50	14,650	292
Assets	21	5,227	249	26	8,314	317
Creditors	283	98,771	349	213	82,129	386
Employees and pensions	43	20,931	487	49	53,554	1,083
Investigations	28	6,400	229	26	8,332	325
Sale of business	285	84,274	296	191	67,635	355
Secured creditors	35	11,350	324	25	9,624	390
Statutory and compliance	252	95,000	377	156	53,857	345
Strategy and planning	76	38,483	509	63	28,508	453
Tax and VAT	130	81,490	629	48	35,228	732
Total hours and fees estimate	1,217	460,180	378	847	361,831	427

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. 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.

With effect to 30 June 2020 Grade	Maximum rate per hour (£)	Specialist maximum rate per hour (£)
Partner	910	1,200
Director	595	975
Senior Manager	515	850
Manager	405	630
Senior Associate	310	500
Associate	210	275
Support staff	120	140

With effect to 30 June 2021 Grade	Maximum rate per hour (£)	Specialist maximum rate per hour (£)
Partner	955	1,450
Director	720	1,396
Senior Manager	585	1,075
Manager	475	775
Senior Associate	390	575
Associate	245	400
Support staff	125	170

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

Payments to associates

We have not made any payments to associates during the period covered by this report.

Our work in the period

Earlier in this section we 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"> Opening GBP, EU and USD bank accounts; Arranging for regular sweeps from the pre-appointment bank accounts; 	<ul style="list-style-type: none"> Necessary to keep accurate records of receipts and payments; and 	<ul style="list-style-type: none"> Statutory requirements and ensures good stewardship of estate funds.

- Dealing with receipts, payments and journals;
- Carrying out bank reconciliations and managing investment of funds; and
- Corresponding with the bank regarding specific transfers.
- Ensuring good stewardship of funds held on behalf of creditors.

Assets

- Reviewing and assessing debtors ledgers;
- Liaising with CTP regarding ongoing collection of debts;
- Corresponding with insurer regarding initial and ongoing insurance requirements;
- Initial review of the Company's property portfolio;
- Preparing and sending initial letters and notifications to landlords and managing agents;
- Offering surrender of the lease following vacation of one of the leasehold properties;
- Assisting WTL and CTP with the assignment of the leasehold properties; and
- Dealing with other, ad hoc property related matters.
- To maximise recoveries for the administration.
- Funds recovered for creditors.

Creditors

- Setting up a dedicated website for delivery of initial and ongoing communications and reports;
- Setting up a dedicated inbox to receive creditor (and other stakeholder) queries;
- Receiving and following up creditor enquiries via telephone, email and post;
- Reviewing and preparing correspondence to creditors and their representatives;
- Monitoring claims and requests for decision procedures received and dealing with proofs of debt for voting purposes;
- Assessing the validity of claims received and requesting further information from creditors;
- Adjudication of creditor claims for voting purposes and seeking legal advice in respect of complex claims;
- Liaising with creditors regarding their claims and their ability to vote in creditor decisions;
- Dealing with proofs of debt for dividend purposes;
- Receiving proofs of debt and maintaining register; and
- Adjudicating claims, including requesting further information from claimants.
- 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.
- To provide creditors with the requested information.

Employees and Pensions

- Drafting, issuing and delivering initial communications and announcements;
- Preparing letters to employees advising of their entitlements and options available;
- Receiving and following up employee enquiries via telephone, post and email;
- Enquiries to understand the pension schemes operated and the pension contribution position on appointment;
- To provide all parties with the relevant information.
- We are required by statute to perform our functions as quickly and efficiently as possible.

- Issuing statutory notices on appointment to the Pension Protection Fund (the "PPF"), The Pensions Regulator and scheme trustees;
- Liaison with various parties including the PPF, lawyers and making a referral to Counsel to understand further notification requirements in respect of the Carclo Group Pension Scheme; and
- Following on from the above, work to determine whether the Scheme has a claim under section 75 of Pensions Act 95.

Investigations

- Collecting Company books and records where related to investigatory work;
- Reviewing books and records;
- Preparing comparative financial statements and deficiency statement;
- Reviewing specific transactions and liaising with directors regarding certain transactions;
- Collating evidence supplied by creditors in relation to the directors conduct and conducting further investigations from evidence supplied; and
- Preparing investigation file and lodging findings with the Department for Business, Energy and Industrial Strategy.
- Required by statute; and
- To assess the potential for recoveries that could be made through our investigatory work.
- Required by Company Directors Disqualification Act 1986.

Sale of business

- Completing the sale of the business and assets;
- Liaising with purchasers and solicitors;
- Fulfilling duties in line with the SPA in respect of post-sale matters;
- Carrying out title searches and securing relevant property records;
- Arranging for the completion of retention of title claim forms;
- Maintaining retention of title file;
- Arranging for claimants to visit site to identify goods;
- Adjudicating retention of title claims;
- Corresponding with claimants regarding outcome of adjudication; and
- Negotiating potential settlements and recording any settlement made by the Purchasers.
- To fulfil the purpose of the administration and execute the administration strategy.
- Ensure terms of the SPA are adhered to.

Secured Creditors

- Notifying secured creditors of appointment;
- Preparing first and second report to secured creditor;
- Responding to secured creditor's queries;
- Making distributions in accordance with security entitlements; and
- Updating and maintaining a case estimated outcome statement to monitor the potential return to the secured creditor.
- To distribute funds to the Secured Creditors; and
- To inform the Secured Creditors of the estimated final outcome.
- To ensure the correct distribution of funds.

Statutory and compliance

- Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment;
- Preparing the fees estimate detailing the work required in all aspects of the administration;
- Circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred;
- Drafting and reviewing a statement of proposals to creditors including preparing receipts and payments accounts and statutory information;
- Circulating notice of the proposals to creditors, members and the Registrar of Companies;
- Preparing decision procedure documents in order to approve the proposals;
- Preparing decision notice and associated documentation; and
- Preparing a record of the decision and issuing a report on the outcome to creditors.
- To ensure orderly management and progression of the case in a cost effective manner.
- These are required by statute.

Strategy and Planning

- Completing tasks relating to job acceptance;
- Preparing fee budgets and monitoring costs;
- Holding team meetings and discussions regarding status of the administration;
- Considering timings for key case milestones and key strategic decisions.
- To understand and control costs; and
- To plan for and execute the strategy to achieve the objective of the administration.
- Maximise efficiency of work undertaken.

Tax and VAT

- Initial notification to HMRC informing them of our appointment;
- Preparation and submission of Corporation tax returns;
- Liaising with HMRC;
- Requesting tax clearance from HMRC;
- Preparation and submission of the Company's post appointment VAT returns; and
- Liaising with HMRC in relation to the Company's VAT matters.
- This work ensured compliance with statutory tax obligations to HMRC.
- Submission of tax returns are statutory duties.

Our future work

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

Work undertaken	Estimated cost £	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"> • Carrying out bank reconciliations and managing investment of funds; • Corresponding with bank regarding specific transfers; • General management and eventual closure of GBP, EUR and USD accounts; and 	<ul style="list-style-type: none"> • 7,000 	<ul style="list-style-type: none"> • Statutory requirements and ensures good stewardship of estate funds.

- Raising cheques to unsecured creditors for a prescribed part dividend.

Assets

- Liaising with CTP regarding the final book debt collections; • 5,000 • Funds recovered for creditors.
- Calculation of commission due to CTP for the recovery of book debts;
- Assisting CTP with the assignment of the final leasehold property; and
- Liaising with our insurance brokers regarding the need for ongoing cover.

Creditors

- Preparing correspondence to potential creditors inviting lodgment of proof of debt; • 30,000 • To ensure the correct distribution of funds.
- Receiving proofs of debt and maintaining register;
- Adjudicating claims, including requesting further information from claimants;
- Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend;
- Advertising intention to declare dividend;
- Calculating dividend rate and preparing dividend file;
- Preparing correspondence to creditors announcing declaration of dividend; and
- Preparing and paying distribution.

Employees and Pensions

- Continued dealing with the Pension Scheme and the Pension Protection Fund specifically in relation to the Section 75 certificate; and • 13,000 • To ensure the Pension Scheme and Pension Protection Fund are provided with all the necessary information in order to submit their claim.
- Liaising with the Pension Scheme with regards to the submission of their unsecured claim.

Secured Creditors

- Preparing reports to secured creditor; • 4,000 • To ensure the correct distribution of funds.
- Responding to secured creditor's queries;
- Making distributions in accordance with security entitlements; and
- Updating and maintaining a case estimated outcome statement to monitor the potential return to the secured creditor

Statutory and compliance

- Preparing and issuing periodic progress reports to creditors and the Registrar; • 25,000 • These are required by statute.
- If necessary, making applications to creditors or court for the extension of the administration and filing relevant notices;
- Dealing with records in storage; and
- Preparing the final progress report and issuing along with notices of move to dissolution.

Strategy and Planning

- Preparing fee budgets and monitoring costs; • 4,000 • Maximise efficiency of work undertaken.
- Holding team meetings and discussions regarding status of administration;
- Considering timings for key case milestones and key strategic decisions;

- Withdrawing undertakings and obtaining clearances from third parties; and
- Closing down internal systems.

Tax and VAT

- Liaising with HMRC to obtain tax clearance;
- Preparation and submission of the Company's post appointment VAT returns;
- Liaising with HMRC in relation to the Company's VAT matters; and
- De-registering the Company for VAT.

• 10,000

- Submission of tax returns are statutory duties.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by the Secured Creditors where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred £
1	Postage	473.05
1	Courier	27.32
1	Rail Fares	25.72
1	Bonding	225.00
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	28.45
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).	456.94
Total		1,236.48

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 our staff would normally do has been subcontracted during the period of this report and we do not anticipate such requirement in the future.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm	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: Pre-administration costs

The following costs incurred before our appointment with a view to the Company going into administration were approved for payment on 30 March 2020, following confirmation from the Secured Creditors as the fee approving body.

Firm	Costs
PwC fees and expenses (administrators-in-waiting)	£180,626
Womble Bond Dickinson (legal services)	£177,803
Lambert Smith Hampton (asset valuation services)	£12,138
Intralinks* (pre-appointment data room expenses)	£2,508
Total (excluding VAT)	£373,075

**This expense was not included in our proposals but we were made aware of the outstanding costs prior to preparing our Remuneration Report and therefore sought approval to be paid as an expense of the administration from the Secured Creditors.*

Appendix E: 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:	N/A