

# AM23

## Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 2 2 6 2 0 9 8

Company name in full WRc plc

#### → Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Court details

Court name Business and Property Courts in Bristol, Bristol Civil and Family Justice Centre

Court number B R S - 0 0 0 9 0 2 0 2 0

### 3 Administrator's name

Full forename(s) Adam Henry

Surname Stephens

### 4 Administrator's address

Building name/number 25 Moorgate

Street

Post town London


County/Region

Postcode E C 2 R 6 A Y

Country

AM23

Notice of move from administration to dissolution

<b>5 Administrator's name ①</b>	
Full forename(s)	Andrew Stephen
Surname	McGill
<b>① Other administrator</b> Use this section to tell us about another administrator.	
<b>6 Administrator's address ②</b>	
Building name/number	3rd Floor
Street	9 Colmore Row
Post town	Birmingham
County/Region	
Postcode	B 3 2 B J
Country	
<b>② Other administrator</b> Use this section to tell us about another administrator.	
<b>7 Final progress report</b>	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
<b>8 Sign and date</b>	
Administrator's signature	<div>Signature</div> <div>X  X</div>
Signature date	<div><sup>d</sup> 1 <sup>d</sup> 4 <sup>m</sup> 0 <sup>m</sup> 1 <sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 2</div>

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Tracey Elms**

Company name **Smith & Williamson LLP**

Address **3rd Floor**

**9 Colmore Row**

Post town **Birmingham**

County/Region

Postcode 

B	3		2	B	J		
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Country

DX

Telephone **0121 710 5200**

**Checklist**

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

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

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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



# WRc plc (in administration)

Joint administrators' final progress report

14 January 2022



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# 1. Glossary

Abbreviation	Description
the Company	WRc plc
the administrators/joint administrators	Adam Henry Stephens and Andrew Stephen McGill
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
HMRC	HM Revenue & Customs
PPF	Pension Protection Fund
The secured creditor	Associated Employers Trustee Limited
AETL	Associated Employers Trustee Limited
Pension Scheme	Water Associated Employee Pension Scheme
S&W	Smith & Williamson LLP

## 2. Introduction & Summary

This report provides an account of the administration of the Company since the last progress report and a summary of the outcome of the administration of the Company. It should be read in conjunction with our proposals and any previous reports. By way of reminder, we, Adam Henry Stephens of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Andrew Stephen McGill of Smith & Williamson LLP, 3<sup>rd</sup> Floor, 9 Colmore Row, Birmingham, B3 2BJ, were appointed administrators of the Company on 25 August 2020.

Statutory information in respect of the Company and the administration is set out at Appendix I.

Below are the key points in relation to the administration:

- We were appointed joint administrators of the Company on 25 August 2020 by the directors with the consent of the floating charge creditor.
- The objective of the administration remains as in P3(1)(c) Sch B1, namely realising property in order to make a distribution to one or more secured or preferential creditors. This objective has been achieved.
- The Company was a holding company with no trade. Its main asset related to its shareholding in Water Research Centre Limited, which was subject to a fixed and floating charge in favour of the Pension Scheme. This shareholding was sold to an unconnected party, being RSK Environment Limited, with the consent of the secured creditor prior to the administration. The terms of the sale are confidential.
- The Company's solicitors under the authority, and at request of the secured creditor, made payments in relation to certain professional fees, critical payments relating to the sale of shares and a distribution to the secured creditor prior to the commencement of the administration.
- The administrators, subsequent to their appointment, received the balance of funds from the solicitors in the sum of circa £45k. There was potentially some deferred (i.e. further) consideration payable to the Company under the sale and purchase agreement (this would be payable to the secured creditor). However, it was determined that no deferred consideration is payable to the Company.
- Following notification of the appointment of the administrators to the PPF, the Company's part of the WAEPS pension was been placed into assessment with the PPF in accordance with the Pensions Act 1995, and related law and regulations. As such during the assessment period the PPF assumes the role of the creditor in place of AETL.
- A distribution has been made to the secured creditor by the administrators.
- There are no known preferential creditors in the administration.
- There are no funds available to pay a dividend to unsecured creditors.
- Consent was received from the PPF to the administration being extended for a period of 12 months to 24 August 2022 on 6 August 2021.
- The PPF approved the basis of the administrators' remuneration as a set amount of £33,000 exclusive of VAT and disbursements on 6 December 2021.
- On 6 December 2021 the PPF also approved our discharge from liability following our appointment under P98(2) of Sch B1 as joint administrators ceasing to have effect.
- No creditors committee has been formed.
- The company has no property which might permit a distribution to creditors and, consequently, notice will be filed with the Registrar of Companies to this effect in accordance with Paragraph 84 (1). On registration of the notice by the Registrar of Companies, the administrators' appointment will cease to have effect and, at that point, they will be discharged from liability under P98(3) of Sch B1 immediately. Three months after the date of registration of the notice, the Company will be dissolved.

### 3. Administrators' proposals

As previously advised the administrators must perform their functions with the purpose of achieving one of the following objectives:

1. Rescuing the Company as a going concern; or
2. 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 placed into administration; or
3. Realising property in order to make a distribution to one or more secured or preferential creditors.

The objective pursued in this case was the third objective above and our strategy for achieving this objective was set out in our proposals, which were deemed approved on 30 October 2020.

A distribution has been made to the secured creditor therefore the third objective has been achieved.

### 4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 25 August 2021. This account includes cumulative figures for the whole of the period of the administration from 25 August 2020.

The receipts and payments account also includes a comparison with the directors' SOA values.

#### 4.1 Funds re: share sale

As previously reported the Company was a holding company with no trade. Its main asset related to its shareholding in Water Research Centre Limited, which was subject to a fixed and floating charge in favour of the Pension Scheme. This shareholding was sold to an unconnected party, being RSK Environment Limited, with the consent of secured creditor prior to the administration. The terms of the sale are confidential.

The Company's solicitors under the authority and at the request of the secured creditor have made payments in relation to certain professional fees, critical payments relating to the sale of shares and a distribution to the secured creditor.

The balance of funds after these costs in the sum of £44,854.76 was received by the administrators.

#### 4.2 Deferred consideration

As previously reported, there was potentially some deferred consideration which could be payable to the Company under the sale and purchase agreement by 31 December 2020. This consideration would also be caught under the fixed charge in favour of the secured creditor.

We received confirmation that no deferred consideration is payable to the Company as the outcomes that would have given rise to the deferred consideration are not realisable. The details of which remain confidential.

#### 4.3 Bank Interest Gross – Fixed Charge Account

Bank interest received gross on the administration bank account in relation to fixed charge realisations operated with Royal Bank of Scotland. The bank account was made non-interest bearing on 23 November 2021.

Bank interest received totals £10.34 with £1.43 being received in the period from 25 August 2021.



#### 4.4 Bank Interest Gross – Floating Charge Account

Bank interest received gross on the administration bank account in relation to floating charge realisations operated with Royal Bank of Scotland. The bank account was made non-interest bearing on 23 November 2021.

Bank interest received totals £10.90 with £0.83 being received in the period from 25 August 2021.

#### 4.5 Third Party Funds re VAT pre appointment liability

As previously reported, the Company was part of a VAT group with a number of subsidiary companies, including Water Research Centre Limited. As the Company was the representative member of the VAT group it was responsible for submitting the final Group return and accounting for the VAT due.

As per our previous reports, upon the sale of the Company's shareholding in Water Research Centre Limited on 18 August 2020 a disbanding event in relation to the VAT group was triggered as at that date. However, following receipt of notification of the Company going into administration HMRC disbanded the group on 25 August 2020, being the date the Company went into administration.

We entered into lengthy communications with HMRC regarding the disbanding date being changed to 18 August 2020 to enable the final group VAT return to be submitted and the tax due to be paid to HMRC. In April 2021 HMRC finally confirmed that the disbanding date had been changed.

Due to the administration the Company's online VAT filing access was closed down. We therefore requested the necessary VAT form from HMRC in order to submit the final return up to 18 August 2020, however, despite regular follow ups with HMRC the returns were not received until the beginning of August 2021. The final VAT return was then submitted and the tax due of £130,316.93 paid over on 17 August 2021.

As previously reported Water Research Centre Limited had put the administrators in funds (£130,316.93 received on 18 December 2020) in relation to the VAT due for the final period.

In addition, there was another payment due for to the VAT quarter to March 2020, which had been deferred under the COVID-19 VAT deferral scheme until 31 March 2021. Again, Water Research Centre Limited put the administrators in funds to pay HMRC (£359,907.56 received on 21 May 2021) as the VAT liability related to its trading activities. Payment was made by the administrators to HMRC on 26 May 2021.

Following the submission and payment of the final VAT return we have verbally confirmed with HMRC that all returns have been processed and payments allocated on their system and HMRC has no claim in the administration.

#### 4.6 VAT Reclaim

Having resolved the position with regards to the disbanding date of the VAT group, as referred to in section 4.5 above, following further correspondence with HMRC it was established that the VAT paid by the Company between 18 August 2020 and the date of administration relating to professional costs incurred as part of the sale of the shares in Water Research Centre Limited could be reclaimed.

VAT reclaims totalling £26,584 have been received from HMRC.

#### 4.7 Bank Charge Refund

A refund of £189.26 was received from the Company's bankers in the reporting period.

## 5. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to our request to complete an investigation questionnaire. Our investigations did not reveal any issues requiring further work.

## 6. Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the joint administrators or another person qualified to act as an insolvency practitioner before the Company entered administration (but with a view to its doing so), and “unpaid pre-administration costs” are pre-administration costs which had not been paid when the Company entered administration.

The basis of our pre-administration costs was set out in our engagement letter sent to the Company dated 8 June 2020. Our costs were to be charged on a time cost basis.

Our engagement was to assist with the placing of the Company into administration.

Pre-appointment fees charged and expenses incurred are detailed below:

Charged by/service(s) provided	Total			
	amount	Amount	Who made	Amount
	charged	paid	payment	unpaid
	£	£		£
Smith & Williamson LLP	13,203.24	Nil	N/A	13,203.24
Royds Withy King LLP	5,050.00	5,050.00	*	Nil

\*Royds Withy King LLP, solicitors for the Company, assisted with placing the Company into administration. Their fees relate to preparing and issuing the administration appointment documents, attending at the Court to file the appointment documents and liaising with the joint administrators in the lead up to the appointment. Their fee for this was deducted from the realisations of the share sale, prior to transfer to the administrators. Royds Withy King agreed their fees and scope of work were agreed directly with the Company and the secured creditor.

No approval was sought from the PPF in respect of S&W's pre-administration costs and we confirm these costs have been written off.

## 7. Administrators' remuneration

As the secured creditor, the PPF approved that the basis of the administrators' remuneration be fixed as a set amount of £33,000 excluding VAT and disbursements on 6 December 2021 to be drawn from the fixed charge funds held.

Following notification of the appointment of the administrators to the PPF the Company's part of the WAEPS pension has been placed into assessment with the PPF in accordance with Section 75 of the Pensions Act 1995 and as such during the assessment period the PPF assumes the role of the creditor in place of AETL.

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the appendix.

Also attached as Appendix IV, is a cumulative time analysis which provides details of the administrators' time costs since appointment.

As the basis of the administrators' remuneration was approved as a set amount the time analyses at Appendix III and Appendix IV are provided for creditors information purposes only.

The administrators have drawn £33,000 against the total set fee agreed of £33,000 approved by the PPF. This fee was drawn on 17 December 2021 from fixed charge funds. The set fee covers all the work undertaken by the administrators since their appointment, details of which are provided at Appendices III and IV.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by R3, is available free on request or can be downloaded from their website as follows:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Details of our charge out rates and policies in relation to the use of staff are provided at Appendix V.

## 8. Administration expenses

### 8.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

### 8.2 Professional advisers

We have not used any professional advisers in this case.

### 8.3 Administrators' expenses

Details of administrators' expenses that have been incurred and/or paid in the current period together with the cumulative totals for the period of the administration are set out below.

Description	Costs incurred in current period £	Costs paid in current period £	Total costs incurred £	Total costs paid £
Statutory advertising	Nil	57	182	57
Administrators' bonds	Nil	140	140	140
Category 2 expenses (see next section)	Nil	Nil	Nil	Nil
Total	Nil	197	322	197

Note: the balance of the statutory advertising has been paid from Smith & W's office account

#### 8.4 Category 2 expenses

No category 2 expenses have been incurred or paid during the course of the administration.

#### 8.5 Policies regarding use of third parties and expense recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

## 9. Outcome for creditors

The outcome for each class of creditor is set out below.

#### 9.1 Secured creditors

AETL holds a fixed and floating charge over the Company's assets as trustee of Water Associated Employer Pension Scheme (WAEPS), a pension scheme that the Company participated in and the debt under their fixed and floating charge relates to the debt due to the Company's part of the WAEPS pension scheme. Responsibility (including fee approval and the benefit of any secured recoveries) passed to the PPF when the Company entered into administration.

At the date of the administration the indebtedness to the pension scheme was estimated at £60.3million. As per our previous report a distribution was made to AETL by the Company's solicitors prior to our appointment.

The current indebtedness is estimated at £50 million.

Following receipt of the VAT reclaim as per 4.6 above a distribution was made by the administrators to ATEL in the sum of £38,446.93 on 10 December 2021.

#### 9.2 Prescribed Part

The Company granted a floating charge to AETL on 31 August 2017. Accordingly, we were required to create a Prescribed Part fund for unsecured creditors out of the Company's net floating charge property.

We confirm that the value of the Company's net floating charge property was £nil as the VAT reclaim on the professional fees incurred prior to the administration was a fixed charge realisation rather than a floating charge realisation. Accordingly, there was no Prescribed Part fund available for a distribution to unsecured creditors.

### 9.3 Ordinary and Secondary Preferential creditors

The Company did not employ any staff at the time that it entered into administration, therefore there were no known ordinary preferential creditor claims in the administration.

There were no secondary preferential creditor claims in the administration as the date of the administration preceded 1 December 2020.

### 9.4 Floating Charge Creditors

As per sections 9.1 and 9.2 above the Company granted a floating charge to AETL on 31 August 2017.

AETL as trustee of WAEPS suffered a shortfall on the secured debt due to the pension scheme by the Company which becomes a floating charge creditor in the administration.

Following notification of the appointment of the administrators to the Pension Protection Fund (PPF) the Company's part of the WAEPS pension has been placed into assessment with the PPF in accordance with the Pensions Act 1995, and as such during the assessment period the PPF assumes the role of the creditor in place of AETL.

A provisional claim of £115,851,000 was been received from the PPF, however the assessment process is still ongoing.

### 9.5 Unsecured creditors

We have received claims totalling £843,908 from 3 creditors. Total claims as per the directors' SOA were £2,255.

Claims received includes a revised claim from HMRC of c£844k in respect of outstanding VAT based on assessments. As per section 4.3 of this report all pre-administration VAT returns have been submitted and payments made to HMRC in respect of the VAT due from the VAT group (the Company being the representative member) and HMRC have verbally conformed that they no longer have a claim in the administration.

#### Notice under Rule 14.37 of IR16

The joint administrators hereby give notice that they will not be in a position to declare any dividend as the funds realised have been used to cover the costs of administration, as disclosed in the receipts and payments account. Consequently, no steps have been taken to agree unsecured creditors' claims.

## 10. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at

<https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

# 11. Extension of administration

In accordance with P76(2)(b) of Sch B1 of the Insolvency Act 1986, on 6 August 2021 the joint administrators obtained the consent of the PPF to extend the period of the administration to 24 August 2022.

# 12. Ending the administration

This is our final report as joint administrators and covers the period ended 14 January 2022.

Authorisation for the administrators to be discharged from liability was granted by the PPF on 20 December 2021.

The company has no property which might permit a distribution to creditors and, consequently, notice will be filed with the Registrar of Companies to this effect in accordance with Paragraph 84 (1). On registration of the notice by the Registrar of Companies, the administrators' appointment will cease to have effect and, at that point, they will be discharged from liability under P98(3) of Sch B1 immediately. Three months after the date of registration of the notice, the Company will be dissolved.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Adam Henry Stephens or Andrew Stephen McGill in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

# 13. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

Overall, the Joint Administrators thanks the various creditors and stakeholders with which they have interacted during the course of this insolvency, especially the Company's main creditor being the Pension Scheme and the PPF. Thank you.



**Adam Henry Stephens and Andrew Stephen McGill**

Joint Administrators

Date: 14 January 2022

Adam Henry Stephens and Andrew Stephen McGill have been appointed as Joint Administrators of the Company on 25 August 2020.

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

Both/All office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Further details of their licensing body along with our complaints and compensation procedure can be accessed at:

<https://smithandwilliamson.com/en/insolvency-licensing-bodies/>

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

The Joint Administrators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Smith and Williamson 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.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at

<http://smithandwilliamson.com/rsgdpr>

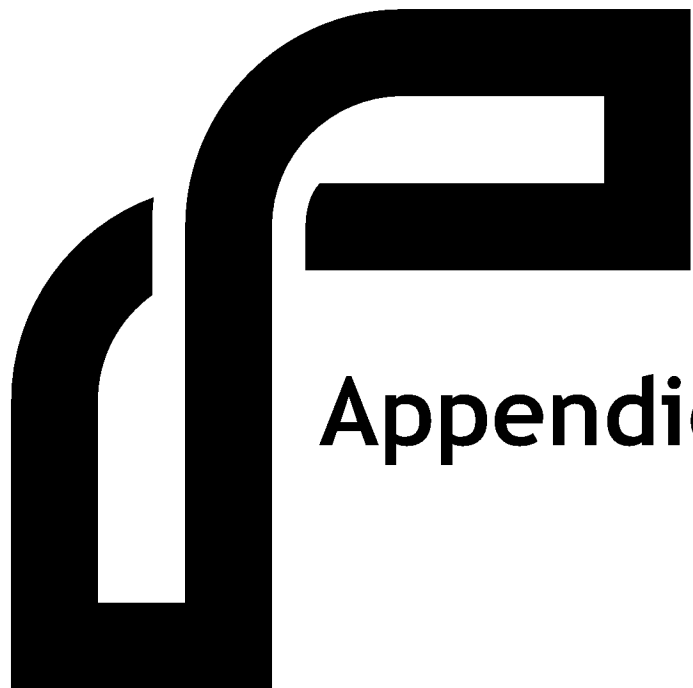
Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office

Registered in England at 25 Moorgate, London EC2R 6AY No OC369631

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# Appendices



# I Statutory information

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Relevant Court	Business and Property Courts in Bristol, Bristol Civil and Family Justice Centre
Court Reference	BRS-00090 of 2020
Trading Addresses	Frankland Road, Blagrove, Swindon, Wiltshire, SN5 8YF
Former Name(s)	Water Research Centre (1989) Public Limited Company Josad Limited
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly Frankland Road, Blagrove, Swindon, Wiltshire, SN5 8YF)
Registered Number:	02262098
Joint Administrators	Adam Henry Stephens of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY Andrew Stephen McGill of Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ (IP No(s) 9748 and 9350)
Contact details	In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally. 25 Moorgate, London, EC2R 6AY, telephone number 0121 710 5200, email : <a href="mailto:tracey.elms@smithandwilliamson.com">tracey.elms@smithandwilliamson.com</a>
Date of Appointment	25 August 2020
Extension to period of administration	Extension by consent of the PPF on 6 August 2021 for the period of the administration to be extended from 25 August 2021 to 24 August 2022

## II Receipts and payments account

Receipts and payments account to 14 January 2022

**WRc plc**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 25/08/2021 To 14/01/2022 £	From 25/08/2020 To 14/01/2022 £
	<b>GENERAL FIXED CHARGE</b>	
82,421.76	Fund Re Share Sale FCR	81,821.76
	Professional Costs-Re Sale of Share F	(24,500.00)
	Legal Fees - Pre Administration FCR	(5,000.00)
	Legal Disbursements - Pre Admin FCR	(50.00)
	Bank Interest FCR	10.34
	VAT Refund FCR	26,584.12
Uncertain	Deferred Consideration	NIL
NIL	Shares in other subsidiaries	NIL
	VAT Receivable FCR	(5,900.00)
	Other Costs Re Sale of Shares FCR	(1,517.00)
(60,365,968.00)	Chargeholder	(38,446.93)
	Corporation Tax	(1.69)
	Bank charges FCR	(0.60)
	Administrators fee	(33,000.00)
		(0.00)
	<b>ASSET REALISATIONS</b>	
	Bank charges refund	189.26
	Bank Interest Gross FLT	10.90
	Third Party Funds - pre-admin VAT FL	490,224.49
		490,424.65
	<b>COST OF REALISATIONS</b>	
	Bank Charges FLT	0.80
	Corporation Tax	1.91
	Specific Bond	140.00
	Statutory Advertising	57.45
	VAT Liability - Pre Administration FLT	490,224.49
		(199.56)
	<b>UNSECURED CREDITORS</b>	
(2,255.07)	Trade & Expense Creditors	NIL
		NIL
	<b>DISTRIBUTIONS</b>	
(580,000.00)	Ordinary Shareholders	NIL
		NIL
<b>(60,865,801.31)</b>	<b>(44,873.14)</b>	<b>NIL</b>
	<b>REPRESENTED BY</b>	
		<b>NIL</b>

Note:

The Bank accounts were made non-interest bearing on 23 November 2021.

## Notes and further information required by SIP 7

- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and expenses incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts were interest bearing. Both the fixed charge and floating charge bank accounts were made non-interest bearing on 23 November 2021.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

# III Time analysis for the period

From 25 August 2021 to 14 January 2022

Period	Partner Hours	Director & Associate Director Hours	Manager Hours	Other Professional s Hours	Support Hours	Total Hours	Cost £	Average rate £/hr
<b>Administration &amp; planning</b>								
Statutory & Regulatory	2.85	4.95	-	8.75	-	16.55	5,546.48	335
Case administration	1.75	3.47	0.10	17.20	-	22.52	6,108.84	271
Sub-total Administration & planning	4.60	8.42	0.10	25.95	-	39.07	11,655.32	298
<b>Creditors</b>								
Chargeholders	-	1.40	1.68	-	-	3.08	1,007.49	327
Unsecured creditors (exc. Staff)	-	0.85	-	1.25	-	2.10	604.50	288
Sub-total Creditors	-	2.25	1.68	1.25	-	5.18	1,611.99	311
<b>Total of all hours</b>	<b>4.60</b>	<b>10.67</b>	<b>1.78</b>	<b>27.20</b>	<b>-</b>	<b>44.25</b>		
<b>Total of all £</b>	<b>2,760.00</b>	<b>4,213.30</b>	<b>481.49</b>	<b>5,812.52</b>	<b>-</b>		<b>13,267.31</b>	
<b>Average rate</b>	<b>600.00</b>	<b>395.00</b>	<b>270.00</b>	<b>213.69</b>	<b>-</b>			<b>300</b>
<b>Grand total hours</b>	<b>4.60</b>	<b>10.67</b>	<b>1.78</b>	<b>27.20</b>	<b>-</b>	<b>44.25</b>		
<b>Grand total £</b>	<b>2,760.00</b>	<b>4,213.30</b>	<b>481.49</b>	<b>5,812.52</b>	<b>-</b>		<b>13,267.31</b>	
<b>Average rate £/hr (all staff)</b>	<b>600</b>	<b>395</b>	<b>270</b>	<b>214</b>	<b>-</b>			<b>300</b>

## Explanation of major work activities undertaken

### Administration and planning

- Preparing and issuing the administrators 6-month report to 24 August 2021
- General case planning and administration
- Maintaining physical case files and electronic case details on IPS (electronic case management software)
- Liaising with HMRC regarding the VAT group disbandment and final VAT returns to reclaim VAT due
- Seeking fee approval from the PPF
- Seeking consent to the extension of the administration period from the PPF

### Creditors

- Reporting to, and providing updates to pension scheme and the PPF
- Recording and maintaining the list of creditors
- Dealing with creditor queries arising
- Assisting creditors with any claim queries

# IV Cumulative time analysis

From 25 August 2020 to 14 January 2022

Cumulative	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
<b>Administration &amp; planning</b>								
Statutory & Regulatory	7.22	11.90	30.07	78.03	-	127.21	32,451.47	255
Case administration	6.10	10.76	4.03	84.68	-	105.58	26,217.80	248
Sub-total Administration & planning	13.32	22.66	34.10	162.71	-	232.79	58,669.27	252
<b>Investigations</b>								
Directors	0.95	0.40	7.98	-	-	9.33	2,702.09	290
Records and investigations	-	-	2.82	9.00	-	11.82	2,545.81	215
Sub-total Investigations	0.95	0.40	10.80	9.00	-	21.15	5,247.90	248
<b>Realisation of assets</b>								
Fixed charge (chattel mortgages)	0.05	-	-	-	-	0.05	28.50	570
Other assets	-	0.25	9.40	-	-	9.65	2,467.52	256
Tax assets	2.10	0.50	17.79	1.50	-	21.89	6,252.48	286
Business sale	0.40	-	-	-	-	0.40	228.00	570
Sub-total Realisation of assets	2.55	0.75	27.19	1.50	-	31.99	8,976.50	281
<b>Trading</b>								
<b>Creditors</b>								
Chargeholders	2.92	1.40	4.12	1.90	-	10.34	3,690.33	357
Employees, Pensions & RPS	1.85	1.30	0.15	0.68	-	3.98	1,715.29	431
Unsecured creditors (exc. Staff)	0.35	1.70	5.10	1.67	-	8.82	2,490.44	282
Sub-total Creditors	5.12	4.40	9.37	4.25	-	23.14	7,896.06	341
<b>Shareholders</b>								
Shareholders/members	0.10	-	-	4.67	-	4.77	1,009.01	212
Sub-total Shareholders	0.10	-	-	4.67	-	4.77	1,009.01	212
<b>Total of all hours</b>	<b>22.03</b>	<b>28.21</b>	<b>81.45</b>	<b>182.14</b>	<b>-</b>	<b>313.83</b>		
<b>Total of all £</b>	<b>12,605.83</b>	<b>10,947.88</b>	<b>20,603.79</b>	<b>37,641.03</b>	<b>-</b>		<b>81,798.74</b>	
<b>Average rate</b>	<b>572.12</b>	<b>388.04</b>	<b>252.96</b>	<b>206.66</b>	<b>-</b>			<b>261</b>
<b>Grand total hours</b>	<b>22.03</b>	<b>28.21</b>	<b>81.45</b>	<b>182.14</b>	<b>-</b>	<b>313.83</b>		
<b>Grand total £</b>	<b>12,605.83</b>	<b>10,947.88</b>	<b>20,603.79</b>	<b>37,641.03</b>	<b>-</b>		<b>81,798.74</b>	
<b>Average rate £/hr (all staff)</b>	<b>572</b>	<b>388</b>	<b>253</b>	<b>207</b>	<b>-</b>			<b>261</b>

# V Staffing, charging, subcontractor and adviser policies and charge out rates

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## Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Expense recovery
- Smith & Williamson LLP's current charge out rates

## Staff allocation and the use of subcontractors

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

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as joint office-holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services during the administration are set out in the body of this report.

## Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2

expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

## Payments to associates

### Smith & Williamson Employee Benefit Consultants (S&WEBC) a division of Smith & Williamson Financial Services Limited (S&WFS)

S&WFS, through its Employee Benefits Consultancy division, provides specialist advice to insolvency practitioners on their appointment as office-holders of insolvent estates in relation to all aspects of pensions. S&WFS is a company associated with Smith & Williamson LLP and may be engaged to deal with the pension affairs of insolvent estates of which insolvency practitioners from Smith & Williamson LLP are appointed office-holders.

Payments to parties in which office-holders or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9. Consequently, details of the charge out rates for S&WFS are set out below. Fees for their services are accrued on a time costs basis.

<b>S&amp;WFS Employee Benefits Consultancy</b>	<b>Per hour</b>
<b>Charge out rates from 1 August 2020</b>	<b>£</b>
Director	280-360
Associate Director	220-275
Manager	160-200
Administrator	70-110

## Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the administration are set out in the body of this report.

## Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved. *[If applicable add Charge out rates for S&WFS were also provided to creditors at the time the basis of their fees was approved.]*

The rates applicable to this appointment are set out below. Changes to the charge out rates during the administration were applied with effect from 1 July 2021 and 1 January 2022.

<b>Smith &amp; Williamson LLP</b>	<b>London office</b>	<b>Regional offices</b>
<b>Restructuring &amp; Recovery Services</b>	<b>£/hr</b>	<b>£/hr</b>
<b>Charge out rates as at 1 July 2020</b>		
Partner / Director	495-570	396-456
Associate Director	380-465	372
Managers	285-400	228-320
Other professional staff	125-465	152-204
Support & secretarial staff	105	84

<b>Smith &amp; Williamson LLP</b>	<b>London office</b>	<b>Regional offices</b>
<b>Restructuring &amp; Recovery Services</b>	<b>£/hr</b>	<b>£/hr</b>
<b>Charge out rates as at 1 July 2021</b>		
Partner	590-610	480
Director & Associate Director	395-530	395-415
Managers	290-430	240-335
Other professional staff	130-280	160-215
Support & secretarial staff	100-120	90

#### **Notes**

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 January 2021 the cashiering function time is incorporated within 'Other professional staff' rates. From 1 February 2021 the cashiering function time is split between 'Other professional staff' and 'Associate Director'.
4. Partner includes a Consultant acting as an office-holder or in an equivalent role.



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**Principal offices:** London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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