

## **Festival 2022 Limited – in Members’ Voluntary Liquidation**

### **Progress report to Members pursuant to Section 92A of The Insolvency Act 1986 and Rule 18.7 of The Insolvency (England and Wales) Rules 2016 for the Period from 15 March 2023 to 14 March 2024**

**Issued On: 8 May 2024**

#### **INTRODUCTION**

Festival 2022 Limited (Entity) entered members’ voluntary liquidation on 15 March 2023. Emma Cray, David Matthew Hammond and Jen Whatcott were appointed joint liquidators of the Entity (Liquidators).

This report covers the conduct and progress of the liquidation in the period from 15 March 2023 to 14 March 2024 (Period).

A summary of receipts and payments for this Period is at Appendix A.

The statutory information relating to the Entity and the Liquidators is at Appendix B.

#### **REPORT ON THE LIQUIDATION**

##### **Realisation of assets:**

The below table shows the assets listed on the Director’s Declaration of Solvency as at 10 March 2023, together with a summary of the assets dealt with by the Liquidators in the Period.

<b>Asset</b>	<b>Declaration of Solvency est. to realise £</b>	<b>Liquidation assets dealt with in the Period £</b>
Cash at bank	76.97	33,805.23
Other debtors	33,730.23	0
<b>Total</b>	<b>33,807.23</b>	<b>33,805.23</b>

By the time of the appointment of Liquidators, the debtor balance had been realised leaving only a cash asset for the Liquidators to take control of. A bank account in the name of the Entity was opened by the Liquidators following their appointment and the cash at bank transferred to this new account.

The Liquidators are not aware of any other assets that remain to be realised.

##### **Settlement of liabilities:**

In the Period, the Liquidators published a notice in the London Gazette inviting creditors to submit details of claims they may have against the Entity. The Liquidators also wrote to certain parties identified as having actual or contingent claims against the Entity, requesting their proofs of debt.

The Director’s Declaration of Solvency indicated that the Entity had an outstanding liability upon entering liquidation, being an intercompany creditor balance due to the Secretary of State of Digital, Culture Media and Sport (“DCMS”) totalling £33,807.23. DCMS is a connected party as they are the guarantor of the Entities immediate guarantor, Birmingham Organising Committee for the 2022 Commonwealth Games Ltd – in Members’ Voluntary Liquidation (“the OC”).

In the Period, the Liquidators were put on notice regarding the amounts owed to DCMS. As the claim from DCMS was in connection with their claim for a return of additional funding that was drawn down in advance of The Game, it was agreed with DCMS that their claim would be paid at the time the Liquidators

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had settled any other creditor claims. It has also been agreed that no statutory interest will be payable on the amount owed by the Entity.

In the Period, the Liquidators have been put on notice regarding the amounts owed to DCMS (which is in line with that noted in the Director's Declaration of Solvency). As the claim from DCMS was in connection with their claim for a return of additional funding that was drawn down in advance of The Game, it was agreed with DCMS that their creditor claim will be admitted for payment at the time the Liquidators have settled any other creditor claim and are ready to close the liquidation. It has also been agreed that no statutory interest will be payable on the amount owed by the Entity.

Further claims against the Entity were received from two other creditors. These claims were agreed by the Liquidators and settled, together with interest, as applicable in the Period. The amount paid totalled £3,201.36. In addition, £473.20 of VAT was paid that is irrecoverable.

Costs of £321 were incurred for postal redirection services.

#### **HM Revenue & Customs ("HMRC"):**

In the Period, the Liquidators wrote to HMRC to inform them of the liquidation and to request details of any outstanding liabilities.

During the Period, the Entity's final pre-liquidation corporation tax returns were submitted to HMRC, confirming nil liability for the relevant period. HMRC have confirmed they have no outstanding pre liquidation issues.

As no income was received during the Period and the remaining funds will be used to settle the final creditor claim made against the Entity by DCMS, the Liquidators have written to HMRC to inform them that a post liquidation corporation tax return should not be required.

The Liquidators will shortly be looking to issue HMRC with a Notice of Intention to Declare a Dividend ("NOID"), requiring HMRC to submit a claim in the liquidation for any outstanding liabilities. No claim is expected to be received. Following the NOID proving period, the Liquidators will settle the final claim outstanding to DCMS and will then bring the liquidation to a close.

#### **Distributions to Guarantors:**

No distributions were made during the Period.

The Liquidators do not anticipate that a distribution will be made during the course of the liquidation because there will be no surplus assets to distribute.

### **LIQUIDATORS' FEES AND EXPENSES**

#### **Basis of remuneration**

The basis of the Liquidators' remuneration has been fixed by reference to the time properly given by them and their staff in dealing with the liquidation, in accordance with a resolution dated 15 March 2023.

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#### **Liquidators' fees and expenses**

Fees and expenses of the liquidation have been paid to PricewaterhouseCoopers LLP by another group company under a separate contractual arrangement. There is no recourse to the liquidation estate.

The Liquidators have separately provided the Guarantor with the information required in accordance with Statement of Insolvency Practice 7.

#### **Guarantors' rights regarding the Liquidators' remuneration and expenses**

Any guarantor of the Entity with permission of the court or guarantor of the Entity with at least 5% of the total voting rights of all the guarantors having the right to vote at general meetings of the entity (or permission of the court) are entitled to request further information about our fees and expenses. Such requests need to be made within 21 days of receipt of this report. See Rule 18.9 of the Insolvency (England and Wales) Rules 2016 for further detail.

Any guarantor of the Entity with permission of the court or guarantors of the Entity with at least 10% of the total voting rights of all the guarantors having the right to vote at general meetings of the entity (or permission of the court) are entitled to claim by way of court application that the liquidators' fees and expenses are excessive. Such applications need to be made within 8 weeks of the receipt of this report. See Rule 18.34 of the Insolvency (England and Wales) Rules 2016 for further detail.

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### APPENDIX A

Abstract of Receipts and Payments in the liquidation during the period from 15 March 2023 to

From 15 March 2023  
To 14 March 2024

	£
<b>RECEIPTS</b>	
Cash in hand	33,805.23
<b>Total</b>	<b>33,805.23</b>
<b>PAYMENTS</b>	
Sundry expenses	(321.00)
Bank charges	(0.05)
Creditor	(3,201.36)
Irrecoverable VAT	(473.20)
<b>Total</b>	<b>(3,995.61)</b>
<b>DISTRIBUTIONS</b>	
<b>Total</b>	NIL
<b>TOTAL BALANCE</b>	<b>29,809.62</b>

**Note:**

1. Cash funds are held in a non-interest bearing bank account controlled by PricewaterhouseCoopers LLP on behalf of the Entity.
2. The above Receipts and Payments account details cash receipts and payments only. It does not include any non-cash assets, sums settled in cash by third parties, or assets distributed in specie. Please see the assets, liabilities and distributions sections in the main body of the report for details on how the Liquidators dealt with the Entity's non-cash assets and liabilities.

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### APPENDIX B

#### Information on the Entity and the Liquidators

##### Entity Details

**Entity’s registered name:** Festival 2022 Limited

**Entity’s registered number:** 12581221

**Postal address of principal place of business** One Brindley Place, Brindley Place, England, Birmingham, B1 2JB, England

##### Liquidators’ Details

**Liquidators’ names:** Emma Cray, David Matthew Hammond and Jen Whatcott

**Liquidators’ postal address:** One Chamberlain Square, Birmingham B3 3AX

**Liquidator’ email:** [emma.cray@pwc.com](mailto:emma.cray@pwc.com)  
[matthew.hammond@pwc.com](mailto:matthew.hammond@pwc.com)  
[jen.whatcott@pwc.com](mailto:jen.whatcott@pwc.com)

**Nature of appointment:** Members’ voluntary liquidation

**Previous liquidators:** N/A

*Emma Cray, David Matthew Hammond and Jen Whatcott have been appointed as Joint Liquidators of the Entity to manage its affairs, business and property as its agents and 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 Liquidators 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 Liquidators are controllers of personal data as defined by the Data Protection Act 2018. PricewaterhouseCoopers LLP will act as processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Members’ Voluntary Liquidation.*