

Joint liquidators' progress report from 4 June 2021 to 3 June 2022

12 July 2022

Penso Consulting Limited

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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
the Company	Penso Consulting Limited
the Bank	Clydesdale Bank Plc
Firm/PwC	PricewaterhouseCoopers LLP
HMRC	HM Customs & Revenue
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Leasehold Property	2 Woodhams Road, Coventry, CV3 4FX
PCVL	Penso City Vehicles Limited
First ranking preferential creditors	Creditors with claims for: <ol style="list-style-type: none">1. unpaid wages for the whole or any part of the period of four months before 4 June 2021 (up to a maximum of £800);2. accrued holiday pay for any period before 4 June 2021; and3. 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
PGHL/the Purchaser	Penso Group Holdings Limited/ McDermott Group Plc
PHL	Penso Holdings Limited
RPS	Redundancy Payments Service (part of the Insolvency Service, an executive agency of the Department for Business, Energy & Industrial Strategy)
Secondary preferential creditors	HMRC in respect of taxes due from employees and customers that are withheld by the business and then paid over in one lump sum periodically to HMRC, such as VAT, PAYE and employees' National Insurance contributions.
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
the Liquidators/we/our/us	Edward Williams and Matthew Hammond
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Edward Williams and David Matthew Hammond as Liquidators of the Company, solely to comply with the Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, 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 person 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 Liquidators 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 Liquidators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/penso. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Edward Williams and Matthew Hammond have been appointed as Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The 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 Liquidators 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 Liquidators. Personal data will be kept secure and processed only for matters relating to the Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Liquidators.

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 liquidation of Penso Consulting Limited in the 12 months since our appointment.

You can still view our earlier reports on our website at www.pwc.co.uk/penso. Please get in touch with us at uk_penso_creditors@pwc.com if you need the password to access the reports.

How much creditors have received

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

Table 1 – Dividend prospects

Class of creditor	Forecast return	Timing
Secured creditor(s)	nil	n/a
Preferential creditors	nil	n/a
Secondary preferential creditors	nil	n/a
Unsecured creditors	nil	n/a

Unfortunately we don't anticipate making a distribution to any class of creditor in this case.

What you need to do

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

Overview of what we've done to date

This is our first progress report to members and creditors.

We summarise below the Company's background and reasons for its insolvency:

The Company was a manufacturer of motor vehicles and associated parts, based in Coventry. In March 2020, the impact of the Coronavirus pandemic saw the immediate cessation of demand for the Company's products. The Company sought to diversify but the shortage of materials such as semiconductors restricted the Company's ability to produce vehicles and other products.

As a result the Company was unable to sustain its position or secure additional funding and the directors had no alternative but to consider insolvency proceedings. A Notice of Intention to appoint administrators was filed on 7 May 2021, but ultimately the Company entered into CVL on 4 June 2021. We were appointed Liquidators on that date. A company from the same trading group, PCVL, was also placed in liquidation on the same date.

Immediately upon our appointment, we secured and took control of the Company's assets which included:

- Plant and equipment;
- Stock;
- Work in practice; and,
- Goodwill.

We decided the most appropriate strategy was to seek a sale of the Company's assets and sought to market the assets accordingly. On 21 June 2021 a sale was concluded to McDermott Group Plc.

Outcome for creditors

Secured creditors

The Bank's lending to the Company as at the date of liquidation was in the region of £1.6M and is secured by a debenture dated 18 August 2017. This security gives the Bank fixed and floating charges over all the Company's assets. The Bank has a fixed charge over book debts from which some recoveries have been made as stated below. We do not anticipate making a distribution to the Bank under its remaining fixed charge and floating charge.

Additional secured creditors are Birmingham City Council and Bicester Lane Limited. We do not anticipate making any distributions to these secured creditors, due to a lack of available realisations.

First Ranking Preferential Creditors (mainly employees)

In their statement of affairs, the directors thought that first ranking preferential claims would total around £407,958. We have to date received first ranking preferential claims totalling £500,171.

We don't think there will be any dividend for first ranking preferential creditors due to a lack of available funds, to distribute to any class of creditors.

Secondary Preferential Creditors

The directors' statement of affairs showed a secondary preferential claim due to HMRC estimated at £1,372,297. We have not yet received a final claim from HMRC, but we don't think there will be any dividend for secondary ranking preferential creditors due to a lack of available assets.

Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. This prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The prescribed part applies in this case as there is a floating charge created after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000

We don't think there will be a prescribed part because we don't think the Company will have any net property. As such we based on what we know currently there will be no funds available to pay a dividend for unsecured creditors.

Progress since we last reported

Realisation of assets

Sale of Business

Creditors will recall that full details of the sale of business were provided in the Initial report to creditors and members dated 30 June 2021; however for the purposes of this report, an overview is provided below.

Following our appointment as liquidators, we were contacted by McDermott Group plc, who expressed an interest in purchasing the assets of the business. A sale was progressed and completed on 21 June 2021. To facilitate the sale, a new company, PGHL was incorporated on 11 June 2021. Two of the directors of Penso Consulting Limited were appointed directors of PGHL. As such we reported the sale as a "Connected Party Transaction" in our initial report to creditors and members.

The purchase price was £160k plus VAT, paid upon completion, for all of the plant, machinery and equipment, stock and all intellectual property (including trademarks, patents, trademarks, designs, copyright and database rights) owned by the Company and its sister company, PCVL. The split of consideration is shown below:

- Business Name = £1 (the Company)
- Business Rights = £1 (the Company)
- Plant = £150,000 (the Company)
- Stock = £5,000 (the Company)
- Intellectual Property = £4,998 (to be recognised in PCVL only)

Alongside the above transaction, the previous lease in the name of the Company and PHL was surrendered back to the landlord and a new 8 week lease was entered into on a rent free basis between the landlord and the Liquidators. PHL was a separate legal entity, not subject to any insolvency proceedings. As part of this agreement, PGHL provided funds to the Liquidators to cover business rates, utilities and insurance costs for the 8 week period while the site was cleared and handed back to the landlord at the end of the new lease. Warwick District Council confirmed no business rates became payable in the period. The net amount paid by PGHL and utilised, in the main, for meeting utility costs for that agreed period, is included in our receipts and payments account below.

Based on valuation advice received from our agents, the amount received from this sale was higher than the value likely to have been realised on a break up, auction driven basis. In addition, the rent free period and contribution to holding costs from PGHL removed the risk that any value would be lost by having to fund the costs of clearing the site.

The Liquidators did receive other offers, on a piecemeal basis, for plant and Intellectual property but these were not considered to deliver sufficient value when compared to the completed transaction.

Book Debt Realisations

In our initial report we advised that the debtor book stood at £1,005,023. This asset was secured by way of a fixed charge in favour of the Bank. A c.£614k surplus was transferred to the Bank from the invoice finance company upon appointment with a further c.£20k received in August 2021. The total surplus received by the Bank from invoice financing was c.£634k, which has reduced the Bank's debts accordingly.

During the period we have provided assistance where required to the Bank with regards to the recovery of book debts, it is our understanding that to date no material pot appointment recoveries relating to book debts have been made.

We will continue to provide assistance where required until the conclusion of the liquidation.

Bank Interest

In the period we have realised £98 in respect of bank interest.

Grant funds

Significant work has been undertaken in the period to realise grant funds which the Company was eligible to receive irrespective of our appointment. The total value of this grant was determined to be £86,167, of which the Company had received £50,000 prior to our appointment. We therefore expect the final recovery to be £36,167.

In order to realise these funds, an independent auditor's report was required. In addition, assistance by way of provision of financial data was required from PGHL and as such we have agreed to pay commission to PGHL for their information on a no win, no fee basis and we envisage the payment to be around £2,500.

Other issues

Leased Vehicles

The Company had five vehicles which were leased from three separate leasing companies. We spent some time negotiating the return of the vehicles to the leasing companies, including removal from site, in order to reduce our insurance requirements and to ensure vehicles were returned before the site was handed back to the landlord. We can confirm all vehicles have been returned.

Retention of title claims

Upon appointment a number of retention of title claims were made by suppliers in connection with supplies made prior to our appointment. A robust system was initiated in order to accurately determine all such claims. All those making such claims were responsible for the removal of goods from the site. Overall this assisted with the reduction of unsecured claims.

Clearance of the site

As we have said above, the landlord of the Company's premises granted a short lease to the Liquidators which gave PGHL time to remove the items they had purchased and leave the site in good order. Our team spent time on site, overseeing the removal of stock, hazardous waste and assets to ensure that the premises could be handed back to the landlord upon expiration of the lease on 31 July 2021. Some of these assets included large, ground fixed industrial machinery.

The Purchaser successfully completed clearance of the site by the deadline of 31 July 2021 provided.

Redundancies

Unfortunately it was necessary for the directors to make all employees redundant prior to liquidation. Our team has spent time dealing with employee queries, liaising with the Redundancy Payments Service and other matters.

Statutory and compliance

Tax

On appointment, our tax specialist colleagues undertook a review of the pre-appointment tax affairs of the Company. They advised that it was not in creditors' interests to complete outstanding pre-appointment tax returns post appointment. Consideration was given in relation to the sale of tax losses but this was not deemed commercially viable.

VAT

Our VAT specialist colleagues undertook an initial review of the pre-appointment VAT position, once we were appointed liquidators.

During the period we have undertaken two quarterly VAT returns resulting in a VAT repayable position in each return. One repayment is still outstanding from HMRC. Following the submission of the second return, the Company has been deregistered for VAT purposes.

Investigations and actions

We have reviewed the Company's affairs and taken into account any points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2. At this time, nothing has come to our attention to suggest that we need to do any more work in line with our duties.

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

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 4 June 2021 to 3 June 2022.

Our expenses

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

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, expenses and other related matters.

Statement of affairs' fees

We have not drawn any fees in relation to the preparation of the statement of affairs.

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 our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

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

You can also get a copy free of charge by telephoning George Edmond on 0113 289 4000.

What we still need to do

The following matters remain outstanding in the liquidation. A full breakdown can be found in the 'Our Future Work' section of this report, but in summary we need to:

- Finalise the realisation of grant monies into the estate;
- Arrange for storage and destruction of Company records;
- Submit any due tax returns and obtain tax clearance;
- Pay costs of the liquidation;
- Recover any VAT paid;
- Prepare and deliver the final account to creditors and members and submit to the Registrar of Companies;
- Close the liquidation.

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you've got any questions, please get in touch on the contact details stated above.

Yours faithfully



Edward Williams
Liquidator

Appendices

Appendix A: Receipts and payments

Statement
of Affairs
(£)

4 June 2021 to
3 June 2022 (£)

Receipts		
26,497,377	Leasehold Property - contribution to costs from the Purchaser	11,598.96
	Sale of business (1, 7)	155,002.00
	Bank interest gross	98.03
	Total Receipts	166,698.99
Payments		
	Professional Fees	(1,400.00)
	Agents' Fees - Property & Assets	(12,945.00)
	Office holders fees	(60,000.00)
	Office holders expenses	(415.84)
	Legal Fees and Expenses	(20,057.90)
	Insurance	(546.18)
	Storage costs	(435.05)
	Statutory advertising	(174.00)
	Utilities - clearance costs	(1,710.72)
	Utilities paid by the Purchaser	(11,598.96)
	Employee/subcontractor costs & expenses	(432.04)
	Total Payments	(111,115.69)
	Balance	53,983.30
	VAT Control Account	(12,317.97)
	Cash held in an interest bearing Bank Accounts	44,665.33

Notes to the R&P

1. This the the total value of all assets identified on the Statement of Affairs. The Statement of Affairs provides a more granular breakdown of the values of different categories of assets; however, for the purposes of this receipts and payments account, they are shown as a collective value.
2. In our initial report we referred to the recovery of book debts. As stated above all book debts were secured by the Bank pursuant to a fixed charge and therefore all recoveries were passed directly to the Bank and did not pass through the estate accounts and therefore is not shown in this receipts and payments account.
3. Amounts shown exclude VAT.
4. Our fees will be drawn on a time cost basis. Please refer to Appendix C with regards to a more detailed analysis of our time costs. The receipts and payments account shows the amount(s) paid in the period and total to date.
5. Included within our expenses is £370.95 paid in total, in relation to 'Category 2' expenses in accordance with the policy explained in Appendix C and within the remuneration report dated 23 November 2021.
6. Remuneration and expenses have all been allocated floating accounts on the basis that any asset realisations would be secured by the floating charges registered.
7. Part of the purchase price paid related to intellectual property owned by an associated company, Penso City Vehicles Limited. A total of £4,998 plus VAT was paid over to that liquidation.
8. Funds are held in two interest bearing accounts

Appendix B: Expenses

Expenses are amounts properly payable by us as liquidators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

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

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

Category	Cost incurred by	Policy	Costs incurred (£)
2	PwC	Photocopying - Up to 12 pence per side copied, only charged for circulars to creditors and other bulk copying.	180.11
2	PwC	Mileage - At a maximum of 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc) for petrol/diesel/hybrid vehicles up to a maximum of 72 pence for electric vehicles/ up to 12 pence per mile for bicycles	190.84
1	PwC	Bonding	225.00
Total			595.95

The expense policy set out above has been approved by the general body of creditors.

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

Nature of expenses	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Agents' Fees - Property & Assets	12,945.00	12,945.00	-	12,945.00	12,945.00	-
Employee/Subcontractor Costs & Expenses	432.04	432.04	-	432.04	432.04	-
Insurance	546.18	546.18	-	546.18	546.18	-
Legal Fees & Expenses	20,057.90	20,057.90	-	20,057.90	21,507.90	1,450.00
Professional Fees	1,400.00	1,400.00	-	1,400.00	1400.00	-
Office Holders disbursements	595.95	595.95	-	595.95	565.84	(30.11)
Commission payments*	-	-	2,500.00	2,500.00	10,000.00	7,500.00
Storage Costs	435.05	435.05	601.75	1,036.80	1,285.05	248.25
Utilities & Rates - Clearance Costs	1,710.72	1,710.72	-	1,710.72	487.92	(1,222.80)
Statutory Advertising	174.00	174.00	90.00	264.00	174.00	(90.00)
Total	38,296.84	38,296.84	3,191.75	41,488.59	49,343.93	7,855.34

*This reflects the maximum value of the commission payment to be made with the ultimate final payment being prorated dependent upon the level of recovery of grant monies.

** These costs reflect only those costs paid from the estate and excludes funds paid by the Purchaser.

The table also excludes any potential tax liabilities that we may need to pay as a liquidation 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.

Our expenses have not exceeded the estimate provided to all creditors before the basis of our fees was fixed.

Appendix C: Remuneration update

Our fees were approved on a time costs basis by the general body of creditors on 21 December 2021. This approval allows us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation.

We have drawn fees of £60,000 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 £320,142.40. This amount does not necessarily reflect how much we will eventually draw as fees for this period and our fees will be limited as per our remuneration report fee estimate and by assets available in the estate.

Our time costs have exceeded the amount approved by the unsecured creditors as the fee approving body. Time spent supervising the closure of the trading site, together with sale and removal of assets was higher than anticipated due to the level of work required given the number and size of assets sold and removed, including ground fixed large industrial equipment. In addition, further time has been taken realising grant monies. The length of time this has taken has also delayed closure of the liquidation, resulting in additional time spent on planning and statutory reporting. We will not be seeking approval for any additional time costs from creditors in this case.

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

Our hours and average rates

	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Hours	Total Cost (£)	Average Hourly Costs (£)	Future costs (£)	Anticipated total (£)	Original Estimate (£)	Budget Variance (£)
Accounting and Treasury			0.05	7.45	14.95	14.15	36.60	14,341.75	391.85	6,000.00	20,341.75	13,090.75	(7,251.00)
Assets	12.50	8.90	33.20	52.80	29.13	6.35	142.88	78,211.50	547.39	3,000.00	81,211.50	71,631.00	(9,580.50)
Closure Procedures					0.25		0.25	106.25	425.00	12,500.00	12,606.25	5,800.00	(6,806.25)
Creditors	1.00		8.35	8.65	14.90	18.10	51.00	20,013.50	392.42	2,500.00	22,513.50	20,028.75	(2,484.75)
Employees and Pensions			16.55	8.45	30.95	31.60	87.55	38,543.75	440.25	1,500.00	40,043.75	39,457.50	(586.25)
Investigations		0.40	3.00	9.45	3.50	6.35	22.70	10,533.25	464.02	-	10,533.25	10,533.25	-
Statutory and Compliance	0.25		6.50	45.35	36.20	26.00	114.30	48,212.50	421.81	22,500.00	70,712.50	72,183.75	1,471.25
Strategy and Planning	3.65	0.90	1.50	14.55	54.10	7.12	81.82	35,325.90	431.75	5,000.00	40,325.90	30,644.90	(9,681.00)
Tax and VAT			3.85	8.55	7.70	2.00	22.10	13,477.75	609.85	2,500.00	15,977.75	30,865.25	14,887.50
Post Sale Matters	26.25		0.35	77.50			104.10	61,376.25	589.59	-	61,376.25	61,107.50	(268.75)
Grand Total	43.65	10.20	73.35	232.75	191.68	111.67	663.30	320,142.40	482.65	55,500.00	375,642.40	355,342.65	(20,299.75)

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. 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 liquidation (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. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (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 liquidation.

With effect to 30 June 2021	Business Recovery Services Maximum rate per hour	Specialist maximum rate per hour
Grade	(£)	(£)
Partner	850	1,200
Director	720	975
Senior Manager	585	850
Manager	475	630
Senior Associate	390	500
Associate	245	275
Offshore Professionals	245	N/A
Support staff	125	140

With effect from 1 July 2021	Business Recovery Services Maximum rate per hour	Specialist maximum rate per hour
Grade	(£)	(£)
Partner	875	1,230
Director	740	1000
Senior Manager	625	890
Manager	525	675
Senior Associate	425	530
Associate	280	320
Offshore Professionals	280	N/A
Support staff	130	145

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.

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

Payments to associates

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

Our work in the period

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

Area of work	General description	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 bank accounts Dealing with receipts, payments and journals Verifying payee bank details Carrying out bank reconciliations and managing investment of funds Corresponding with the bank regarding specific transfers Arranging bonds for the appointees Responding to case team queries Filing 	<ul style="list-style-type: none"> Ensures proper management of the funds held 	<ul style="list-style-type: none"> To comply with statutory accounting obligations to safeguard funds
Assets	Property	<ul style="list-style-type: none"> Overseeing the clearance of Leasehold Property by the Purchaser Liaising with suppliers regarding the recovery of assets from the Leasehold Property Obtaining final meter readings, liaising with utility providers and arranging payment of final utility bills Liaising with the landlord to ensure the removal of hazardous waste Liaising with local authorities Liaising with the freeholder of the Leasehold Property Withdrawing undertakings not relating to trading and obtaining clearances from third parties. 	<ul style="list-style-type: none"> Realising assets in the estate for the benefit of creditors and members 	<ul style="list-style-type: none"> Statutory function of the liquidators

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- | | |
|---------|--|
| Debtors | <ul style="list-style-type: none">• Reviewing correspondence in relation to a large debtor balance owed to the Company• Correspondence with secured creditors regarding secured book debt realisation• Undertaking negotiations with larger debtors regarding overdue balances to recover sums for the benefit of secured creditors. |
|---------|--|
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- | | |
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| Other chattel assets | <ul style="list-style-type: none">• Liaising with valuers and interested parties to agree a strategy for selling or otherwise realising value for assets• Reviewing asset listings• Dealing with assets on finance or subject to hire purchase agreements to ensure they were returned in accordance with the hire purchase agreements following the insolvency of the Company in adherence to contractual terms |
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| Other tangible assets | <ul style="list-style-type: none">• Liaising with the Purchaser and the directors of the Company regarding the recovery of grant monies.• Liaising with a third party to recover grant monies into the estate |
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| Retention of title claims | <ul style="list-style-type: none">• Arranging for the completion of retention of title claim forms• Maintaining our retention of title file• Meeting claimants on site to identify goods• Arranging collection of goods where aged• Significant volumes of calls and emails with creditors regarding various retention of title matters |
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| Insurance | <ul style="list-style-type: none">• Identifying potential issues requiring attention of insurance specialists• Reviewing insurance policies• Corresponding with insurer regarding initial and ongoing insurance requirements |
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		<ul style="list-style-type: none"> Obtaining insurance clearance following the conclusion of insurance requirements 		
Creditors	Creditor enquiries	<ul style="list-style-type: none"> Setting up a dedicated website for delivery of initial and ongoing communications and reports Receiving and following up creditor enquiries via telephone, email and post Reviewing and preparing correspondence to creditors and their representatives Receiving and filing proofs of debt when not related to a dividend 	<ul style="list-style-type: none"> To ensure claims remain up to date and acknowledged and to assist creditors with the credit insurance matters 	<ul style="list-style-type: none"> Statutory function of the liquidators
	Secured creditors	<ul style="list-style-type: none"> Notifying secured creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries 		
	Preferential claims	<ul style="list-style-type: none"> Receiving and recording claim from RPS 		
	Unsecured claims	<ul style="list-style-type: none"> Receiving proofs of debt and maintaining register Answering unsecured creditor queries 		
	Shareholder enquiries	<ul style="list-style-type: none"> Responding to any shareholder queries 		
Employees and pensions	Communications with employees	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> To ensure appropriate communication with employees; To comply with statutory pension requirements 	<ul style="list-style-type: none"> Statutory function of the liquidators
	Payroll	<ul style="list-style-type: none"> Reviewing employee files and company's books and records 		
	Redundancy related work	<ul style="list-style-type: none"> Liaising with the RPS and external agencies Liaising with the RPS regarding statutory elements owing to 		

		<ul style="list-style-type: none"> employees and ensuring this is paid in a timely manner. Dealing with any employee queries arising in connection with preferential claims matters and their ability to make claims from the RPS 		
	Pensions	<ul style="list-style-type: none"> Reviewing insurance policies Issuing statutory notices Dealing with pensions enquiries 		
Investigations	Conducting investigations	<ul style="list-style-type: none"> Collecting company books and records where related to investigatory work Reviewing books and records Reviewing transactions and liaising with directors regarding certain transactions Submission of our report on the conduct of the Company's directors to the Insolvency Service in accordance with the requirements of the Company Directors Disqualification Act 1986 	<ul style="list-style-type: none"> To recover assets for the benefit of creditors. 	<ul style="list-style-type: none"> Statutory function of the liquidators
Strategy and planning		<ul style="list-style-type: none"> Completing tasks relating to job acceptance Preparing fee budgets & monitoring cost Holding team meetings and discussions regarding status of the liquidation Closure planning Ensuring all outstanding payments are satisfied prior to the conclusion of the liquidation 	<ul style="list-style-type: none"> To ensure proper stewardship of the case 	<ul style="list-style-type: none"> Statutory function of the liquidators
Statutory and compliance	Initial letters and notifications	<ul style="list-style-type: none"> Preparing and issuing all necessary initial letters and notices regarding the liquidation and our appointment Preparing and publishing the initial report to creditors 	<ul style="list-style-type: none"> To ensure proper stewardship of the case 	<ul style="list-style-type: none"> Statutory function of the liquidators
	Remuneration report	<ul style="list-style-type: none"> Preparing and 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.		
		<ul style="list-style-type: none"> Administering the decision procedure and recording upon the Record of Decision 		
	Case reviews	<ul style="list-style-type: none"> Conducting case reviews after the first month, then every six months 		
	Progress reports and extensions	<ul style="list-style-type: none"> Preparing the first progress report to creditors and the Registrar 		
	Other meetings / resolutions	<ul style="list-style-type: none"> Issuing notices and associated documentation for seeking decisions of creditors 		
	Books and records	<ul style="list-style-type: none"> Collecting company books and records where not related to investigatory work Dealing with records in storage Sending job files to storage 		
	Other statutory and compliance	<ul style="list-style-type: none"> Filing of documents Updating checklists and diary management system 		
Tax & VAT	Tax	<ul style="list-style-type: none"> Gathering information for the initial review of the Company's pre-appointment tax affairs Carrying out tax review and subsequent enquiries Preparing tax computations in relation to pre-appointment tax matters where appropriate Preparing correspondence to HMRC setting out the position of the pre-appointment tax affairs of the Company Liaising with tax colleagues regarding tax computations and returns Liaising with HMRC and corresponding with HMRC on a variety of matter to ensure tax compliance 	<ul style="list-style-type: none"> To ensure proper stewardship of the case 	<ul style="list-style-type: none"> To ensure proper stewardship of the case
	VAT	<ul style="list-style-type: none"> Gathering information for the initial VAT review 		

		<ul style="list-style-type: none"> • Carrying out VAT review and subsequent enquiries • Preparing VAT returns • Liaising with HMRC • De-registering for VAT 		
Post Sale Matters	Sale of business	<ul style="list-style-type: none"> • Preparing an information memorandum • Liaising with purchasers and solicitors • Onsite meetings with Company staff and the Purchaser regarding the purchase of Company assets • Extensive meetings undertaken by the Liquidators with Purchaser and other stakeholders to negotiate and agree a sale of the assets of the Company • Holding internal meetings to/review offers received • Liaising with the Purchaser and overseeing the removal of purchased assets from the premises by the Purchaser • Liaising with the landlord, arranging and executing termination of the original lease and agreeing a temporary leasehold agreement in respect of the Property 	<ul style="list-style-type: none"> • Realising assets in the estate for the benefit of creditors and members 	<ul style="list-style-type: none"> • Statutory function of the liquidators

Our future work

We still need to do the following work in the liquidation.

The estimated costs incurred has largely exceeded our original fee estimate set out in our remuneration report. The estimated costs detailed below are for information purposes only and we do not expect to seek further fee approval in relation to this.

Area of work	General description	Work undertaken	Estimated cost (£)	Whether or not the work will provide a financial benefit to creditors
Accounting and treasury		<ul style="list-style-type: none"> Dealing with receipts, payments and journals not relating to trading Verifying payee bank details Filing Responding to case team queries Closing bank accounts 	6,000.00	<ul style="list-style-type: none"> Ensures proper management of the funds held To comply with statutory accounting obligations
Assets		<ul style="list-style-type: none"> Liaising with a third party to recover grant monies into the estate and realising funds into the estate 	3,000.00	<ul style="list-style-type: none"> Realising funds into the liquidation estate/statutory function of the liquidators
Creditors		<ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post Reviewing and preparing correspondence to creditors and their representatives Receiving and filing proofs of debt when not related to a dividend 	2,500.00	<ul style="list-style-type: none"> Statutory function of the liquidators
	Secondary preferential creditors	<ul style="list-style-type: none"> Receiving and recording claim from HMRC 		
Closure procedures		<ul style="list-style-type: none"> Completing checklists and diary management system Closing down internal systems 	12,500.00	<ul style="list-style-type: none"> Statutory function of the liquidators
Employees and pensions	Employees	<ul style="list-style-type: none"> Receiving and following up employee enquiries via 	1,500.00	<ul style="list-style-type: none"> Statutory function of

		telephone, post and email		the liquidators
	Pensions	<ul style="list-style-type: none"> Dealing with pensions enquiries Confirming pension's clearances 		<ul style="list-style-type: none"> Statutory function of the liquidators
Statutory and compliance		<ul style="list-style-type: none"> Case reviews Issuing the first report in CVL to creditors and members Preparing and issuing the final report in CVL to creditors and members Filing of documents Updating checklists and diary management system Issuing statutory notices 	22,500.00	<ul style="list-style-type: none"> Statutory function of the liquidators
Strategy and planning		<ul style="list-style-type: none"> Costs monitoring Closure planning Ensuring all outstanding payments are satisfied prior to the conclusion of the liquidation 	5,000.00	<ul style="list-style-type: none"> Statutory function of the liquidators
Tax and VAT	Tax	<ul style="list-style-type: none"> Preparing and submitting tax computations and returns in respect of post appointment income Liaising with HMRC and corresponding with HMRC on a variety of matter to ensure tax compliance Obtaining tax clearances 	2,500.00	<ul style="list-style-type: none"> Statutory function of the liquidators
	VAT	<ul style="list-style-type: none"> Final VAT 426 submission 		<ul style="list-style-type: none"> Statutory function of the liquidators

Our relationships

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

Details of subcontracted work

We have not engaged sub-contractors in this case in relation to any works that could have been undertaken directly by the Liquidators' staff.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees and actual/estimated cost of the work
Legal Services including: <ul style="list-style-type: none">• Legal advice regarding the sale of the assets of the Company to the Purchaser• Drafting and reviewing the asset sale and purchase agreement• Provision of advice regarding the potential recovery of book debts	Addleshaw Goddard LLP	Industry knowledge / insolvency expertise.	Time costs and disbursements - all costs now paid and the total payable is displayed in the receipts and payments below.
Valuation services and activities connected to the sale of the business including: <ul style="list-style-type: none">• Valuation of assets;• Preparation of documents regarding sale of assets to ensure they were realised for maximum value;• Liaising with 3rd parties regarding the recovery of assets.	Hilco Appraisal Limited Trading as Valuation Services	Industry knowledge / insolvency expertise.	Time costs and disbursements
Provision of an independent auditors' report in order to fulfil necessary requirements to obtain funding under the grant award sought.	THP Chartered Accountants	Industry knowledge / insolvency expertise.	Fixed fee

We were required to engage an independent accountant to assist with the possible realisation of a grant due to the Company. This expense has been factored into the expenses table under the professional fees category and has been paid. This work has now been completed.

We require all third party professionals to submit a detailed time costs analyses and narrative in support of invoices rendered. We undertake the reviews of the time costs against the backing documentation provided to satisfy ourselves that the charges rendered by professional firms remain proportionately accurate in relation to the task for which they were engaged.

Appendix D: Other information

Company's registered name:	Penso Consulting Limited
Trading name:	n/a
Registered number:	03787877
Registered address:	Floor 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the Liquidators' appointment:	04 June 2021
Liquidators' names, addresses and contact details:	Edward Williams David Matthew Hammond*

Contact: uk_penso_creditors@pwc.com

* Described within the report as Matthew Hammond