

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



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06/03/2018

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COMPANIES HOUSE

1 Company details

Company number 0 5 2 8 9 1 3 0

Company name in full Pure Wafer Plc

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Derek Neil

Surname Hyslop

3 Liquidator's address

Building name/number 1

Street More London Place

Post town

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Samantha Jane

Surname Keen

① Other liquidator

Use this section to tell us about
another liquidator

5 Liquidator's address ②

Building name/number 1

Street More London Place

Post town

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

② Other liquidator

Use this section to tell us about
another liquidator

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6 Period of progress report

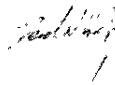
From date	^d 0	^d 7	^m 0	^m 1	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 6	^m 0	^m 1	^y 2	^y 0	^y 1	^y 8

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 1	^m 0	^m 3	^y 2	^y 0	^y 1	^y 8
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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	Jack Collis
Company name	Ernst & Young LLP
Address	1
	More London Place
Post town	
County/Region	London
Postcode	S E 1 2 A F
Country	United Kingdom
DX	
Telephone	020 7951 5925



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 or email 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

A claim was received from HM Revenue & Customs ('HMRC') in October 2017 relating to the non-submission of returns for employment related securities ('ERS') for the periods ended 2015 and 2016 and the sum of £1,400 has been paid in settlement of the claim. The Joint Liquidators have since received final clearance from the MVL team of HMRC confirming that payment of the claim has been received in full and that HMRC have no objection to the closure of the liquidation (subject to the outstanding matter detailed below).

Several small payments totalling £230.47 were made during the period in relation to statutory interest on invoices which were outstanding at the point of liquidation. As at 6 January 2016, the Company had accruals of an estimated £400,000, a large amount of which related to supplies/services provided prior to the liquidation which had not been invoiced or paid at the date of the liquidation. As such it was identified that a number of creditors would be owed statutory interest on the balance that was owed to them at the date of liquidation. All creditors that were entitled statutory interest have been paid and there are no further payments due in this regard.

Distributions to Members

There were no distributions to shareholders during the period. However, to date the shareholders of the Company have received total distributions of 180 pence per share. This compares with a projected total distribution of 188 pence per share included in the director's circular to shareholders on 11 December 2015. If the outstanding matter can be dealt with as is currently estimated, then the final distribution to members is expected to be approximately 8 pence per share.

Outstanding matters to be concluded

During the period covered by this report, the majority of the Joint Liquidator's time has been spent dealing with the Company and its subsidiary's tax positions. For the Company, this has involved submitting outstanding Corporation Tax (CT) returns and seeking agreement in relation to certain tax treatments and finally clearance from the CT office of HMRC such that they have no objection to the closure of the liquidation in due course.

As you may recall, the Company sold its US subsidiary prior to the liquidation of the Company and the disposal was accounted for in the pre liquidation CT return which was filed during the liquidation period. Due to elections made in the pre liquidation CT return and computation, it was pivotal that the Joint Liquidators obtained confirmation from HMRC that they agreed with the filing position taken in the CT return to ensure that no tax was payable to them and as such could be released to the shareholders. CT clearance was received from HMRC on 2 August 2017. Had this not been accepted the exposure of the Company would have been £1.8m.

Furthermore, a claim was received from the MVL team of HMRC regarding outstanding ERS returns and once this matter was settled, a further claim in relation to statutory interest relating to the overdue ERS returns was received from HMRC. These claims have recently been settled and after the period covered by this report, on 19 January 2018, HMRC provided confirmation that they have no objection to the closure of the liquidation from a PAYE and VAT perspective.

As you may recall from previous updates, the Company's subsidiary PWIL received a claim from HMRC in relation to imports and exports made by the Company prior to the commencement of the liquidation. The Joint Liquidators part settled the claim based on advice received from import and export tax specialists and have spent a lot of time in the subsequent 9 months in correspondence with various different departments of HMRC, as directed by HMRC, in order to confirm that the part settlement concludes the matter fully. They are yet to receive a satisfactory response in this regard.

The difficulty in obtaining a response from HMRC has been somewhat frustrating and due to the lack of a formal response from HMRC, specifically relating to the Joint Liquidators treatment of the claim, the Joint Liquidators are seeking further advice from tax specialists on what further should be done in order to close out this issue and conclude the liquidation. The Joint Liquidators have received clearances from the CT and MVL teams of HMRC, however, these do not provide clearance in relation to the inward processing claim. The potential liability, and the amount claimed by HMRC in relation to this matter is £1,450,753.59. This was made up of £1,442,368.51 in VAT and £8,385.08 of unpaid duty. The Joint Liquidators have taken the position that since this was a duty deferment scheme only the unpaid duty claim needs to be paid. This is clearly preferable since the position taken on the VAT (that could have been recovered even if it had been paid) is not in fact straightforward.

The Joint Liquidators are doing all they can to resolve the position and once a satisfactory response is received or a satisfactory agreement is reached with tax specialists; the Joint Liquidators of PWIL will issue a final distribution to Pure Wafer plc which in turn, can then proceed to pay a final distribution of around 8 pence per share its shareholders, before concluding the liquidation. As per previous correspondence, this will bring the distribution to around 188 pence per share.

PWIL also has the benefit of a claim totalling €160,856.47 against Qimonda Dresden GmbH & Co ("Qimonda") which is in insolvency proceedings in Germany. During the period covered by the report, PWIL received a distribution of €40,214.12 representing a payment of 25 cents in the € The Joint Liquidators are making enquiries regarding the timing and quantum of any further distributions prior to concluding the liquidation.

Once the matters above are finalised, the Joint Liquidators of PWIL will be in a position to make a final distribution to the Company, which in turn can then proceed to pay a distribution to the shareholders of Pure Wafer Plc. For the avoidance of doubt, the Joint Liquidators will make a commercial decision about whether it is in the interests of shareholders to maintain the liquidation to await a finalised position in relation to the Qimonda distribution but even if that is the case, will make a further distribution to shareholders once the duty deferment issue is resolved.

Joint liquidators' remuneration and statement of expenses

The Joint Liquidators remuneration was fixed on a time-cost basis by a resolution of the members passed on 7 January 2016.

The Joint Liquidators and their staff have incurred time costs and expenses totaling £58,877 and £146 respectively, for the period covered by this report.

Joint Liquidators fees and expenses totaling £31,887.75 and £275.66 respectively have been settled during the period. This related to time and expenses incurred between 6 August 2016 and 31 March 2017.

At Appendix D there is an analysis of the time spent and a statement of our policy in relation to charging time.

Members' rights to further information about, and challenge, remuneration and expenses

In certain circumstances, members are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided in Appendix C.



Building a better
working world

Should you wish to discuss any matters arising from this report, please do not hesitate to contact Jack Collis on the direct line telephone number shown above

Yours faithfully
for the Company

A handwritten signature in black ink, appearing to read 'Derek Neil Hyslop'.

Derek Neil Hyslop
Joint Liquidator

D N Hyslop and S J Keen are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Pure Wafer Plc (In Members' Voluntary Liquidation) ("the Company")

Information about the Company and the liquidators

Registered office address of the company:	1 More London Place, London, SE1 2AF
Registered number:	05289130
Full names of the liquidators:	Derek Neil Hyslop and Samantha Jane Keen
Liquidators' addresses:	Derek Hyslop Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EB Samantha Jane Keen Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Date of appointment of the Joint Liquidators:	7 January 2016
Details of any changes of Joint Liquidator.	None

Pure Wafer Plc (In Members' Voluntary Liquidation)

**Joint liquidators' receipts and payments account for the period
from 7 January 2017 to 6 January 2018**

RECEIPTS	For the current period from 7 Jan 2017 to 6 Jan 2018	For the total period from 7 Jan 2016 to 6 Jan 2018
Cash Taken Over	-	1,875,665.45
Bank Interest	29.38	3,848.05
Final Consideration – Sale of PW Inc	-	172,298.98
Escrow Funds	-	1,209,327.81
Trade Refunds	1,614.88	2,442.85
Total	1,644.26	3,263,583.14
PAYMENTS		
Professional Fees	6,980.50	37,996.50
Bank Charges	5.90	61.40
Rent	-	16,369.87
Accrued Expenses	-	10,666.39
Insurance Costs	-	6,055.83
Registrars Fees	-	4,168.99
Legal Fees	-	213.26
Liquidators Fees & Expenses	32,163.41	147,521.37
Trade Creditors	-	1,969.16
Professional Expenses	-	1,589.00
Mail Redirection	-	175.00
Employment Related Securities Payment	1,630.47	1,630.47
Total	40,780.28	228,417.24
DISTRIBUTIONS		
Ordinary Shareholders ¹	-	2,653,665.01
	-	2,653,665.01
REPRESENTED BY		
Cash at bank and in hand	381,500.89	381,500.89

Notes

Note 1 - Please note that a distribution was made by the Joint Liquidators in the sum of £50,129,581, however as the cash was not transferred to the Joint Liquidators bank account this has not been reflected in the receipts. To date total distributions of 180p per share have been made to the shareholders totalling £52,783,246.

Members' rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016 (as amended)

18.9 Creditors' and members' request for further information

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14—

- (a) a secured creditor,
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company,
- (d) any unsecured creditor with the permission of the court, or
- (e) any member of the company in a members' voluntary winding up with the permission of the court

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested,
- (b) providing some of the information requested, or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings,
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

(a) the office-holder giving reasons for not providing all of the information requested; or

(b) the expiry of the 14 days within which an office-holder must respond to a request

(7) The court may make such order as it thinks just on an application under paragraph (6)

18.34 Members' claim that remuneration is excessive

18.34 —(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

(a) the remuneration charged by the office-holder is in all the circumstances excessive,

(b) the basis fixed for the office-holder's remuneration under rules 18 16, 18 18, 18 19, 18 20 and 18 21 (as applicable) is inappropriate; or

(c) the expenses incurred by the office-holder are in all the circumstances excessive

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

(a) a secured creditor,

(b) an unsecured creditor with either—

(i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or

(ii) the permission of the court, or

(c) in a members' voluntary winding up—

(i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(ii) a member of the company with the permission of the court

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18 3, or final report or account under rule 18 14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

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Pure Wafer Plc (In Members' Voluntary Liquidation) ('the Company')
Joint Liquidators' time costs for the period
from 7 January 2017 to 6 January 2018

Liquidators' charging policy for remuneration

The members have determined that the liquidators' remuneration should be fixed on the basis of time properly spent by the liquidators and their staff in attending to matters arising in the liquidation.

The liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report

Charge out rates

Grade	Regional FY17 (£)	Regional FY18 (£)	London FY17 (£)	London FY18 (£)
Partner/Director				
Partner	710	745	985	1035
Executive Director	660	695	945	990
Manager				
Senior Executive	390	410	510	535
Other Senior Professionals				
Executive	280	295	375	395
Assistant Executive	225	235	340	355
Assistants & Support				
Business Trainee	150	160	210	220
Cashier	135	140	270	285

Please note that these rates are subject to annual review on 1 July

Disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

To date, Category 1 disbursements totalling £21,430 have been incurred by the Company, in respect of services provided by Ernst & Young tax professionals in relation to Corporation Tax and VAT compliance. Within this period, £6,981 of these costs have been settled and included under Professional Fees in Appendix B.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn. No Category 2 disbursements have been drawn to date.

Ernst & Young LLP

Pure Wafer Plc

SIP9 Analysis for the period 7 January 2017 to 6 January 2018

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours this reporting period	Average Hourly Rate	Time Costs for period 07/01/2017 to 06/01/2018
Accounting and Administration	2.7	20.5	7.8	36.9	67.9	335.80	22,801.00
VAT & Taxation	2.3	16.8		23.1	42.2	361.81	15,268.50
Members	1.1	15.8	0.4	9.7	27.0	415.50	11,218.50
Statutory Duties	0.5	12.3		1.5	14.3	485.18	6,938.02
Other Assets		0.2			0.2	510.00	102.00
Creditors	0.3		0.4	0.7	1.4	353.57	495.00
Debtors		0.1			0.1	535.00	53.50
Grand Total	6.9	65.7	8.6	71.9	153.1	371.50	56,876.52
Average Hourly rate	661.52	519.09	382.21	207.52	371.50		
Time costs for reporting period	4,564.50	34,104.00	3,287.00	14,921.02	56,876.52		