

TO ALL MEMBERS

11 September 2023

Ref: LO8314/RB/PH/HR

Email: solventliquidations@parthenon.ey.com

Dear Members,

Kent Reliance Provident Society Limited (in Members' Voluntary Liquidation) ("the Society")

As you are aware, Philip Heddell and I were appointed as Joint Liquidators of the Society on 26 July 2022. I now write to provide you with our report on the progress of the Members' Voluntary Liquidation for the period 26 July 2022 to 25 July 2023.

In accordance with the provisions of the Insolvency (England and Wales) Rules 2016 ("the Rules") we are required to provide certain information about the Society and the Liquidators. The information can be found in Appendix A of this report. A copy of our receipts and payments account for the period from 26 July 2022 to 25 July 2023 is enclosed in Appendix B of this report.

Events leading up to the Liquidation

The Society is a co-operative and community benefit society formed as part of the transfer in 2011 of Kent Reliance Building Society's business to OneSavings Bank plc (the "Bank"), which trades primarily as Kent Reliance.

At the Annual General Meeting of the Society on 26 July 2022, the members' agreed to a proposal to wind up the Society, with its assets being transferred into a new charity, the 'Kent Reliance Community Foundation Limited'. The Society was subsequently placed into Liquidation on the same day.

For further details, please visit <https://www.krps.com/>.

Progress during the period of the report

Assets

The directors' Declaration of Solvency was based on a balance sheet of the Society as at 30 June 2022 and showed the Society's assets as comprising cash at bank, an investment in shares in OSB Group Plc ("OSB") of £5,617,452 and accrued bank interest.

Receipts

Cash taken over

At the commencement of the Liquidation, the Joint Liquidators took control of the Society's bank accounts which held funds totalling £554,718.

Dividends

During the reporting period, OSB has paid two dividends to its shareholders. Funds in the amount of £493,662 were received in respect of the Society's shares held in OSB.

Bank interest

Bank interest in the sum of £6,106 has been received during the period in respect of funds held in the liquidation bank account.

Liabilities

The directors' Declaration of Solvency was based on a balance sheet as at 30 June 2022 and showed the Society's liabilities as comprising of accrued expenses in the sum of £75,714, estimated tax liabilities of £2,379 and trade payables of £1,602.

An advert was placed in the London Gazette requesting creditors of the Society to prove their claims by 5 September 2022, in accordance with Rule 14.38 of the Rules. No such claims were received.

Payments

Accrued expenses

The Society has paid Civica Election Services Limited professional fees of £65,716 in respect of the independent administration of the online and postal AGM voting process for the resolutions put forward to the Annual General Meeting on 26 July 2023. Further, the Society has settled an intercompany balance with OSB in the sum of £13,587.

VAT return

A VAT liability for the period 1 April 2022 to 30 June 2022, has been settled in the sum of £1,844. The Society has incurred input VAT in the sum of £12,319 in respect of payments made during the liquidation. The Joint Liquidators expect to recover this in full from HMRC.

Employee matters

The Society had one employee at the time the Society entered Liquidation. The relevant employment contract was terminated with effect from 18 November 2022 and the Society now has no employees.

Outstanding matters

As you are aware, at the Society's Annual General Meeting on 26 July 2022, the members agreed to the proposal to wind up the Society, with its assets being transferred into a new charity, the 'Kent Reliance Community Foundation Limited' ("the Charity").

The Joint Liquidators understand that the Charity was incorporated on 18 August 2022 and an application has been submitted to the Charity Commission to formally register the Charity.

Once the Charity has been approved by the Charity Commission and it has been registered with HM Revenue and Customs ("HMRC"), the Joint Liquidators' intend to distribute the Society's investment in OSB to the Charity, obtain relevant tax clearances (see below) and take steps to conclude the liquidation, including distributing all residual funds to the Charity.

Tax matters

Corporation Tax returns for the year ended 31 December 2021 and the period from 1 January 2022 to 25 July 2022 have been prepared and filed with HMRC. No Corporation Tax liabilities were due in respect of these periods.

Corporation Tax returns for the post liquidation period will be prepared and submitted to HMRC shortly.

VAT returns for the periods from 1 July 2022 to 31 March 2023 have been submitted to HMRC and we expect to deregister the Society for VAT purposes shortly.

The Society's PAYE/NI scheme is expected to be closed shortly after the July 2023 PAYE submission.

It is customary in a liquidation to seek confirmation from HMRC that they have no claim in respect of Corporation Tax, VAT, PAYE and NI Contributions, and no objection to the conclusion of the liquidation.

The Joint Liquidators have requested Corporation Tax clearance for the pre-liquidation period from HMRC.

HMRC are yet to provide this clearance. The Liquidators will continue to liaise with HMRC.

Tax clearances for PAYE/NI Contributions will be requested once the PAYE scheme has been confirmed as closed and tax clearance for VAT once the VAT registration has been cancelled.

Joint Liquidators' remuneration

Our remuneration was fixed on a time cost basis by a resolution of the members on 26 July 2022.

Details of amounts paid, name of the payor and the relationship between the payor and the Society, are available upon request to the Joint Liquidators at 1 More London Place, London, SE1 2AF. A contractual arrangement exists with a third party in respect of the Joint Liquidators' remuneration and as such there is no recourse to the estate.

Joint Liquidators' statement of expenses incurred

During the period covered by this report, we have incurred expenses relating to travel, statutory advertising, postage and statutory bonding which will be paid by a third party without any recourse to the estate.

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.

Other matters

Should you wish to discuss any matters arising from this report, please do not hesitate to contact us in writing at the address above or by email to solventliquidations@parthenon.ey.com.

Yours faithfully
for the Society



Richard Barker
Joint Liquidator

P Heddell and R Barker are licenced in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association.

The Joint Liquidators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Society may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

**Kent Reliance Provident Society Limited
(in Members' Voluntary Liquidation) ("the Society")**

Information about the Society and the Liquidators

Registered office address of the Society:	1 More London Place London SE1 2AF
Registered number:	IP031056
Full names of the Joint Liquidators:	Richard Barker and Philip Heddell
Liquidators' address:	Ernst & Young LLP 1 More London Place London SE1 2AF
Telephone number through which the Joint Liquidators can be contacted:	020 7951 2000
Date of appointment of the Joint Liquidators:	26 July 2022
Details of any changes of Liquidator:	None

Kent Reliance Provident Society Limited
(in Members' Voluntary Liquidation) ("the Society")

**Joint Liquidators' receipts and payments account for the period from
26 July 2022 to 25 July 2023**

Declaration of Solvency Estimated to Realise Amount £		In this report period £
	Receipts	
552,888	Cash taken over	554,718
5,617,452	Investment in OSB	-
1,780	Accrued Interest and Interest Receivable	-
-	- Dividends received	493,662
-	- Bank Interest	6,106
6,172,120		1,054,486
	Payments	
(1,602)	Trade accounts	-
(75,714)	Accrued Expenses	(79,303)
(2,379)	Tax liabilities	(1,844)
-	- Bank Charges	(0)
-	- Recoverable input VAT	(12,319)
(79,695)		(93,466)
6,092,425	Balance at Bank	961,020

Notes

- The cash at bank is held in the following accounts:

Interest-bearing bank account:	£ 61,020
Fixed Term deposit:	£ 900,000
- Receipts and payments are stated net of VAT.
- Input VAT is expected to be recovered.
- The Joint Liquidators' remuneration was fixed on a time-cost basis by the Members but payable by a third party with no recourse to the estate.

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").

Rules 18.9 and 18.34 are reproduced from the Insolvency (England and Wales) Rules 2016, as amended by the Insolvency (England and Wales) (Amendment) Rules 2017, under the terms of Crown Copyright Guidance issued by HMSO.