

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A10 *A839FU01* 12/04/2019 #45
COMPANIES HOUSE

1	Company details
Company number	0 4 0 8 6 6 5 9
Company name in full	Polemark Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2	Liquidator's name
Full forename(s)	Jonathan
Surname	Sinclair

3	Liquidator's address
Building name/number	46
Street	Vivian Avenue
Post town	Hendon Central
County/Region	London
Postcode	N W 4 3 X P
Country	England

4	Liquidator's name
Full forename(s)	
Surname	

Other liquidator
Use this section to tell us about
another liquidator.

5	Liquidator's address
Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

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6

Period of progress report

From date	d 2	d 0	m 0	m 2	y 2	y 0	y 1	y 8
To date	d 1	d 9	m 0	m 2	y 2	y 0	y 1	y 9

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

J. L. L. L.

X

Signature date

d 2	d 9	m 0	m 3	y 2	y 0	y 1	y 9
-----	-----	-----	-----	-----	-----	-----	-----

**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 Jonathan Sinclair

Company name Sinclair Harris

Address 46 Vivian Avenue

Post town Hendon Central

County/Region London

Postcode N W 4 3 X P

Country England

DX

Telephone 0208 203 3344

**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

Liquidator's Annual Progress Report to Creditors & Members

**Polemark Limited
- In Liquidation**

29 March 2019

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APPENDICES

- A** Receipts and Payments Account for the Period from 20 February 2018 to 19 February 2019
- B** Time Analysis for the Period from the 20 February 2018 to 19 February 2019
- C** Additional information in relation to Liquidator's Fees, Expenses & Disbursements

1 Introduction and Statutory Information

- 1.1 I, Jonathan Sinclair of Sinclair Harris, 46 Vivian Avenue, Hendon Central, London, NW4 3XP, was appointed as Liquidator of Polemark Limited (the **Company**) on 20 February 2018. This progress report covers the period from 20 February 2018 to 19 February 2019 (**the Period**) .
- 1.2 The principal trading address of the Company was 49 Greek Street, London, W1D 4EG.
- 1.3 The registered office of the Company has been changed to 46 Vivian Avenue, Hendon Central, London, NW4 3XP and its registered number is 04086659.
- 1.4 Privacy policy. The Data Privacy Policy of Sinclair Harris is displayed on our website

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.

Administration (including statutory compliance & reporting)

- 2.3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 2.4 The following is a summary of the specific matters that I have dealt with since my appointment:
- Completing money laundering for the officer and stakeholder of the company
 - Filing the statutory documentation at Companies house after Appointment, taking out statutory bonding for the company and statutory advertising.
 - Preparing and completing the SIP2 investigation relating to the affairs of the company and the conduct of the director.
 - Instructing agents and solicitor in relation to the asset realisation
 - Communicating, assisting and corresponding with various creditors
 - Communicating with the Director
 - Corresponding with various third parties
 - Selling various assets of the company and collecting the proceeds
 - Arranging for the Company's management records to be transferred to Sinclair Harris
 - Meeting with the former accountants of the company regarding transactions not recorded in the accounts.
 - Instructing Osmond and Osmond Solicitors to advise on certain transactions and potential recoveries. Attending meetings with the former director and communicating with that firm thereafter
 - Contacting and communicating with Barclays Bank plc

- Investigating the recoverability of assets not disclosed in the statement of affairs debtors shown on the Statement of Affairs
- Communicating with crown creditors, completing VAT returns for the company and investigating a potential Terminal Lost Relief claim
- Conducting reviews to ensure we are complying with the statutory obligations and to monitor the progress of the Liquidation
- Dealing with post-appointment VAT matters including the preparation and submission of post appointment VAT returns
- Carrying out all necessary investigations, including the examination of the Company's records to enable me to submit a Liquidator's report on the conduct of Director's pursuant to the requirements of the Company Directors Disqualification Act 1986

Agreeing claims in the liquidation

- Communicating with the Director and attending meetings with the director in relation to my investigation into the location and realisation of assets.

2.5 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.

2.6 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Computer Equipment

2.7 The director had estimated in the Statement of Affairs that the Computer Equipment would realise £1,500.00, and this amount was realised.

Other realisations

2.8 A Sundry Debt for a Director's Loan of £38,196.78 has been realised. This asset was not shown in the Statement of Affairs and relates to transactions entered into by the company on behalf of the director and not properly recorded as such. A number of meetings were held and legal advice taken in order to ensure that the transactions were properly recorded. Additionally, the Director made a Contribution of £3,600.00.

2.9 It is considered that this extra work completed by myself as the Liquidator and my staff have undertaken to date has brought a financial benefit to creditors. These amounts realised will fund a dividend to creditors.

Creditors (claims and distributions)

2.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

2.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. There are no such claims in this liquidation.

2.12 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

2.13 I consider the following matters worth noting in my report to creditors at this stage:

- There are six unsecured creditor claims in this case amounting to £115,667.24 (statement of affairs of £68,394) I have agreed claims of £113,292.24 and awaiting to agree claims of (two creditors) amounting to £2,375.
- There are no secured creditors or preferential creditors.

Investigations

2.14 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.

2.15 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.

2.16 Shortly after appointment, I commenced investigating the recovery of amounts due from the director as mentioned earlier. I have recovered £38,196.78 for the benefit of the liquidation estate. This is expounded upon earlier in this report.

Matters still to be dealt with

2.17 I still have to agree claims from two creditors prior to closing this case.

2.18 Connected Party

2.19 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a company controlled by the former director of Polemark Limited. The salke was sold at the asset value and was entered into in order to save advertising costs, transport costs, agents commission and insurance.

20 February 2018	Computer equipment	£1,500.00 paid on	Aurora Digital Ltd.	Director N.
		20 February 2018		Saxlund

3 Creditors

Unsecured Creditors

3.2 I have received claims totalling £113,292.24 from 4 creditors. I have yet to receive claims from 2 creditors whose debts total £2,375.00 as per the Company's statement of affairs.

- 3.3 I would confirm that it is anticipated there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

4 Notice of Intended Dividend

- 4.1 At present, I have funds of approximately £18,696.78 in hand. It is my intention to pay a first dividend to non-preferential creditors within the next year. I have written to creditors who have not yet proven.
- 4.2 If you have not already submitted a Proof of Debt in the liquidation, can you please complete and return the enclosed form and return it to me. Alternatively, I should be obliged if you would inform me if you have no claim in the liquidation.

5 Liquidator's Remuneration

- 5.1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 5.2 A copy of that estimate is reproduced below:

Administration (inc statutory compliance & reporting)	13.9	287	3,992
Realisation of assets	2.5	294	735
Creditors (claims & distributions)	18.6	286	5,318
Investigations	16.6	276	4,583
Trading (where applicable)			
Case specific matters (where applicable)	12	295	3,540

- 5.3 My time costs for the Period are £16,626. This represents 58.00 hours at an average rate of £286.66 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £15,000.00 plus disbursements of £1,750.00 has been drawn on account.

- 5.4 I now consider that the fee estimate I previously provided for the liquidation is insufficient to complete my duties as a result of:

- The Company's affairs requiring more extensive investigation than previously anticipated. This is due to a long and detailed examination of the transactions entered into by the company in order to calculate amounts due to be paid back by the former director of the company for goods and services purchased by the company on his behalf. I had to meet with the former accountants of the company and instruct a solicitor to advise me on the legal aspects of these transactions.

As a result, my revised fees estimate is set out below and I am seeking approval by correspondence from the creditors to increase this estimate. Further details can be found on the letter which accompanies this report.

Liquidator's Revised Fee Estimate

Administration (inc statutory compliance & reporting)	20.00	263	5,260
Realisation of assets	23.00	296	6,808
Creditors (claims & distributions) *	20.00	270	5,400
Investigations	26.00	300	7,800
Trading (where applicable)	N/A	N/A	
Case specific matters (where applicable)	N/A	N/A	

- 5.5 This estimate is based on the maximum extra chargeable time that I estimate will be necessary to close this liquidation after distributing funds to creditors via a dividend.
- 5.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from: www.sinclairharris.com/Sip9GuideToFees.pdf
- 5.7 Attached as Appendix C is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0208 203 3344 or by email at jonathan@sinclairharris.com.

Yours faithfully



Jonathan Sinclair FCA FABRP MIPA
Liquidator

Appendix A

Polemark Limited - in Liquidation

Liquidator's Statement of Receipts and Payments For the Period from 20 February 2018 to 19 February 2019

	£	Directors Statement of Affairs £
<u>RECEIPTS</u>		
Computer Equipment	1,500.00	1,500.00
Sundry Debtor - Director's Loan	38,196.78	NA
Director's Contribution	3,600.00	NA
Interest received	0.00	
	<u>43,296.78</u>	<u>1,500.00</u>
<u>EXPENDITURE</u>		
Statement of Affairs Fee	2,250.00	
Meeting of Creditors Fee	2,250.00	
Liquidator's Fees	15,000.00	
Legal Fees - Osmond Solicitors	1,750.00	
	<u>21,250.00</u>	
<u>MADE UP AS FOLLOWS</u>		
Barclays Bank Plc	18,696.78	
VAT Control	3,350.00	
	<u>22,046.78</u>	

SINCLAIR HARRIS CHARGEOUT RATE SUMMARY

Client name: Polemark Limited

Time Spent for period: Tuesday 20 February 2018 - Tuesday 19 February 2019

Classification of work	Partner hours	Manager1 hours	Manager2 hours	Manager3 hours	Senior Administrator hours	Administrator hours	Support hours	Total Hours	Total Cost	Average Rate
Statutory compliance, administration and planning	0.00	3.40	0.00	5.80	0.00	0.00	0.00	9.20	2,412.00	262.17
Investigations	0.00	20.90	0.00	0.00	0.00	0.00	0.00	20.90	6,270.00	300.00
Realisation of Assets	0.00	14.80	0.00	1.00	0.00	0.00	0.00	15.80	4,680.00	296.20
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Employees	0.00	6.00	0.00	6.10	0.00	0.00	0.00	12.10	3,264.00	269.75
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	0.00	45.10	0.00	12.90	0.00	0.00	0.00	58.00	16,626.00	286.66

Total fees claimed	16,626.00
Invoiced	15,000.00
Balance written off /carried forward	1,626.00

Charge out rate in units of 6 minutes

Chargeout rates:	2019	2018
Partner	390	390
Manager1	300	300
Manager2	280	280
Manager3	240	240
Senior Administrator	180	180
Administrator	160	160
Support	130	130

Standard Activity	Examples of Work
Statutory compliance, administration and planning	Statutory reporting and compliance. Compliance with other regulatory requirements. Case planning Administrative set up Appointment notification Maintenance of records
Investigations	SIP2 review CDDA reports Investigation antecedent identifying, securing, insuring
Realisation of assets	Negotiating with Debt collection Property, Business asset sales Management of operations
Trading	Management of operations Accounting for trading On-going employee issues
Creditors	Communicating with creditors Creditors' claims (including employees' and other preferential creditors)

B

Appendix C

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

1 Staff Allocation

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, 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. If a lower grade member of staff is not available then a more experienced member of staff will complete a task at a lower grade chargeable rate per hour.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Osmond (legal advice)	Agreed fee

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Liquidator's Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved, a copy of which is set out below:

Agents' costs	200
Statutory advertising	300
Specific penalty bond	80

Current position of Liquidator's expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

Agents' costs				
Solicitors' costs		1,750.00		1,750.00
Statutory advertising				TBA
Specific penalty bond				TBA

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of 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. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements 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. This firm has not charged Category 2 disbursements to this case.
- 3.5 **Charge-Out Rates**
- 3.6 Sinclair Harris charge out rates are displayed in the SIP9 time summary sheet accompanying this document. Please note this firm records its time in minimum units of 6 minutes.