

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 3 9 5 5 2 2 7

Company name in full Polar Arts Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Neil Frank

Surname Vinnicombe

3 Liquidator's address

Building name/number 14 Queen Square

Street Bath

Post town BA1 2HN

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Simon Robert

Surname Haskew

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 14 Queen Square

Street Bath

Post town BA1 2HN

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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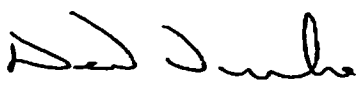
6 Period of progress report

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

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8 Sign and date

Liquidator's signature	Signature X  X								
Signature date	^d 1	^d 6	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1	

**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 **Neil Frank Vinnicombe**

Company name **Begbies Traynor (Central) LLP**

Address **St James Court**

St James Parade

Post town **Bristol**

County/Region

Postcode **B S 1 3 L H**

Country

DX

Telephone **0117 937 7130**

**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

Polar Arts Limited (In Members' Voluntary Liquidation)

Progress report

Period: 19 February 2020 to 18 February 2021

This report has been produced during the Covid-19 HM Government restrictions. As a result, our access to information within our physical case files has been limited as our firm has implemented remote working wherever possible in line with HM Government guidance in order to protect its employees and to limit the spread of the virus. Consequently this report has been prepared from information we are able to access remotely. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in our next progress report.

Important Notice

This report has been produced solely to comply with our statutory duty to report to members of the Company pursuant to Section 92A of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Polar Arts Limited (In Members' Voluntary Liquidation)
"the liquidators", "we", "our" and "us"	Neil Frank Vinnicombe of Begbies Traynor (Central) LLP, 14 Queen Square, Bath BA1 2HN and Simon Robert Haskew of Begbies Traynor (Central) LLP St James Court, St James Parade, Bristol BS1 3LH
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
preferential creditors	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Polar Arts
Company registered number:	03955227
Company registered office:	14 Queen Square, Bath, BA1 2HN
Former trading address:	4 Beaufort West, None, Bath, BA1 6QB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	19 February 2020
Date of liquidators' appointment:	19 February 2020
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 February 2020 to 18 February 2021.

RECEIPTS

Computer Equipment

The computer equipment was distributed in specie to the sole shareholder on the date of our appointment in the sum of £500.

Cash at Bank

The cash at bank represents the balance of funds held in the Company's account of £5,982.88 plus the cash withdrawn for the first distribution to the member totalling £136,000.

PAYMENTS

With the exception of the liquidators' costs and payment of an unsecured debt, both detailed later in the report no payments have been made.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow members to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to members.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

Although there is no direct financial benefit to the liquidation, the liquidators are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. We must also perform regular reviews to ensure that the case specific matters are progressed.

Compliance with the Insolvency Act, Rules and best practice

Again whilst there is no direct financial benefit to the liquidation, we are required to comply with statutory reporting requirements. To date, we have fulfilled our statutory duties by reporting to the Registrar of Companies, statutory advertising, ensuring the liquidators' statutory specific bond is in place and preparation of this report.

Since our appointment we have also opened a new liquidation bank account and banked funds received. This account has now been taken off of interest bearing in preparation for the final corporation tax return which has now been submitted to HM Revenue and Customs ("HMRC").

We have written to HMRC to request both corporation tax and VAT clearance in preparation for the closure of this case.

Dealing with all creditors' claims (including employees), correspondence and distributions

As is expected with such an assignment, distributing the funds to the members on a timely basis is paramount. Obtaining confirmation from HMRC that they do not have a claim in the liquidation is necessary prior to distributing all the funds to the members. Therefore the liquidators must ensure all pre-liquidation returns are completed and filed before HMRC will confirm their claim status. We were advised that a nominal sum of money was due to HMRC in respect of PAYE, this was subsequently paid including statutory interest.

Other matters which includes meetings, tax, litigation, pensions and travel

General queries are received from HMRC throughout the course of the liquidation. The liquidators are also required to deal with post-liquidation taxation matters, and this includes the submission of corporation tax and VAT returns. The timely submission of such returns prevents incurring penalties and allows the liquidation to reclaim any refunds due.

5. CREDITORS

As in any liquidation, in a members' voluntary liquidation creditors are required to prove their claims and the liquidators must examine the proofs and the particulars of the claims and admit them, in whole or in part, or reject them. The liquidators must then settle the priorities of the creditors (as between secured, preferential, secondary preferential and unsecured creditors) before paying them in full with statutory interest.

The statement of assets and liabilities embodied within the declaration of solvency sworn by the director indicated that there were no outstanding creditors. However, it was established that a nominal sum of £24.61 was due to HMRC. We have also paid statutory interest of 83 pence on this sum.

6. DISTRIBUTIONS TO MEMBERS

To date, there has been a distribution of £136,500 consisting of a cash distribution to the member totalling £136,000 and an in specie distribution of £500 representing a return of £68,250 per ordinary share.

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of the members of the Company by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP, in attending to matters arising in the liquidation subject to us having agreed that our remuneration shall not exceed the sum of £2,250 in circumstances where the value of time given by us and our staff in attending to matters arising in the winding up exceeds this sum.

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which were sent to the members of the Company when written resolutions, including the special resolution that the Company be wound up voluntarily, were circulated and which is attached at Appendix 2 of this report.

Our time costs for the period from 19 February 2020 to 18 February 2021 amount to £2,693 which represents 10.4 hours at an average rate of £258.94 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ❑ Time Costs Analysis for the period 19 February 2020 to 18 February 2021
- ❑ Begbies Traynor (Central) LLP's charging policy

To date, we have drawn the total sum of £2,750 plus disbursements of £334.86 in accordance with the agreement. As can be seen we have inadvertently over billed our remuneration by £500 & VAT. This occurred by way of an administrative error with the billing unusually being processed on 2 separate dates. The final bill which caused the overpayment was billed on 9 February 2021. We have now repaid the £500 & VAT to the case and apologise for the error.

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Disbursements

To 18 February 2021, we have also drawn disbursements in the sum of £334.86.

8. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

The assets remaining are as follows:

- Pre-appointment VAT refund in the sum of £200;
- Post appointment VAT repayment in the sum of £616.97. This will be mitigated by £100 due the billing error outlined above.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to members?

General case administration and planning

We will continue to regularly review the case and maintain the case files in the manner carried out to date.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules requires Insolvency Practitioners to produce progress reports on an annual basis and to produce a final report once the liquidation has been finalised.

We will also ensure that further bank reconciliations and payment vouchers are completed where necessary.

The time costs related to the production of this progress report are not included in the attached SIP9 time cost analysis as the analysis is for the period 19 February 2020 to 18 February 2021. These time costs will be included in our next report to creditors.

A copy of this report will also be filed with the Registrar of Companies as will all future reports.

Dealing with all creditors' claims (including employees), correspondence and distributions

A final distribution will be made to the shareholder once we have obtained tax clearance from HMRC.

Other matters which includes meetings, tax, litigation, pensions and travel

A final post appointment VAT return will be made.

How much will this further work cost?

Details of the work that the liquidators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	4	800	200
Compliance with the Insolvency Act, Rules and best practice	5	1,600	320
Investigations	Nil	Nil	Nil
Realisation of assets	Nil	Nil	Nil
Trading	Nil	Nil	Nil
Dealing with all creditors' claims (including employees), correspondence and distributions	1	225	225
Other matters which includes meetings, tax, litigation, pensions and travel	1	225	225
Total hours	11		
Total time costs		2,850	
Overall average hourly rate £			259.09

The above relates to time costs only. No further fees will be drawn.

Expenses

No further expenses will be drawn.

10. OTHER RELEVANT INFORMATION

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. MEMBERS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a member or members of the Company with at least 5% of the voting total rights of all the members having the right to vote at general meetings of the Company (or any member or members with less than 5% of the total voting rights, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to Court

Pursuant to Rule 18.34 of the Rules, within 8 weeks of receipt of this progress report any member or 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 any member, or members with less than 10% of the total voting rights, but with the permission of the Court) may make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

Obtaining information on the remuneration of liquidators and the payment of expenses

The basis of remuneration for acting as liquidators was sought following appointment. Notwithstanding this, beneficiaries of the surplus are able to seek information on their rights in relation to the remuneration and the payment of expenses and can obtain a copy of 'Begbies Traynor Guide for Shareholders. A Guide to the Liquidators' fees – England and Wales' on our website at <https://www.begbies-traynorgroup.com/services-to/shareholders>

Alternatively, if you require a hard copy of the guide, please contact our office and a copy will be sent to you.

12. CONCLUSION

We will report again at the conclusion of the liquidation.



Neil Vinnicombe
Joint Liquidator

16 April 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 19 February 2020 to 18 February 2021

Declaration
of
Solvency

£		£	£
	ASSET REALISATIONS		
500.00	Computer equipment	500.00	
200.00	VAT Refund	NIL	
141,982.88	Cash at Bank	<u>141,982.88</u>	
			142,482.88
	COST OF REALISATIONS		
	Office Holders Fees	2,750.00	
	Office Holders Expenses	<u>334.86</u>	
			(3,084.86)
	UNSECURED CREDITORS		
	HMRC (non VAT)	24.61	
	Statutory Interest	<u>0.83</u>	
			(25.44)
	DISTRIBUTIONS		
	Ordinary Shareholders	136,000.00	
	For other than Cash/In Specie	<u>500.00</u>	
			(136,500.00)
<u>142,682.88</u>			<u><u>2,872.58</u></u>
	REPRESENTED BY		
	Vat Receivable		616.97
	Arbuthnot Latham & Co		2,255.61
			<u><u>2,872.58</u></u>

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP, 's charging policy;
- b. Time Costs Analysis for the period from 19 February 2020 to 18 February 2021.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of a solvent estate and seeks member approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to members regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where member approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

- (B) Following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Bath and Bristol offices as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Polar Arts Limited - Members Voluntary Liquidation - 31PO324.MVL : Time Costs Analysis From 19/02/2020 To 18/02/2021

Staff Grade	Consultant/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning											0.00
	Administration											0.00
	Total for General Case Administration and Planning:											0.00
Compliance with the Insolvency Act, Rules and best practice	Appointment	0.5				4.5				5.0	1260.00	252.00
	Banking and Bonding	0.8				1.0	1.0			1.8	784.50	268.50
	Case Closure				1.2					1.2	300.00	250.00
	Statutory reporting and statement of affairs											0.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.1			1.2	5.5	1.5			9.3	2,344.50	252.40
Investigations	ODCA and investigations											0.00
	Total for Investigations:											0.00
Realisation of assets	Debt collection											0.00
	Property business and asset sales											0.00
	Retention of the Third party assets											0.00
	Total for Realisation of assets:											0.00
Trading	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Served											0.00
	Others	0.2			0.4					0.6	224.00	373.33
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	0.2			0.4					0.6	224.00	373.33
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors											0.00
	Meetings											0.00
	Other											0.00
	Tax	0.1			0.3					0.4	24.50	61.25
	Litigation											0.00
	Total for Other matters:	0.1			0.3					0.4	24.50	61.25
	Total hours by staff grade:	1.4			2.0	5.5	1.5		0.6	10.4		
	Total time cost by staff grade:	693.00			560.00	1,237.50	262.50				2,693.00	
	Average hourly rate £:	495.00	0.00	0.00	0.00	250.00	225.00	175.00	0.00			258.94
	Total fees drawn to date £:										2,750.00	

STATEMENT OF LIQUIDATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Postworks	2.30	2.30	Nil
Statutory Advertising	London Gazette	285.06	285.06	Nil
Specific Bond	Marsh Limited	47.50	47.50	Nil
TOTAL		334.86	334.86	Nil

The above relates to liquidators expenses