

CVA4

Notice of termination or full implementation of voluntary arrangement



Companies House

WEDNESDAY



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#269

1 Company details

Company number 0 6 8 4 2 4 4 0

Company name in full POLPO LIMITED

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

2 Supervisor's name

Full forename(s) Nigel

Surname Price

3 Supervisor's address

Building name/number 13 Church Street

Street Stourbridge

Post town DY8 1LT

County/Region

Postcode

Country

4 Supervisor's name ^①

Full forename(s) Joseph Gordon Maurice

Surname Sadler

① Other supervisor
Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number 13 Church Street

Street Stourbridge

Post town DY8 1LT

County/Region

Postcode

Country

② Other supervisor
Use this section to tell us about
another supervisor.

CVA4

Notice of termination or full implementation of voluntary arrangement

6 Date voluntary arrangement fully implemented or terminated

Date

d	2	3	m	1	0	y	2	0	2	0
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7 Attachments

- ☒ I have attached a copy of the notice to creditors
☒ I have attached the supervisor's report

8 Sign and date

Supervisor's signature

Supervisor's signature

X

Nigel

X

Signature date

d	2	3	m	1	0	y	2	0	2	0
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CVA4

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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 **Nigel Price**

Company name **Elwell Watchorn & Saxton LLP**

Address **13 Church Street**

Stourbridge

Post town **DY8 1LT**

County/Region

Postcode

Country

DX

Telephone **01384465301**



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 and dated 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

NOTICE OF TERMINATION

Company Name: POLPO LIMITED - Company Voluntary Arrangement ("CVA")
("the Company")

Company Number: 06842440

This Notice is given under Rule 2.44 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Supervisor of the Company's CVA, Nigel Price of Elwell Watchorn & Saxton LLP, 13 Church Street, Stourbridge, West Midlands, DY8 1LT, who was appointed by the members and creditors.

I, Nigel Price of Elwell Watchorn & Saxton LLP, 13 Church Street, Stourbridge, West Midlands, DY8 1LT, Joint Supervisor of the CVA of the Company which took effect on 8 March 2019, hereby give notice that the CVA has been terminated.

Accompanying this notice is my report, which includes a summary of all receipts and payments in relation to the CVA, to date, and the reasons why the CVA has terminated.

However, I am holding sufficient funds, on trust, for the Compromised Creditors to provide for a first and final dividend to those creditors, after allowing for the costs and expenses of the Supervisors of the CVA. As a result, I will continue to act in accordance with clause 15.4 of the CVA, to pay dividends to the Compromised Creditors, following which I will issue the Joint Supervisors' final report.

Creditors are no longer bound by the terms of the CVA and may pursue the Company as they see fit.

Signed

A handwritten signature in black ink, appearing to read 'Nigel', is written over a horizontal line.

Nigel Price – Joint Supervisor

Date 23 October 2020



ELWELLWATCHORNSAXTON
Collaborative Business Recovery

Polpo Limited

**(Company Voluntary Arrangement)
("the Company")**

**High Court of Justice, Birmingham District Registry
County Court Number 2019-000144 of 2019**

**Supervisors' Termination Report
For the period 8 March 2020 to 22 October 2020**

Contents

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3. Consequences of Termination
4. Receipts and Payments
5. Creditors' Claims and Work that Remains to be Done
6. Estimated Outcome for Creditors
7. Nominees' and Supervisors' Fees and Expenses
8. Conclusion

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2. Supervisors' Receipts and Payments Account
3. Breakdown of the Supervisors' Time Costs, Disbursements, Charge-out Rates and Bases of Disbursements

POLPO LIMITED ("THE COMPANY")

COMPANY VOLUNTARY ARRANGEMENT ("CVA")

Joint Supervisors' Report to Creditors on Termination of the Arrangement

1. INTRODUCTION

The voluntary arrangement was approved on 8 March 2019 and Joseph Sadler and I were appointed as Joint Supervisors.

2. TERMINATION DUE TO BREACH OF OBLIGATIONS AND APPOINTMENT OF ADMINISTRATORS

Regrettably, because of the prolonged, enforced closure of the business, due to the effects of the Covid19 pandemic, the Company failed to make the two contributions due for the quarters ended on 7 March 2020 and 7 June 2020. I gave the Company notice, on 3 September 2020, that I would Terminate the CVA, if the contribution due, for the quarter to 7 March 2020, was not paid by 9 September 2020, more than 6 months after it was due, in accordance with clause 28.5(b) of the CVA Proposal. That contribution has not been paid and the Company remains in breach of its obligations, giving rise to grounds for Termination by the Joint Supervisors.

In addition, the Company issued a Notice of Intention to Appoint Administrators on 2 October 2020, and Edward Avery-Gee and Jonathan Avery-Gee of CG&Co were subsequently appointed as Joint Administrators on 14 October 2020, an event which gives rise to automatic Termination under clause 28.6 of the CVA.

As a result, the Arrangement is terminated, and I enclose a Certificate of Termination.

3. CONSEQUENCES OF TERMINATION

The normal expectation is that the Joint Supervisors would issue and file a Final Report and vacate office.

However, clause 15 of the CVA, provides that all monies paid into the CVA Fund shall be held on trust for the Compromised Creditors and that the Supervisors are irrevocably and unconditionally authorised to use these monies to discharge the Supervisors' costs and expenses, and to pay a first and final dividend to the Compromised Creditors.

As a result, the Supervisors are issuing this Termination Report and will now take steps to pay a first and final dividend to the Compromised Creditors and discharge the costs, and expenses, of the Supervisors.

Once these tasks have been completed, we will issue, and file, a Final Report and vacate office.

4. RECEIPTS AND PAYMENTS

Please find attached a Receipts and Payments Account, as at 22 October 2020, showing a balance in hand of £124,845.88.

Receipts of bank interest

This Account shows that further bank interest of £104.27 has been received, since my annual report, circulated on 4 May 2020.

Contributions

No further contributions have been made, by the Company, during the period since 7 March 2020. As noted above, the Company remained in breach, as at 9 September, in that no contributions had been made for the two quarters ended 7 June 2020, and the contribution for the earlier of the two quarters was outstanding for more than 6 months, constituting a breach under clause 28.5(b).

Other receipts

No other receipts have been made in the period.

Payments for Document Hosting

The sum of £20 has been paid to Creditor Gateway for the uploading and hosting of the Joint Supervisors' report to creditors.

Specific Bond Bordereau Payment

An amount of £340 has been paid in respect of the Insolvency Practitioner's specific bond insurance premium.

Payment on account of Joint Supervisors' Fees

A further payment on account of Joint Supervisors' fees of £5,000 has been made in the period since 7 March 2020, making a total of £10,000 paid since 8 March 2019.

Information regarding the fees and disbursements of the Nominee and Supervisor are provided in section 6 of this report.

Other payments made

No other payments have been made since 7 March 2020.

5. CREDITORS' CLAIMS AND WORK THAT REMAINS TO BE DONE

During the period we have continued to liaise with creditors regarding their actual, or potential, claims in the CVA and we will continue to do so, in order to agree the claims of the different categories of creditors, being Compromised Landlords, Critical Creditors, Non-Critical Creditors and Contingent Property Creditors, so that a first and final dividend can be paid to the Compromised Creditors, as soon as possible.

6. ESTIMATED OUTCOME FOR CREDITORS

The approved CVA Proposal provided for basic dividends for the Critical Creditors of 75p/£ and 5p/£ for Non-Critical Creditors.

As a result of the Termination of the CVA, due to non-payment of the outstanding contributions, and the subsequent appointment of Administrators over the Company, the CVA will not be fully implemented and there will be insufficient funds available to pay the full level of dividends, as provided for by the CVA, of 75p/£ and 5p/£ respectively.

Due to the increasing likelihood of the failure of the CVA, over the last few weeks, it has not been possible to proceed with the payment of an interim dividend, as had been envisaged in our annual updating report.

Therefore, when the remaining outstanding claims have been received and agreed, a first and final dividend will be paid to the Critical and Non-Critical categories of creditors, such that each category receives the same proportion of the originally proposed returns of 75p/£, or 5p/£.

Pending the submission and agreement of the outstanding claims of creditors, who have not yet responded to our requests for claims, it is not yet possible to estimate what level of dividend will be payable to each category of creditors.

The position regarding the agreement of the claims of the Critical Creditors and Non-Critical Creditors has not changed significantly since our annual report was issued, in May 2020, with few additional claims having been received.

7. Office holders' remuneration and disbursements

Nominees' Fees

Under the terms of the Proposal our remuneration, as Joint Nominees, was set as a fixed fee of £4,000, which was paid prior to the issuing of our annual report.

Supervisors' Fee

Under the terms of the Proposal the remuneration of the Joint Supervisors is to be calculated based upon the time spent by them, and their staff, in the administration of the CVA.

Attached at Appendix 3 is the following information regarding the Supervisors' time costs, charge-out rates and disbursements

- A breakdown of the time incurred during the reporting period;
- A copy of our charging policy;
- Details of disbursements and expenses incurred.

Time costs of £20,573.50 have been incurred since 8 March 2020, bringing total time costs to £46,000, as at 22 October 2020, representing 227.4 hours of work at an average hourly rate of £202.29.

A payment on account of the time costs incurred, of £5,000, has been drawn since 8 March 2020, making a total of £10,000 drawn so far.

In view of the time costs incurred to date, and the anticipated work to conclude the CVA, it is estimated that the final time costs of the Supervisors and their staff will be in the region of £50,000. However, it is likely that the Supervisors will decide to discount their total fees to less than the full value of their time costs, and write-off the balance of their time costs

Creditors may access a Guide to Voluntary Arrangement Fees at www.r3.org.uk (Remuneration of Insolvency Office Holders England & Wales) or a hard copy will be provided on request.

Disbursements

The CVA terms also entitle the Supervisor to draw, from the funds held in the CVA, his firm's disbursements calculated on the bases described in Appendix 3. Any payments made in relation to these Category 2 disbursements are detailed in the Receipts and Payments Account at Appendix 2.

Costs which have been incurred and charged as expenses of the CVA and not paid, total £450.80 in respect of travel expenses of me or my staff traveling to the creditors meeting and meetings with the Director.

During the reporting period category 1 disbursements of £350 have been incurred in respect of disbursements, and paid, by Elwell Watchorn & Saxton LLP in relation to the case Insolvency Bond Premiums of £340 and Document hosting of £10.

Further information on the disbursements incurred by Elwell Watchorn & Saxton LLP during the period is contained in Appendix 3.

8. CONCLUSION

As stated at 6 above, the CVA has been in breach, and subsequently terminated during the period since our annual report was issued, together with the fact that several creditors have not yet lodged

claims, it has not been possible to make the interim dividend to unsecured creditors, which had been intended.

We will now make renewed efforts to obtain the remaining outstanding claims from creditors, who have not responded so far, and take steps to declare, and pay, a first and final dividend to the Compromised Creditors.

A final report will be issued when this remaining work has been completed.

Should you have any queries regarding this report, please contact my office on 01384 465 301 or by email at Stourbridge@ewslp.co.uk.



Nigel Price
Joint Supervisor

9 November 2020

APPENDIX 1**POLPO LIMITED (COMPANY VOLUNTARY ARRANGEMENT)****STATUTORY INFORMATION**

Company Name	Polpo Limited
Previous Names	Not applicable
Proceedings	Company Voluntary Arrangement
Court	High Court of Justice, District Registry, Birmingham
Court Reference	2019-BHM-000144 of 2019
Date of Appointment	8 March 2019
Supervisor	Nigel Price
Registered office Address	c/o Elwell Watchorn Saxton LLP 109 Swan Street, Sileby, LE12 7NN
Company Number	03773331

APPENDIX 2

The Supervisors' Receipts and Payments Account

Voluntary Arrangement of POLPO LIMITED Supervisors' Summary of Receipts & Payments

Statement of Affairs £	From 08/03/2020 To 22/10/2020 £	From 08/03/2019 To 22/10/2020 £
ASSET REALISATIONS		
Bank Interest	104.27	205.88
Contribution to Nominees' fee	NIL	4,000.00
Contributions	NIL	135,000.00
	104.27	139,205.88
COST OF REALISATIONS		
Bordereau Premium	340.00	340.00
Document Hosting	20.00	20.00
Nominees Fee	NIL	4,000.00
Supervisors' Fee	5,000.00	10,000.00
	(5,360.00)	(14,360.00)
	(5,255.73)	124,845.88
REPRESENTED BY		
Bank 1 Current		124,773.88
Vat Receivable		72.00
		124,845.88

Breakdown of the Supervisors' Time Costs and Disbursements together with Charging Policies

Time Entry - Detailed SIP9 Time & Cost Summary

POL02 - POLPO LIMITED
From: 08/03/2020 To: 22/10/2020
All Post Appointment Project Codes

[illegible]

Time Entry - Detailed SIP9 Time & Cost Summary

POL02 - POLPO LIMITED
From: 08/03/2019 To: 22/10/2020
All Post Appointment Project Codes

[illegible]

ELWELL, WATCHORN & SAXTON LLP CHARGING POLICY

It is the firm's policy that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff. From 1 October 2015, additional categories of staff activity have been introduced to facilitate more detailed reporting where it is appropriate to do so.

Irrespective of any basis of remuneration agreed, the legislation requires that time spent by all staff on a case is recorded. The recorded time cost is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

Although for most appointments, the legislation allows the office holder to seek to be remunerated on a combination of any or all of the following bases;

- a. A time cost basis
- b. A percentage of the value of the property dealt with by the office holder (realisations and / or distributions)
- c. A fixed fee

it is the Firm's current policy to seek remuneration on (a) a time cost basis for insolvent appointments.

The arrangements regarding office holder remuneration do not however apply to Members Voluntary Liquidations (MVL's), Company Voluntary Arrangements (CVA's) or Individual Voluntary Arrangements (IVA's). In MVL's, the company members agree the fee basis, usually as a fixed fee. In VA's, the fee basis is incorporated in the arrangement proposal which creditors agree when they approve the arrangement.

Office holders remuneration is subject to VAT with the exception of VA's which are VAT exempt.

The Firm has five grades of staff (including the office holder) as detailed below. The office holder ensures that case assignments have been carried out by appropriate grades of staff. The charge-out rates of the persons involved in this case from commencement to the current time are as follows:-

	<i>Charge-out rate at commencement (up to £ per hour)</i>
Licensed Insolvency Practitioner	295.00
Director / Senior Manager	200.00
Manager	150.00
Other professionals	135.00
Administrative staff	65.00

Each staff member involved in the case records actual time spent in a computerised time recording system together with a narrative describing the actual work undertaken. Work is analysed by prescribed task descriptors which are recorded under the following standardised categories;

- Administration (including statutory reporting)
- Investigations
- Realisation of assets
- Trading
- Creditors (claims and distribution)

In seeking approval to be remunerated on a time costs basis, the office holder must provide a fee estimate to the creditors which then acts as a cap to ensure that the fees subsequently drawn cannot exceed the fee estimate without the office holder seeking further approval. The office holder must also provide details of the work intended to be undertaken together with details of the hourly rates proposed to be charged and an estimate of the time envisaged being taken to complete the required work. The office holder will also state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the original estimate and any reasons for which this could become necessary. To simplify matters, the estimated charges may be presented using a 'blended' (an average time cost) rate for the work carried out detailed in the fee estimate.

Should the office holder subsequently need to seek authority to draw fees in excess of the original fees estimate, details will be provided which include reasons why the original estimate has been or is likely to be exceeded, details of any additional work required to be undertaken, the hourly rates proposed and an estimate of the additional time envisaged being taken to complete the identified work. The office holder will again state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the estimate and any reasons for which this could become necessary.

Sufficient information will be provided about the appointment to demonstrate how the fee estimate reflects the requirements of the case. This will include any responsibility of an exceptional nature on the office holder, the effectiveness with which functions are carried out and the value and nature of the property dealt with by the office holder.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at:-

<http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at:-

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

Disbursements

Disbursements incurred by the office holder in connection with the case must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 - disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2 - disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The basis of payment of category 2 disbursements must be approved by creditors prior to any payment being drawn. It is proposed that payment shall be made in respect of Category 2 disbursements as follows:-

- Mileage will be charged at 45p per mile.
- Other disbursements where the firm makes payment to an external party for an expense incurred wholly, exclusively and necessarily in relation to the insolvent estate, will be recharged at cost.

Elwell Watchorn & Saxton LLP
Case Direct Cost Summary by Analysis Code

All Staff
 All Project Codes.

	Disb Type	Amount	Adjust
POL02			
POLPO LIMITED (Under a Voluntary Arrangement)			
C11-Insolvency Bond	(Category 1)	340.00	0.00
C23-Travelling Expenses	(Category 1)	112.50	0.00
C37-Travel (flights, train & tube)	(Category 1)	230.30	0.00
C38-Document Hosting	(Category 1)	10.00	0.00
C23-Travelling Expenses	(Category 2)	108.00	0.00
Disbursements Category 1		692.80	
Disbursements Category 2		108.00	
Disbursements Total		800.80	
Fee Notes (Disbs Only)		(350.00)	
Write Off/Up		0.00	
Adjustments		0.00	
Provisions		0.00	
Total Outstanding		450.80	