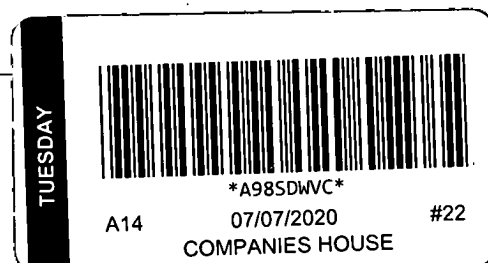


# WU07

## Notice of progress report in a winding-up by the court



Companies House



### 1 Company details

Company number 0 9 7 2 1 1 6 9  
Company name in full Baltic House Developments Limited

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

### 2 Liquidator's name

Full forename(s) Louise  
Surname Brittain

### 3 Liquidator's address

Building name/number Gladstone House  
Street 77-79 High Street  
Post town Egham  
County/Region Surrey  
Postcode T W 2 0 9 H Y  
Country

### 4 Liquidator's name ①

Full forename(s) Matthew  
Surname Waghorn

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

### 5 Liquidator's address ②

Building name/number 92  
Street London Street  
Post town Reading  
County/Region Berkshire  
Postcode R G 1 4 S J  
Country

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

### Notice of progress report in a winding-up by the court

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

☒ The progress report is attached

## Liquidator's signature

**Signature**

X

Letter

**X**

Signature date

<sup>d</sup>0<sup>d</sup>7. $^{m}0$  $m_7$  $^y_2$ 

	$y$	$0$
--	-----	-----

 $2^y$  $y_0$

WU07

Notice of progress report in a winding-up by the court



**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	Louise Hodgson
Company name	Wilkins Kennedy
Address	Gladstone House
	77-79 High Street
Post town	Egham
County/Region	Surrey
Postcode	T W 2 0 9 H Y
Country	
DX	
Telephone	01784 435561



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

# **Joint Liquidators' Annual Progress Report to Creditors**

**Baltic House Developments Limited  
- In Compulsory Liquidation**

**7 July 2020**

## **BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION**

### **CONTENTS**

- 1** Introduction and Statutory Information
- 2** Progress of the Liquidation
- 3** Creditors
- 4** Joint Liquidators' Remuneration
- 5** Creditors' Rights
- 6** Next Report

### **APPENDICES**

- A** Receipts and Payments Account from 24 May 2019 to 23 May 2020 and a cumulative Receipts and Payments Account from 24 May 2018 to 23 May 2020
- B** Additional Information in Relation to Joint Liquidators' Fees, Expenses & Disbursements

# BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

## 1 Introduction and Statutory Information

- 1.1 I, Louise Brittain, together with my partner Matthew Waghorn, of Wilkins Kennedy, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY, was appointed as Joint Liquidator of Baltic House Developments Limited ("the Company") on 24 May 2018 following the presentation of a petition for the compulsory winding up of the Company. The winding-up order was made on 17 May 2018 in the High Court of Justice under court reference number 2207 of 2018. This progress report covers the period from 24 May 2019 to 23 May 2020 ("the Period") and should be read in conjunction with any previous progress reports which have been issued.

Information about the way that we will use, and store personal data on insolvency appointments can be found at:

[https://www.wilkinskennedy.com/documents/8/Insolvency\\_Stakeholders\\_Privacy\\_Notice\\_Sept\\_2018.pdf](https://www.wilkinskennedy.com/documents/8/Insolvency_Stakeholders_Privacy_Notice_Sept_2018.pdf)

- 1.2 If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The registered office of the Company has been changed to Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY and its registered number is 09721169.

## 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 includes details of matters still to be dealt with.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period and a cumulative Receipts and Payments Account from the date of my appointment as Joint Liquidator to the end of the Period.

### *Administration (including statutory compliance & reporting)*

- 2.3 The Joint Liquidators must comply with certain statutory compliance matters in accordance with 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 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 Joint Liquidators.

### *Realisation of Assets*

- 2.5 No assets have been realised during the Period.
- 2.6 It is considered that the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution creditors of the Company only but will depend on asset realisations and the extent of any recoveries made from third parties following investigations undertaken.

### *Intercompany Loans*

#### **North Point Global Limited**

- 2.7 As you will be aware, NPG entered into a CVA prior to the winding up of the Company and I previously submitted a claim into the CVA of NPG on behalf of the Company for £1,250,737.61 in July 2019. This claim was rejected by the Supervisor in December 2019 on the basis that subsequent advice had been obtained by the director of the Company that suggested the payments made to NPG were not loan repayments and were instead payments for expenses and development fees due to NPG.
- 2.8 I subsequently submitted a revised Proof of Debt for the amount of £861,544.44 relating to payments made to NPG in the two year period leading up to the winding up petition of the Company. I consider these payments

## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

to be preference payments made in the relevant period. This claim was also rejected by the Supervisor of the NPG CVA and I instructed Fieldfisher to advise and assist with this matter.

- 2.9 My position is that the debt has crystallised and the requisite criteria for a preference payment have been met. I suggested to the Supervisor that we should consider settling the matter however no agreement was reached and I subsequently issued an application to Court for a variation of the decision made by the Supervisor to reject my submitted claim.
- 2.10 The hearing was listed for a date after the Period however I can advise the Court ruled in favour of my application and the claim has been allowed. It is now for the Supervisor to adjudicate and determine the quantum of the claim that will be admitted in the CVA.
- 2.11 At present, it is understood that there will be sufficient funds in the CVA to enable a payment to be made to unsecured creditors and funds of £360,000 have been injected into the CVA. Total funds anticipated are £431,000 and based on current unsecured creditors figures admitted, there could be a dividend of 33 pence in the pound, which equates to £287,283 to the liquidation estate if my preference claim is admitted in full at £861,544.

### **Bilt (Baltic) Ltd ("BILT")**

- 2.12 As previously advised, a Proof of Debt was submitted in the liquidation of BILT in the sum of £3,880,330.61 in relation to payments made to BILT in settlement of various invoices. The liquidator of BILT is also dealing with the liquidation of 4 other group companies connected to BILT and will be taking no further action to progress the liquidation of BILT until the full position in relation to the group companies has been established. It follows therefore that claims in the liquidation of BILT have not yet been adjudicated on and I note the liquidator is due to file a further progress report in the coming months.

### **North Point (Pall Mall) Ltd ("NPPML")**

- 2.13 As previously reported, the Company entered into a loan agreement with NPPML for which no security was granted. Sums totalling £1.095m appear due from NPPML to the Company according to the SAGE records and from a review of the Company's bank statements, it appears net payments of £671,967 have been between the Company and NPPML.
- 2.14 Under the terms of the purported loan agreement, the loan is not due for repayment until 2022 or practical completion of the development, however I wrote in any event to NPPML for repayment of the loan. Realisations from this agreement remain uncertain at this stage. I will be seeking legal advice on my position.
- 2.15 A Receiver was appointed over the property at Pall Mall by the charge holder, PH Invest. The property has now been sold with all monies being paid to the first charge holder.

### **China Town Loan**

- 2.16 The Company entered into a purposed loan agreement with China Town Development Company Limited to assist with the development of the site at China Town. The Company's records show £1.228m remaining due to the Company under this agreement.
- 2.17 The site at China Town was sold to Great George Street Developments Ltd ("GGSD") prior to my appointment as Liquidator and I have since correspondence with GGSD requesting repayment of the loan. I have received a response from GGSD regarding repayment, who have advised that in accordance with the loan agreement, the loan is not due to be repaid until 2023 or practical completion, whichever is sooner. I will be seeking legal advice on my options here.

### **Vienna House Developments Ltd ("Vienna House")**

- 2.18 As previously advised, the Company purportedly entered into a loan with Vienna House and the Company's SAGE records indicate £183,361 is owed to the Company by Vienna House. I wrote to Vienna House demanding

## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

repayment of this loan, however no response has been received. I will be seeking assistance from my solicitors in relation to this.

### **Berry Court**

- 2.19 I previously advised of an "option to purchase" agreement in relation to the land at 11 Norfolk Street known as Berry Court. The Company was due to pay funds of £125,000 towards this option agreement to purchase the land from Blue Ray Holdings Group Limited, however it became apparent that Blue Ray were not in fact the proprietors of this land. A payment to Oliver & Co Solicitors has been identified which I believe represents the consideration given by the Company for the option.
- 2.20 The land is owned by an independent third party, Liver Grease Oil & Chemical Company Ltd ("LGOCCL") and it appears funds of £1,874.50 were paid to LGOCCL from the Company's account in March 2016, however I do not consider it economical to seek recovery of this sum. A further sum of £125,000 was paid from the Company's account in October 2015 which may represent consideration given by the Company for the option and I am making enquiries in relation to whether I am able to recover this deposit.

### **Banksy Paintings**

- 2.21 As mentioned previously, Sincura Arts Ltd acted as agents in the removal and restoration of two Banksy artworks known as "the Rat" and the "Biplane". The invoices raised by Sincura were address to the 'founder' of the Company, care of Blue Ray Enterprises based in Dubai.
- 2.22 I am currently undertaking further investigations into this matter. I have so far ascertained that a sum of £46,500 was paid by the company in relation to this transaction.

### ***Creditors (claims and distributions)***

- 2.23 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), 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.
- 2.24 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.25 The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Liquidators are 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 Joint Liquidators in dealing with those claims.

### ***Investigations***

- 2.26 As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Joint Liquidators to submit a report on the directors' conduct to the Department for Business, Energy & Industrial Strategy, however where matters are brought to the Joint Liquidators' attention these are reported as appropriate to the Official Receiver for further consideration.
- 2.27 I would confirm that I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate and that may need reporting to the Official Receiver. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. Further details of my investigations are provided below.



## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

### **Inca Management Limited ("Inca")**

- 2.28 Inca provided consulting services to the Company and are surveyors who prepared works certificates in relation to the works carried out at the Baltic House site. I have previously been provided with the surveyor's certificates for the works completed and I am currently awaiting a quote from my property consultants regarding the costs involved in reviewing the works certificates to ascertain whether there are any irregularities in the certificates versus the actual work performed to identify whether there are any discrepancies.
- 2.29 I recently wrote to Inca to request copies of all documents and correspondence they hold in relation to their dealings with the Company and have been advised that Inca ceased trading in January 2020. I am therefore making further enquiries to establish who Inca's insurance company were at the time:

### **Blue Ray**

- 2.30 I am aware that the 'founder' of the Company is involved with overseas entities including Blue Ray Global Inc and Blue Ray Enterprise Fze, companies registered in Dubai, and have previously reported that payments to Blue Ray Global Inc have been made from the Company's bank accounts totalling £171,628. My investigations into the entities and any other companies or assets the 'founder' has any involvement with remain ongoing. At this stage no further information can be provided so as to not prejudice any ongoing investigations.

## **3 Creditors**

### **Secured Creditors**

- 3.1 Records held by the Registrar of Companies shows that the following charges have been granted:

Property:	Charge holder:	Date Registered:	Type of Charge:	Amount Owed:
Land & Buildings at Brick Street	Lancashire Mortgage Corporation Limited	6 November 2015	Fixed Charge	£1,185,708.86
Land & Buildings at Brick Street	Lancashire Mortgage Corporation Limited	6 November 2015	Fixed Charge	
Land at Brick Street and Norfolk Street	Shk Property Service Pension Scheme, the Hamilton Pension Scheme, Gilbert Trading Pension Scheme, Kby Investments Limited, Silvertree Investments Pension Scheme	22 September 2015	Fixed Charge	Estimated at £275,136
Land and buildings at Norfolk Street	Baltic House Buyers Limited	21 September 2015	Fixed Charge	Estimated at £12,309,392

As previously advised, a Deed of Priority dated 26 October 2015 between the above parties granted priority to the charges in favour of Lancashire Mortgage Corporation Limited. These charges were assigned to PH Invest on 14 June 2018 and the sale of property has resulted in a shortfall. Therefore, whilst legal advice obtained

## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

advising the Baltic House Buyers charge is valid, it is anticipated the entirety of the investors claims will rank as unsecured claims in the liquidation.

### ***Preferential Creditors***

- 3.2 There are no preferential creditors in this matter.

### ***Unsecured Creditors***

- 3.3 I have received claims totalling £7,076,436.45 from 110 creditors, compared to £6,860,955.48 advised in the Official Receiver's report to creditors. The reason for the discrepancy is the unsecured creditors includes claims of the investors.
- 3.4 Claims have not yet been agreed or admitted for dividend purposes.
- 3.5 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the "Prescribed Part"), which only applies where a floating charge was created after 15 September 2003.
- 3.6 I am unable to confirm at this stage whether there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

## **4 Joint Liquidators' Remuneration**

- 4.1 The Creditors' Committee approved that the basis of the Joint Liquidators' remuneration be fixed on a combination of fixed fees and a percentage of realisations as set out below. My fees estimate/information was original provided to the Committee when the basis of my remuneration was approved and was based on the information available to me at the time.

### **Fixed Fee**

- 4.2 A fixed fee of £90,000 for undertaking the following categories of work, namely administration and planning, investigations, communications with creditors and statutory reporting.
- 4.3 No fees have been drawn against the agreed fixed fee basis of £90,000 to date.

### **Percentage Fee**

- 4.4 A percentage fee of 10% in respect of the realisation of all assets of the Company, and 10% in respect of the agreement of creditor claims and making distributions to preferential and unsecured creditors.
- 4.5 No realisations have been made to date and therefore no remuneration has been drawn against this basis.
- 4.6 My total time costs to 23 May 2020 are £88,416.70, representing 345.76 hours at an average rate of £255.72 per hour. Of this £32,411.00 was incurred in Period, representing 122 hours at an average rate of £265.66 per hour. No fees or expenses have been drawn to date.
- 4.7 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. This is because we consider my estimate to be sufficient at this stage.
- 4.8 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

- 4.9 Attached as Appendix B is additional information in relation to the Joint Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

### 5 Creditors' rights

- 5.1 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 Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 5.2 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 Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

### 6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the end 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 account.
- 6.2 Finally, when carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.
- 6.3 To comply with the Provision of Services Regulations, some general information about Wilkins Kennedy, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link:  
<https://www.wilkinskennedy.com/services/advisory/insolvency/provision-service/>
- 6.4 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 01784 435561 or by email at [louise.hodgson@wilkinskennedy.com](mailto:louise.hodgson@wilkinskennedy.com).

Yours faithfully



**Louise Mary Brittain**  
Joint Liquidator

# BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

## Appendix A

Receipts and Payments Account from 24 May 2019 to 23 May 2020 a cumulative Receipts and Payments Account from 24 May 2018 to 23 May 2020

### Baltic House Developments Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 24/05/2019 To 23/05/2020 £	From 24/05/2018 To 23/05/2020 £
<b>COST OF REALISATIONS</b>		
BIS Bank Charges	88.00	176.00
O.R. Debit Balance	NIL	9,400.00
O.R. Disbursements	NIL	150.51
	<u>(88.00)</u>	<u>(9,726.51)</u>
	<u>(88.00)</u>	<u>(9,726.51)</u>
<b>REPRESENTED BY</b>		
ISA NIB		(9,726.51)
		<u>(9,726.51)</u>

## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

### Appendix B

#### Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

##### 1 Staff Allocation and the Use of Sub-Contractors

- 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.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

##### 2 Professional Advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
Fieldfisher LLP (legal advice)	Contingent Fee Basis
Mishcon de Reya LLP (legal advice)	Time costs plus disbursements plus VAT
SIA Group (UK) London Ltd (asset agents)	Combination of time costs + percentage of realisation + VAT

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

##### 3 Joint Liquidators' Expenses & Disbursements

###### *Current position of Joint Liquidators' expenses*

- 3.1 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. No expenses have been paid in the Period or to date.

Type of Expense	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
IT Administration Fee	-	-	110.00	110.00
Insurance	-	-	280.00	280.00
Courier	-	-	45.00	90.00
Postage	-	-	674.89	1,500.00
Travel Expenses	-	-	61.80	150.00
Specific Bond	-	-	950.00	950.00
Statutory Advertising	-	-	77.45	164.30
Agents Fees	-	-	150.00	2,000.00
Legal Fees (Mishcon de Reya)	-	-	9,364.50	9,500.00
Legal Fees (Field Fisher)	-	-	34,749.00	60,000.00
<b>Category 2 disbursements</b>				
Stationery	-	-	90.95	250.00

- 3.2 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

## BALTIC HOUSE DEVELOPMENTS LIMITED - IN COMPULSORY LIQUIDATION

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.

- 3.3 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. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

### 4 Charge-out Rates

- 4.1 Wilkins Kennedy's current charge-out rates effective from 3 December 2018 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

#### Wilkins Kennedy Current Charge Out Rates from 3 December 2018

	£ p/hr
Partners	430.00 - 470.00
Directors/Managers	210.00 - 403.00
Administrators	110.00 - 210.00
Junior/Trainee Administrators	95.00 - 200.00
Cashiers/Secretaries	60.00 - 100.00