



Polarcus UK Limited (Company Number 07068161)

Joint Liquidators' Progress Report

For the period from 27 April 2021 to 26 April 2022

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Glossary

Glossary

Term	Meaning
Act / IA86	Insolvency Act 1986 (as amended)
Appointment date	27 April 2021
BEIS	Department for Business, Energy & Industrial Strategy
c.	Circa
Company	Polarcus UK Limited
Directors	Caleb Raywood and Hans-Peter Sigvard Burlid
DNK	Norwegian shipowners' mutual war risk insurance association
FTI	FTI Consulting LLP
Group Facility	A USD\$236m bank facility borrowed by Polarcus Limited, the Group's parent company, of which the Company is a guarantor
Group Facility Lenders	The lenders of the Group Facility
IR16	The Insolvency (England and Wales) Rules 2016
Joint Liquidators / Liquidators /we /our /us	Lisa Rickelton, Simon Kirkhope and Matthew Callaghan of FTI Consulting LLP
Liquidation	The liquidation of Polarcus UK Limited
Preferential creditors	<p>First ranking: Principally employee claims for unpaid wages (up to £800 per employee), holiday pay and certain unpaid pension contributions</p> <p>Second ranking: HMRC in respect of certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions</p>

Term	Meaning
RPS	Redundancy Payments Service
Reporting Period / Period	27 April 2021 to 26 April 2022
SIP	Statement of Insolvency Practice. The purpose of SIPs is to promote and maintain high standards by setting out required practice and harmonising the approach of insolvency practitioners to particular aspects of insolvency practice. SIPs set principles and key compliance standards with which insolvency practitioners are required to comply. They apply in parallel to the prevailing statutory framework. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities, acting through the Joint Insolvency Committee.
SIP 9	Payments to Insolvency Office Holders and their Associates from an Estate
Statement of Affairs / SofA	Statement of Affairs of the Company prepared on 22 April 2021
The Group	Polarcus Limited and its subsidiaries
Unsecured creditors	Creditors who do not have security in respect of their debt (in accordance with Section 248 IA86) and are not preferential creditors. They include the Group Facility Lenders, group companies, trade creditors and depending on the circumstances employees
RTI	Real Time Information



Introduction

Purpose of This Report

Pursuant to Section 104A IA86 and Rule 18.7 IR16, we are required to provide creditors and members with an annual report explaining the progress of the Liquidation for the period 27 April 2021 to 26 April 2022.

- Lisa Rickelton, Simon Kirkhope and Matthew Callaghan were appointed as joint liquidators of the Company on 27 April 2021 by its members and creditors.
- The purpose of the Liquidation is to realise the Company's assets and make distributions to the preferential and unsecured creditors of the Company. The Company will then be dissolved.
- This report covers the Period from 27 April 2021 to 26 April 2022 and contains:
 - An explanation of the work we have undertaken during the Period and how the Liquidation has progressed;
 - An update on the estimated outcome for each class of creditor;
 - Details of the work we still need to undertake before the Liquidation can be concluded;
 - A statement of our receipts and payments in the Liquidation and details of expenses we have incurred;
 - An update on our remuneration for acting as joint liquidators; and
 - Further information required by statute regarding our appointment as joint liquidators.
- As part of this report, we are also asking the Company's creditors to agree that we may draw remuneration in excess of the total amount set out in the fees estimate previously approved by creditors. Further details of the creditors' decision procedure, the amount we are seeking to draw and the reasons for the proposed increase are set out in this report.
- Details surrounding the Liquidation can be found in our Remuneration Report dated 10 August 2021, and the Explanatory Information for Creditors dated 23 April 2021, both of which continue to be available online (see website details on the right of this page). A brief summary is set also out on the next page.
- If you are unfamiliar with insolvency, we have included as an appendix a brief overview that you may wish to read before continuing to read this report.
- Certain legal notices regarding this report, our appointment and creditors' rights are also included as an appendix.

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: PolarcusUK@fticonsulting.com

Post: Polarcus UK Limited (in liquidation)
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London
EC1A 4HD
United Kingdom

Tel: +44 (0)20 7269 7281

- Further information can be found online at:

Website: <https://www.ips-docs.com/>

Login: PUL01

- Alternatively, information can be found at <https://www.fticonsulting.com/emea/cip/polarcus-uk-limited>

Background to the Liquidation and Summary of Asset Realisations

The impact of COVID-19 on the Group resulted in enforcement action by certain of its lenders, a cessation of trade and a need to wind-up the Company and realise what assets remained for the benefit of its creditors.

Background to the Liquidation

- Polarcus UK Limited was a contracting entity, an intermediate holding company and a member of the wider Polarcus Group. The Company provided marketing services to other companies within the Polarcus Group. On a project by project basis, the Company also evaluated and provided marine towed streamer seismic data acquisition services to external customers via contracting arrangements with other Group entities.
- The Group was adversely impacted by COVID-19, which caused a sharp reduction in oil prices. This led to a significant drop in oil company interest in commissioning exploration activity and the cancellation of various projects. These events resulted in the Group defaulting on its bank facilities and the Group Facility Lenders making a demand on the c.USD\$236m Group Facility, of which the Company is a guarantor.
- Ownership of six of the Group's seven vessel-owning subsidiaries was transferred out of the Group by the Group Facility Lenders in February 2021, under enforcement steps following the event of default. Those subsidiaries then ceased to trade. As a result, any value the Company had through its intercompany receivables and intercompany investments were materially adversely impacted, and the Company had minimal other assets. The Group Facility Lenders had also taken the necessary steps to enforce (under factoring and assignment agreements) over various intercompany receivables.
- Given the Company's significant liabilities far exceeded its assets and the Company was unable to pay its liabilities as they fell due, the Company was insolvent and its directors duly commenced its winding-up in April 2021.

Summary of Asset Realisations

- The Company's principal assets as at the date of our appointment were expected to include cash at bank and its investments in subsidiaries. According to the directors' Statement of Affairs, these were estimated to realise £90k and £403k respectively.
- To date, we have recovered cash of £139k from the Company's bank accounts and realised £4.5k from the sale of equipment, c.£625k of equity distributions from intercompany subsidiaries and c.£502k in respect of an insurance refund from DNK.
- Realisations to date have significantly exceeded the amounts estimated in the directors' Statement of Affairs; for the following reasons:
 - The discovery and realisation of an insurance refund due to the Company in relation to prior premiums paid in relation to war risk;
 - Fluctuations in exchange rates leading to better than anticipated GBP recoveries on assets recovered from overseas jurisdictions;
 - Following work by our tax team and tax treaties between the UK and Mexico tax authorities, withholding tax has not been applied to the equity distribution from the Mexican subsidiary; and
 - The costs associated with the winding down of the Mexican subsidiary were less than anticipated.
- Potential assets still to be realised include further equity distributions from subsidiaries, the recovery of withholding tax held by the Norwegian tax authorities in relation to the DNK insurance refund and distributions due on other intercompany receivables.



Progress of the Liquidation

Realising the Assets

The majority of assets have now been realised. Any further realisations are dependent on local laws and recovery procedures. We are monitoring those situations regularly in order to recover any value as soon as possible.

Cash at bank

- On appointment, cash held in the Company's bank accounts totalled c.£199k (c.US\$277k).
- Credit balances were subject to set-off rights under the terms of the Group Facility and the Company's guarantee. The Group Facility Lenders agreed (subject to certain conditions) that c.£90k (\$125k) would be available to the Liquidation estate to contribute to the costs of an orderly wind-down of the Company. The directors' Statement of Affairs therefore indicated cash assets of £90k. The release of this cash was dependent on the completion of a wider Group transaction, which completed shortly after the Liquidators' appointment and funds of £89.6k were received.
- Since our appointment, we have also recovered £34k from a client account held by the Company's payroll provider, which represented unpaid PAYE and NIC liabilities. An amount of £15k was also received from a client account at Norton Rose Fulbright (solicitors), bringing the total additional cash recoveries to £49k.

Investments in subsidiaries & intercompany receivables

- The directors' Statement of Affairs reported: 1) Investments in Subsidiaries with an expected to realise amount of £403k and 2) Intercompany Receivables with a book value of £29.9m from which c.£20k was expected to be realised.
- An amount of £625k has been recovered from the Group's Mexican subsidiary, significantly exceeding the initial and total estimate from these investments.
- There are other potential returns from investments in subsidiaries including Polarcus Brazil Limited, however these realisations remain subject to significant uncertainty and the likely quantum of recoveries is unknown.
- We are still anticipating intercompany receivable realisations from the Ghana entity and at this stage, the c£20k estimate is unchanged.

DNK Insurance Refund

- As set out in our previous correspondence, there was a potential recovery from an insurance refund due to the Company from the Norwegian shipowners' mutual war risk insurance association. The estimated to realise value was £483k.
- Following lengthy correspondence with the insurance provider and regulatory approval from the Norwegian tax authorities, this asset has been received with recoveries to the estate totalling c.£502k.
- Withholding tax has been applied by the Norwegian tax authorities and our tax specialists have submitted an application to reclaim this tax from the Norwegian authorities, anticipated recoveries in relation to Norwegian withholding tax are £91k, the timing of any recoveries remains uncertain.

Property, plant and equipment (PPE)

- The only realisable tangible asset was new equipment purchased by the Company in March 2021. This had an estimated realisable value in the Statement of Affairs of £5k, based on desktop valuation advice provided to the Company by Wyles Hardy & Co Limited (the valuation was carried out by a Chartered Surveyor and relevant Professional Indemnity Insurance was in place).
- On appointment, it became apparent that a small number of items could not be located and as such, PPE realisations totalled £4.5k. The sale was to PXGEO UK Limited, a connected party with common directors. The price paid was at the upper end of the desktop valuation and the sale avoided potentially disproportionate marketing and delivery costs.

Dealing with Stakeholders and Creditors

Our work includes adjudicating on claims in relation to amounts owed to certain classes of creditors where dividends are expected. We also respond to queries received from creditors and other key stakeholders.

Preferential Creditors

- In mid-February 2022, we received a total of £1.127m from the Group's Mexican subsidiary and the DNK insurance refund, which confirmed the availability of dividends for preferential and unsecured creditors.
- Therefore, on 25 February 2022, a Notice of Intended Dividend was issued to both first and second ranking preferential creditors, inviting their claims in the Liquidation ahead of a 28 March 2022 deadline.
- Distributions (at a rate of 100p in the £) were declared and paid to first and second ranking preferential creditors on 20 May 2022 (after the period covered by this report).
- The total value of the distributions was £78,978 (including the PAYE and employee NIC deductions on the employee preferential distributions).
- ERA Solutions assisted the employees who were made redundant in submitting their claims and are assisting us in relation to the payment of the tax due on the preferential distribution to HMRC.
- We do not expect that ERA Solutions will carry any out other work in relation to the Liquidation, unless any employees come forward with unsecured claims (in which case we may use ERA Solutions to assist in the adjudication process). On current information we do not expect this to be the case.

Secured Creditors

- There are no general secured creditors of the Company, albeit the Group Facility Lenders benefit from certain specific pledges.
- The Company had granted to the Group Facility Lenders certain share pledge security which was enforced over prior to the commencement of the Company's Liquidation; and no surplus is anticipated to be available to the Company.

Unsecured Creditors

- The directors' Statement of Affairs included 28 non-preferential unsecured creditors with an estimated total liability of £382,682,575 (including the Group Facility Lenders).
- On 4 May 2022, having recently received verbal confirmation of HMRC's preferential and unsecured claims, a Notice of Intended Dividend was issued to all known unsecured creditors, with a last date for proving claims of 30 May 2022.
- Our work to adjudicate claims received will be concluded within 14 days after this deadline and an interim distribution will be declared by 30 July 2022.
- Based on current information, we anticipate that a second and final distribution to non-preferential unsecured creditors will be available, however the timing and quantum will depend on future realisations in the Liquidation.

Preferential Creditors

- Preferential creditors are a category of creditor that do not have security in respect of their debts but do have preferential status under insolvency legislation.
- These are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The RPS becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- As the commencement of the Liquidation was after 1 December 2020, HMRC is a (second-ranking) preferential creditor for certain specified debts.

A Notice of Intended Dividend has been issued to the Company's unsecured creditors with a deadline to submit claims of 30 May 2022

Managing the Company's Affairs

Until such time as the Company is dissolved, it must continue to fulfil certain obligations. Whilst appointed to manage the affairs of the Company, we are responsible for ensuring these obligations are met.

Company Subsidiaries

- We have provided assistance (where required) to Group subsidiaries and their local advisors in order to facilitate and expedite the recovery of assets into the Liquidation estate.
- The work undertaken has included assistance to both advisors and management of the subsidiaries in Ghana, Mexico and Brazil; and specifically included the following work:
 - **Brazil:** Assistance in relation to the tax and intercompany position of the Brazilian entity, which led to a potential additional recovery should a sale of the Brazilian entity be achievable.
 - **Ghana:** Assistance to local advisors and management in Ghana around both the winding-up of the Company and the provision of information from management to EY (who act as auditors of the Ghana subsidiary). The audit process was required to commence the winding-up of the subsidiary, which will enable the Company to realise value from the intercompany receivable.
 - **Mexico:** Assistance to the Mexican subsidiary's advisors and management in the winding-up of the entity; including understanding the local process and ensuring recoveries due to the Company were duly realised.

Treasury and Accounting

- An account of our receipts and payments for the Period covered by this report is provided at Appendix B.
- Receipts in the Period consist mainly of asset realisations, the majority of which relates to the insurance refund received from DNK and the equity distribution received from the Mexican subsidiary.
- Payments in the Period predominantly consist of legal fees and office holder remuneration.

PAYE

- Given the redundancy of all employees immediately on appointment, no PAYE filings have been required for the post-appointment period.
- As preferential distributions have recently been made to the former employees of the Company, the PAYE and NIC payable on these amounts will be paid to HMRC shortly, with the support of our external advisors ERA Solutions.

VAT

- Since the commencement of the Liquidation, three VAT returns have been submitted; for the period to 30 September 2021, quarter ended 31 December 2021 and quarter ended 31 March 2022.
- At the present time, a VAT refund of £27k is awaited, which includes £5k in relation to a pre-Liquidation invoice that was necessarily included in our post-Liquidation return as it was dated 27 April 2021 (the date of our appointment).
- The next VAT return will be due for the period ending 30 June 2022.

Corporation Tax

- During the Period, the corporation tax returns for the periods ended 31 December 2020 and 26 April 2021 were submitted.
- Preparation and submission of the returns has required working alongside our specialist tax team.
- Corporation tax returns for the period ending 26 April 2022 are currently being prepared and will be submitted shortly.

Fulfilling our Statutory Duties

As a consequence of the Liquidation, we have a number of ongoing responsibilities that include updating creditors on our progress and investigating the affairs of the Company.

Joint Liquidators' remuneration

- In August 2021, we delivered to creditors a remuneration report ("the August Report") setting out the proposed basis of our remuneration.
- Alongside the August Report we sought creditor approval to the following resolution:
 - "That the Liquidators' fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Liquidation, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the report dated 10 August prepared in connection with fee approval and issued with the notice of this decision procedure".
- The approval from creditors was sought using a qualifying decision procedure (by correspondence) with a decision date of 30 August 2021. We can confirm that the resolution was duly passed by the creditors' decision. The approved fees estimate was for £198,690 plus VAT.
- As explained further on page 16, our costs have exceeded this estimate, principally as a result of additional work required and our successful efforts to increase the value realised from the Company's assets. Therefore, we are now seeking creditor approval to draw additional remuneration.
- Our time costs to 26 April 2022 totalled £273,980 and are expected to be £350,000 once all our work in the Liquidation is complete. We are therefore seeking creditor approval that the fees estimate be increased to £350,000.
- Further information and explanation is set out later in this report and in Appendix E. The decision date for this approval process is Wednesday 6 July 2022.

Statutory Investigations

- We have undertaken a review of the directors' conduct, and in doing so have reviewed and given consideration to various Company records, including both financial information and board minutes in the lead up to the Administration.
- We submitted information in relation to the conduct of the Company's directors to BEIS. The content of our investigatory findings is confidential; however, it was concluded that there were no recovery actions relating to the directors' conduct that should be pursued.
- No further information has come to light during the Period that has required further investigation regarding the directors' conduct or any potential asset recovery actions.

SIP 13 Disclosure

- On 7 May 2021 the Joint Liquidators sold a small amount of plant and equipment to PXGEO UK Limited ("PXGEO") a company connected with the Company. PXGEO is connected by virtue of it having common directors (Caleb Raywood and Hans-Peter Burlid) with the Company.
- The Joint Liquidators arranged for Wyles Hardy & Co Limited an independent firm of valuers who hold Professional Indemnity Insurance, to prepare a desktop valuation of the Company's plant and equipment assets. The valuation provided an expected value of £3k to £6k.
- In addition to the above marketing and removal costs were expected to be in the region of £1,500. A sales price of £4.5k was achieved by the Joint Liquidators, this is at the top end of the valuation having accounted for the anticipated costs of undertaking any sales process.



Estimated Outcomes for Creditors

Estimated Returns to Creditors

See Appendix C for a detailed Estimated Outcome Statement

Asset Realisations

- Total realisations were estimated to be c.£0.5m in the directors' Statement of Affairs. Our remuneration report in August 2021 confirmed that the outcome had significantly improved, with gross realisations of c.£1.04m expected, principally a result of the potential DNK insurance refund,.
- **Our current estimated outcome statement found at Appendix C, forecasts final realisations to reach c.£1.3m**, which is mainly due to the recovery from the investment in Polarcus Mexico being c.£200k higher than expected.

c.£1.3M

Gross asset realisations estimated

Secured Creditors

- There are no general secured creditors of the Company, albeit the Group Facility benefits from certain specific pledges across the Group.
- The Company had granted to the Group Facility Lenders certain share pledge security which was enforced over prior to the commencement of the Liquidation; no surplus is anticipated to be available to the Company. Additionally, the Group Facility Lenders had security rights over certain intercompany receivables. Our estimated recoveries do not include any amounts related to these receivables.

100%

Dividend to first and second ranking preferential creditors

Preferential Creditors

- The known first-ranking preferential creditors are former employees of the Company and the RPS in respect of holiday pay and arrears of wages. HMRC is the only second-ranking preferential creditor.
- Dividends to preferential creditors are paid from available realisations (after the costs of the Liquidation) and before the claims of unsecured creditors.
- Following receipt of sufficient funds in February 2022, a Notice of Intended Dividend was issued on 25 February 2022 and a **dividend of 100p in the £ was declared and paid on 20 May 2022** as follows:
 - £41k to employees and the RPS, after tax deductions
 - £21k to HMRC in respect of their second-ranking claim, after Crown set-off in relation to a pre-appointment VAT refund due.
- The only remaining action is the payment to HMRC in respect of the tax and NI employee deductions. We are currently in the process of making the RTI submissions, with the support of ERA Solutions, and we will make payment once this is complete.

c.£840k

Estimated surplus for unsecured creditors

Unsecured Creditors

- The unsecured creditors consist of the Group Facility Lenders, intercompany liabilities, trade creditors and any unsecured employee claims.
- **The estimated surplus available to unsecured creditors is c.£840k**, representing 0.22% of the total unsecured liabilities (reflecting the magnitude of intercompany liabilities and the guarantee in relation to the Group Facility).



Key Matters Remaining

Joint Liquidators' Revised Fees Estimate

Our revised fees estimate is £350k based on costs to date of c.£274k and our assessment of future work required in the Liquidation. This is an increase of c.£150k from our initial fees estimate of c.£199k.

Polarcus UK Limited - Fee Estimate												
	Initial Estimate			Incurred to date			To be incurred			Revised Estimate		
	GBP/Hr	Hr	GBP	GBP/Hr	Hr	GBP	GBP/Hr	Hr	GBP	GBP/Hr	Hr	GBP
Administration and Planning	508	100	50,839	468	189	88,312	443	14	6,082	467	202	94,393
Investigations	443	24	10,802	439	25	11,152	-	-	-	439	25	11,152
Realisation of assets	454	126	57,098	484	98	47,225	422	54	22,806	462	152	70,031
Creditors	455	78	35,274	397	138	54,834	422	54	22,806	404	192	77,640
Tax	702	35	24,208	621	59	36,799	422	18	7,602	574	77	44,401
Reporting	465	44	20,470	537	66	35,659	422	40	16,725	494	106	52,384
Total	489	407	198,690	476	575	273,980	424	179	76,021	464	755	350,000

Fees Estimate

- The table above shows the time expected to be required in each area of the Liquidation and the estimated cost based on the charge-out rates given in Appendix E. Our total revised fees estimate is £350,000, representing 755 hours at an average rate of £464 per hour. As set out in the table, this is an increase of £151,310 compared to our initial fees estimate of £198,690.
- The reasons for exceeding our initial fees estimate are set out below:
 - The Liquidation has gone beyond its first-year anniversary, which will require us to undertake additional statutory workstreams. The revised estimate is based on the Liquidation completing before its second anniversary.
 - Following discussions with certain creditors and on the proposed strategy for the payment of distributions, we have decided to make an interim and final distribution to the Company's unsecured creditors to accelerate payments. We initially expected to pay a single distribution.
 - Additional work has been undertaken in supporting Group companies, their directors and their local advisors. This work was undertaken to ensure a timely and efficient recovery of intercompany assets, notably the realisations from the Mexican and Ghana entities. Ultimately all such work has been undertaken for the benefit of the Company's creditors.
 - In February 2022 we received the DNK insurance refund, however it was received net of withholding tax. Alongside our tax team, we are seeking to recover this amount, which would provide additional benefit for the Company's creditors.
 - Some £100k was received in error from HMRC in respect of the VAT return submitted for the period ending 30 September 2021. We will be entering into correspondence with HMRC to return these amounts.
- Should no additional work be necessary beyond that which is now included in the revised fees estimate and detailed above (and should the Liquidation complete before its second anniversary), we do not expect our costs to exceed the revised fees estimate; and no further approval should be required.

Creditors' Decision:

On the **enclosed voting form in Appendix H**, we are seeking approval to the following resolution with respect to our fees:

That the Joint Liquidators' fees estimate be increased to £350,000.

The decision date (deadline for votes) is 23:59 hours on 6 July 2022.

Our Next Report to Creditors

- We are required to provide a further progress report to all creditors within two months of the end of the period ending 26 April 2023, or when the Liquidation comes to an end, whichever is sooner.
- That report will be placed on our website, details of which were provided at the beginning of this report.
- All documents will be retained on the website and will remain live until two months after the conclusion of the proceedings.
- If you require any hard copy documents, please contact us by email at PolarcusUK@fticonsulting.com or by post at Polarcus UK Limited – In Liquidation, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD and you will be provided, free of charge, a hard copy of documents posted to the website, either now or in the future.
- If you have any specific queries in relation to this report or the Liquidation in general, please contact us using the details given above.

For and on behalf of the Company



Lisa Rickelton
Joint Liquidator

The affairs, business and property of the Company are being managed by the Joint Liquidators, who act as agents of the Company and without personal liability.

The Joint Liquidators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) of the Insolvency Act 1986.

The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>



Appendices

Appendix A: Statutory Information

Registered Office	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Company Registration Number	07068161
Former Registered Office	24 Old Queen Street, London SW1H 9HP
Incorporation Date	6 November 2009
Previous Company Names	None
Nature of Business (SIC)	Other business support service activities not elsewhere classified (SIC 82990)
Authorised Share Capital	156,447,144 ordinary £1 shares, issued and fully paid with Polarcus Limited as the only shareholder.
Liquidators' Names	Lisa Jane Rickelton, Simon Ian Kirkhope and Matthew Boyd Callaghan
Liquidators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Liquidators' Regulator	ICAEW
Appointment Date	27 April 2021

Directors, Officers and their Status

Director Name	Position	Resigned
Caleb Raywood	Director	n/a
Hans-Peter Sigvard Burlid	Director	n/a
Goodwille Limited	Secretary	n/a
Charles Richard Price	Director	19-Dec-17
Jonathan David Banyard	Director	09-Feb-17
Richard William Donoghue	Director	11-Nov-16
Tom Henrik Sundby	Director	03-Mar-16
Eirin Martha Inderberg	Director & Secretary	17-Nov-15

Appendix B: Receipts and Payments Account

Polarcus UK Limited - In Liquidation		
Joint Liquidators' Account of Receipts and Payments - 27 April 21 to 26 April 22		
GBP	Statement of Affairs Estimated to Realise	Total Receipts and Payments
Receipts		
Bank Interest		29.95
Cash at bank	89,500.00	138,933.71
Intangible assets	0.72	-
Intercompany receivables	8,921.36	-
Investment in subsidiaries	402,736.40	625,286.99
DNK insurance refund		502,180.28
Other current assets	-	-
Property, plant and equipment	5,000.00	4,500.00
Third party funds ¹		100,000.00
Subtotal	506,158.47	1,370,930.93
Payments		
Bank charges		(37.00)
Employee related expenses		(670.00)
Insurance		(112.00)
Statutory advertising		(184.00)
Legal fees		(16,192.09)
Office holders fees		(198,690.00)
Office holders expenses		(396.56)
Subtotal		(216,281.65)
Surplus/ (Deficit)		1,154,649.28
Net realisations		
		1,154,649.28
Total balance held		
		1,154,649.28
Made up as follows		
VAT - net VAT receivable		22,622.61
Cash at bank		1,132,026.67
Total		1,154,649.28

Notes

1. VAT overpayment received from HMRC funds are to be returned.
All values are exclusive of VAT.

Appendix C: Joint Liquidators' Estimated Outcome Statement

Estimated Outcome Statement of Polarcus UK Limited						
GBP*	Note	Book Value	SofA Estimated to Realise	R&P to 26 April 2022	Future estimated realisations	Estimated to Realise at 26 April 2022
Assets subject to fixed charge						
Intercompany receivables		25,371,977	-	-	-	-
Total fixed charge realisations		25,371,977	-	-	-	-
Assets						
Property, plant and equipment		56,593	5,000	4,500	-	4,500
Intangible assets		580,397	1	-	-	-
Investment in subsidiaries	1, 2	83,806,276	402,736	625,287	-	625,287
Intercompany receivables	3	4,498,770	8,921	-	20,000	20,000
Other current assets		356,181	-	-	-	-
Cash at bank		198,675	89,500	138,934	-	138,934
DNK insurance refund	4	-	-	502,180	-	502,180
Bank interest received		-	-	30	-	30
Total realisations		89,496,893	506,158	1,270,931	20,000	1,290,931
Estimated Liquidators fees (excl VAT)				(198,690)	(151,310)	(350,000)
Liquidators expenses (storage, postage, statutory adverts etc.)				(1,363)	(147)	(1,510)
Legal fees				(16,192)	(3,808)	(20,000)
Bank charges				(37)	-	(37)
Realisations available to first ranking preferential creditors				1,054,649	(135,265)	919,384
First ranking preferential creditor claims						(58,364)
Return to first ranking preferential creditor claims						58,364
<i>Return to first ranking preferential creditor claims (%)</i>						<i>100.00%</i>
Realisations available to second ranking preferential creditors				1,054,649	(135,265)	861,020
Second ranking preferential creditors	5					(20,614)
Return to second ranking preferential creditors						20,614
<i>Return to second ranking preferential creditors (%)</i>						<i>100.00%</i>
Realisations available to unsecured creditors				1,054,649	(135,265)	840,406
Group facility lenders						(168,618,000)
Intercompany liabilities	6					(212,402,658)
Trade creditors						(1,634,393)
Employee creditors						(35,632)
Return to unsecured creditors						840,406
<i>Return to unsecured creditors (%)</i>						<i>0.22%</i>

Appendix C: Notes to the Joint Liquidators' Estimated Outcome Statement

Notes

* In the directors' Statement of Affairs, all values were converted to GBP from USD at exchange rate of: \$1:£0.716 on 20 April 2021. This exchange rate has been used for both the Remuneration Report and this six month progress report in order to be consistent with the exchange rate used for the Company's Statement of Affairs

- 1) The UK tax payable position on the Polarcus Mexico Limited and DNK Insurance refund recovery is uncertain, however in the worst case could be 20% of these recoveries totalling c£225k, we have therefore excluded this amount from the above estimated outcome statement given the potential uncertainty. Therefore, we have prudently excluded the Norwegian tax refund (as mentioned in note 4) from the above estimated outcome statement.
- 2) We are pursuing a potential recovery from the Company's equity holding in Polarcus Brasil, however the amount and timing is uncertain, so it has not been included in the statement.
- 3) We are pursuing a potential intercompany receivable due from Polarcus APAC, however the amount and timing is uncertain, so it has not been included in the statement.
- 4) We are currently seeking to recover withholding tax that was applied by DNK to the insurance refund. Some 25% was initially deducted at source from the gross distribution amount and we have been given indication that we will be able to recover 10% of the total gross distribution amount, totalling US\$91k. We are currently seeking to recover this from the Norwegian tax authorities, however, the timing and exact quantum of any tax refund is uncertain.
- 5) The second ranking preferential creditor claim wholly consisted of an HMRC claim for PAYE and NIC for the 2021/2022 tax year. The Company also had a claim against HMRC for £6,000 in relation to a pre-appointment VAT refund, which was therefore netted-off (on a pro-rata basis) against HMRC's preferential and unsecured claims against the Company.
- 6) A part assignment of \$132m exists on the intercompany payable from Polarcus UK Limited to Polarcus Limited, with the assignment rights being due to the Group Facility lenders. However, these rights have not been enforced.

Appendix D: Work undertaken or to be undertaken in the Liquidation

This Appendix provides further detail on the work undertaken during the Period and (as at the end of the Period) work still expected to be performed by us in the Liquidation.

Administration & Planning

- Case planning - devising and monitoring the optimal strategy for dealing with the case and delegating work to appropriate grades of staff and supervising them accordingly. (O)
- Setting up physical/electronic case files (as applicable). (C)
- Setting up the case on the practice's electronic case management system and entering data. (C)
- Issuing the statutory notifications to creditors and others, as required on appointment as office holder, including gazetting the office-holder's appointment. (C)
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office-holder has to obtain for the protection of each estate). (C)
- Seeking a decision from creditors to fix the basis of the office-holder's remuneration. (O)
- Dealing with all routine correspondence and emails relating to the case. (O)
- Opening, maintaining and managing the office-holder's estate bank account. (O)
- Creating, maintaining and managing the office-holder's cashbook. (O)
- Undertaking regular reconciliations of the bank account containing estate funds. (O)
- Reviewing the adequacy of the specific penalty bond on a periodic basis. (O)
- Undertaking periodic reviews of the progress of the case. (O)

Key

C – Completed

O – Ongoing

F – To be completed in the future

Investigations

- Recovering the books and records for the case, and listing the books and records recovered. (C)
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, creditors, accountants and solicitors. (C)
- Reviewing books and records to identify any transactions or actions the office-holder may take against a third party in order to recover funds for the benefit of creditors. (C)
- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act. (C)

Realisation of Assets

- Arranging suitable insurance over assets. (C)
- Liaising with advisors to assist in the realisation of equity dividends in respect of the Mexico subsidiary. (C)
- Liaising with advisors to assist in the realisation of intercompany receivables or equity dividends in respect of subsidiaries registered in Ghana and Nigeria. (O)
- Liaising with the bank regarding the collection of cash from the Company's pre-liquidation bank account (as well as correspondence around the bank's ability to set off). (C)
- Completing on the sale of the Company's PPE following discussions with agents. (C)
- Liaising with the Norwegian shipowners' mutual war risk insurance association to recover the insurance refund due to the Company. (C)
- Liaising with the Norwegian tax authorities to recover withholding tax which was deducted from the premium equity distribution at source. (O)
- Instructing solicitors to assist in the realisation of assets (where required). (O)

Appendix D: Work undertaken or to be undertaken in the Liquidation

This Appendix provides further detail on the work undertaken during the Period and (as at the end of the Period) work still expected to be performed by us in the Liquidation.

Creditors

- Obtaining information from the case records about employee claims. (C)
- Corresponding with employees regarding their claims. (O)
- Liaising with the Redundancy Payments Service regarding employee claims. (O)
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims. (O)
- Maintaining up to date creditor information on the case management system. (O)
- Issuing a notice of intended dividends and placing an appropriate gazette notice. (O)
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting (or rejecting) them for the payment of a dividend. (O)
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims. (F)
- Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend. Interim and final dividends are expected. (F)
- Paying tax deducted from the dividends paid to employees. (F)

Reporting

- Filing returns at Companies House. (O)
- Preparing, reviewing and issuing annual progress reports to creditors and members. (F)
- Preparing updates to key stakeholders including the bank (DNB), the Liquidators of Polarcus Limited and the Company's directors, when requested. (O)
- Preparing, reviewing and issuing a final account of the Liquidation to creditors and members. (F)
- Filing final returns at Companies House. (F)

Tax

- Preparing and filing VAT returns. (F)
- Preparing and filing Corporation Tax returns. (F)
- Seeking closure clearance from HMRC and other relevant parties. (F)
- Reviewing the withholding tax position in respect of asset realisations in foreign jurisdictions e.g. Norway, Ghana and Mexico. (O)

Work in relation to the realisation of assets (and certain associated time categorised as 'case planning') has a direct financial benefit for creditors as it maximises the amount available for distribution to them. Our work in agreeing claims and paying dividends delivers this benefit to them.

Most other tasks are undertaken either as part of our routine administrative functions, statutory duties as liquidators and management of the Company's affairs, and do not necessarily or directly have a financial benefit for creditors; but still have to be carried out.

Key

C – Completed

O – Ongoing

F – To be completed in the future

Appendix E: Joint Liquidators' Remuneration and Expenses

The Company's creditors have determined that the basis of our fees is on a time cost basis. As a result, the manner in which we allocate staff, charge our time and the hourly rates we use, are all important factors.

Staff Allocation and Time Charging Policy

- Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team at any point in time will usually consist of one or more of the grades shown in the table opposite, depending on the anticipated size and complexity of the assignment.
- Work is delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and they are supervised accordingly to maximise the cost effectiveness of the work done. Complex issues or important matters of exceptional responsibility are handled by more experienced senior staff or the office-holders themselves.
- All of our staff who work on the case charge time directly to it and are included in any analysis of time charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard. Time is charged in six minute units. We don't charge general overhead costs.
- The Liquidation will also utilise the services of specialist teams within FTI Consulting LLP, principally in relation to VAT and tax matters and the costs of which are included within our fees estimates and all analyses of our time.
- We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and efficient approach to the Liquidation workstreams is possible.

Hourly Charge-Out Rates

- In the table below, we set out the hourly charge-out rates for 2021 and 2022, for the various grades of staff who have worked (or who may work) on the Liquidation. In common with many professional firms, these rates may be subject to change periodically, for example to cover annual inflationary cost increases.

Grade of Staff	2021 Rate (£/hour)	2022 Rate (£/hour)
Senior Managing Director	925	960
Managing Director	795	825
Senior Director	740	770
Director	660	685
Senior Consultant	585	610
Consultant	500	520
Associate (Experienced)	335	350
Associate (New)	235	245
Administrative Staff	180	185

Appendix E: Joint Liquidators' Remuneration and Expenses

Expenses are necessarily incurred by the Company and ourselves during the course of the Liquidation. Certain categories of these expenses must be approved in the same manner as remuneration prior to payment.

Definition of Expenses

- Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.
- Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
 - Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional Advisors and Subcontractors

- The following professional advisors and subcontractors have been engaged:

Firm	Services	Fee Arrangement	Reason Selected
ERA Solutions	Employee Claims	Fixed fee based on the number of employees	Experienced provider of employee services to insolvency practitioners
EPE Reynell	Gazette Notices	Fixed cost per advert	Specialists in dealing with legal advertising
Aon UK Limited	Insurance Risk Services	Insurance premiums	Experienced provider of insurance services to insolvency practitioners
Norton Rose Fulbright LLP	Legal Advice	Time costs and expenses	Experience and prior knowledge of the Company

- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also considered that the basis on which they will charge their fees is appropriate in the circumstances of the case.
- Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience.

Appendix E: Joint Liquidators' Remuneration and Expenses

The total Category 1 expenses estimate has decreased to £22.5k compared to the initial estimate of £26.5k given in our Remuneration Report dated 10 August 2021.

Polarcus UK Limited - Expenses Estimate (Excluding VAT)					
Name of Payee	Description	Estimated Costs (GBP)	Costs to Date (GBP)	Revised Estimate (GBP)	
ERA Solutions	Employee Claims	410	670	1,000	
Norton Rose Fulbright LLP	Legal Advice	25,000	16,192	20,000	
EPE Reynell	Gazette Notices	460	184	460	
AON UK Limited	Insurance	112	112	112	
AON UK Limited	Bonding	528	246	528	
Courier Services	-	-	150	150	
Total		26,510	17,554	22,250	

Expenses Estimate

- The above table shows our revised estimate of the Category 1 expenses likely to be incurred during the course of the Liquidation.
- During the Period, some costs incurred exceeded our initial estimate given:
 - ERA Solutions - the initial estimate was £410, however we incurred costs of £670, as a consequence of ERA Solutions being asked to calculate the PAYE and NIC due for the employee preferential distribution.
 - Courier Services - we had not expected any courier costs and therefore no provision had been previously made for these.
- The revised cost estimate for ERA Solutions also now includes their support with the RTI submissions for the preferential employee distribution and any similar claims/dividend work should an unsecured distribution be made to any employees.
- We have reduced our expenses estimate for legal advice, as we do not believe that significant additional legal advice will be required for the remainder of the case.
- We are satisfied that the amounts expected to be incurred are reasonable in the circumstances of the case.
- There is no requirement for us to seek approval to any of these expenses and the estimate provided does not represent a cap on the amount that can be paid. However, when reporting to creditors, we will provide an update on the amounts incurred and paid, together with an explanation for any material differences compared to estimates given.
- We still do not anticipate incurring any Category 2 expenses and therefore we are not asking creditors to approve the basis upon which these may be charged to the estate. If this changes, we will write to creditors at the appropriate time to seek the necessary approval.

Appendix E: Joint Liquidators' Remuneration and Expenses

Polarcus UK Limited - Budget of Time Costs In Accordance with SIP9 for the Period									
Task	Sr Managing Dir	Managing Dir	Sr Director	Director	Consultant	Associate	Total Costs (£)	Total Hours	Average Hourly Cost by Task
Administration and Planning									
Strategy and planning	13,005	159	-	35,610	-	10,164	58,938	98	599
Initial actions	-	2,544	-	-	-	-	2,544	3	795
Appointment and related formalities	-	318	-	-	-	7,739	8,057	24	343
Receipts and payments accounts	-	80	-	-	-	2,634	2,714	8	327
Checklist and reviews	-	-	-	-	-	11,185	11,185	39	288
Cashiering and reconciliations	648	248	-	-	-	3,621	4,516	15	293
Bonding and IPS maintenance	-	159	-	-	-	201	360	1	450
Subtotal	13,652	3,507	-	35,610	-	35,543	88,312	202	468
Investigations									
Directors questionnaire/checklists	-	-	-	-	-	1,240	1,240	4	335
Reports of Directors' conduct	1,573	-	-	3,300	-	4,489	9,362	20	466
Books and records	-	-	-	-	-	350	350	1	350
Other investigations	-	-	-	-	-	201	201	1	335
Subtotal	1,573	-	-	3,300	-	6,280	11,152	25	439
Realisation of assets									
Cash and investments	7,762	1,473	-	2,640	-	16,863	28,737	69	414
Book debts	185	-	-	-	-	536	721	2	401
Property, plant and vehicles	-	-	-	13,860	-	-	13,860	21	660
Other assets	1,515	954	-	-	-	118	2,587	3	784
Fixed charge property	-	-	-	1,320	-	-	1,320	2	660
Subtotal	9,462	2,427	-	17,820	-	17,516	47,225	152	484
Creditors (correspondence and claims)									
Unsecured creditors	6,987	232	-	11,950	-	24,310	43,478	114	380
Secured creditors	648	-	-	-	-	1,282	1,929	6	344
Employees	-	-	-	-	9,360	67	9,427	18	518
Subtotal	7,634	232	-	11,950	9,360	25,658	54,834	192	397
Tax									
Pre-appointment CT	1,730	-	-	611	585	-	2,926	5	597
Pre-appointment VAT	-	-	700	-	-	168	868	2	578
Post appointment CT	6,510	2,190	-	-	-	110	8,810	11	831
Post appointment VAT	-	730	420	3,118	-	1,687	5,954	14	438
Tax advice on transactions	-	1,095	-	-	-	-	1,095	2	730
Other post appointment tax	648	2,555	6,300	7,253	-	392	17,148	27	630
Subtotal	8,887	6,570	7,420	10,981	585	2,356	36,799	77	621
Reporting									
Other statutory reports/meetings	4,995	6,060	-	14,920	-	9,684	35,659	66	537
Subtotal	4,995	6,060	-	14,920	-	9,684	35,659	106	537
Total Cost by Grade	46,202	18,796	7,420	94,581	9,945	97,036	273,980	755	363
Total Time by Grade	50	25	11	144	20	327			
Average Hourly Cost by Grade	928	767	700	658	502	297			

Appendix F: An Introduction to Insolvency

If you are unfamiliar with an insolvency process, please read this page which describes the typical work and role of an insolvency practitioner. This is only a general overview and does not necessarily reflect our work in this case.

What is an insolvency process?

There are several types of insolvency process, but all are intended to achieve the same basic objective: to realise assets that the company owns and repay (to the extent possible) what it owes to creditors.

The type of process depends on the circumstances and the amount distributable to creditors (in accordance with statutory priorities) depends on the value of assets, the costs of the process and level of claims received.

What is an insolvency practitioner?

Commonly referred to as an 'IP', an insolvency practitioner is an experienced and qualified individual who is licensed and authorised to act in relation to an insolvent company, partnership or person.

IPs typically use the staff and resources of their own firm to complete the work, supported by third party professionals and other specialists as required.

IPs are routinely monitored by their professional body to ensure continued adherence to standards.

Realising the Assets

The IP evaluates possible options and pursues the best route for maximising value for creditors. Options could include an immediate sale of the business, a period of ongoing trading (prior to a sale) or a closure/wind-down of operations.

The costs of realising the assets can vary significantly, so an IP is looking to maximise the net value (after costs). Securing the ongoing employment of the workforce can materially reduce claims against the company.

Work done on realising the assets has a direct financial benefit for creditors.

Managing the Company's Affairs

Until such time as the company is dissolved, it must continue to fulfil many of its usual obligations, such as submitting VAT/tax returns and keeping adequate accounting records.

Whilst appointed to manage the affairs of the company, the IP is responsible for ensuring these obligations are met. Support from VAT/tax specialists in insolvency situations helps to ensure accuracy and minimise liabilities.

Other work might include complying with any licensing or regulatory requirements.

Dealing With Creditors

It can take several months, often longer, but if and when funds become available, the IP will distribute these to creditors once their claims have been received and agreed.

As secured creditors usually have priority rights over the assets, the amount left over for other non-preferential Unsecured Creditors can often be very small.

IPs keep creditors updated on their work, either through periodic reports or responding to their queries and correspondence.

Fulfilling our Statutory Duties

The impact of an insolvency can be wide ranging, so IPs are required to issue notices and periodic reports to notify those affected parties and keep them updated.

The company's affairs and conduct its directors must also be investigated to see whether any asset recovery (or other actions) need to be taken.

Whilst this work does not have any direct financial benefit for creditors, the purpose of insolvency law is to protect the interests of creditors.

Regular internal case reviews ensure the process progresses cost effectively and on a timely basis.

Appendix G: Legal Notices

We have set out below some important notices regarding this report and the appointment of Liquidators.

■ Opting Out of Correspondence

Creditors have the right to elect to opt out of receiving further communication about the insolvency procedure.

Any creditor may elect to become an opted-out creditor at any time, by delivering a dated notice of the request, in writing to me. An opted-out creditor remains as such for the duration of the proceedings unless the opt out is revoked by a further notice in writing, dated and delivered to us.

A creditor becomes (or ceases to be) an opted-out creditor when the notice is delivered to us.

The opt out will not apply to the following:

- a notice which the Insolvency Act 1986 requires to be delivered to all creditors without expressly excluding opted-out creditors;
- a notice of a change in the officeholder or a notice of a change in our contact details, or
- a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors or a creditors' rights to vote in a decision procedure or to participate in a deemed consent procedure, although any creditor who opts-out will not receive notice of it.

Any creditor who opts out will be treated as having opted out in respect of consecutive insolvency proceedings of a different kind in respect of the same company.

■ Creditors Right to Request Information

Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with the leave of the Court, may, in writing, request the Joint Liquidators of the Company to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 IR16.

■ About this report

This report has been prepared by the Joint Liquidators solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Liquidation.

It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company [or any other company in the Group].

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

■ Creditors' Right to Challenge Remuneration and/or Expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.36 or 18.37 IR16), challenging the amount or the basis of the remuneration which the Joint Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such application must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 IR16.

■ Data Protection

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>

Appendix H – Notice of decision by correspondence and Voting Form

Notice of decisions by correspondence

POLARCUS UK LIMITED - In Creditors' Voluntary Liquidation

(Company Number 07068161)

NOTICE IS GIVEN by Lisa Rickelton, Matthew Boyd Callaghan and Simon Kirkhope to the creditors of Polarcus UK Limited that set out below is a decision for your consideration under rule 18.16 of The Insolvency (England and Wales) Rules 2016. Please complete the voting section below indicating whether you are in favour or against the following decision(s):

- i) That the Joint Liquidators' revised fees estimate be approved at £350,000.

Further information in relation to our revised fee estimate is set out in the Joint Liquidators' progress report dated 6 June 2022 a copy of which can be found at <https://www.fticonsulting.com/emea/cip/polarcus-uk-limited>.

The final date for votes is 6 July 2022, the decision date.

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Polarcus UK Limited – In Liquidation, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD by no later than 23.59 hours on 6 July 2022. A proof of debt must have already been lodged. Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) by no later than 23.59 on the Decision Date, without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision(s) provided they have lodged proof of their debt.
5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision(s) above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should either contact me at Polarcus UK Limited – In Liquidation, C/O FTI Consulting, 200 Aldersgate, Aldersgate Street, London EC1A 4HD, or by telephone on +44 (0)20 7269 7281, or by email at PolarcusUK@fticonsulting.com.

DATED 6th OF JUNE 2022



Lisa Rickelton
JOINT LIQUIDATOR

POLARCUS UK LIMITED - In Creditors' Voluntary Liquidation
(Company Number 07068161)

Voting on Decision

- i) That the Joint Liquidators' revised fees estimate be approved at £350,000.

For / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Date: _____

Appendix I – Notice of invitation to form a liquidation committee

Notice of invitation to form a Liquidation Committee

Polarcus UK Limited - IN CREDITORS' VOLUNTARY LIQUIDATION

(Company Number 07068161)

NOTICE IS GIVEN by Lisa Rickelton, Simon Kirkhope and Matthew Boyd Callaghan to the creditors of Polarcus UK Limited of an invitation to establish a Liquidation Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine, at the same time, whether a Liquidation Committee should be established. The deemed consent procedure is being used and the decision being sought is that a Liquidation Committee is NOT established.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 6 July 2022 (the “Decision Date”).

2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. The specified date for receipt of nominations for creditors to act as a member of the Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016 is the Decision Date.
5. If you object to the decision being sought, i.e. if you want a Liquidation Committee to be established, please complete the form sent with this notice. The completed document should be returned to Polarcus UK Limited – In Liquidation, C/O FTI Consulting LLP of 200 Aldersgate, Aldersgate Street, London EC1A 4HD so that it is received by no later than 23.59 hours on the Decision Date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>. If you require a hard copy of the booklet please contact a member of the liquidation staff of FTI Consulting LLP by email at PolarcusUK@fticonsulting.com, or by phone on +44 (0)20 7269 7281.

The final date for votes to establish a committee is 6 July 2022, the decision date.

1. To object to this decision, creditors must deliver to me at my offices at Polarcus UK Limited – In Liquidation, C/O FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD a duly completed notice of objection by no later than 23.59 hours on 6 July 2022, the Decision Date, a proof of their debt must have been lodged, without which objections will be invalid.
2. Creditors must lodge proof of their debt (if not already lodged), by no later than 23.59 hours on the Decision Date which, objections will be invalid.
3. Creditors should note that it is my responsibility to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without a decision being made. If sufficient

objections are received, then I will write to creditors to seek approval for this decision using a qualifying decision process.

4. Creditors with small debts, that is claims of £1,000 or less, must have lodged proof of their debt for their vote to be valid.
5. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
6. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
7. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should either contact me at Polarcus UK Limited – In Liquidation, C/O FTI Consulting, 200 Aldersgate, Aldersgate Street, London EC1A 4HD, or by telephone on +44 (0)20 7269 7281, or by email at PolarcusUK@fticonsulting.com.

DATED 6th OF JUNE 2022



Lisa Rickelton
JOINT LIQUIDATOR

Polarcus UK Limited - IN CREDITORS' VOLUNTARY LIQUIDATION

(Company Number 07068161)

NOTICE OF OBJECTION TO DEEMED CONSENT

If you agree with the proposed decisions, then you do not need to do anything, and can disregard this form.

Please note that if you object to the decision then you are saying that you want to establish a Committee. That will incur additional costs, so please only object if you are prepared to act as a Committee member or can nominate another creditor who is willing to act.

The following decision is sought from the creditors of Polarcus UK Limited by way of a Deemed Consent Procedure;

1. That a Liquidation Committee should NOT be established.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

THIS DECISION IS OBJECTED TO BY

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Date: _____

Note: The completed form should be delivered to Lisa Rickelton, Matthew Boyd Callaghan and Simon Kirkhope, either by posting it to Polarcus UK Limited – In Liquidation, C/O FTI Consulting LLP of 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, or by emailing it to PolarcusUK@fticonsulting.com, so that it is delivered by 23.59 hours on the 6 July 2022, the Decision Date, to be counted as an objection. A proof of the debt must have been lodged. Failure to do so will lead to this objection being invalid.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on the Decision Date.



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