

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 2 7 6 0 4 5 0

Company name in full H H Realisations Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Guy Edward Brooke

Surname Mander

3 Liquidator's address

Building name/number RSM Restructuring Advisory LLP

Street St Philips Point

Temple Row

Post town Birmingham

County/Region

Postcode B 2 5 A F

Country

4 Liquidator's name ①

Full forename(s) Diana

Surname Frangou

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number RSM Restructuring Advisory LLP

Street St Philips Point

Temple Row

Post town Birmingham

County/Region

Postcode B 2 5 A F


Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report												
From date	d	2	d	0	m	0	m	7	y	2	y	0	
To date	d	1	d	9	m	0	m	7	y	2	y	0	
7	Progress report												
<input checked="" type="checkbox"/> The progress report is attached													
8	Sign and date												
Liquidator's signature	<div>Signature</div> <div>  </div>												
Signature date	d	1	d	3	m	0	m	9	y	2	y	0	

**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	Guy Edward Brooke Mander
Company name	RSM Restructuring Advisory LLP
Address	St Philips Point
Temple Row	
Post town	Birmingham
County/Region	
Postcode	B 2 5 A F
Country	
DX	
Telephone	0121 214 3100

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

H H REALISATIONS LIMITED IN LIQUIDATION (‘THE COMPANY’)

JOINT LIQUIDATORS’ PROGRESS REPORT
FOR THE TWELVE MONTH PERIOD TO 19 JULY 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



INTRODUCTION

Contact details

The key contacts at RSM in connection with this report are:

Primary office holder	Case Manager
Guy Mander	Chris Lewis
RSM Restructuring Advisory LLP	RSM Restructuring Advisory LLP
St Philips Point	St Philips Point
Temple Row	Temple Row
Birmingham, B2 5AF	Birmingham, B2 5AF
Tel: 0121 214 3100	Tel: 0121 214 3100

Basis of preparation

This report has been prepared solely to comply with the statutory requirements of the relevant legislation to provide creditors with information relating to the progress of the liquidation. It should be read in conjunction with previous reports that have been issued, copies of which are available on request.

This report has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to revision and additional costs. They should not be used as the basis for any bad debt provision or any other purpose. Neither the Joint Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report. The Joint Liquidators act as agents of the Company and without personal liability.

General guidance on the Liquidation process

You can find guidance on the different insolvency processes at the R3 website www.R3.org.uk. R3 is the trade association for the insolvency profession.

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CONDUCT OF THE LIQUIDATION

Realisation of assets

Investigations

As advised in the Joint Liquidators' previous reports to creditors, we have been investigating the nature of certain historical transactions that occurred prior to the Company being placed into administration, specifically with regards to Employee Retirement Benefit Scheme contributions.

During the period, the Joint Liquidators have completed their investigations. As part of a wider settlement agreement between the directors and HM Revenue & Customs ("HMRC") which should significantly reduce HMRC's claim in the liquidation, we have also reached agreement with the directors/their representatives that they will not prove as unsecured creditors in the liquidation for Directors' Loan Account balances owed to them of c£700k.

Although there will be no realisations for the benefit of the creditors, the significant reduction in these unsecured creditor claims will increase returns to the other unsecured creditors (see more details later in this report).

Bank interest

During the period, £29.82 of bank interest has been earned from funds held in the liquidation estate.

Investigations

In accordance with legislation the appropriate documentation in relation to the conduct of the directors was filed earlier in the liquidation. The work done only leads to a financial return to creditors if any rights of action become visible during the course of the investigation, which leads to a recovery for the benefit of the estate.

As explained above the further investigations did not lead to a direct recovery for the estate, however the agreements reached will allow for greater returns to unsecured creditors as the claims from two specific creditors have either decreased or will not be lodged. The Joint Liquidators can confirm that these actions have been concluded.

Statutory and case management matters

The following work does not usually result in a financial return to creditors but is required by legislation, best practice and to ensure that the case is managed efficiently and effectively. Key work done in the period included:

Statutory requirements

- statutory filing, advertising and appointment notifications to prescribed parties in respect of a change of office holder (see below);
- preparing, review and issuing a progress report to creditors and other prescribed parties; and
- taxation matters, post appointment VAT and corporation tax returns.

Case management matters

- periodic case reviews, ongoing case planning and liaising with joint office holders;
- maintaining and updating computerised case management records;
- dealing with routine correspondence not attributable to other categories of work; and
- maintenance of cashing records, bank accounts, receipts and payments and billing.

The time costs incurred in the period in dealing with all of the above matters is set out in the analysis of time costs attached at Appendix C.

Receipts and payments

A summary of receipts and payments for the period and cumulatively is attached at Appendix B. Receipts and payments are shown net of VAT, with any amount due to or from HMRC shown separately.

Change in Joint Liquidator

As a result of Alexander Kinninmonth retiring from RSM Restructuring Advisory LLP, by Court Order dated 10 June 2021 he was removed as Joint Liquidator and Diana Frangou (IP No 9559) of RSM Restructuring Advisory LLP was appointed in his place. A Notice to this effect was advertised in the London Gazette on 14 June 2021, and in accordance with the terms of the Order, the prior appointee was released from office with effect from 12 July 2021.

RSM Restructuring Advisory LLP met the costs of the application. The Order also provided that each creditor of the estate was at liberty to apply to vary or discharge the Order within 28 days of publication in the Gazette (or receipt of this report, if sooner).

OUTSTANDING MATTERS

Assets remaining to be realised

There are no assets remaining to be realised.

Other outstanding matters

The Joint Liquidators are required to submit final VAT and corporation tax returns prior to declaring and paying a dividend to unsecured creditors.

Work is ongoing in relation to agreement of claims to allow for a dividend as set out in the Creditors' Claims and Dividend Prospects section below.

CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

Dividend prospects

	Owed (£'000)	Paid to date (£)	Estimated future prospects
HSBC Invoice Finance (UK) Limited - secured creditor	Nil – paid in full in the prior administration	N/A	N/A
Preferential creditors	Nil	N/A	N/A
Unsecured creditors	8,901,536	Nil	Dividend expected to be paid in October / November 2021, although the quantum is currently unknown

Prescribed Part

The 'Prescribed Part' is a statutory amount set aside for unsecured creditors from funds ('Net Property') available to a Qualifying Floating Charge Holder ('QFCH'). The amount of Net Property is calculated on a sliding scale up to maximum £800,000 depending on when the floating charge was created and whether or not it is a first ranking floating charge.

However, there are no QFCHs and the Prescribed Part does not, therefore, apply.

Agreement of claims

Creditors' claims are usually only agreed if there is a likelihood of a dividend being made to that particular class of creditor.

As set out above, it is anticipated that a dividend will be paid to unsecured creditors. Consequently, in the period, work has been undertaken adjudicating and agreeing the unsecured claims. This included liaising with creditors including HMRC, who have a significant claim against the Company which has not yet been substantiated.

Details of the time spent in relation to this work as set out in the attached time analysis.

If you have not already submitted a Proof of Debt, a copy of the form can be obtained at <https://rsmuk.ips-docs.com> or by request to this office.

Creditors whose debts are treated as a small debt in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of debt if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

Dividend payments

The first and final dividend to unsecured creditors is expected to be declared and paid in October / November 2021. Please note this timing may be subject to change and is an estimate only as the Joint Liquidators are still to adjudicate two significant claims against the Company. Given that process is ongoing, we are unable to accurately estimate the quantum of the dividend at this time, although given the anticipated value of claims it will be nominal.

Creditor communication

The following work was done in the period to comply with legislation, best practice and to ensure creditors were kept informed. It is also necessary to enable a dividend to be paid.

- agreement of unsecured claims for dividend purposes;
- dealing with communication with creditors;
- maintenance of schedules of creditors' claims; and
- dealing with HMRC, including investigating their significant claim against the Company.

Creditors only derive an indirect financial return from this work on cases where a dividend has been, or will be, paid.

The time incurred in dealing with these matters during the period is set out in the attached post appointment analysis of time costs.

JOINT LIQUIDATORS’ FEES, COSTS AND EXPENSES

Guide to Liquidator’s fees and expenses

A Guide to Liquidator’s Fees, which provides information for creditors in relation to the fees and expenses of an Liquidator, can be accessed at [www.gov.uk/guidance/liquidator-fees-and-expenses](#) under ‘general information for creditors’. A hard copy can be requested from this office by telephone, email or in writing. All fees, costs and expenses are subject to VAT.

Relevant Approving Body

In accordance with the relevant legislation, the Joint Liquidators’ remuneration is fixed on the same basis as in the prior Administration. Where applicable, the unsecured creditors are the Relevant Approving Body responsible for any subsequent fee approvals in the liquidation. However, if a liquidation committee is established at any stage, this will become its responsibility and it will be the Relevant Approving Body.

Post Appointment Fees, Costs and Expenses

Basis of Remuneration

Insolvency legislation allows a Liquidator to charge fees on one of, or a combination of, the following bases:

- as a percentage of the value of the property the Liquidator has to deal with (percentage basis);
- to the time spent by the Liquidator or their staff on the administration of the case (time cost basis);
- as a set amount (fixed fee basis); or
- a combination of the above (mixed fee basis).

The Joint Liquidators’ fees were approved on a time costs basis by the unsecured creditors on 2 September 2015.

Remuneration Charged

Legislation requires that ‘remuneration charged’ is reported. Remuneration is charged when the work to which it relates is done. It does not mean the Joint Liquidators’ fees have been paid. Amounts paid to date are shown in the attached receipts and payments account.

During the period, the remuneration charged by the Joint Liquidators, on the basis set out above, totalled £21,854.50. An analysis of time incurred in the period is attached. Time costs incurred since appointment total £92,979.90.

Expenses and professional costs

The total costs and expenses incurred in the period is set out below. Amounts incurred in the period may include estimates where actual invoices have not been received. Amounts paid to date are shown in the attached receipts and payments account.

Category 1 expenses

These comprise external supplies of incidental services specifically identifiable to the insolvency estate. They do not require approval of the Relevant Approving Body prior to being paid.

Type of expense	Incurred in period (£)
Postage	1.53
Total	1.53

Category 2 expenses

These are costs which are not capable of precise identification or calculation, or that may include an element of shared or allocated costs. Payments to outside parties that the Joint Liquidators, firm, or any associate has an interest, are also treated as ‘Category 2’ expenses. These expenses require the specific approval of the relevant Approving Body before being paid from the insolvency estate.

The Relevant Approving Body has approved the payment of the ‘Category 2’ expenses, at the rates prevailing at the date they were incurred. Details of the current rates are set out below. No such expenses were incurred in the period.

Type of expense	Incurred in period (£)
Room hire (£25/80 per room)	-
Mileage (42.5p per mile)	-
Tracker reports (£10 per report)	-
Subsistence (£25 per night)	-
Total	Nil

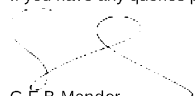
Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the relevant legislation creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

If you wish to make a request for further information, then it must be made within 21 days of receipt of this report in writing by either by (i) any secured creditor or (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court on the grounds that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive. Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

If you have any queries please contact Daniel Evans of my office.



G E B Mander —
RSM Restructuring Advisory LLP
Joint Liquidator

Guy Mander and Diana Frangou are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

APPENDICES

A. STATUTORY INFORMATION

Company information

Company name:	H H Realisations Limited
Company number:	02760450
Date of incorporation:	26 October 1992
Trading name:	Hydrophath Holdings
Trading address:	Unit 7 The Midway, Nottingham, Nottinghamshire, NG7 2TS
Principal activity:	Water care technology
Registered office:	c/o RSM Restructuring Advisory LLP, St Philips Point, Temple Row, Birmingham, B2 5AF
Previous company names:	Hydrophath Holdings Limited
Directors:	Dalia Stefanini and Daniel Stefanini (deceased)
Secretary:	Dalia Stefanani

Liquidation information

Joint Liquidators:	<p>Guy Mander – appointed 20 July 2015</p> <p>Diana Frangou - appointed 3 June 2021</p> <p>Alexander Kinninmonth – appointed 20 July 2015 and released on 12 July 2021</p>	
Date of appointment:	20 January 2015	
Joint Liquidators:	<p>Primary office holder</p> <p>Guy Mander</p> <p>RSM Restructuring Advisory LLP</p> <p>St Philips Point</p> <p>Temple Row</p> <p>Birmingham, B2 5AF</p> <p>0121 214 3100</p> <p>IP Number: 8845</p>	<p>Joint office holder:</p> <p>Diana Frangou</p> <p>RSM Restructuring Advisory LLP</p> <p>St Philips Point</p> <p>Temple Row</p> <p>Birmingham, B2 5AF</p> <p>0121 214 3100</p> <p>IP Number: 9559</p>

B. RECEIPTS AND PAYMENTS SUMMARY

H H Realisations Limited in Liquidation Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 20/07/2020 To 19/07/2021 £	From 20/07/2015 To 19/07/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	29.82	1,567.99
38,952.70	Debtors (Pre-Appointment)	NIL	13,015.15
100,294.45	Cash held by Administrators	NIL	100,294.45
18,291.74	VAT receivable from Administration	NIL	18,291.74
15,000.00	Sale of Business	NIL	71,311.00
		29.82	204,480.33
	COST OF REALISATIONS		
	Bank Charges	7.07	13.97
	Corporation Tax	80.21	291.95
	Insurance	NIL	46.50
	Liquidators' Fees	23,550.00	90,878.90
	Office Holders Expenses	NIL	195.41
	Stationery, Postage, Office costs	1.53	1.53
	Storage Costs	NIL	396.78
		(23,638.81)	(91,825.04)
	UNSECURED CREDITORS		
(4,230,015.11)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(4,057,476.22)		(23,608.99)	112,655.29
	REPRESENTED BY		
	Cash at Bank		107,004.98
	Vat Receivable		5,650.31
			112,655.29

C. POST-APPOINTMENT TIME ANALYSIS

Joint Liquidators' post appointment time cost analysis for the period 20 July 2020 to 19 July 2021

Hours Spent	Partners	Directors / Associate Directors	Managers	Associates	Executives & Analysts	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Statutory Requirements									
Appointment & SoA	0.7	0.0	0.0	0.0	0.0	0.0	0.7	£ 367.50	525.00
Creditors/shareholders decisions, meetings & reports	0.8	1.1	0.0	0.0	2.4	0.0	4.3	£ 1,274.50	296.40
Pension Scheme	1.3	2.6	0.0	0.0	0.0	0.0	3.9	£ 1,709.50	438.33
Taxation	0.2	0.2	0.0	0.0	0.7	0.0	1.1	£ 306.50	278.64
Total	3.0	3.9	0.0	0.0	3.1	0.0	10.0	£ 3,658.00	365.80
Realisation of Assets									
Assets - general/other	0.0	2.1	0.0	0.0	0.0	0.0	2.1	£ 829.50	395.00
Assets - litigation / investigation	8.3	0.5	0.0	0.0	0.2	0.0	9.0	£ 4,590.00	510.00
Total	8.3	2.6	0.0	0.0	0.2	0.0	11.1	£ 5,419.50	488.24
Investigations									
Investigations/CDDA	1.8	1.0	0.0	0.0	0.0	0.0	2.8	£ 1,340.00	478.57
Total	1.8	1.0	0.0	0.0	0.0	0.0	2.8	£ 1,340.00	478.57
Creditors									
Employees	0.0	0.1	0.0	0.0	0.0	0.0	0.1	£ 39.50	395.00
Unsecured Creditors	2.2	3.9	0.0	0.0	5.1	0.0	11.2	£ 3,588.00	320.36
Total	2.2	4.0	0.0	0.0	5.1	0.0	11.3	£ 3,627.50	321.02
Administration and Planning									
Case Management	5.8	2.3	0.1	0.0	8.7	1.8	18.7	£ 5,642.00	301.71
Cashiering	0.8	0.8	5.3	0.0	2.6	0.6	10.1	£ 2,167.50	214.60
Total	6.6	3.1	5.4	0.0	11.3	2.4	28.8	£ 7,809.50	271.16
Total Hours	21.9	14.6	5.4	0.0	19.7	2.4	64.0	£ 21,854.50	341.48
Total Time Cost	£ 11,511.50	£ 5,767.00	£ 970.50	£ 0.00	£ 3,311.50	£ 294.00	£ 21,854.50		
Total Hours	21.9	14.6	5.4	0.0	19.7	2.4	64.0	£ 21,854.50	341.48
Total Time Cost	£ 11,511.50	£ 5,767.00	£ 970.50	£ 0.00	£ 3,311.50	£ 294.00	£ 21,854.50		
Average Rates	525.64	395.00	179.72	0.00	168.10	122.50	341.48		

Please note that we have re-designed our SIP9 analysis table to provide a more detailed breakdown of the work carried out. This change does not alter the value of time costs recorded, purely the row within the table to which that time, and cost, has been allocated.

On 1 July 2021, RSM Restructuring Advisory LLP changed the job titles of some of their staff, and this is reflected in the SIP 9 analysis table. This change does not alter the value of time costs recorded or the column within the table to which that time has been allocated.