

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House



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03/01/2018

#377

COMPANIES HOUSE

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WEDNESDAY

1 Company details

Company number 7 0 2 9 2 3 8

Company name in full H20 Markets Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s) Adam Henry

Surname Stephens

3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Finbarr Thomas

Surname O'Connell

① Other liquidator

Use this section to tell us about another liquidator.

5 Liquidator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about another liquidator.

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Notice of progress report in voluntary winding up

6 Period of progress report

| | | | | | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| From date | d | 1 | d | 1 | m | 1 | m | 1 | y | 2 | y | 0 | y | 1 | y | 6 |
| To date | d | 1 | d | 0 | m | 1 | m | 1 | y | 2 | y | 0 | y | 1 | y | 7 |

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X *ASG Shephard* X

Signature date

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d | 0 | 2 | m | 0 | 1 | y | 2 | y | 0 | y | 1 | y | 8 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

| | |
|---------------|------------------------|
| Contact name | Liam Clarke |
| Company name | Smith & Williamson LLP |
| Address | 25 Moorgate |
| | London |
| Post town | EC2R 6AY |
| County/Region | |
| Postcode | |
| Country | |
| DX | |
| Telephone | 0117 376 2000 |



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



H2O Markets Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 11
November 2016 to 10 November 2017

21 December 2017



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1. Glossary

| Abbreviation | Description |
|-----------------------------------|--|
| the Company | H2O Markets Limited |
| the liquidators/joint liquidators | Adam Henry Stephens and Finbarr Thomas O'Connell |
| IR86 | Insolvency Rules 1986 If preceded by R this denotes a rule number |
| IA86 | Insolvency Act 1986 If preceded by S this denotes a section number |
| IR16 | Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number |
| ETR | Estimated to realise |
| SIP | Statement of Insolvency Practice (England & Wales) |
| HMRC | HM Revenue & Customs |
| RPS | Redundancy Payments Service |
| FCA | Financial Conduct Authority |
| FOS | Financial Ombudsman Service |
| FSCS | Financial Services Compensation Scheme |

2. Introduction and statutory information

This report is our first progress report since appointment and covers the period from 11 November 2016 to 10 November 2017.

By way of reminder, we, Adam Henry Stephens and Finbarr Thomas O'Connell of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 11 November 2016.

The principal trading address of the Company was 4 Chiswell Street, London, EC1Y 4UP. The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 7029238.

The Company was authorised and regulated by the FCA; its FCA Register number was 511520.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 11 November 2016 to 10 November 2017.

The receipts and payments account also includes a comparison with the director's SOA values.

3.1 Cash at bank

The sum of £3,718.35 was realised in relation to cash held in the Company's bank account.

3.2 Assets still to be realised

3.2.1 Book debt

The director's SOA detailed a book debt with an uncertain value. The joint liquidators are now aware that the sum due in relation to this debt totals £2,942.18.

The liquidators are continuing to pursue this debt to the extent that it is cost beneficial to do so.

3.2.2 Director's loans

The director's SOA detailed an ETR value of £1,800 due under the director's loan account.

The liquidators are continuing to pursue this debt as part of their ongoing discussions with the sole director.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding insolvency.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Shortly after appointment, we 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. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire.

Our investigations revealed the following points:

- A number of investors have submitted complaints to the FOS and subsequently to the FSCS. Furthermore, we have been made aware of several claims or complaint matters which were extent prior to the commencement of the liquidation.
- A number of payments that require further investigation.

Our investigatory work described above is for the purposes of seeking supplementary recoveries for creditors. Should it be deemed appropriate and cost beneficial, then we intend to seek legal advice as regards to any routes of recoveries identified.

5. Creditors

5.1 Secured creditors

There are no secured creditors.

5.2 Prescribed Part

The Company did not grant any floating charges and the Prescribed Part requirements do not therefore apply.

5.3 Preferential creditors

We set out below a summary of preferential claims received:

| Preferential creditor | SOA claims £ | Claims received £ |
|---|--------------------|-------------------------|
| Employee claims (1 claim) | 2,400.00 | - |
| Department for Business, Energy & Industrial Strategy | - | 392.70 |
| Total | 2,400.00 | 392.70 |

In light of the funds available at present, we have not yet taken steps to agree preferential creditor claims.

5.4 Unsecured creditors

We have received claims totalling £215,746.68 from 20 creditors. Total claims as per the director's SOA were £143,280.33. We are also aware that the FSCS are currently reviewing additional client claims and we are liaising with them in this regard and awaiting the outcome of their claims process.

In light of the funds available at present, we have not yet taken steps to adjudicate and agree unsecured creditor claims.

6. Liquidators' remuneration

The creditors approved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation. This was granted following the joint liquidators providing a fees' and expenses' estimate and the requisite majority of creditors granting approval by means of a resolution by correspondence on 2 December 2016.

The liquidators' time costs are:

| Period | Total hours hrs | Total costs £ | Average hourly rate £/hr | Fees drawn £ |
|--------------------------------------|-----------------------|---------------------|--------------------------------|--------------------|
| 11 November 2016 to 10 November 2017 | 47.55 | 13,133.25 | 276.20 | Nil |
| Total | 47.55 | 13,133.25 | 276.20 | Nil |

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

The joint liquidators' costs to date are £13,133.25, as above, compared to our original estimate of £20,000 over the period of two years. Only the incurred time costs within the approved estimate will be drawn and the joint liquidators do not anticipate exceeding this estimate.

A copy of "A Creditor's Guide to Liquidator's Fees" can be downloaded free of charge from the ICAEW's website at the following address:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

Alternatively, a hard copy is available on request, free of charge.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix III.

7. Liquidation expenses

7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

7.2 Professional advisers

We have not used any professional advisers in this case.

7.3 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

| Description | Incurred in current period £ | Paid in current period £ | Total costs outstanding at period end £ |
|-----------------------|------------------------------------|--------------------------------|--|
| Statutory advertising | 154.00 | 154.00 | Nil |
| Liquidators' bonds | 140.00 | 140.00 | Nil |
| Storage costs | 84.64 | 84.64 | Nil |
| Total | 378.64 | 378.64 | Nil |

7.4 Category 2 disbursements

No Category 2 disbursements have been incurred and/or paid in the current period.

7.5 Policies regarding use of third parties and disbursement recovery

Appendix III provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Finalising our investigations and possible actions
- Collection of outstanding book debts
- Obtaining tax clearance
- Closure of the liquidation, including preparing and issuing our final report

As referred to in section six in this report the joint liquidators do not anticipate the future costs for these actions to exceed their original estimate, unless significant steps are undertaken to pursue any possible actions.

9. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this 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 (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

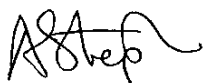
On a general note, if you have any comments or concerns in connection with our conduct, please contact Adam Henry Stephens or Finbarr Thomas O'Connell in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

10. Next report

We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



Adam Henry Stephens and Finbarr Thomas O'Connell

Joint Liquidators

Date: 21 December 2017

I Receipts and payments account

Receipts and payments account to 10 November 2017

| Statement of Affairs £ | | From 11/11/2016 To 10/11/2017 £ |
|------------------------------|--|---------------------------------------|
| | ASSET REALISATIONS | |
| 1,800.00 | Director's Loans | NIL |
| NIL | Plant & Machinery | NIL |
| 100.00 | Furniture & Equipment | NIL |
| Uncertain | Book Debts | NIL |
| 3,789.15 | Cash at Bank | 3,718.35 |
| | Bank Interest Gross | 3.18 |
| | | <u>3,721.53</u> |
| | COST OF REALISATIONS | |
| | Irrecoverable VAT | 47.73 |
| | Storage Costs | 84.64 |
| | Statutory Advertising | 154.00 |
| | Bank Charges | 10.00 |
| | | <u>(296.37)</u> |
| | PREFERENTIAL CREDITORS | |
| (2,400.00) | Employees Wage Arrears | NIL |
| | | <u>NIL</u> |
| | UNSECURED CREDITORS | |
| (64,389.61) | Trade & Expense Creditors | NIL |
| (7,918.00) | Employees | NIL |
| (4,182.35) | HM Revenue & Customs - VAT | NIL |
| (60,000.00) | Financial Ombudsman Service Claims | NIL |
| (6,790.37) | Financial Regulators | NIL |
| | | <u>NIL</u> |
| | SHAREHOLDERS | |
| (411,999.00) | Ordinary Shareholders | NIL |
| | | <u>NIL</u> |
| <u>(551,990.18)</u> | | <u><u>3,721.53</u></u> |
| | REPRESENTED BY | |
| | Clients Deposit Account (Interest Bearing) | 3,425.16 |
| | | <u>3,425.16</u> |

Notes and further information required by SIP 7

- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

II Time analysis for the period

From 11 November 2016 to 10 November 2017

| Classification of work function | Hours | | | | | Total hours | Time cost £ | Average hourly rate £ |
|---|--------------------|--------------------|-----------------------------|--------------------------|----------------------------|--------------|-------------------|-----------------------|
| | Partner / Director | Associate Director | Manager / Assistant Manager | Other professional staff | Assistants & support staff | | | |
| Administration & planning | | | | | | | | |
| Case planning, administrative set-up, Appointment notification, Maintenance of records, statutory reporting | 3.55 | 0.00 | 5.05 | 12.40 | 0.75 | 21.75 | \$,762.50 | 264.94 |
| Investigations | | | | | | | | |
| SIP2 review, CBDA reports, Investigating antecedent transactions | 1.50 | 0.00 | 9.50 | 4.20 | 0.00 | 15.20 | 4,390.00 | 288.82 |
| Realisation of Assets | | | | | | | | |
| Identifying, securing, insuring assets, Retention of title, Debt collection, Property, business and asset sales | 0.00 | 0.00 | 0.00 | 0.35 | 0.00 | 0.35 | 70.00 | 200.00 |
| Creditors | | | | | | | | |
| Communication with creditors, Creditors' claims (including employees and other preferential creditors) | 0.95 | 0.00 | 5.60 | 3.70 | 0.00 | 10.25 | 2,910.75 | 283.98 |
| Totals | 6.00 | 0.00 | 20.15 | 20.65 | 0.75 | 47.55 | £13,133.25 | £276.20 |
| Pre-appointment | 12.65 | 0.00 | 23.95 | 33.70 | 0.00 | 62.30 | £19,393.25 | 311.29 |

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters.

This work included the following:

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Protection of company's assets and records (including electronic).
- Dealing with routine correspondence.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Maintaining and managing the appointment's cash book and bank accounts.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors.

This work includes the following:

- Investigating the reasons for the failure of the Company (including enquiries with the Company's directors).
- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of the Company's directors.
- Review and storage of books and records.
- Preparing a report pursuant to the Company Directors' Disqualification Act.

- Discussions and correspondence with FOS and FSCS.

Realisation of assets

This section is in relation to the realisation of the Company's assets.

The work included the following:

- Writing to the Company's bank to realise cash held.
- Calls and emails relating to the recovery of outstanding debtors.

Creditors

Work under this section included correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Dealing with FOS on the assignment of client claims to FSCS.
- Discussions with FSCS on the progress of establishing claims against the Company based on claims lodged.
- Maintaining creditors' information on our insolvency database.
- Maintaining employee claims and liaising with RPS.

III Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

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 will usually consist of a partner and a partner or director or associate director as joint office holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

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 external supplies of incidental services 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.

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.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2017.

| Smith & Williamson LLP Restructuring & Recovery Services Charge out rates | London office £/hr | | Regional offices £/hr | |
|---|--------------------------|----------------|-----------------------------|----------------|
| | From 1/7/16 | From 1/7/17 | From 1/7/16 | From 1/7/17 |
| Partner / Director (from 1 January 2016) | 435-485 | 435-500 | 350-375 | 350-375 |
| Associate Director | 370-380 | 390-410 | 295-305 | 295-315 |
| Managers | 235-315 | 250-350 | 190-290 | 190-310 |
| Other professional staff | 150-235 | 160-305 | 120-175 | 120-180 |
| Support & secretarial staff | 85-90 | 80-170 | 60-135 | 60-135 |

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashing function is centralised and London rates apply. The cashing function time is incorporated within "Other professional staff" rates.

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Salisbury and Southampton.

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