

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02111605

Name of Company

Highwater Designs Limited

I / ~~We~~  
Jonathan Elman Avery-Gee  
Griffin Court  
201 Chapel Street  
Salford  
Manchester M3 5EQ

the liquidator(~~s~~) of the company attach a copy of my/~~our~~ Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 20/10/2011 to 19/04/2012

Signed *Jonathan Elman Avery-Gee* Date 28/5/2012

Kay Johnson Gee  
Griffin Court  
201 Chapel Street  
Salford  
Manchester M3 5EQ

Ref H2630/JAG/DRM

TUESDAY



A33 29/05/2012 #266  
COMPANIES HOUSE

**Highwater Designs Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 20/10/2011 To 19/04/2012	From 20/04/2010 To 19/04/2012
<b>SECURED ASSETS</b>		
Goodwill	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>SECURED CREDITORS</b>		
(6,677 95) HSBC Bank Plc	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>ASSET REALISATIONS</b>		
11,500 00 Plant, Machinery, Furniture & Equipme	NIL	11,500 00
10,000 00 Stock	NIL	10,000 00
	NIL	NIL
Uncertain Shares / Investments	NIL	3,200 00
11,908 00 Non Factored Book Debts	36 41	12,471 35
5,400 00 Surplus of factored book debts	NIL	5,321 23
10,000 00 WIP/Database/Contracts/Website/Goo	NIL	11,500 00
	NIL	1,430 20
	NIL	8 98
	NIL	59,835 00
	<u>36 41</u>	<u>115,266 76</u>
<b>COST OF REALISATIONS</b>		
Bordereau	NIL	963 00
Statement of Affairs Fee	NIL	7,000 00
Intellectual Property Office	NIL	50 00
Office Holders Fees	NIL	46,613 00
Room Hire	NIL	60 00
Office Holder's Travelling Expenses	NIL	645 74
Agents/Valuers Fees	NIL	1,500 00
Legal Fees	NIL	1,274 00
Statutory Advertising	NIL	226 80
Debtor Refund	NIL	500 00
	<u>NIL</u>	<u>(58,832 54)</u>
<b>PREFERENTIAL CREDITORS</b>		
(5,715 58) DE Holiday Pay	NIL	4,009 38
(4,094 54) Employee Holiday Pay	NIL	2,781 24
	<u>NIL</u>	<u>(6,790 62)</u>
<b>UNSECURED CREDITORS</b>		
(344,604 32) Trade & Expense Creditors	NIL	NIL
(30,074 35) Employees - Redundancy	NIL	NIL
(103,740 00) Dept of Employment - Redundancy	NIL	NIL
(8,550 55) H M Revenue & Customs (PAYE)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>		
(512,004 00) Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>(966,653 29)</b>	<b><u>36 41</u></b>	<b><u>49,643.60</u></b>

REPRESENTED BY

Fixed Current A/c

49,643.60

49,643.60



Jonathan Elman Avery-Gee  
Liquidator

**KAY  
JOHNSON  
GEE**

**Chartered Accountants**

When telephoning please call Derek R Morton

28 May 2012

Our Ref H2630/JAG/DRM/CVL522

**TO THE CREDITORS AND MEMBERS**

Griffin Court,  
201 Chapel Street,  
Manchester M3 5EQ

Tel 0161 832 6221  
Fax 0161 834 8479

Email [info@kayjohnsongee.com](mailto:info@kayjohnsongee.com)  
Web [www.kayjohnsongee.com](http://www.kayjohnsongee.com)

Dear Sirs

**HIGHWATER DESIGNS LIMITED – IN LIQUIDATION (THE COMPANY)**

Please find attached a copy of my progress report on the liquidation for the year ended 19 April 2012

By way of reminder, I was appointed Liquidator of the Company at a meeting of creditors held on 20 April 2010. I am licensed to act as an Insolvency Practitioner in the United Kingdom by The Institute of Chartered Accountants in England and Wales.

If you have any queries regarding this report, please contact Derek R Morton on the number above.

Yours faithfully



**Jonathan Avery Gee**  
Liquidator

Enc

---

**Liquidator's Annual Progress  
Report to Creditors and  
Members**

**Highwater Design Limited**

**- In Liquidation**

**For the period from 20 April 2011  
to 19 April 2012**

---

---

## **CONTENTS**

- 1 Introduction and Statutory Information
- 2 Realisation of Assets
- 3 Investigations
- 4 Creditors
- 5 Liquidator's Remuneration
- 6 Liquidator's Expenses
- 7 Outcome for Creditors
- 8 Creditors' Rights
- 9 Next Report

## **APPENDICES**

- A Receipts and Payments Account from 20 April 2011 to 19 April 2012 and a cumulative Receipts and Payments Account for the period 20 April 2010 to 19 April 2012
- B Time Analysis for the period 20 April 2011 to 19 April 2012
- C Cumulative Time Analysis for the period 20 April 2010 to 19 April 2012
- D Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9
- E Statement of Claim

---

## 1 Introduction and Statutory Information

1 1 I, Jonathan Avery Gee of Kay Johnson Gee, was appointed as Liquidator of Highwater Designs Limited (**the Company**) on 20 April 2010. This report provides an update on the progress in the liquidation for the year ended 19 April 2012.

1 2 The trading address of the Company is Cotswold Building, The Barlands, London Road, Arle Road, Cheltenham, GL51 8LX.

1 3 The registered office of the Company has been changed to Griffin Court, 201 Chapel Street, Manchester, M3 5EQ and its registered number is 02111605.

1 4 Attached as at appendix A is a receipts and payments account from the 20 April 2011 to 19 April 2012 and a cumulative receipts and payments account for the period 20 April 2010 to 19 April 2012.

## 2 Realisation of Assets

2 1 Independent valuers Messer MGR Appraisals have valued the assets of the Company.

### **Plant & Machinery, Furniture & Equipment**

2 2 The collective sum of £11,500 was realised on the 23 April 2010 from Highwater CTP Limited in respect of the above assets.

### **Stock**

2 3 The agents have valued the stock as having an estimated to realise value of £10,000. I confirm that on 23 April 2010, Highwater CTP Limited purchased the stock, as per the valuation.

### **Shares/Investments**

2 4 The Company held 5,000 shares in Synectix Limited. The value of the shares in the accounts for the year ending 31 March 2009 amounted to £6.17 each, this giving an estimated total realisable value of £30,892.07. At the time of my appointment, the estimated to realise value was uncertain, as it was not known if a buyer would be found.

---

- 2 5 In September 2010, Synectix Limited made an offer of £3,200 in respect of the shares. Despite the offer being significantly less than the estimated to realise value as per the Company accounts, solicitors' advice was obtained in respect of the offer and due to the lack of any further interest in the shares being shown, the decision was made to accept the offer.
- 2 6 It has recently been brought to my attention that the Company also holds shares in Signum Technologies Limited.
- 2 7 On the 13 April 2012, I received a telephone call from the managing director of Signum Technologies Limited. The director was making enquiries into the share transfer, which took place in September 2010. Upon investigating this matter further, it became clear that the Company was registered in the annual return of Signum Technologies Limited as a Shareholder. The Company currently holds 745,600 ordinary shares, 655,967 ordinary A shares and 200,157 ordinary C shares. These shares vest in the liquidator. Further enquiries are being made regarding the estimated value of the shares. Unfortunately, at this stage I am not in a position to comment further on the possible realisation of the value of the shares, however I will update creditors in my next report.

#### **Non Factored Book Debts**

- 2 8 The non-factored book debts had a book value of £39,088.97. The director has advised that due to bad and disputed debts approximately £11,908 would be recoverable. I confirm £12,471.35 has been realised, no further realisations are anticipated in respect of the Company's book non-factored debts.

#### **Surplus of factored book debts**

- 2 9 The book debts were subject to a factoring agreement with Bibby Factors Limited. The factoring company confirmed that they have collected all monies due. The surplus funds of £5,321 were paid to the Liquidator on 17 May 2010.



### Non Tangible Assets

2 10 The above assets consisted of work in progress, database, contracts, website, company name and torrent name The sum of £11,500 was received from Highwater CTP Limited a connected company by common directorship on the 23 April 2010

2 11 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that the following assets were sold to an Associated Company

Date of transaction	Asset involved and nature of transaction	Consideration Paid and Date	Sold to:	Relationship
23 April 2010	<i>Plant &amp; Machinery/Fixtures and fittings</i>	<i>£11,500 paid on 23 April 2010</i>	Highwater CTP Limited	Associated Company
23 April 2010	<i>Stock</i>	<i>£10,000 paid on 23 April 2010</i>	Highwater CTP Limited	Associated Company
23 April 2010	<i>WIP, Database, Contracts, Website &amp; Goodwill</i>	<i>£11,500 paid on 23 April 2010</i>	Highwater CTP Limited	Associated Company

### Cash at Bank

2 12 On the 21 September 2010, the sum of £1,430 20 was received in respect of the cash at bank

### Preference Claim

2 13 Prior to my appointment both Mr Graham Tucker and Mrs Jie Wei made the numerous payments to themselves

---

2 14 I refer to my last progress report and confirm that Mrs Jie Wei has repaid the sum of £59,835 as agreed

2 15 At the time of my last progress report Mr Tucker was not in a position to repay any of the £32,410, which he withdrew from the Company I continue to review Mr Tucker's financial affairs in order to assess if he is in a position to repay any of the money withdrawn and will update creditors in my next report

**Misc Receipts**

2 16 The sum of £8 98 has been realised in respect of a council tax refund

**3 Investigations**

3 1 In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

**4 Creditors**

**Secured Creditors**

4 1 HSBC Bank had a secured guarantee bond to a company in India This bond has since been paid to the company in India and the bank has provided a cheque for the remainder of the money in the bank account to the Liquidator

---

### Preferential Creditors

4 2 A summary of preferential claims is detailed below

Preferential claim	Agreed Claim	Statement of Affairs Claim	Dividend paid 100p in the £1
Employee holiday pay claims (Total number of claims = 10)	£2,781 24	£4,094 54	1 June 2011
Department for Business Innovation & Skills (BIS)	£4 009 38	£5715 58	1 June 2011

4 3 I confirm a distribution of 100 pence in the pound was paid to the preferential creditors on 1 June 2011

### Unsecured Creditors

4 4 I have received claims totalling £505,290 from 54 creditors I have yet to receive claims from 47 creditors whose debts total £49,195 as per the director's statement of affairs

4 5 If you have not already submitted a claim in the Liquidation can you please complete and return the enclosed Statement of Claim form and return it to me before 11 June 2012

4 6 Alternatively, I should be obliged if you would inform me if you have no claim in the liquidation

### 5 Liquidator's Remuneration

5 1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation

5 2 My time incurred for the period from 20 April 2011 to 19 April 2012 is £7,694 50 This represents 26 10 hours at an average rate of £294 00 per hour Attached, as Appendix B is a Time Analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation

---

5.3 My total time costs for the period from 20 April 2010 to 19 April 2012 are £51,095.00. This represents 203.60 hours at an average rate of £251.00 per hour. Attached, as Appendix C is a Time Analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, £50,953 plus VAT and disbursements has been drawn on account.

#### **Statutory**

5.4 The majority of time expended in this section relates to the inputting of shareholders and creditors details on to the Insolvency Practitioners System (IPS). The time also relates to statutory forms and formalities.

#### **Realisation of Assets**

5.5 The time spent on realising the Company's assets relates to meetings with the prospective purchaser and discussions with solicitors and agents with regard to the sale.

#### **Account Information**

5.6 This represents time spent preparing bank reconciliations and reviewing the statutory accounts.

#### **Unsecured Creditors**

5.7 This primarily relates to numerous telephone calls and correspondence with the unsecured creditors and shareholders.

#### **Reporting**

5.8 This is the time taken to prepare this report. The time costs for this report are included in the attached time charges.

---

## **Crown**

- 5 9 This relates to reviewing books & records and telephone calls to and from H M Revenue & Customs and completing the outstanding VAT returns

## **Employee Claims**

- 5 10 The time in this category relates to completing RPI forms with employees, numerous telephone calls and staff queries relating to redundancy, pay in lieu of notice and arrears of pay
- 5 11 The employees were situated all over the country, the staff were unsure what they were entitled to claim There were also numerous telephone calls to the Redundancy Payments Office in Birmingham confirming details of staff entitlements

## **Investigation**

- 5 12 This represents time spent uplifting, reviewing and categorising the books and records There was a significant volume of company records, which were reviewed in order to complete the Administrator's report on the directors' conduct The time spent also related to reviewing the statutory accounts
- 5 13 In addition to the above a significant amount of time was spent in realising the following preference payments
- £39,985 on 3 February 2010
  - £20,000 on the 12 February 2010

The director in question has since repaid the money in full

- 5 14 A second director also withdrew in total £32,410 I have written to the director under separate cover in respect of repayment The director has advised that he is not in a position to repay any of the money he withdrew from the Company Solicitors have been instructed to review the options regarding this matter

5 15 Attached, as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 16 Since the date of my appointment, the following Category 2 disbursements have been taken

- Travelling Expenses of £645 74

## **6 Liquidator's Expenses**

6 4 The attached Receipts and Payments account (Appendix A) details expenses and costs paid to date. Should creditors require a further detailed explanation in respect of the expenses incurred, please provide a written request within 14 days from receiving this report

## **7 Outcome for Creditors**

7 4 I currently anticipate that there will be a surplus available for unsecured creditors'. Based on the current funds available, creditors' claims as per the estimated statement of affairs, together with my outstanding time costs, I estimate the dividend which may be available to the unsecured creditors to be approximately 0.09 pence in the pound (Please note estimated dividends are subject to costs and realisations of the liquidation)

7 5 In the event that you have not submitted a claim in the Liquidation, I would be grateful if you could complete the enclosed statement of claim form (Appendix E) and return it to Kay Johnson Gee, 201 Griffin Court, Chapel Street, Manchester, M3 5EQ, together with supporting documentation. Alternatively should you not have a claim in the Liquidation, please notify me in writing

## **8 Creditors' rights**

8 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

---

8 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive

9 **Next Report**

9 1 I am required to provide a further report on the progress of the liquidation within two months of the end of the third anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully



**Jonathan Avery Gee**  
**Liquidator**

Enc

---

**Highwater Designs Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

**Appendix A**

Statement of Affairs	From 20/04/2011 To 19/04/2012	From 20/04/2010 To 19/04/2012
<b>SECURED ASSETS</b>		
Goodwill	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>SECURED CREDITORS</b>		
(6,677 95) HSBC Bank Plc	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>ASSET REALISATIONS</b>		
11,500 00 Plant, Machinery, Furniture & Equipment	NIL	11,500 00
10,000 00 Stock	NIL	10,000 00
Book Debts	NIL	NIL
Uncertain Shares / Investments	NIL	3,200 00
11,908 00 Non Factored Book Debts	400 83	12,471 35
5,400 00 Surplus of factored book debts	NIL	5,321 23
10,000 00 WIP/Database/Contracts/Website/Goodwill	NIL	11,500 00
Cash at Bank	NIL	1,430 20
Council Tax Refund	NIL	8 98
Preference - Jane Wei	28,915 00	59,835 00
	<u>29,315 83</u>	<u>115,266 76</u>
<b>COST OF REALISATIONS</b>		
Bordereau	NIL	963 00
Statement of Affairs Fee	NIL	7,000 00
Intellectual Property Office	NIL	50 00
Office Holders Fees	36,613 00	46,613 00
Room Hire	NIL	60 00
Office Holder's Travelling Expenses	NIL	645 74
Agents/Valuers Fees	NIL	1,500 00
Legal Fees	NIL	1,274 00
Statutory Advertising	NIL	226 80
Debtor Refund	NIL	500 00
	<u>(36,613 00)</u>	<u>(58,832 54)</u>
<b>PREFERENTIAL CREDITORS</b>		
(5,715 58) DE Holiday Pay	4,009 38	4,009 38
(4,094 54) Employee Holiday Pay	2,781 24	2,781 24
	<u>(6,790 62)</u>	<u>(6,790 62)</u>
<b>UNSECURED CREDITORS</b>		
(344,604 32) Trade & Expense Creditors	NIL	NIL
(30,074 35) Employees - Redundancy	NIL	NIL
(103,740 00) Dept of Employment - Redundancy	NIL	NIL
(8,550 55) H M Revenue & Customs (PAYE)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>		
(512,004 00) Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(966,653.29)</u>	<u>(14,087.79)</u>	<u>49,643 60</u>

REPRESENTED BY



## Appendix B

Hours							
Classification of Work	Partner	Manager	Snr Administrator	Administrator	Total Hours	Total Time Cost £	Average Hourly Rate £
Administration and Planning	-	9 00	-	-	9 00	2,655 00	295 00
Investigations	-	-	-	-	-	-	-
Realisation of Assets	-	2 50	-	-	2 50	737 50	295 00
Reporting	0 80	11 30	-	-	12 10	3,649 50	302 00
Creditors	-	1 00	-	-	1 00	295 00	295 00
Statutory	-	1 00	0 50	-	1 50	357 50	238 00
Total Hours	0 80	24 80	0 50	-	26 10	-	-
Average Hourly Rate £	395 00	295 00	125 00	-	-	-	294 00
Total Time Cost £	316 00	7,316.00	62 50	-	-	7694 50	-

## Appendix C

Hours							
Classification of Work	Partner	Manager	Snr Administrator	Administrator	Total Hours	Total Time Cost £	Average Hourly Rate £
Administration and Planning	-	5 90	1 50	-	7 40	2,078 00	281 00
Investigations	-	8 80	61 70	-	70.50	16,478 50	234 00
Realisation of Assets	10 00	-	34 50	-	44 50	11,860 00	266 00
Reporting	0 80	11 30	-	-	12 10	3,649 50	302 00
Creditors	-	13 10	35 50	0 50	49 10	11,914 50	243 00
Statutory	-	9 50	10 00	0 50	20.00	5,115 00	256 00
Total Hours	10 80	48 60	143 20	1 00	203 60	-	-
Average Hourly Rate £	395 00	287 00	-	125 00	-	-	251 00
Total Time Cost £	4,266 00	13,960 00	32,744 50	125 00	-	51,095 00	-

**ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES**

**PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)**

**1 Policy**

Detailed below is Kay Johnson Gee policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

**1.1 *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, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case

**1.2 *Professional advisors***

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

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Kuits Solicitors (legal advice)	Hourly rate and disbursements
Bridge (Insurance)	Fixed Fee
MGR Appraisals (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

1.3 *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 of 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 disbursements can include costs incurred by Kay Johnson Gee for the provision of services, which include an element of recharged overhead, for example, room hire or document storage.

On this case, the following Category 2 disbursements have been incurred since my appointment:

Type and purpose	£
Travelling Expenses	645.74

2 **Charge-out rates**

A schedule of Kay Johnson Gee charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There have been no material increases in charge-out rates since the date of my appointment.

**Highwater Designs Limited – IN LIQUIDATION**

**Date of Liquidation. 20 April 2010**

**CREDITOR'S STATEMENT OF CLAIM**

Name and address of creditor \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Registered number (if company) \_\_\_\_\_  
Amount claimed in the liquidation  
(Including VAT) £ \_\_\_\_\_  
Signature of creditor \_\_\_\_\_  
Name of creditor \_\_\_\_\_  
Telephone \_\_\_\_\_  
Fax \_\_\_\_\_  
E-mail \_\_\_\_\_  
Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to Kay Johnson Gee

-----  
Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account

Claims lodged in the liquidation should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue & Customs for the VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.