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The Insolvency Act 1986

Administrators' progress report

Name of Company

Your Space (UK) Limited

Company number

04206312

In the

High Court of Justice, Chancery Division,
Leeds District Registry

Court case number

820 of 2010

We

Daniel Francis Butters
Deloitte LLP
1 City Square
Leeds
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Deloitte LLP
2 Hardman Street
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administrators of the above company attach a progress report for the period

From

26 September 2010

To

18 March 2011

Signed

Joint Administrator

Dated

18/3/11

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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COMPANIES HOUSE

TUESDAY

**Your Space (UK) Ltd
(IN ADMINISTRATION)
("the Company")**

Court No. 820 of 2010

**FINAL PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986**

18 March 2011

This report has been prepared for the sole purpose of updating the Creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever

Daniel Francis Butters and William Kenneth Dawson were appointed Joint Administrators of Your Space (UK) Ltd on 26 March 2010. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed insolvency practitioners of Deloitte LLP are licensed in the UK to act as insolvency practitioners.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"The Act"	Insolvency Act 1986 (as amended)
"The Rules"	Insolvency Rules 1986 (as amended)
"the Administrators"	Daniel Francis Butters and William Kenneth Dawson of Deloitte LLP
"the Group or the Companies"	Your Space Limited, Your Space (UK) Limited and Workspace (North West) Limited (in Administration)
"Deloitte"	Deloitte LLP
"YS"	Your Space Limited
"YSUK"	Your Space (UK) Limited
"WSNW"	Work Space (North West) Limited
"QFCH"	Qualifying Floating Chargeholder
"CVA"	Company Voluntary Arrangement
"SOA"	Statement of Affairs

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.110 of The Rules to provide creditors with a summary of the Administration of YSUK. YSUK was previously reported on a group basis with YSL and WSNW. We have recently obtained from the High Court of Justice Leeds District Registry, an extension of 12 months for YSL and WSNW to allow for

- realisation of further assets,
- to distribute a dividend to secured creditors in both companies, and
- distribute a potential dividend to the preferential creditors of YSL.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

1.2 Details of the appointment of the administrators

Daniel Francis Butters and William Kenneth Dawson of Deloitte were appointed Joint Administrators of YSUK by the High Court of Justice in the Leeds District Registry with effect from 26 March 2010, following the filing of a Notice of Appointment of Administrators by the directors of the Company.

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they have been authorised to carry out all functions, duties and powers by either of them jointly and severally.

2. THE ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, prior to the Administration the Group was in interlocking CVAs with its creditors. The Group was unable to sell its key real estate and as a result was unable to invest in its contracting business. As a consequence of this the trading performance fell to below what was required to meet the proposals set out in the CVA and the Group could not meet the second voluntary contribution or the PAYE/ NIC liability that was due to HMRC as a condition of the CVAs. The directors therefore took the necessary steps to place the Group into Administration.

The Group had significant secured and unsecured liabilities and there was insufficient value ascribed by third parties to effect a restructuring of this debt. The Administrators therefore concluded that it was not possible to rescue the Group as a going concern and that the purpose of the Administration was to achieve a better result for creditors than through an immediate Liquidation of the Group.

The Administrators' proposals in order to achieve this objective were issued to creditors on 6 May 2010 and subsequently deemed approved on 18 May 2010 following no formal requisition for a meeting of creditors. The proposals are as follows:

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, in respect of each Company, the Creditors' Committee, if one is appointed, shall be asked to agree that the Administrators' fees be fixed by reference to the time given in attending to matters arising in the Administrations and asked to agree the Administrators' expenses
- 7 that, in respect of YSUK if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' remuneration by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte LLP at the time when the work is performed. And that the Administrators be authorised to draw their remuneration, plus VAT, from the Administration estate, together with disbursements incurred which relate specifically to the case
- 8 that, in respect of YSUK if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the Administration, calculated at the prevailing standard mileage rate used by Deloitte LLP at the time when mileage is incurred (presently up to 40p per

mile), plus VAT where applicable And that the Administrators be authorised to draw their disbursements for mileage from the Administration estate

- 9 that, in respect of YS and WSNW if a Creditors' Committee is not appointed, the secured and preferential creditors of each Company shall be asked to agree the Administrators' fees, in accordance with Rule 2 106(5A)(a), by reference to the time given in attending to matters arising in the Administrations and that the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile),
- 10 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 11 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committees appointed will become Liquidation Committees pursuant to R4 174 of the Rules As per paragraph 83(7) of Schedule B1 of the Act and R2 117 (3) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors For the purposes of s231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally
- 12 in the absence of Creditors' Committees, the secured and preferential creditors of each Company agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

2.2 Achievement of the approved proposals

We have summarised below the outcome in respect of each of the approved proposals for YSUK

Proposal	Current status
1	The only asset which the Company has is £22 62 of unclaimed dividends from the CVA Under Section 22 1 of the CVA proposal any unclaimed dividends are due to the Company
2	The Administrators' investigation into the conduct of the directors has been completed and a confidential report has been submitted to the Insolvency Service, part of the UK Department for Business, Innovation and Skills
3-4	There are no funds available to distribute to any class of creditor
5-6	No creditors' meeting was held as the requisite number of meeting requests was not received As such, no Creditors' Committee was formed
7	No remuneration is being drawn in the Administration
8	The Administrators are drawing £22 62 as a contribution to their expenses in the Administration
9	Not applicable
10	As there are no assets to realise and no funds available to distribute to creditors the Administrators' perceive that the most cost effective exit strategy is to dissolve the Company by filing Form 2 35B with the

	Registrar of Companies
11	Not applicable
12	The Joint Administrators will be discharged from liability at the end of the administration

Further information in respect of the outcome of the administration is contained in the following sections of this report

3. STEPS TAKEN DURING THE ADMINISTRATION

3.1 Realisation of assets

The only asset available in the Administration is £22 62 of unclaimed dividends from the CVA. The Administrators have applied this realisation against outstanding statutory advertising costs of £350 41.

3.2 Meeting of creditors

In accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, a meeting of creditors was not called by the Joint Administrators, as the Joint Administrators did not believe that the Companies had sufficient assets to enable a distribution to unsecured creditors. No creditors' meeting was held as the requisite number of meeting requests was not met.

3.3 Distributions to creditors

The Company has no secured or preferential creditors and there are no assets available to make any distribution to unsecured creditors.

3.4 Exit

The confirmed exit route is pursuant to Paragraph 84 of Schedule B1 of The Act, this provides for the Administrators ceasing to act with dissolution of the Company three months thereafter.

3.5 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the directors of the Company has been completed.

In this regard, a confidential report was submitted to the Insolvency Service, part of the UK Department of Business, Innovation and Skills, on 16 September 2010.

3.6 EU regulations

As stated in the Administration Order in respect of the Company, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

4. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ADMINISTRATION OUTCOME

4.1 Introduction

Attached at Appendix 2 is a final receipts and payments account covering the period from 26 March 2010 to 18 March 2011

4.2 Asset realisations

As previously reported the only asset that has been realised in the Administration is £22 62 of unclaimed dividends from the CVA.

4.3 Outcome for creditors

There will be no funds available within the administration for a distribution to any class of creditor of the Company

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to original period of appointment

There have been no extensions sought for the Administration. All matters in the Administration have been finalised and no extensions are required.

5.2 Administrators' discharge

The Administrators confirm that they will be discharged from liability in respect of any action of theirs as Administrators on their vacation of office. This will take place on their ceasing to act following the notice given to the Registrar of Companies of the moving of the Company to dissolution, pursuant to Paragraph 84 of Schedule B1 of The Act.

5.3 SIP 13 – Transactions with connected parties

In accordance with the guidance given in Statement of Insolvency Practice Number 13, we confirm that there have been no transactions with connected parties in the period.

6. JOINT ADMINISTRATORS FEES AND EXPENSES

6.1 Joint Administrators' Fees and disbursements

The Joint Administrators have not sought any resolution from creditors in respect of agreeing the basis of their remuneration and disbursements. No remuneration has been drawn by the Administrators to date, or will be drawn in the future in respect of the Company. The only disbursements drawn are a contribution to advertising costs which are classed as a Category 1 disbursement in accordance with Statement of Insolvency Practice 9 and therefore do not require specific creditor approval.

6.2 Other professional costs

No professional costs have been incurred in respect of YSUK during the period of the Administration.

SUMMARY OF STATUTORY INFORMATION

YOUR SPACE (UK) LIMITED - IN ADMINISTRATION

Company name	Your Space (UK) Limited
Previous names	-
Company registration number	04206312
Incorporation date	26 April 2001
Registered office	1 City Square Leeds LS1 2AL
Issued and called up share capital	1 ordinary share of £1
Shareholder	Your Space Limited formerly Your Space PLC
Directors	Seamus Joseph Millar Shaun Mealey Christopher Phillips Raymond Harris
Company secretary	Seamus Joseph Millar
Bankers	Bank of Ireland Group
Auditors	Reeves & Neylan LLP

Your Space (UK) Limited

**Abstract of Joint Administrators' Receipts and Payments account
for the period 26 March 2010 to 18 March 2011**

Receipts	Statement of Affairs (£)	Floating charge (£)
Unclaimed dividends from CVA	-	22 62
Payments		
Contribution towards Statutory Advertising		(18 85)
Irrecoverable VAT		(3 77)
Bank balance		<u><u>0</u></u>

No assets were expected to be realised as per the director's SOA