

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

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**1** Company details

Company number	1	0	5	0	5	5	2	4
Company name in full	A Space In The City Serviced Apartments Limited							

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.

**2** Liquidator's name

Full forename(s)	Bethan Louise
Surname	Evans

**3** Liquidator's address

Building name/number	2 Sovereign Quay
Street	Havannah Street
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 S F
Country	

**4** Liquidator's name ❶

Full forename(s)	John Dean
Surname	Cullen

❶ **Other liquidator**  
Use this section to tell us about another liquidator.


**5** Liquidator's address ❷

Building name/number	2 Sovereign Quay
Street	Havannah Street
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 S F
Country	

❷ **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	<div>d</div> <div>0</div>	<div>d</div> <div>8</div>	<div>m</div> <div>1</div>	<div>m</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>				
To date	<div>d</div> <div>0</div>	<div>d</div> <div>7</div>	<div>m</div> <div>1</div>	<div>m</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>1</div>				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>X</div> <div>DocuSigned by:</div> <div></div> <div>C05673676A12475...</div>								<div>X</div>			
Signature date	<div>d</div> <div>1</div>	<div>d</div> <div>2</div>	<div>m</div> <div>1</div>	<div>m</div> <div>1</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>1</div>				

## LIQ03

## Notice of progress report in voluntary winding up

**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 **Christy Law**

Company name **Menzies LLP**

Address **2 Sovereign Quay**

**Havannah Street**

Post town **Cardiff**

County/Region

Postcode **C F 1 0 5 S F**

Country

DX **DX 200767 Cardiff Bay**

Telephone **029 2049 5444**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**A Space In The City Serviced Apartments Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 08/10/2020 To 07/10/2021 £	From 08/10/2020 To 07/10/2021 £
	<b>ASSET REALISATIONS</b>	
	Bank Interest Gross	1.51
10,500.00	Book Debts	12,413.02
34,916.87	Cash at Bank	32,123.52
Uncertain	Fixtures & Fittings	NIL
	Furlough monies due to the Company	16,655.41
	Motor Vehicles	2,305.20
NIL	Stock	NIL
		63,498.66
	<b>COST OF REALISATIONS</b>	
	Agents/Valuers Fees	495.78
	Debt Collection Costs	1,241.30
	Employees' Advisor costs	195.88
	Insurance of Assets	74.48
	Liquidators Fees	34,517.50
	Pension Advisor Costs	1,650.00
	Specific Bond	80.00
	Statutory Advertising	363.91
	Storage Costs	405.97
		(39,024.82)
	<b>PREFERENTIAL CREDITORS</b>	
(445.58)	Employees Holiday Pay	1,368.67
	HMRC - Tax & NI deductions	377.98
	Redundancy Payments Office	3,170.44
		(4,917.09)
	<b>UNSECURED CREDITORS</b>	
(783.07)	Employees	NIL
(15,434.06)	HM Revenue and Customs - PAYE &	NIL
(5,847.98)	HM Revenue and Customs - VAT	NIL
(43,956.14)	Trade & Expense Creditors	NIL
		NIL
	<b>DISTRIBUTIONS</b>	
(100.00)	Ordinary Shareholders	NIL
		NIL
<b>(21,149.96)</b>	<b>19,556.75</b>	<b>19,556.75</b>
	<b>REPRESENTED BY</b>	
	Barclays Bank - IB	11,867.01
	Vat Control Account	7,670.93
	VAT Receivable	18.81
		<b>19,556.75</b>

**Note:**

All items detailed on the receipts and payments account are shown net of VAT as the Company was VAT registered and VAT has therefore been recovered for the benefit of the liquidation estate.

DocuSigned by:



John Dean Cullen  
Joint Liquidator

A SPACE IN THE CITY SERVICED APARTMENTS LIMITED - **IN CREDITORS' VOLUNTARY**  
LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT  
1986 AND RULE 18.2 OF THE INSOLVENCY (ENGLAND & WALES) RULES 2016

FOR THE PERIOD 8 OCTOBER 2020 TO 7 OCTOBER 2021

DATED 12 NOVEMBER 2021

A SPACE IN THE CITY SERVICED APARTMENTS LIMITED - **IN CREDITORS' VOLUNTARY LIQUIDATION – (“THE COMPANY”)**

ANNUAL PROGRESS REPORT

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4. Joint Liquidators' comparison of original fee estimate, and actual time costs incurred
5. Comparison of estimated expenses and actual costs incurred

## 1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1 I was appointed Joint Liquidator of the Company on 8 October 2020. I now present my progress report for the first year of the Liquidation, pursuant to Section 104A of the Insolvency Act 1986 ("the Act") and Rule 18.2 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

1.2 The Company's statutory information is attached at Appendix 1 of this report.

### Executive summary

1.3 At the date of my appointment the Company had ceased trading and accordingly I took steps to realise the remaining assets with a view to distributing the funds to creditors, after costs, in the prescribed order of priority. As Liquidator, I was also obliged to investigate the Company's affairs. At the outset it was anticipated I would be in a position to declare a dividend to preferential and unsecured creditors and this has proved to be the case (see section 4 below).

1.4 During the period of this report, I have realised a total of £63,498.66, further details are detailed in Section 2 below. I have declared and paid a preferential dividend of 100 pence in the pound to preferential creditors on 8 July 2021. In the period since the end of the reporting period, I declared an unsecured dividend of 8.71 pence in the pound to unsecured creditors and the funds have been distributed. As this has been declared and paid after the reporting period, this is not shown in my Receipts and Payments account at Appendix 2.

1.5 The manner in which the affairs of the Company have been managed since the appointment of Joint Liquidators is set out below.

1.6 Based on current known information about the Company's financial position, and after taking into account the estimated office holders' fees and expenses, it is anticipated that a second and final unsecured dividend will be paid to unsecured creditors. I refer you to section 4 below.

1.7 My Receipts & Payments Account for the period from 8 October 2020 to 7 October 2021, which I have reconciled to the financial records that I am required to maintain, is attached at Appendix 2. All receipts and payments are shown net of VAT.

1.8 The balance of funds amounting to £11,867.01 was held in an interest bearing estate bank account as at the end of this reporting period.

## 2. PROGRESS AND ASSET REALISATIONS

### Fixtures and fittings

2.1 As reported on the Company's Statement of Affairs, the Company's tangible assets had an uncertain estimated to realise value. Prior to my appointment, Gavel Auctioneers & Valuers ("Gavel") were instructed to collect the Company's tangible assets. Gavel collected 15 computer bases, 1 computer monitor, 2 laptops and 8 keyboards ("the IT equipment"). I was advised that there were additional Company assets situated at Boston Buildings, 70-72 James Street Cardiff CF10 5EZ comprising office furniture and equipment. During the period, the Landlord confirmed that the only remaining asset left in the premises were some desks which had been dismantled.

2.2 Gavel has, at my request, instructed an IT specialist to access and store the data held on the computers and laptops. The data has been backed-up in order for the IT equipment to be wiped and placed in an IT specific auction. The auction is scheduled to take place on 23 November 2021. Any realisations, after costs, will be for the direct benefit of unsecured creditors.

### Motor vehicles

2.3 The Company had two vans; one van was subject to finance with ARVAL and the other was offered for sale at auction by Gavel. The online auction closed on 1 December 2020 and I can confirm this vehicle was sold and realised the sum of £2,305.20. In regard to the van subject to finance with

ARVAL, it was later identified as a vehicle leased by an associated Company and, therefore, this vehicle was passed back to the relevant Company. There will be no further recoveries in respect of vehicles.

#### Stock

- 2.4 As stated on the Company's Statement of Affairs, the stock had a book value of £1,956 and an uncertain estimated realisable value. During the period of this report, I have made enquiries with the former directors in regard to the details and whereabouts of this stock. The stock was understood to be small branded toiletry items for the rental properties and was considered to be unrealisable such that no realisations were or will be made.

#### Book debts

- 2.5 The Statement of Affairs had a book value of £21,000 and an estimated to realise value of £10,500. This related to one debtor and after collating and reviewing the Company records, I identified that the amount due to the Company totalled £21,666.96. I instructed Credebt Ltd ("Credebt"), a debt collection agent, to realise this outstanding debt. Many invoices were disputed by the debtor, and the debtor has provided evidence that some invoices were settled prior to my appointment. I continued to seek assistance from Credebt, and the Company's former director, where appropriate. During this period, I have realised a total of £12,413.02 into the estate account. No further realisations are anticipated in respect of book debt collections.

#### Furlough monies due to the Company

- 2.6 During the period of this report, the Company's former accountants confirmed that £16,655.41 claimed by the Company in relation to furlough monies was received into an associated company's bank account in error. Protracted correspondence was entered into with the associated company's bank to realise the funds. Following that correspondence and the assistance of one of the former directors, I can confirm that £16,655.41 has been realised into the Liquidation estate. This matter has now been concluded.

#### Cash at bank

- 2.7 I have realised a total of £32,123.52 from the Company's bank account held with HSBC Bank PLC. I can confirm that the former Company's bank account has been closed, therefore, there will be no further recoveries in this matter.

#### Bank interest

- 2.8 The only other asset realisation is bank interest in the sum of £1.51.

#### Rates refund

- 2.9 During the period of this report, I have been notified that there may have been a possible rates refund due from Cardiff City Council in respect of business rates paid prior to the Liquidation. I have been liaising with Cardiff City Council to seek recovery but have been informed that no refund is due to the Company as no payments were made to the Council in April 2020, and as a result, charges remain outstanding but, to date, no creditor claim has been received in this regard. There will no realisations in this matter.

### 3. INVESTIGATIONS

- 3.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account potential recoveries and potential costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation. In particular, I considered the following matters of concern raised by creditors:



#### Sale of Company vehicles prior to Liquidation

- 3.2 It was brought to my attention that the Company sold three Company vehicles for £11,000 on 14 May 2020, within 12 months prior to my appointment. Therefore, I requested that Gavel review these transactions to confirm that the vehicles were sold at their proper value. Gavel has confirmed that the sales prices were realistic, and I can confirm that this transaction was not made to a related party. No further enquires are required nor will be made.

#### Breach of contract

- 3.3 I have been advised that some former employees may have been working for another company, whilst employed by the Company, in breach of their contract of employment. I have enlisted the assistance of Clumber Consultancy Limited ("Clumber"), a firm specialising in employment matters, to review the contracts of employment and associated documentation. Based on Clumber's review and the limited information available, I was advised that the legal costs in investigating and pursuing any possible claim would outweigh any potential realisations. Given the information available to date, I do not intend pursuing this matter further.

#### *Customer Relationship Management ("CRM") database*

- 3.4 I have been advised that former employees logged into the Company CRM software after the Company had ceased to trade and that the benefit of the database may be being utilised by another entity. Due to the limited information available to me, the costs in investigating and pursuing any possible claim would outweigh any potential realisations and, therefore, I do not intend pursuing this matter further.
- 3.5 In addition, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the Statement of Affairs lodged in the Liquidation and made enquiries about the reasons for any differences.
- 3.3 There were no matters which justified further investigation in the circumstances of this appointment other than those detailed above.
- 3.4 Within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted. The contents of this report remain confidential

#### 4. LIABILITIES AND DIVIDEND PROSPECTS

##### 4.1 LIABILITIES

##### Secured creditors

- 4.1.2 My examination of the Company's charge register held by the Registrar of Companies showed that there were no charges registered against the Company. Accordingly, there are no known secured creditors.
- 4.1.3 The legislation requires that if the Company has created a floating charge on or after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

#### Preferential creditors

- 4.1.4 The Company had 9 employees, who were all made redundant on 17 April 2020, prior to the Company ceasing to trade on 30 April 2020.
- 4.1.5 Claims from former employees in respect of arrears of wages, up to a maximum of £800 per employee, and accrued holiday pay rank preferentially in that they are paid ahead of floating charge and ordinary unsecured creditors. Where an employee's claim is paid by the Redundancy Payments Service ("RPS"), the RPS have a subrogated preferential claim in the Liquidation.
- 4.1.6 The Statement of Affairs anticipated £445.58 in respect of preferential creditors. During the period of this report, I have received preferential employee claims totalling £1,746.86 and a claim totalling £3,170.44 from the Redundancy Payments Service ("RPS") for sums paid to former employees on behalf of the Company. This is higher than anticipated on the Statement of Affairs because the number of holiday days owed were more than had been anticipated.

#### Non-preferential unsecured creditors

- 4.1.7 The Statement of Affairs included 60 unsecured creditors with an estimated total liability of £66,021.25. I have received claims from 58 creditors at a total of £138,498.29. This difference is mostly due to receiving a much higher claim from HM Revenue & Customs ("HMRC") in regards to PAYE, £50,376.68, than was anticipated in the Company's Statement of Affairs. I have not received claims from 4 creditors with original estimated claims in the Statement of Affairs of £13,152.60.

#### 4.2 DIVIDEND PROSPECTS

##### Preferential creditors

- 4.2.1 I can advise that on 8 July 2021, the preferential creditors were paid a dividend of 100 pence in the pound, totalling £4,917.09, on their claims in this matter. There will be no further payments to preferential creditors.

##### Unsecured creditors

- 4.2.2 On 12 October 2021, I declared an unsecured dividend of 8.71 pence in the pound, totalling £11,500 to unsecured creditors. As this has been declared after the reporting period, this is not shown in my Receipts and Payments account at Appendix 2.
- 4.2.3 There will be a second and final dividend declared to non-preferential unsecured creditors in due course. The timing is dependent upon when I receive the VAT monies held by HMRC.

#### 5. PRE-APPOINTMENT FEES

- 5.1 The board previously authorised the payment of a fee of £5,000 plus VAT to Menzies LLP for assistance with preparing the Statement of Affairs and arranging deemed consent procedure for creditors to appoint a Liquidator.
- 5.2 The fee for preparing the Statement of Affairs and arranging the deemed consent procedure for creditors to appoint a liquidator was paid by the Company prior to the liquidation.

#### 6. JOINT LIQUIDATORS' REMUNERATION & EXPENSES

##### *Joint Liquidators' remuneration*

- 6.1 At a meeting of the Liquidation Committee on 21 December 2020, it was resolved that my remuneration be fixed by reference to time properly spent by myself and my staff in attending to matters arising in the Liquidation based on a fee estimate of £34,517.50 plus VAT. The fee estimate

acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the Liquidation Committee.

- 6.2 My total time costs to 7 October 2021 amount to £61,894.00, representing 307.30 of hours work at a blended charge out rate of £201.41 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £205.46 in my fee estimate.
- 6.3 I attach at Appendix 3, a breakdown of these time costs by work category and staff grade, together with a narrative explanation of work done during the Liquidation to date.
- 6.4 I have drawn £34,517.50 plus VAT to 7 October 2021.
- 6.5 Given the size and technical nature of the Liquidation, much of the work described in the sections above was undertaken by me, a manager and an administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6 minute units.
- 6.6 As at 7 October 2021, the total time costs that I have incurred in the Liquidation have exceeded the total estimated remuneration which was set out in my fee estimate, when my remuneration was authorised by the Liquidation Committee. Please see Appendix 4 which details the actual time costs incurred as compared to the fee estimate provided to the Liquidation Committee in my report dated 27 November 2020. As you will see, the time costs incurred was exceeded by an amount of £27,376.50.
- 6.7 The reasons for exceeding the fee estimate are because of the additional time spent investigating potential recovery actions identified by creditors and former directors, realising additional assets that was not incorporated in the Statement of Affairs report and dealing with extensive queries received from former directors and customers of the Company. Currently I do not intend to draw remuneration in excess of the fee estimate and so will not be seeking a decision to increase my fee estimate.

*Professional and sub-contractors' fees, and other expenses*

- 6.8 I have incurred total expenses of £4,547.32 since my appointment as Liquidator, in which a total of £4,507.32 has been paid to date.
- 6.9 The following expenses were incurred in the period since my appointment as Liquidator:

Details of expense	Amount incurred/ accrued in the reporting period
Category 1 Expenses	
Specific bond	£120.00
Agents/ Valuers fees	£495.78
Debt Collection costs	£1,241.30
Pension Advisor costs	£1,650.00
Storage costs	£405.97
Employees' Advisor costs	£195.88
Statutory advertising	£363.91
Insurance of assets	£74.48

- 6.10 I have used the following agents, professional advisors and subcontractors in the reporting period:

Professional advisor	Nature of work	Basis of fees
Clumber Consultancy	ERA work	Fixed fee
Clumber Consultancy	Dealing with occupational pension	Fixed fee
Peter Miller	Storage of books & records	Fixed fee
Marsh Ltd UK	Insurance brokers	Fixed fee
Credebt Ltd	Debt Collection agents	Percentage of realisations

- 6.11 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.
- 6.12 Due to its specialised nature, I sub-contracted some of the work we are required to undertake as Joint Liquidators, namely Employment Rights Act ("ERA") work (i.e. issues arising from the redundancy of the Company's employees, the calculation of their preferential and non-preferential claims, calculation of any occupational pension claims, and submissions to the Redundancy Payments Service), as well as dealing with any issues arising from the occupational pension scheme ran by the Company (i.e. liaison with the Pension Regulator, the Pension Protection Fund and the pension providers). I sub-contracted this work to Clumber Consultancy, who are not associated with either of the Joint Liquidators and am satisfied that taking this approach ensured that the best value and service was provided to creditors, because they are specialists in this type of work and because their agreed fees were cheaper than doing it in house. Clumber Consultancy have charged a total of £1,845.88.
- 6.13 Peter Miller was instructed to store the Company's books and records. This is a statutory requirement but also assists my investigations which may lead to additional asset recoveries.
- 6.14 Credebt Ltd, an independent debt collection agent, has been instructed in order to realise the outstanding amounts owed to the Company. Their fee is 10% of realisations.
- 6.15 Gavel, an independent firm of valuers, has been instructed by the Company to undertake an independent valuation of the Company's assets and market these assets for sale. Gavel's fee for doing so was 10% of tangible asset realisations.
- 6.16 Marsh Ltd UK were instructed to provide the relevant insurance cover in the Liquidation.
- 6.17 Credebt Ltd, Gavel, Peter Miller and Marsh Ltd UK are not associates of the Liquidators or their firm as defined in section 435 of the Act. Further, I have reviewed my and my firm's relationship with these firms and consider that they are not ones which could give rise to a perception that there are any such associations.
- 6.18 Appendix 5 details the expenses I estimated that I would incur in this matter when my remuneration was authorised by the Liquidation Committee and compares them with those incurred and drawn to date.
- 6.19 As at 7 October 2021, as you can see from the information provided in this report, the expenses I have incurred in this matter has not exceeded the total expenses I estimated I would incur when my remuneration was authorised by the Liquidation Committee.
- 6.20 I have been able to draw my time costs and expenses at £39,024.82 during the period of this report. The anticipated return to preferential and unsecured creditors is detailed in Section 4 above.

## 7. **CREDITORS' RIGHTS TO FURTHER INFORMATION AND TO CHALLENGE LIQUIDATORS' REMUNERATION AND EXPENSES**

### *Creditors' right to request information*

- 7.1 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with rule 18.9(2) of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

*Creditors' right to challenge remuneration and/or expenses*


- 7.2 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 18.36(4) or 18.37(4) of the Rules. In accordance with rule 18.34(3) of the Rules such applications must be made within eight weeks of receipt of this report.

8. FURTHER INFORMATION

- 8.1 The Joint Liquidators are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice are at the following link:  
<https://www.menzies.co.uk/legal/>.
- 8.2 To comply with the Provision of Services Regulations, some general information about Menzies LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.menzies.co.uk/legal/> and <https://www.menzies.co.uk/helping-you/business-recovery/making-a-complaint/>.

9. CONCLUDING REMARKS

- 9.1 The Liquidation will remain open until asset realisations have been fully resolved and the unsecured dividends have been paid. I estimate that this will take approximately 8 months and, once resolved, I will be in a position to conclude the Liquidation.
- 9.2 I will report again on the progress of the Liquidation after the next anniversary of the Liquidation or in the draft final account, whichever is earlier.
- 9.3 If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Christy Law by email at CLaw@menzies.co.uk, or by phone on +44 (0)29 2044 7515.

DocuSigned by:  
  
C05673676A12475...  
John Dean Cullen  
Joint Liquidator

APPENDIX 1  
STATUTORY INFORMATION

Company name:	A Space In The City Serviced Apartments Limited
Company number:	10505524
Registered office:	2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF
Former registered office:	4th Floor, Park Gate, 161 - 163 Preston Road, Brighton, BN1 6AF
Former trading address:	2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF
Principal trading activity:	Serviced apartments
Joint Liquidators' names:	Bethan Louise Evans and John Dean Cullen
Joint Liquidators' address:	2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF
Date of appointment:	8 October 2020
Contact details of Joint Liquidators:	Christy Law on +44 (0)29 2044 7515 or at CLaw@menzies.co.uk
Details of any changes of Liquidator:	There have been no changes of Liquidator during the winding up.

Appendix 2  
A Space In The City Serviced Apartments Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 08/10/2020 To 07/10/2021	From 08/10/2020 To 07/10/2021
	ASSET REALISATIONS		
Uncertain	Fixtures & Fittings	NIL	NIL
	Motor Vehicles	2,305.20	2,305.20
NIL	Stock	NIL	NIL
10,500.00	Book Debts	12,413.02	12,413.02
	Furlough monies due to the Company	16,655.41	16,655.41
34,916.87	Cash at Bank	32,123.52	32,123.52
	Bank Interest Gross	1.51	1.51
		<u>63,498.66</u>	<u>63,498.66</u>
	COST OF REALISATIONS		
	Specific Bond	80.00	80.00
	Liquidators Fees	34,517.50	34,517.50
	Agents/Valuers Fees	495.78	495.78
	Debt Collection Costs	1,241.30	1,241.30
	Pension Advisor Costs	1,650.00	1,650.00
	Storage Costs	405.97	405.97
	Employees' Advisor costs	195.88	195.88
	Statutory Advertising	363.91	363.91
	Insurance of Assets	74.48	74.48
		<u>(39,024.82)</u>	<u>(39,024.82)</u>
	PREFERENTIAL CREDITORS		
	Redundancy Payments Office	3,170.44	3,170.44
(445.58)	Employees Holiday Pay	1,368.67	1,368.67
	HMRC - Tax & NI deductions	377.98	377.98
		<u>(4,917.09)</u>	<u>(4,917.09)</u>
	UNSECURED CREDITORS		
(43,956.14)	Trade & Expense Creditors	NIL	NIL
(783.07)	Employees	NIL	NIL
(15,434.06)	HM Revenue and Customs - PAYE &	NIL	NIL
(5,847.98)	HM Revenue and Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(21,149.96)</u>		<u>19,556.75</u>	<u>19,556.75</u>
	REPRESENTED BY		
	VAT Receivable		18.81
	Barclays Bank - IB		11,867.01
	Vat Control Account		7,670.93
			<u>19,556.75</u>

Note:

All items detailed on the receipts and payments account are shown net of VAT as the Company was VAT registered and VAT has therefore been recovered for the benefit of the Liquidation estate.

## A SPACE IN THE CITY SERVICED APARTMENTS LIMITED - IN LIQUIDATION

## APPENDIX 3

## TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 8 OCTOBER 2020 TO 7 OCTOBER 2021

HOURS						Total Hours	Time Costs £	Blended Hourly Rate £
Classification of Work Function	Partner/ Director	Manager	Senior	Administrator	Support			
Administration & Planning	12.10	27.70	1.40	78.50	8.30	128.00	26,061.50	203.61
Realisation of Assets	3.00	7.70	0.10	25.50	1.50	37.80	7,212.00	190.79
Creditors	8.30	29.50	0.20	76.50	0.40	114.90	22,863.50	198.99
Investigations	6.60	2.00	-	7.40	10.60	26.60	5,757.00	216.43
Trading	-	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>30.00</b>	<b>66.90</b>	<b>1.70</b>	<b>187.90</b>	<b>20.80</b>	<b>307.30</b>		
<b>Total Costs</b>	<b>14,196.00</b>	<b>20,088.00</b>	<b>391.00</b>	<b>25,139.00</b>	<b>2,080.00</b>		<b>61,894.00</b>	<b>201.41</b>
<b>Total Carried Forward</b>						<b>307.30</b>	<b>61,894.00</b>	<b>201.41</b>

Fees Drawn for Period Ended: 07.10.2021	34,517.50
Total Fees Drawn to Date:	34,517.50
Balance of Time Costs Accrued but Unpaid	27,376.50

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS		
	<u>From 1 October 2021</u>	<u>1 Oct 2020 to 30 Sept 2021</u>
	£ per hour	£ per hour
Partner/Director	450-525	425-525
Manager	270-400	260-360
Senior	240-250	230-250
Administrator	135-200	100-205
Support Staff	105	100
<p>Note 1 There may have been a number of promotions through the various grades during the period of the administration.</p> <p>Note 2 Overhead costs are reflected in the charge out rates detailed.</p> <p>Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £480 per hour, and the administrator is £150 per hour.</p> <p>Note 4 Time is recorded in minimum units of 6 minutes.</p>		



## **JOINT LIQUIDATORS' NARRATIVE OF WORK UNDERTAKEN IN THE PERIOD 8 OCTOBER 2020 TO 7 OCTOBER 2021**

A description of the work undertaken since my appointment as Joint Liquidator is as follows:

### **1 Administration and planning**

There are certain aspects of the case that are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors; however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient.

They include the maintenance of electronic case management information, together with periodic review of files, and strategic case planning and the routine administration of the case. They also include preparation of documentation and reports and dealing with correspondence.

Specifically:

#### **Reporting**

Time was spent undertaking the completion of formalities of the appointment, including statutory notifications to the Registrar of Companies, HM Revenue ("HMRC") & Customs, banks, creditors, shareholders, employees and directors.

#### **Cashiering**

Time has been spent setting up an estate bank account, arranging the specific penalty bonding, lodging receipts and preparing and processing invoices for payments; reconciling the bank account; producing the receipts and payments accounts, as required. Time has also been spent on preparing and submitting the VAT return to HMRC.

Time has also been spent arranging dividend cheques and BACS payments in respect of the dividend to preferential creditors and payment of the tax and national insurance contributions which had to be deducted from those dividends and paid directly to HMRC.

#### **Reviews**

Time has been spent periodically reviewing the case to identify matters which are outstanding and to ensure timely progression of the case.

### **2 Asset realisations**

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

#### **Fixtures and fittings**

Time has been spent liaising with Gavel regarding the safeguarding and sale of the tangible assets of the Company and taking their advice, as appropriate. Time has also been spent liaising with former directors in order to locate the equipment which has been identified as Company assets. Gavel obtained multiple pieces of IT equipment and instructed an IT specialist to obtain the data remaining on that equipment. These assets have now been placed for sale in an auction.

Further time has also been spent liaising with Gavel and the Company's former landlord in order to ascertain what assets were left at the premises.

#### Motor vehicles

Time has been spent liaising with my agents in regard to verifying and collecting the Company motor vehicles. Further time has been spent liaising with the finance company in order to ascertain the ownership of the van and returning the property back to the relevant company. Further time has been spent reviewing finance agreements and liaising with my agents in order to maximise recoveries.

#### Stock

Time has been spent liaising with the directors and the Liquidation Committee in regard to the details and whereabouts of stock. I can confirm that the stock is unrealisable and there are no recoveries expected in this matter.

#### Book debts

Time has been spent instructing and liaising with an independent debt collection agent in order to realise the outstanding amounts due to the Company. Further time has also been spent reviewing the Company books and records and locating additional invoices and paperwork to assist with the debt collection. Further time was spent reviewing the disputes and discrepancies raised by the debtor and my agents.

Time has also been spent liaising with the directors and reviewing additional paperwork to assist with the debt collection.

#### Furlough monies due to the Company

Time has been spent reviewing this issue and making enquiries with the former directors. Time has also been spent liaising with the Company's former accountants in order to collate information and in protracted correspondence with HSBC bank accordingly.

#### Cash at bank

Time has been spent liaising with the Company former bankers, HSBC Bank, in order to realise the cash at bank and closing down the Company's bank account accordingly.

#### Bank interest

The estate bank account is interest bearing; therefore, time has been spent lodging and reconciling the estate account to realise any bank interest.

### 3 Investigations

Complying with statutory requirements will not necessarily produce a financial benefit to creditors but may identify potential avenues which could lead to a recovery for the benefit of creditors.

#### Company Books and Records

It is a statutory obligation of the officeholder to ensure that the books and records of the Company are secured. Time spent during the period included recovering and listing the records and arranging appropriate storage. Time has also been spent reviewing the relevant records to ensure that they were complete and all material assets identified, to assist in preparation of a report on the directors' conduct and to identify any legal actions to pursue to increase asset realisations.

### *Directors' conduct report*

It is a statutory requirement that the office holder prepares a report on the conduct of each person who was a director of the company within the three years prior to the failure of the company. Work undertaken includes the time spent in reviewing the company records to identify possible breaches of the legislation and considering any concerns raised by creditors. Time has been spent preparing and submitting the report to the Insolvency Service.

### Further investigation

Time costs were incurred in relation to matters identified for further investigation, namely:

#### Sale of Company vehicles prior to Liquidation

Time has been spent reviewing the Company's bank statements and liaising with the former directors in order to confirm the sale of vehicles prior to my appointment. Further time has been spent liaising with my agents in order to establish the proper value of the sale.

### Breach of contract

Time has been spent investigating the allegation that some former employees were possibly working for another company whilst employed by the Company, in breach of their contract of employment. Time has been spent obtaining documentation and instructing Clumber Consultancy to review the contracts of employment and associated documentation.

### Customer Relationship Management ("CRM") database

Additional time has been spent reviewing the matter that former employees logged into the Company CRM software after the Company had ceased to trade and that the benefit of the database may be being utilised by another entity. Time has been spent collating the limited information and seeking advice from Gavel accordingly.

## 4 Creditors (claims and distribution)

Time spent in this category included adjudicating creditor claims and ensuring that they had adequately proven their claims in the estate. Work undertaken in this respect was necessary to ensure that only those entitled to receive a dividend did so and that any claim was validly and adequately evidenced.

### General

Time spent in this category included dealing with routine correspondence and queries and taking telephone calls from creditors; and maintaining creditor information on the electronic case management files.

### *Creditors' Committee*

Time has been spent on the formation of Creditors' Committee and the establishment of the Committee members. Time was also spent on holding an initial Committee meeting with the Committee members and preparing the relevant documentation. Further time was also spent on preparing the statutory six monthly reports to the Creditors' Committee.

### Preferential creditors

In this particular case, there were 5 former employees who had preferential claims and time has been spent in obtaining information about their claims, completing documentation for submission to the Redundancy Payments Service. Further time has been spent collating information for Clumber in order to assist with agreeing the

claims. Additional time was spent paying the distribution, which included paying tax deducted from dividends paid to employees.

#### Pension

Time has been spent liaising with the former Pension Advisor and former directors and collating all relevant details in order to instruct Clumber to assist with the completion of the pension forms and statutory notices. Clumber were instructed to assist with preparing the RP15/15a form in relation to the outstanding pension contributions

#### Unsecured creditors

Time has also been spent adjudicating 58 unsecured creditor claims, requesting further documentation from creditors where appropriate prior to advertising the dividend and issuing notice of intended dividend. In addition, a significant number of the small debt claim creditors were only contactable by email and a number of requests to those creditors were sent to obtain addresses to which payment could be sent.

## A SPACE IN THE CITY SERVICED APARTMENTS LIMITED - IN LIQUIDATION

## APPENDIX 4 - FEE ESTIMATE COMPARISON AGAINST TIME COSTS INCURRED

Classification of Work Function	Fee Estimate			Actual - 08.10.2020 - 07.10.2021		
	Total Hours	Total Time Costs	Blended Hourly Rate	Total Hours	Total Time Costs	Blended Hourly Rate
		£	£		£	£
Administration & Planning	52.50	10,607.50	202.05	128.00	26,061.50	203.61
Realisation of Assets	30.00	6,650.00	221.67	37.80	7,212.00	190.79
Creditors	64.00	12,525.00	195.70	114.90	22,863.50	198.99
Investigations	21.50	4,735.00	220.23	26.60	5,757.00	216.43
Trading	-	-	-	-	-	-
<b>Total Hours</b>	<b>168.00</b>			<b>307.30</b>		
<b>Total Time Costs</b>		<b>34,517.50</b>			<b>61,894.00</b>	
<b>Blended Hourly Rate</b>			<b>205.46</b>			<b>201.41</b>
<b>Total Fees Drawn to date 07.10.2021</b>					<b>34,517.50</b>	
<b>Balance of Time Costs Accrued but Unpaid</b>					<b>27,376.50</b>	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS		
	<u>From 1 October 2021</u>	<u>1 Oct 2020 to 30 Sept 2021</u>
	£ per hour	£ per hour
Partner/Director	450-525	425-525
Manager	270-400	260-360
Senior	240-250	230-250
Administrator	135-200	100-205
Support Staff	105	100
Note 1	There may have been a number of promotions through the various grades during the period of the administration.	
Note 2	Overhead costs are reflected in the charge out rates detailed.	
Note 3	The charge-out rate of the Insolvency Practitioner for this assignment is currently £480 per hour, and the administrator is £150 per hour	
Note 4	Time is recorded in minimum units of 6 minutes.	

## APPENDIX 5

## JOINT LIQUIDATORS' COMPARISON OF ESTIMATED EXPENSES AND ACTUAL COSTS INCURRED AND PAID

Details of Expense	Estimated amount £	Incurred / Accrued in period since last report £	Total incurred /accrued to date £	Paid in period since last report £	Total paid to date £
<u>Category 1 Expenses</u>					
Statutory advertising - various notices relating to the company have to be placed in the London Gazette	322.86	363.91	363.91	363.91	363.91
Specific penalty bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	120.00	120.00	120.00	80.00	80.00
Insurance of assets - it is necessary to insure the Company's assets prior to their sale.	112.00	74.48	74.48	74.48	74.48
<u>Professional and Sub-Contractors' Fees</u>					
Clumber Consultancy have been instructed to deal with any ERA work	950.00	195.88	195.88	195.88	195.88
Clumber Consultancy have been instructed to deal with any occupational pension scheme	1,600.00	1,650.00	1,650.00	1,650.00	1,650.00
Gavel Auctioneers & Valuers, a professional firm of independent agents, have been instructed by the liquidator to undertake an independent valuation of the Company's assets and market these assets for sale.	2,000.00	495.78	495.78	495.78	495.78
Credebt Limited, an independent debt collection agent have been instructed to assist with the collection of the outstanding book	1,050.00	1,241.30	1,241.30	1,241.30	1,241.30
<u>Agent's Fees</u>					
Collection, listing and storage of books and records - An agent has been instructed to collect the books and records of the Company. The books and records will be stored by the agent throughout the period of the Liquidation and for one year following the dissolution of the Company.	250.00	405.97	405.97	405.97	405.97
<b>Totals</b>	<b>6,404.86</b>	<b>4,547.32</b>	<b>4,547.32</b>	<b>4,507.32</b>	<b>4,507.32</b>

## EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. The term expenses also includes disbursements which are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

### Category 1 Expenses

Specific expenditure relating to the administration of the insolvent estate and payable to a person or persons who are not associates of the office holder is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, sub-contractors' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

### Category 2 Expenses

These are expenses that are directly referable to the administration of the insolvent estate and are made to associates of the officeholder or have an element of shared costs.

Category 2 Expenses require creditor approval.

Menzies LLP do not as a matter of policy seek approval of, or claim any, Category 2 expenses other those which are paid to associates of the office holder.