

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

THURSDAY



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17/12/2020

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COMPANIES HOUSE

1 Company details

Company number 0 3 4 2 4 1 9 9

Company name in full Citipages Limited

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

2 Liquidator's name

Full forename(s) Steven

Surname Elliott

3 Liquidator's address

Building name/number 38-42 Newport Street

Street SWINDON

Post town Wiltshire

County/Region

Postcode S N 1 3 D R

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ14

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6

Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7

Final account

☒ I attach a copy of the final account.

8

Sign and date

Liquidator's signature

Signature

X

[Handwritten Signature]

X

Signature date

d

1

d

5

m

1

m

2

y

2

y

0

y

2

y

0

**Presenter information**

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

Contact name **Steve Elliott**

Company name **MHA Monahans**

Address **38-42 Newport Street**

Swindon

Post town **SN1 3DR**

County/Region

Postcode

Country

DX **insolvency@monahans.co.uk**

Telephone **01793 818300**

**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

Statement of Affairs	£	£	£
4,270.53	ASSET REALISATIONS		
	Cash at Bank	4,265.01	
	Director's Contribution	234.99	
	Bank Interest Gross	0.41	
			4,500.41
	COST OF REALISATIONS		
	Premium on Indemnity Bond	30.00	
	Preparing S.o.A & Convening Decision	4,161.11	
	Postage	36.10	
	AML - SmartSearches	15.65	
	Statutory Advertising	257.55	
			(4,500.41)
(645,156.00)	FLOATING CHARGE CREDITORS		
	Mr M O'Regan	NIL	
			NIL
(1,000.00)	UNSECURED CREDITORS		
	Directors	NIL	
			NIL
(5,212.50)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	
			NIL
(647,097.97)			0.00

Sell

15 December 2020 12:58

Citipages Limited – In Creditors' Voluntary Liquidation

Liquidator's Final Account

Company Number	03424199
Registered Office	38-42 Newport Street, Swindon SN1 3DR
Principal Trading Address	46 Upland Road, London, SE22 9EF
Nature of Business	Business Support
Liquidator	Steve Elliott (IP No. 11110)
Date of Appointment	9th January 2020
Contact Details	MHA Monahans, 38-42 Newport Street, Swindon, SN1 3DR Tel: 01793 818300

This report should be read in conjunction with the following Appendices:

1. Liquidator's Receipts and Payments Account.
2. Summary of work done
3. Summary of Insolvency Rules 18.9 and 18.34: the information and challenge provisions.

1. Introduction

I, Steve Elliott, was appointed Liquidator of Citipages Limited on 9th January 2020 at a meeting of the company's members, a decision which was ratified by creditors on the same day by Deemed Consent. This is my report explaining how the liquidation has been conducted.

2. Background

The following background information was provided by the managing director, James Moore, regarding the company's history and the events leading to liquidation:

We started Citipages with high hopes in September 1997, hoping to provide local businesses with the tools and services they would need to promote themselves on the emerging Information Super Highway. The business was founded with seed capital from friends and family and an initial investment from business angel Michael O'Regan in Oxford in early 1998 prepared the ground for growth selling websites to local businesses in Oxford, and then shortly after we began sales in Manchester and Brighton.

The business evolved a fast turnaround model for website building, including the listing of customers on local online directories, and we built up a portfolio of (local)pages.co.uk domain names which allowed us to trade under a local brand and offer local listings and content to users. Trading was choppy and the business did not achieve break even, requiring several further investments and subsequent loans from Michael O'Regan.

In early 2000 we secured £4M equity investment from Chrysalis Media Group and thought that this would pave the way for rapid growth. Unfortunately, as is the case for several internet companies of the time, the opposite happened. With input from the management of Chrysalis, the company embarked on a large-scale investment programme, opening offices, recruiting staff, and attempting to sell different products rather than focussing on a traditional organic growth model. This resulted in spiralling costs and at a certain point over £200,000 per month was being spent on maintaining the large overheads, with negligible revenues to show for the investment.

Matters came to a head when Chrysalis began to shut down their investment portfolio, and thanks to the support of Michael O'Regan once more, we came to an arrangement with Chrysalis for him to buy back their shares. With the remaining funds in the bank we had to put in place an aggressive programme of downsizing and went from c. 60 staff in 5 offices to a skeleton team working from a small office in Oxford.

Between 2003 and 2007 we tried a variety of models to re-establish a positive trading status, including launching a Local Special Offers website which was a harbinger of Groupon, and implementing white labelled directories of locations for large brands such as Europcar. However, a combination of lack of resource and trading circumstances meant that the business did not break even, relying further on loans from Michael O'Regan to bolster what income there was. The team reduced further and moved to rely on contractors for development, with James Moore being the final remaining executive Director.

Saddled with significant debt to Michael O'Regan and ongoing costs, we needed to find a way to reduce further investment in the business and keep the opportunity for revenue. In 2007 an opportunity arose to create a joint venture between Citipages Ltd and a successful telecoms owner. Skymarket Ltd. The aim was to leave the Citipages local directories in place and outsource the costs of the development by creating a new entity that would build a new directory platform, offering white labelled directory publishing not only for Citipages on a revenue share, but for other media publishers. This model would allow Citipages to remove its internal costs for management of the websites and share any revenues that could be generated using the domain name portfolio. Thus Central Index Ltd was born, a 50:50 venture between James Barrington Brown (owner of Skymarket Ltd) and Citipages Ltd as a 50% shareholder.

The business model of Central Index proved relatively effective, and it soon signed up contracts with media companies including Trinity Mirror PLC, News International, and others. The relationship with James Barrington Brown and team was somewhat strained as the parties appeared to have different agendas for the future of the business, and while there was some growth it was limited. The company achieved modest revenue and broke even but did not manage to pay a revenue share of any note to Citipages. In 2010 the opportunity arose to sell Central Index Ltd to a competitor Touch Local Ltd, and this involved a combined initial payment and a subsequent 'earn-out' on future value of contracts. In all the receipts from the sale were sufficient to cover Citipages investments into Central Index but no more.

Anyway, the parties agreed that given the resources required to scale the business, this deal was the most appropriate one and so Touch Local Ltd acquired 100% of the shares of Central Index Ltd in 2010. Part of the contract required James Moore to sign full time employment with Touch Local Ltd, and whilst ongoing non-executive Directorship of Citipages Ltd was an accepted part of the employment contract, it significantly limited any time that could be given to finding a new future for Citipages.

Citipages remained hopeful for modest revenues from James Barrington Brown between 2010 and 2014 under a new agreement, but no significant fees were forthcoming and in 2014 the parties agreed to cease any expectation of revenues from James Barrington Brown and instead Citipages signed a directory hosting contract with Touch Local Ltd (returning to the hopeful model of revenue share from fees generated by the Central Index platform).

Between 2014 and today, the Citipages domain names have hosted directories powered by the Touch Local Central Index system. In 2015, Touch Local Ltd was sold to Web.com Group Inc. a public company based in Florida, USA, and James Moore took on the role of full time Senior Vice President of Business Development. However, only a small volume of revenue has been forthcoming from the directories hosted by Web.com, as the massive evolution in online local search and the general increase in competition for local eyeballs has relegated the Citipages domain network to a low traffic environment.

Whilst in and of itself, the possible application of the domain portfolio remains something that a suitably resourced individual or company might enjoy, we have been unable to find a buyer for the company or for the domain names, and unable to find a suitable revenue model without further investment.

Given the ongoing costs of maintenance of the domain portfolio, and the lack of resources available both in terms of time and development, we have come to the conclusion that ongoing trading of Citipages Ltd is unlikely, and so are moving to dissolve the company. The only remaining asset being the domain names, these are to be transferred, at our best estimate of market value, to our major creditor Michael O'Regan.

The above is my fair and accurate statement of the history of Citipages Ltd, and the circumstances that have led to our decision to dissolve the business.

3. Statement of Affairs

The assets and liabilities of the liquidation estate as disclosed in the director's Estimated Statement of Affairs were as follows:

	Book Value £	Estimated to Realise £
<u>Assets</u>		
Cash at Bank	4,270.53	4,270.53
	<u>4,270.53</u>	<u>4,270.53</u>
<u>Liabilities</u>		
SECURED BY FLOATING CHARGE Mr M O'Regan		645,156.00
UNSECURED CREDITORS Director		1,000.00
		<u>646,156.00</u>
<u>Deficiency as regards Creditors</u>		<u>£641,885.47</u>

4. Receipts & Payments Account

My receipts and payments account for the liquidation is attached. All figures on the account are shown net of VAT.

5. Assets and Realisations

Cash at Bank

The company held a bank account with Barclays Bank Plc, which at the date of liquidation had a credit balance £4,265.01.

On appointment, I closed the account and the balance was transferred to a new account opened in respect of the liquidation with Handelsbanken.

Director's Contribution

Prior to the company entering liquidation, the director agreed to personally contribute toward the costs of the winding-up. The details of that arrangement fall outside the scope of the liquidation, but I can confirm that contributions totalling of £234.99 have been received. No further sums are due.

Bank Deposit Interest

Gross interest of £0.41 has been earned on funds held in the liquidation account.

6. Payments to Date

The majority of payments on the attached account are self-explanatory, and I will comment only on the following:

6.1 Preparation of Statement of Affairs, the Deemed Consent Procedure and General Advice

On 13th January 2020, approval from creditors was sought for my firm's fees of £4,500.00 specifically in relation to the convening of the Decision Procedure and assisting the director with the Statement of Affairs. This was obtained on 30th January 2020, with all known creditors voting in favour of the pre-liquidation fees.

Due to the level of realisations achieved, I have only been able to draw £4,161.11 against those fees.

6.2 Liquidator's Remuneration

As there was no prospect of realising sufficient assets to allow me to be remunerated for my work once appointed, no attempt was made to fix the basis of the Liquidator's remuneration.

6.3 Liquidator's disbursements

Various payments have been made during the winding up in respect of statutory requirements.

The sum of £30.00 was paid to AUA Insolvency Risk Services Limited for the Liquidator's Bond of Specific Penalty, the cost of which is based on the value of the assets under the Liquidator's control.

£257.55 has been paid to date for advertising in the London Gazette to conform with the statutory requirements of the insolvency legislation.

In order to meet current Money Laundering requirements, I carried out Smart Searches on the current shareholder and director costing £15.65.

Postage totalling £36.10 was repaid to my firm in respect of the cost of franking circulars to members and creditors.

Necessary expenses of the liquidation such as these that are recharged to the case at cost are classed as 'Category 1' disbursements and do not require approval.

However, costs recharged to the case that are capable of including an element of profit or a share of overhead cost are classed as 'Category 2' disbursements and require creditors' approval. No Category 2 disbursements have been recharged to this case.

7. Books and Records

The director delivered the company's books and records to my office. These were retained to carry out my investigations and remain here until 12 months after the date of dissolution, when they will be destroyed.

8. Investigation

One of my duties as Liquidator is to investigate the causes of the company's failure, and to examine the company's records for any antecedent transactions that could possibly be reversed to increase realisations for creditors, such as preferences or transactions at an undervalue as described in Sections 238 and 239 of the Insolvency Act 1986. Whilst my investigation may produce additional funds for creditors, this is in no way guaranteed.

One of the purposes of the investigation is to assist me in reporting to the Insolvency Service on the conduct of those who acted as a director of the company during the three years prior to liquidation, as required under the Company Disqualification Act 1986. This does not have any direct benefit for creditors but is important for the regulation of those who hold the office of director and is ultimately in the public interest.

I can confirm that I carried out my investigation into the company's affairs and the circumstances leading to the company's failure, in this case I undertook the following:

- I recovered, listed and reviewed the company's accounting records.
- Obtained copy bank statements from the company's bankers, reviewed and analysed those for the period covering six months prior to the date of liquidation.
- Comparing the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation.

Having concluded my investigations, I am satisfied I am satisfied that there are no potential causes of action against third parties which, if pursued, would increase recoveries for creditors.

9. Creditors

9.1 Secured Creditors

Michael O'Regan held a fixed and floating charge over the company's assets which was created on 25th November 2002 and registered on 16th December 2002.

At as the date of liquidation, the company owed £645,156.00 under the charge.

No payments have been made to the secured creditor.

9.2 Preferential Creditors

The directors had advised that there were no preferential creditors. No preferential creditor claims have been received during the course of the liquidation.

9.3 The Prescribed Part

There were no known floating charges created or registered in respect of the company on or after 15th September 2003 to which the prescribed part provisions of Section 176A of the Insolvency Act 1986 would apply.

9.4 Unsecured Creditors

The Statement of Affairs listed one non-preferential unsecured creditor with an estimated liability of £1,000.00.

To date, I have received claims from two creditors with claims totalling £645,156.00. Those relate to the director's claim of £1,000.00 and the secured creditor's claim for £654,156.00 in respect the shortfall expected to be received under their charge. Unless specifically requested, these have not been formally agreed.

10. Estimated Outcome

There are insufficient funds to pay a dividend to creditors and formal notice of this has been provided.

11. Completion of the winding up

As all matters in relation to the liquidation have been concluded, I am delivering this, my final account, to creditors, together with a Notice under Rule 6.28 of the Insolvency (England & Wales) Rules 2016 that I intend to deliver my final account to the Registrar of Companies on **10th December 2020**.

If there are no objections from creditors during the intervening period, I will be released as Liquidator under Section 171(6) of the Insolvency Act 1986 from the date my final account is delivered to the Registrar.

If members should have any queries, please do not hesitate to contact the case manager, Joe Whiley (tel: 01793 818338 or email: joe.whiley@monahans.co.uk).

Dated: 13th October 2020



Steve Elliott MIPA
Liquidator


Appendix 1

**Citipages Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments
To 13 October 2020**

RECEIPTS	Statement of Affairs (£)	Total (£)
Cash at Bank	4,270.53	4,265.01
Director's Contribution		234.99
Bank Interest Gross		0.41
		<hr/>
		4,500.41
		<hr/>
PAYMENTS		
Premium on Indemnity Bond		30.00
Preparing S.o.A & Convening Decision		4,161.11
Postage		36.10
AML - SmartSearches		15.65
Statutory Advertising		257.55
Mr M O'Regan	(645,156.00)	0.00
Directors	(1,000.00)	0.00
Ordinary Shareholders	(5,212.50)	0.00
		<hr/>
		4,500.41
		<hr/>
Net Receipts/(Payments)		0.00
		<hr/>

MADE UP AS FOLLOWS

0.00



Steve Elliott
Liquidator

Appendix 2

Citipages Limited – In Creditors' Voluntary Liquidation

Summary of work undertaken in the liquidation

Time is recorded to a case in units and each unit comprises 6 minutes. The time cost categories usually include the following:

Activity	Examples of Work
Administration & Planning	Case review & case diary management Strategy planning & control IPS set up & maintenance Cashiering & accounting Statutory matters (meetings, reports and notices)
Asset Realisation	Identifying, securing, insuring assets Retention of title claims Property, business & asset sales
Creditors & Employees	Communication with creditors Creditors' claims Dealing with pension
Book Debts	Book debt collection
Investigations	SIP2 review CDDA report Investigations (antecedent transactions)

Work carried out specific to the case

Administration & Planning

- Notifying creditors and various HMRC offices of appointment
- Filing Notice of Appointment, Statement of Affairs and company resolutions at Companies House
- Advertising Notice of Appointment, Notice to Creditors and company resolutions in London Gazette
- Search of Pension Protection Fund website and accounts for any pension schemes in company's name
- Considering and preparing strategy
- Regular file reviews
- Preparation of fee report and circulating to creditors
- Preparation of final account, circulating to creditors and filing at Companies House

Asset Realisation

- Working with closely with director and agents to achieve sale of the company's assets

Creditors

- Dealing with creditors' enquiries by letter, telephone and via email
- Recording claims received
- Correspondence with HM Revenue & Customs regarding sums due in respect of outstanding PAYE/NIC, VAT and Corporation Tax

Summary of work undertaken in the liquidation (continued)

Statutory

- Investigation in accordance with Statement of Insolvency Practice 2
- Report under the Company Directors Disqualification Act 1986

As part of investigation:

- Considering the course the investigation should take to most benefit creditors
- Review of company's books and records
- Analysis of bank transactions, wage records etc.
- Correspondence with company's former bank
- Establishing that the sale of vehicle prior to liquidation was for value
- Investigation of specific matters following review of records and requests from creditors
- Correspondence by letter and email with directors to obtain additional information and responses to matters raised

Miscellaneous

- Completion of VAT returns, eventual deregistration and recovery of input VAT thereafter
- Submission of liquidation period corporation tax return

Appendix 3

Summary of Rules 18.9 & 18.34 of the Insolvency (England & Wales) Rules 1986

Creditors' requests for further information about a Liquidator's remuneration or expenses

Under Rule 18.9, within 21 days of receipt of a progress report or a final account a creditor may request that the Liquidator provides further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made by:

- a secured creditor, or
- an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- any unsecured creditor with the permission of the court.

If the Liquidator refuses to provide the information requested within 14 days, any creditor has a further 21 days to apply to the court for an order requiring the Liquidator to comply.

Creditors' claims that remuneration is or other expenses are excessive

Under Rule 18.34, where

- a secured creditor, or
- an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
- any unsecured creditor with the permission of the court

believes that the remuneration and/or expenses of the Liquidator are excessive or that the basis of the Liquidator's remuneration is inappropriate, they may apply to the court provided certain conditions are met.

Any application must be made within 8 weeks of the applicant receiving the progress report or final account which first reports the charging of the remuneration or the incurring of the expenses in question.

The court may dismiss the application if it considers that insufficient grounds are shown for a reduction. If the court considers the application is justified it must make one of the orders set out in Rule 18.36(4).

The costs of the application must be paid by the applicant unless the court orders otherwise.
