

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 7 2 1 5 5 4

Company name in full Swing City Music Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Thomas

Surname Grummitt

3 Liquidator's address

Building name/number c/o Bridgewood Financial Solutions Limited

Street Cumberland House, 35 Park Row

Post town Nottingham

County/Region

Postcode N G 1 6 E E

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.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 0	^d 4	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1				
To date	^d 0	^d 3	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature 											
Signature date	^d 0	^d 3	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2				

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Presenter information

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

Contact name

Company name **Bridgewood Financial Solutions Ltd**

Address **Cumberland House
35 Park Row**

Post town **Nottingham**

County/Region

Postcode **N G 1 6 E E**

Country

DX

Telephone **0115 871 2940**



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



In the matter of

**Swing City Music Limited (“the Company”)
In Creditors’ Voluntary Liquidation**

Liquidator’s Progress Report

3 October 2022

**Thomas Grummitt
Liquidator**

**Bridgewood Financial Solutions Limited
Cumberland House
35 Park Row
Nottingham
NG1 6EE
Telephone: 0115 871 2934
Email: charlotte.stuckes@bridgewood.co.uk**

Contents

Sections

1. Purpose of Report
2. Progress of the Liquidation in the Previous Twelve Months
3. Details of what Remains to be Done and Matters Preventing Closure
4. Liabilities and Dividends
5. Receipts and Payments Summary
6. Pre Appointment Remuneration
7. Liquidator's Remuneration
8. Liquidator's Expenses
9. Creditors' Right to Information and Ability to Challenge Remuneration and Expenses
10. Further Information

Appendices

- A. Statutory, Dividend and Other Information
- B. Receipts and Payments Account
- C. Charge Out Rates, Disbursement Rates and Charging Policy
- D. Time Cost Analysis and Summarised Original Fees Estimate

The following abbreviations may be used in this report:

Bridgewood	Bridgewood Financial Solutions Limited
The Company	Swing City Music Limited
The Liquidator	Thomas Grummitt
The Period	The reporting period 4 August 2021 to 3 August 2022
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying Floating Charge Holder
HMRC	HM Revenue and Customs
Agents	KEL – Knighton Evans Limited

1. Purpose of Report

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies, with information relating to the progress of the Liquidation in the period from 4 August 2021 to 3 August 2022, known as "the Period".

This report has been prepared solely to comply with the requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Liquidator nor Bridgewood, accept any liability whatsoever arising as a result of any decision or action, taken or refrained from, as a result of information contained in this report.

2. Progress of the Liquidation in the Previous Twelve Months

There is certain work I am required to undertake in accordance with legislation which provides no financial benefit to creditors. A description of this routine administrative work has been previously provided.

In addition, during the Period, all Company cash at bank was transferred to the Liquidation account and all remaining machinery and equipment was sold. I have submitted claims to the Redundancy Payments Service, with reference to outstanding amounts owed to former employees, conducted investigations into the conduct of the directors and have submitted my director conduct report to the Insolvency Service. Further details of this work are below.

Realisation of Assets

Machinery and Equipment

The Company's remaining machinery and equipment was professionally valued by KEL and was estimated to realise £6,000. The director offered to purchase these assets and their offer of £5,000 plus VAT was accepted on the advice of KEL.

VAT Refund

The director confirmed a VAT refund of £1,534.26 was due to the Company. These funds were received by the Company prior to Liquidation and then transferred to a Bridgewood Client Account. As can be seen from the attached receipts and payments account, the funds were transferred over to the liquidation bank account in the Period.

Cash at Bank

£2,820.91 was the balance of the funds held by the Company after the deduction of Bridgewood's agreed fee in respect of the instructions given to prepare a statement of affairs and seek a decision from the creditors on the appointment of Liquidators. As can be seen from the attached receipts and payments account, the remaining funds were transferred over to the liquidation bank account in the Period.

No further assets have been realised since the end of the Period and all known realisable assets have now been realised.

Connected Party Transactions

On 25 June 2021, a valuation of the assets of the Company was prepared by Knighton Evans Ltd, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

On 17 August 2021, I sold the Company's machinery and equipment to the director, David Foster, for £5,000 plus VAT, having taken advice from KEL on the merits of the director's offer.

As Liquidator I have a duty under Statement of Insolvency Practice 13, to explain the reasons for selling assets to a connected party.

The alternatives considered by the Liquidator are identified as follows:

1. Uplift the assets and sell at a public auction.
2. Conclude a sale of the assets from their location to a third party.

Uplift

Issues with this method were as follows:

- Costs to remove the assets and transport to the auction house.
- Storage costs of the assets until they were sold at auction.
- Risk that the assets would not sell at auction and create further costs.

Sale of Assets on Site

Issues with this method were identified as follows:

- Agents costs to advertise and supervise any on site sale would be incurred

Reasons to Accept the Offer from the Connected Party

Having reviewed the various options, the costs of the alternatives were considered prohibitive and therefore, a sale was made to the connected party. The connected party was responsible for the costs of uplifting, further enhancing realisations. As a result, the offer accepted represented a greater return to creditors than the alternatives available. There were no other interested parties in the assets.

Date of Transaction	Assets Involved & Nature of Transaction	Consideration Paid & Date	Sold to	Relationship
17 August 2021	Machinery & Equipment	£5,000 – Paid December 2021	David Foster	Director

All assets have now been realised.

Investigations

In accordance with my statutory obligations, I have filed the appropriate documentation with the Department for Business, Energy and Industrial Strategy in relation to the conduct of the Directors.

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 account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, 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 the changes.

I can advise you that, following my initial assessment, further investigations were undertaken in relation to potential illegal dividends, in particular after receipt of a bounce back loan. I would confirm that these investigations are currently ongoing.

3. Details of what Remains to be Done and Matters Preventing Closure

Assets Remaining to be Realised

There are no assets remaining to be realised.

Other Outstanding Matters

Ongoing investigations as mentioned above.

4. Liabilities and Dividends

Dividend prospects and projected returns to creditors, where known, are attached at Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The agreement of creditors' claims by the Liquidator is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company had no charges over its assets.

The legislation requires that if the Company has created a floating charge 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.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986.

Preferential Creditors

There are no preferential creditors in this matter.

Secondary Preferential Creditors

There are no secondary preferential creditors in this matter.

Non-Preferential Unsecured Creditors

The statement of affairs included 3 non-preferential, unsecured creditors with an estimated total liability of £56,692.47. I have received claims from all 3 creditors, totalling £56,805.58.

Based on current information, a dividend will not be declared to non-preferential unsecured creditors, as the funds realised have been used to make payments to meet the expenses of the Liquidation.

5. Receipts and Payments Summary

My receipts & payments account for the period from 4 August 2021 to 3 August 2022 is attached at Appendix B.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HMRC shown separately.

The balance of funds is held in an interest bearing, estate bank account.

6. Pre Appointment Remuneration

The creditors previously authorised the payment of a fee of £5,000 for my assistance with preparing the Statement of Affairs and arranging the decision procedure, for creditors to appoint a Liquidator.

The fee for preparing the Statement of Affairs and arranging the decision procedure for creditors to appoint Liquidators was paid by the Company prior to our appointment. As such, it is not showing on the receipts and payments account.

The pre-appointment expenses of £83 for advertising have also been paid and are shown on the enclosed receipts and payments account.

7. Liquidator's Remuneration

My remuneration was approved on a time cost basis based on a fees estimate of £14,835.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate, without first seeking approval from the creditors.

My time costs for the Period amount to £10,791.50, representing 60.25 of hours work, at an average charge out rate of £179.11 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £200.47 in my fees estimate. A detailed schedule of my time costs incurred in the Period, compared with my summarised original fees estimate, is attached as Appendix D.

I have drawn £8,363.00 in the Period. This is in line with the maximum fee cap that I can take of £14,835.00.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

8. Liquidator's Expenses

Expenses Charged to the Case as Showing on the Receipts and Payments Account

	Original estimate £	Amount incurred in the Period £	Amount paid in the Period £
Category 1 Expenses			
Bond	20.00	30.00	30.00
Statutory Advertising	166.00	166.00	166.00
Pension Agent's Fee	350.00	NIL	NIL
Agent's Fee	500.00	NIL	NIL
Total	1,036.00	196.00	196.00
Category 2 Expenses			
Postage	5.00	NIL	NIL
Total	5.00	NIL	NIL

Please see Appendix C for our charge out rates and charging policy.

The following agents or professional advisors have been instructed during the Liquidation.

Professional Advisor	Nature of Work	Basis of Fees
EPE Reynell	Statutory Advertising	Fixed Fee £166.00

Payments made to these advisors versus any original estimate are included in the above tables.

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.

9. Creditors' Right to Information and Ability to Challenge Remuneration and Expenses

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

10. Further Information

To comply with the Provision of Services Regulations, some general information about the Company can be found at Appendix A.

The Liquidation will remain open until all investigations have been fully resolved. I estimate that this will take approximately 3-6 months and once resolved the Liquidation will be finalised and our files will be closed.

Data Protection

In order to comply with data protection legislation, please be advised that, our privacy notice in accordance with the General Data Protection Regulation ('GDPR') can be found at <https://www.bridgewood.co.uk/insolvency-practitioner-privacy-policy.html>

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 Charlotte Stuckes on 0115 871 2934, or by email at charlotte.stuckes@bridgewood.co.uk.



Thomas Grummitt
Liquidator

Appendix A

Statutory, Dividend and Other Information

Company Name	Swing City Music Limited
Trading Name	N/A
Company Number	05721554
Trading Address	35 Middleton Road, Mill End, Rickmansworth, WD3 8JE
Registered Office	Cumberland House, 35 Park Row, Nottingham, NG1 6EE
Former Registered Office	35 Middleton Road, Mill End, Rickmansworth, WD3 8JE
Principal Trading Activities	Performing Arts
Liquidator	Thomas Grummitt
IP Numbers	25976
Date of appointment:	4 August 2021
Correspondence Contact Details	Charlotte Stuckes, Tel: 0115 871 2934, charlotte.stuckes@bridgewood.co.uk Bridgewood Financial Solutions Limited, Cumberland House, 35 Park Row, Nottingham, NG1 6EE

Dividends	Owed	Paid	Date Paid
Secured creditor	N/A	N/A	N/A
Preferential creditors	N/A	N/A	N/A
Secondary Preferential creditors	N/A	N/A	N/A
Unsecured creditors	£56,692.47 (As per the Statement of Affairs)	NIL	N/A
Estimated net property	N/A	N/A	N/A
Prescribed part for unsecured creditors	N/A	N/A	N/A

Appendix B

Receipts and Payments Account

To 03/08/2022

S of A £		£	£
	ASSET REALISATIONS		
6,000.00	Machinery & Equipment	5,000.00	
1,534.26	VAT Refund	1,534.26	
2,820.91	Cash at Bank	2,859.32	
	Bank Interest Gross	<u>0.09</u>	
			9,393.67
	COST OF REALISATIONS		
	Specific Bond	30.00	
	Office Holders' Fees	8,363.00	
	Pre Appointment Advertising	83.00	
	Post Appointment Advertising	<u>166.00</u>	
			(8,642.00)
	UNSECURED CREDITORS		
(6,692.47)	Employees (estimated)	NIL	
(50,000.00)	Banks/Institutions	<u>NIL</u>	
			NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	<u>NIL</u>	
			NIL
(46,339.30)			<u><u>751.67</u></u>
	REPRESENTED BY		
	Bank 1 Current		591.02
	Vat Control Account		160.65
			<u><u>751.67</u></u>

Appendix C

Bridgewood Financial Solutions Limited Charge Out Rates and Expenses Policy

In accordance with the Statement of Insolvency Practice regulating the payment of fees and expenses to insolvency office holders and their associates, we are required to disclose to you our policy in relation to certain expenses paid from insolvent estates during our administration of those estates, and the charge out rates for the various grades of staff who may be involved in our administration of those estates where our fees have been agreed on a time-cost basis.

Hourly Charge Out Rates

Staff Grade	Rate (£) From 1 May 2016	Rate (£) From 1 January 2019	Rate (£) From 1 January 2020	Rate (£) From 1 February 2022
Partner/ Insolvency Practitioner	300	300	350	350
Manager	200	250	250	250
Assistant Manager	-	220	220	220
Senior Administrator	180	195	195	195
Administrator	120	145	145	145
Secretarial/Cashier	50	50	50	125

All staff are allocated an hourly charge out rate which is reviewed from time to time. The rates are applied consistently across all insolvency appointments and presented for approval of creditors or the creditors' committee as appropriate.

Time spent on a case is recorded directly using a time recording system. This is allocated in units of no more than 6 minutes. Time billed is subject to Value Added Tax ("VAT") at the applicable rate, where appropriate.

Work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience required to perform it.

Expenses (Including Disbursements)

Statement of Insolvency Practice 9 defines 'expenses' as all payments from an insolvent estate which are not office holder's fees or distributions to creditors and/or members.

Expenses do not include overheads of the officeholder's firm, as they are covered by office holder's fees. Expenses must be directly attributable to the estate from which they are paid.

Expenses are subject to VAT at the applicable rate, where appropriate.

'Expenses' include disbursements, which are payments made by an office holder or their firm and then reimbursed to the office holder or their firm from estate funds. Payments are typically made by an office holder or their firm, rather than directly from an estate, because there are insufficient funds in an estate at the time the payment becomes due, or for reasons of practicality or convenience.

Statement of Insolvency Practice 9 divides expenses into two categories.

Category 1 expenses: These are payments to persons providing a service to which an expense relates, who are not an associate of the office holder. Category 1 expenses can be paid without prior approval from those responsible for approving office holder's fees.

Category 2 expenses: These are payments made from an estate to the office holder or an associate (including their firm), or payments made related to costs which are shared with other estates and which can be allocated on a reasonable and proper basis to a specific estate. Category 2 expenses require approval from those responsible for approving office holder's remuneration whether or not they are paid directly from the estate or as a disbursement.

When seeking approval of category 2 expenses, an office holder should explain for each expense the basis on which the expense is being charged to the estate.

Our policy in relation to category 2 expenses and the basis on which we will charge these expenses to an estate, with the approval of the relevant body, is as follows. If you are a party responsible for approving office holder's fees and category two expenses, by agreeing that we can pay category two expenses, you are agreeing with the basis of charge set out below.

- | | |
|----------|---|
| Storage: | Each month, or sometimes less frequently, our external storage provider, who is not an associate of the officeholder or of this firm, provides an invoice for all boxes of records stored by them pertaining to all Bridgewood matters. The total cost is divided by the total number of boxes in storage to get a price per box and a charge is then applied to a specific insolvent estate according to the number of boxes in storage which relate to that particular estate |
| Postage: | All post is sent via Royal Mail. We use a pre-paid franking machine to frank-mark each item of mail with the class of post being used, the price of the item and the date of postage. When we frank-mark each item of mail, we record the expense incurred per item and allocate that expense to the estate to which the item of mail relates |
| Mileage: | 45 pence per mile travelled by car |

Appendix D

Time Cost Analysis and Summarised Original Fees Estimate

Liquidator's time cost analysis for the Period from 4 August 2021 to 3 August 2022.

From: 04/08/2021 To: 03/08/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Administration & Planning	3.25	0.00	16.10	18.70	38.05	6,299.50	165.56	38.05	6,299.50
Creditors	0.40	0.00	0.00	3.60	4.00	662.00	165.50	4.00	662.00
Investigations	4.50	0.00	2.50	8.60	15.60	3,309.50	212.15	15.60	3,309.50
Realisation of Assets	0.70	0.00	0.00	1.90	2.60	520.50	200.19	2.60	520.50
Total Hours / Costs	8.85	0.00	18.60	32.80	60.25	10,791.50	179.11	60.25	10,791.50
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			

FEES ESTIMATE SUMMARY

Swing City Music Limited	
The hourly charge out rates that will be used on this case are:	
	£
Partner/Appointment Taker	350.00
Manager	250.00
Assistant Manager	220.00
Supervisor/Senior Administrator	195.00
Case Administrator	145.00
Cashier	50.00
The expenses that will be incurred on this case are:	
	£
Statutory Advertising	166.00
Bond	20.00
Postage (category 2)	5.00
Pension Agent Fees	350.00
Agents Fees	500.00
Total:	1,041.00

ADMINISTRATION AND PLANNING

These tasks are of no financial benefit to creditors but are required to be completed by statute.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	47.30	£9,780.00
Average Hourly Charge Out Rate:		£206.77

INVESTIGATIONS

These tasks are of financial benefit to creditors, subject to costs.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	14.50	£2,830.00
Average Hourly Charge Out Rate:		£195.17

REALISATION OF ASSETS

These tasks are of financial benefit to creditors but are subject to costs.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	3.60	£645.00
Average Hourly Charge Out Rate:		£179.17

CREDITORS

These tasks are of no financial benefit to creditors but are required to be completed by statute.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	8.60	£1,580.00
Average Hourly Charge Out Rate:		£183.72

Please note the following:

A blended charge out rate has been used.

GRAND TOTAL FOR ALL CATEGORIES OF WORK	74.00	£14,835.00
Average Hourly Charge Out Rate:		£200.47