

Board of Directors Approval of Explanatory Information

**Raw Gym UK Ltd trading as Fitness Space Marlborough ("the company")
Company Registration Number: 09953122**

The Board of Directors ("the Board") of the above-named Company confirm that the attached explanatory information to be delivered to the creditors is approved and reflects the information to the best of the Board's knowledge and belief.

Signed:



For and on behalf of the Board

Name:

Mr Steven Michel Zoghob

Position held:

Director

Dated:

05 January 2024

Explanatory information for the creditors of

**Raw Gym UK Ltd trading as Fitness Space Marlborough ("the company")
Company Registration Number: 09953122**

This explanatory information is designed to supplement the Statement of Affairs prepared by the Director and to provide creditors with sufficient information so that they can make an informed decision in respect of the appointment of a Liquidator.

STATUTORY INFORMATION

The Company was incorporated on 15 January 2016 in the name Raw Gym UK Ltd and the Company Registration Number is 09953122.

The Company has not had any other names since incorporation.

The Company's business was a fitness facility and it traded under the style Fitness Space Marlborough.

The registered office has been located as follows:

From	To	Registered Office Address
21.07.2021	date	C/O Lime Corporate Finance Ltd Embassy Offices, Stangate House, Stanwell Road, Penarth, Vale Of Glamorgan, CF64 2AA
19.01.2021	21.07.2021	C/O Lime Corporate Finance Ltd, Capital Tower, Greyfriars Road, Cardiff, South Glamorgan, CF10 3AE
16.11.2020	19.01.2021	9 Stratfield Park, Elettra avenue, Waterlooville, PO7 7XN

The authorised share capital is ordinary shares of £1 each, of which all have been issued and fully paid as follows:

Name of member	Ordinary
Mr John Wootton	Ordinary: 10
Mr Michael Leonard Hatton	Ordinary: 45
Mr Steven Michel Zoghob	Ordinary: 45

Aside from the formation agents, the officers of the Company have been as follows:

Name	Position	Appointed	Resigned
Mr Steven Michel Zoghob	Director	20.10.2020	NA
Mr Alexander Van Der Wheater	Director	15.01.2016	10.11.2020

Signed: 

OTHER INFORMATION

Bankers: Metro Bank Plc

Security held: None

Accountants: Cadre Advisory

HISTORY

Raw Gym UK Ltd was incorporated 15th January 2016 and started trading August the same year.

I, Steve Zoghob, took over from Alex Wheater as Director in October 2020 to prevent closure of the business.

I attempted to restructure historic debts however with the Covid pandemic and subsequent rebuilding of club membership has resulted in the Company being unable to pay these debts.

After a meeting with my accountant the decision was made at the beginning of October to consult with Hawkins insolvency Limited to understand the options available to allow the gym to remain open and honour memberships of our 200 current members.

I met with Samantha Hawkins 30th October 2023 who confirmed the company was insolvent.

It became apparent keeping the Company open wasn't an option and so the decision was made to liquidate the Company.

The Company ceased to trade on 31 December 2023.

TRADING RESULTS

The most recent accounts prepared for the company show:

ABBREVIATED ACCOUNT	PROFIT & LOSS		Unaudited accounts	Unaudited accounts
			Y/E 31.01.2023	Y/E 31.01.2022
Turnover			79,382	105,429
Cost Of Sales			<u>(12,137)</u>	<u>(8,541)</u>
Gross Profit			67,245	96,888
Administration Expenses			(64,487)	(147,106)
Other operating income			<u>20,515</u>	<u>52,719</u>

Signed: 

Operating Profit	23,273	2,501
Interest Receivable and Similar Income	-	7
Interest Payable and Similar Charges	<u>(13,675)</u>	<u>-</u>
Profit on Ordinary Activities before Taxation	9,598	2,508
Tax on Profit on Ordinary Activities	<u>-</u>	<u>-</u>
Profit for the financial year	<u>9,598</u>	<u>2,508</u>

ABBREVIATED BALANCE SHEET

	Y/E 31.01.2023	Y/E 31.01.2022
Fixed Assets		
Tangible Assets	<u>11,155</u>	<u>15,056</u>
Current Assets:		
Debtors	62,364	29,224
Cash at Bank and in Hand	<u>777</u>	<u>6,259</u>
Creditors: amounts falling due within one year	<u>(323,954)</u>	<u>(300,456)</u>
Net Current Liabilities	<u>(260,813)</u>	<u>(264,973)</u>
Total Assets Less Current Liabilities	(249,658)	(249,917)
Creditors: amounts falling due after more than one year	(38,886)	(48,225)
Net Liabilities	<u>(288,544)</u>	<u>(298,142)</u>
Capital and Reserves		
Called Up Share Capital	100	100
Profit and Loss Account	<u>(288,644)</u>	<u>(298,242)</u>
Shareholders' Funds	<u>(288,544)</u>	<u>(298,142)</u>

INSOLVENCY

The Director attributes the failure of the company to:

Signed: 

- Historic debt
- Covid pandemic

The Director were advised by the Company's accountant to seek advice from an Insolvency Practitioner. Hawkins Insolvency Limited were instructed by Steven Zoghob on 12 November 2023 to assist in preparing a Statement of Affairs, convening a meeting of the company's members, and seeking a decision from the creditors on the appointment of a Liquidator.

£6,000 plus VAT has been paid by the Company to Hawkins Insolvency Limited in respect of the instructions given to prepare a Statement of Affairs and seek a decision from the creditors on the appointment of a Liquidator.

STATEMENT OF AFFAIRS

Hawkins Insolvency Limited assisted the Director in preparing an Estimated Statement of Affairs. A copy of the Estimated Statement of Affairs was delivered to creditors with this explanatory information on 12 January 2024.

INSOLVENCY PRACTITIONERS' COMMENTS ON THE STATEMENT OF AFFAIRS

Samantha Hawkins of Hawkins Insolvency Limited would comment on the Statement of Affairs as follows:

Assets

Cash in clients' account

The sum of £279.52 is held in a clients' account controlled by Hawkins Insolvency Limited. These funds represent funds deposited for the expenses of the liquidation.

Liabilities

Secured Liabilities

There are provisions of the insolvency legislation that require Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Liquidator has to set aside:


- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property

up to a maximum of £600,000.

As there are no charges registered over the assets of the company, the prescribed part provisions will not apply.

Preferential Liabilities

The Company had employed 1 member of staff and it is understood that monies will be owed to them in respect of outstanding holiday pay and wages. The outstanding holiday pay and wages of employees are, subject to statutory limits, preferential claims in the Liquidation.

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HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. It is estimated that £137,047.43 is owed to HM Revenue & Customs in respect of secondary preferential debts, as follows:

Liability	Period	Amount
VAT		£ 137,047.43 <u>137,047.43</u>

Unsecured Liabilities

Employees - It is anticipated that monies will be owed to employees in respect of redundancy pay, pay in lieu of notice and arrears of wages.

Banks & Institutions – Metro Bank Plc is owed approximately £50,000 in respect of a Bounce Back Loan.

Comments on Material Transactions in the previous 12 months

The Director has indicated that, during the 12 months prior to the winding up resolution no material transactions, other than in the ordinary course of business, have taken place involving the company.

Deficiency Account

A deficiency account is attached for the period from 31 January 2023 to 05 January 2024.

Signed: 

ESTIMATED DEFICIENCY ACCOUNT

for the period from 31 January 2023 to 05 January 2024

	£	£
Profit and Loss Account Balance at 31 January 2023 (Unaudited accounts)		9,598
		<hr/>
		9,598
Book Debts	(62,364)	
Fixtures & Fittings	(11,155)	
		<hr/>
		(73,519)
		<hr/>
		(63,519)
ESTIMATED TRADING PROFIT/ (LOSS) FOR THE PERIOD 31 January 2023 to 05 January 2024		(127,778)
DEFICIENCY AS PER ESTIMATED STATEMENT OF AFFAIRS		<u><u>(191,297.43)</u></u>

Signed: 