

The Insolvency Act 1986

**2.24B****Administrator's progress report**

Name of Company  Fitness First for Women Limited	Company number  03753792
In the Companies Court, Chancery Division, High Court of Justice	Court case number 4502 of 2012

We, Brian Green  
KPMG LLP  
St James' Square  
Manchester  
M2 6DS  
United Kingdom

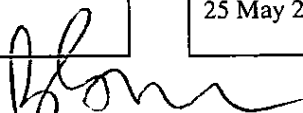
and

Richard Dixon Fleming  
KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

Administrators of the above company attach a progress report for the period

from	to
1 December 2012	25 May 2013

Signed

  
Brian Green - Joint Administrator

Dated

29 May 2013

**Contact Details:**

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

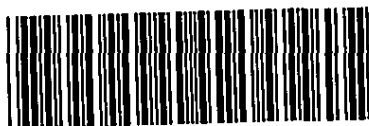
Chris Davison KPMG LLP St James' Square Manchester M2 6DS United Kingdom DX Number DX 724620 Manchester 42	Tel 0161 838 4693 DX Exchange
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When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE

# Notice of conduct of business by correspondence

Name of Company

Fitness First for Women Limited

Company number

03753792

In the Companies Court, Chancery Division, High Court of Justice

[full name of court]

Court case number

4502 of 2012

Notice is hereby given by

Brian Green

Richard Dixon Fleming

("the administrators") of

KPMG LLP  
St James' Square  
Manchester  
M2 6DS

KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

to the unsecured creditors of Fitness First for Women Limited, KPMG LLP, St James' Square, Manchester M2 6DS that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is a resolution for your consideration. Please indicate below whether you are in favour or against this resolution.

This form must be received at KPMG LLP, St James' Square, Manchester M2 6DS by 12 00 hours on 12 June 2013 in order to be counted. It must be accompanied by details in writing of your claim if no claim has been yet been submitted. Failure to do so will lead to your vote(s) being disregarded.

*Resolution (1) That the Joint Administrators will be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators, pursuant to Paragraph 98(1) of Schedule B1 to the Act.*

For / Against

## TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor \_\_\_\_\_

Signature of creditor \_\_\_\_\_

(If signing on behalf of creditor, state capacity e.g. director / solicitor)

If you require any further details or clarification prior to returning your votes, please contact us at the address above.

Signed



Brian Green - Joint Administrator

Dated 29 May 2013



**Fitness First for Women Limited  
(in Administration)**

**Final progress report**

**Report to creditors pursuant to Rules 2.47 & 2.110 of  
the Insolvency Rules 1986 (as amended)**

KPMG LLP

29 May 2013

*This report contains 10 pages*

*Appendices contain 8 pages*



## **Notice: About this report**

This report has been prepared by Brian Green and Richard Dixon Fleming, the Joint Administrators of Fitness First for Women Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 (as amended) on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Fitness First for Women Limited. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person who chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Brian Green is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Fitness First for Women Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the Administration.



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## Glossary

Act	Insolvency Act 1986 (as amended)
Administration	The Administration Order granted by the High Court of Justice, Chancery Division, Companies Court in respect of Fitness First for Women Limited dated 1 June 2012 Court case number 4502 of 2012
Company	Fitness First for Women Limited (in Administration)
CVL	Creditors' voluntary liquidation
The Director	Timothy Newman
FFC	Fitness First Clubs Limited
Joint Administrators/ Administrators	Brian Green and Richard Dixon Fleming of KPMG LLP
KPMG	KPMG LLP
Period	1 December 2013 to 25 May 2013
VAT	Value Added Tax

The references in this report to Sections, Paragraphs or Rules refer to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively (all as amended)

## 1 **Executive summary**

This final progress report covers the period from 1 December 2012 to 17 May 2013

The Administrators' statement of proposals was approved on 6 August 2012 and has not been modified

There was no prospect of either saving the Company or of a sale of the business and the Administrators' role has been limited to the realisation of the remaining assets and mitigation of potential claims from landlords arising from property leases

Based on the expected level of realisations, it is likely that there will be a dividend available for unsecured creditors, however, the timing and quantum of any such distribution remains uncertain

The Company was party to five leases. Discussions with landlords have continued throughout the Administration with a view to surrendering or assigning the leases in order to mitigate total unsecured claims

This process is continuing, however, the Administration Order is due to expire on 31 May 2013. Furthermore, as it may be necessary to disclaim the remaining leases and as there are likely to be funds available for distribution to unsecured creditors, the most suitable exit route from Administration is to place the Company into CVL.

The Company was therefore placed into CVL in accordance with the Administrators' proposals (attached at Appendix 5). To this effect, Brian Green and Richard Dixon Fleming were appointed joint liquidators of the Company in accordance with Paragraph 83 of the Act on 25 May 2013.

## **2 Statement of proposals**

### **2.1 Administrators' proposals**

The Administrators' proposals were circulated to all known members and creditors on 23 July 2013 and were approved without modification in accordance with Rule 2 33(5) on 6 August 2013

### **2.2 Purpose of the Administration**

In accordance with Paragraph 3(1) administrators have the following hierarchy of objectives

- a) rescuing the Company as a going concern,
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up, and
- c) realising property in order to make a distribution to one or more secured or preferential creditors

The Administration has been conducted in accordance with Paragraph 3(1)(b) being to achieve a better result for the Company's creditors as a whole than if the Company had been wound up

## **3 Progress and outcome of the Administration**

### **3.1 Leasehold properties**

#### **3 1 1 The Exchange, 71 Crescent Road, Crouch End Hill, London and St. George's Buildings, 3 Westgate, Bradford**

The Company's trade and assets were transferred to FFC in 2007 however a number of leases of the fitness clubs were never formally assigned

On appointment, the Joint Administrators granted licences to occupy the Bradford and Crouch End properties to FFC to facilitate its ongoing trading of those clubs Both licences to occupy were extended to cover the September 2012 quarter Licence fees covering ongoing rent and other outgoings payable under the leases were paid by FFC throughout its period of occupation of the properties

FFC vacated the Bradford property on 30 September 2012 It is currently envisaged that this lease will be disclaimed by the joint liquidators

The licence granted to FFC in respect of Crouch End was further extended in December 2012 and March 2013 In April 2013 the lease was assigned by the Joint Administrators to a third party as part of the sale of the Crouch End business and assets by FFC The Company's future liabilities under this lease have therefore been extinguished





**3 1 2 250 Sauchiehall Street, Glasgow**

FFC had ceased trading at this property prior to the appointment of the Joint Administrators. Shortly after the distribution of the Administrators' proposals, further investigations revealed that the lease had been assigned to FFC on 27 January 2011. The lease and any claims arising from the lease are therefore not subject to the Administration.

**3.1 3 12 East Bargate, Southampton and 64-66 Humberstone Gate, Leicester**

✓ The above properties were both sublet to independent third party operators who continue to operate from the properties.

The Southampton landlord accepted a surrender of the lease in January 2013. However, the Leicester landlord has not accepted the Joint Administrators' offer of a surrender. This lease is guaranteed by Fitness First Limited, the Company's shareholder. In the absence of a consensual agreement between the Joint Administrators, Fitness First Limited and the landlord, it is likely that the lease will be disclaimed by the joint liquidators.

**3.2 Liabilities**

**3 2 1 Secured creditors**

The Company has no secured liabilities.

**3 2 2 Preferential creditors**

The Company has no preferential liabilities.

**3 2.3 Unsecured creditors**

It is anticipated that there will be a dividend available for unsecured creditors, however, the timing and quantum of any such distribution remains uncertain.

The agreement of unsecured claims and distribution of funds will be a matter for the joint liquidators.

**4 Comments on the appendices**

**4 1 Appendix 1: Statutory information**

The appropriate statutory information regarding the Company and the Administration is attached at Appendix 1.

**4.2 Appendix 2: Receipts & payments account for the Period**

Analysis of the receipts and payments for the Period is attached at Appendix 2.

#### **4 2 1 Receipts**

##### **4 2 1 1 Bank interest**

Bank interest totalling £292 has been received in the Period Total interest of £446 was earned in the Administration

##### **4 2 1 2 Licence to occupy**

Licence fees totalling £24,207 have been received in the Period from FFC in respect of its occupation of Crouch End up to April 2013 Total licence fees received from FFC in the Administration in respect of Crouch End and Bradford amounted to £88,846

#### **4 2 2 Payments**

##### **4 2 2 1 Administrators' fees and disbursements**

Fees of £83,452 were drawn by the Joint Administrators in the Period together with out of pocket disbursements of £320 Further information regarding the Joint Administrators' remuneration is set out at paragraph 4 3 below

##### **4 2 2 2 Legal fees**

Legal fees of £1,673 were paid to Shoosmiths LLP in the Period These fees relate to the assignment of the Crouch End lease

##### **4.2.2 3 Rent**

Rent (including service charges) totalling £88,846 (charged to and recovered from FFC as licence fees above) was paid to the landlords of the Crouch End and Bradford properties, including £24,207 in the Period (in relation to Crouch End only)

##### **4 2 2 4 Insurance**

Public liability insurance premiums of £398 have been paid in the Period

##### **4 2 2.5 Bank charges**

Bank charges of £40 have been paid in the Period Total bank charges paid in the Administration were £100

##### **4 2 2 6 Liquidation**

The balance of Administration realisations totalling £184,599 (comprising cash of £168,251 and recoverable VAT of £16,348) has been drawn for transfer to the CVL estate

#### **4 3 Appendix 3: Analysis of office holders' time costs**

The statutory provisions relating to remuneration are set out in Rule 2 106 Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained by logging onto the R3 website at

[http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP\\_9\\_EWNov2011.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP_9_EWNov2011.pdf)

However, if you are unable to access this guide and would like a copy, please contact Chris Davison on 0161 838 4693

An analysis of the Administrators' time costs for the Company is attached at Appendix 3, together with a schedule of charge out rates. This shows that during the Period, the Administrators and their staff spent 72 hours attending to matters arising in the Administration at a total cost of £31,283, at an average hourly rate of £434. The Administrators' total time costs for the Administration are £99,288, representing 255 hours and at an average hourly rate of £389. These time costs include work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG specialists.

The Administrators' have been engaged primarily in the following activities,

- reporting to unsecured creditors,
- dealing with the Company's leasehold portfolio in order to mitigate potentially large claims from landlords, and
- the discharge of statutory duties as Joint Administrators

The Administrators obtained approval from unsecured creditors that their remuneration be fixed on the basis of time properly spent by them and their staff in dealing with matters arising in the Administration at their normal hourly rate of charging.

The Administrators have drawn remuneration of £83,452 plus category 1 disbursements (see notes to Appendix 3) of £320 being the costs of the Joint Administrators' insurance bonds. The Joint Administrators do not propose to draw further fees in respect of the balance of Administration time costs.

#### **4.4 Appendix 4: Schedule of expenses for the Period**

Expenses for this Period total £57,681, of which £41,844 was paid in the Period and £15,837 represents the Joint Administrators' time costs accrued but not paid in the Period.

#### **4.5 Appendix 5: Joint Administrators' proposals**

A copy of the Joint Administrators' proposals was sent to all known creditors on 23 July 2012 as part of the initial report to creditors. The proposals are summarised at Appendix 5. There were no amendments to or deviations from the Joint Administrators' proposals.

### **5 Outcome for creditors**

#### **5.1 Unsecured creditors**

The Company has no secured or preferential creditors.

The Director estimated the unsecured liabilities of the Company to be £10,664 in his statement of affairs. This figure excluded claims from landlords (or guarantors of leases) for the loss of future rent. These liabilities have been mitigated by the assignment of the Crouch End lease and surrender of the Southampton lease. However, the Bradford and Leicester leases have not been determined therefore the amount of any claims arising from these leases is as yet unclear.

The exact amount and timing of a dividend to unsecured creditors is dependent on the final amount of liabilities arising from the above leases and the level of liquidation costs. Agreement of unsecured claims and payment of a dividend are matters for completion by the joint liquidators.

## **6 Other matters**

### **6.1 Investigations**

The Administrators have reviewed the affairs of the Company and concluded that there are no potential causes of action against third parties which would increase recoveries for creditors.

In addition, as required by the Company Directors Disqualification Act 1986, the Administrators have submitted a report on the conduct of those directors and any person appearing to act as shadow or de facto directors in office in the three years prior to the Administration to the Department for Business, Enterprise and Regulatory Reform (BERR). Its contents are confidential.

### **6.2 Taxation**

The Company was a member of the Fitness First VAT group from which it was deregistered on appointment. The Company was given a new VAT number but this registration has also now been cancelled. Outstanding input VAT of £16,348 will be recovered by the joint liquidators.

## **7 Move from Administration to liquidation**

As there are funds available to unsecured creditors, it is appropriate to move the Company from Administration into CVL under Paragraph 83 in accordance with the Joint Administrators' proposals. Therefore, notice of a move from Administration to CVL (Form 2 34B) has today been sent to the Registrar of Companies. Brian Green and Richard Dixon Fleming were appointed joint liquidators of the Company on 25 May 2013.

Other than cash held at the end of the Administration, there are no assets to be realised by the joint liquidators. The outstanding matters which the joint liquidators will deal with are summarised as follows,

- Disclaiming or otherwise determining the Bradford and Leicester leases



- Payment of any outstanding expenses of the Administration including any corporation tax liability relating to the Administration (interest earnings only)
- Disclaiming or otherwise determining the Bradford and Leicester leases
- Recovering outstanding input VAT incurred in the Administration
- Agreeing unsecured claims and paying a dividend to unsecured creditors
- Complying with ongoing obligations in respect of VAT and corporation tax
- Dealing with statutory reporting and compliance obligations

In addition, as per the Administrators' proposals, the Administrators require creditors' consent that they be discharged from liability upon cessation of their appointment in accordance with Paragraph 98. A voting form is attached for completion and returning to the Joint Administrators by 12 June 2013.

Brian Green  
*Joint Administrator*

## Appendix 1

### Statutory information

<b>Appointment</b>	
Company name & Trading style	Fitness First for Women Limited
Administration	The Administration Order was made on 1 June 2012 in the High Court of Justice, Chancery Division, Companies Court on application by the Directors of the Company Court case number 4502 of 2012
Date of appointment	1 June 2012
Office holders details	<p>Brian Green was appointed on 1 June 2012 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales</p> <p>Richard Dixon Fleming was appointed on 1 June 2012 and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p>
Functions	The functions of the office holders are being exercised by any or one of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
<b>Company Information</b>	
Company registration number	03753792
Previous registered office	58 Fleets Lane, Fleetsbridge, Poole, Dorset, BH15 3BT
Present registered office	KPMG LLP, St James' Square, Manchester, M2 6DS



## Appendix 2

### Joint Administrators' receipts and payments account for the Period

ABSTRACT OF RECEIPTS AND PAYMENTS - 01/12/2012 to 25/05/2013  
Fitness First for Women Limited

Appendix to Form 2.24  
Page 1

RECEIPTS		£
Brought forward from previous Abstract (if Any)		347,950.07
Bank interest gross		292.33
Licence to occupy		24,207.28
Floating ch VAT payable		4,101.35
Carried forward to * continuation sheet / next abstract		376,551.03
PAYMENTS		£
Brought forward from previous Abstract (if Any)		75,398.74
Administrators' fees		83,452.00
Administrators' expenses		320.00
Legal fees		1,672.80
Rent		24,207.29
Insurance of assets		397.40
Bank charges		40.00
Funds to Liquidator		184,598.65
Floating ch VAT receivable		4,101.36
Floating ch VAT control		2,362.49
Carried forward to * continuation sheet / next abstract		376,551.03

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed



## Appendix 2

### Joint Administrators' receipts and payments account for the Period (continued)

Fitness First for Women Limited (In Administration) Administrators' Abstract of Receipts & Payments			
Statement of Affairs		From 01/12/2012 To 25/05/2013	From 01/06/2012 To 25/05/2013
320,230.00	ASSET REALISATIONS		
	Book debts	NIL	270,229.83
		NIL	270,229.83
	OTHER REALISATIONS		
	Bank interest, gross	292.33	446.33
	Licence to occupy	24,207.28	88,845.82
		24,499.61	89,292.15
	COST OF REALISATIONS		
	Administrators' fees	83,452.00	83,452.00
	Administrators' expenses	320.00	320.00
	Legal fees	1,672.80	1,672.80
	Statutory advertising	NIL	135.00
	Rent	24,207.29	88,845.83
	Insurance of assets	397.50	397.50
	Bank charges	40.00	100.00
	Funds to Liquidator	184,598.85	184,598.85
		(294,688.44)	(359,521.98)
(10,663.54)	UNSECURED CREDITORS		
	Trade & expense	NIL	NIL
		NIL	NIL
309,566.46		(270,188.83)	0.00
	REPRESENTED BY		
	Floating ch. VAT rec able		12,331.06
	Floating ch. VAT payable		(17,029.05)
	Floating ch. VAT control		4,697.99
			NIL



## Appendix 3

### Analysis of Joint Administrators' time costs for the Period

01/12/2012 to 25/05/2013

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
Ca. Invoicing			9.90		9.90	£2,672.00	£269.50
General (Ca. Invoicing)			1.00		1.00	£272.00	£272.00
Reconciliations (A. IPS accounting re-view)							
General		1.70	0.40	0.50	2.60	£1,125.50	£432.88
Fee. and WIP							
Statutory and compliance	0.50	1.80	2.60		4.90	£2,204.50	£449.50
Checklist & review		2.10	1.50		3.60	£1,635.00	£454.17
Closure and related formalities	0.20		1.00		1.20	£465.00	£387.50
Statutory receipts and payment accounts			0.30		0.30	£96.00	£320.00
Strategy documents							
Tax							
Post appointment corporation tax	0.10	1.50	0.50		2.10	£940.50	£447.86
Post appointment VAT		3.00	5.15		8.15	£2,646.00	£324.66
<b>Creditors</b>							
Creditors and claims							
Statutory reports	3.00	3.50	5.10		11.60	£5,652.00	£504.48
Realisation of assets							
Asset Realisation							
Leasehold property		21.00	5.40		26.40	£13,278.00	£502.96
Open cover insurance			0.30		0.30	£96.00	£320.00
<b>Total in period</b>					<b>72.05</b>	<b>£31,282.50</b>	<b>£434.18</b>
<b>Pre appointment time (if any, irrecoverable)</b>							
					8.00	£2,410.00	£301.25
<b>Brought forward time (appointment date to SIP9 period start date)</b>							
					183.00	£68,005.75	£371.62
<b>SIP9 period time (SIP9 period start date to SIP9 period end date)</b>							
					72.05	£31,282.50	£434.18
<b>Carry forward time (appointment date to SIP9 period end date)</b>							
					255.05	£99,288.25	£389.29

## Appendix 3

### Analysis of Joint Administrators' time costs for the Period (continued)

The current hourly charge-out rates for staff engaged on the Administration are as follows

Grade	1 June to 30 September 2012	1 October 2012 to 25 May 2013
Partner/director	£635 - £725	£670-£765
Management	£420 - £525	£440-£550
Administrators	£230 - £305	£240-£320
Support	£120	£125

#### KPMG Restructuring policy for the recovery of disbursements

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

**Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

**Category 2 disbursements** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

Category 2 disbursements that KPMG Restructuring currently charges include mileage, this is calculated as follows:

- Use of privately-owned vehicle or car cash alternative – 40p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

When carrying passengers an additional 5p per mile per passenger will also be charged where appropriate

In this case, category 1 disbursements of £320 (in respect of the Joint Administrators' insurance penalty bonds) have been charged. No category 2 disbursements have been charged



## Appendix 4

### Schedule of expenses

Account	Accrued in the Period	Paid in Period	Total
Rent	Nil	£24,207	£24,207
Insurance	Nil	£198	£198
Legal fees	Nil	£1,673	£1,673
Administrators' fees	£15,837	£15,446	£31,283
Administrators' expenses	Nil	£320	£320
<b>Total</b>	<b>£15,837</b>	<b>£41,844</b>	<b>£57,681</b>

### Notes

Creditors are reminded that the basis upon which the Administrators' remuneration has been charged has been agreed. The quantum is supported by an analysis of time costs available for review at Appendix 3. Any additional information regarding remuneration or expenses charged for the Period is available from the Administrators upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2 48A. This request must be made within 21 days of receipt of the report. In addition creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2 109 within eight weeks of receipt of this report. The full text of these Rules can be provided upon request. As the Company is VAT registered all VAT charged on expenses is recoverable, therefore no VAT has been included in these figures.

## Appendix 5

### Administrators' proposals

- To continue to do all such things reasonably expedient and generally exercise all their powers as contained in Schedule 1 to the Act as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company or for any other purpose incidental to the proposals,
- to seek an extension to the Administration period if deemed necessary by the Joint Administrators pursuant to Paragraph 76 of schedule B1 to the Act,
- when it is considered that the Joint Administrators have concluded their duties, to take the necessary steps to move the Company from Administration to Dissolution, pursuant to Paragraph 84 of Schedule B1 to the Act. If the Joint Administrators think that a distribution will be made to unsecured creditors, to take the necessary steps to move the Company in to Creditors' Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 to the Act,
- if Creditors' Voluntary Liquidation is deemed appropriate, the Joint Administrators will seek the appointment of Richard Fleming and Brian Green of KPMG LLP as joint liquidators of the Company. In accordance with paragraph 83(7) of Schedule B1 to the Act and Rule 2 117A of the Insolvency Rules 1986, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved;
- if one of the criteria set out in Paragraph 79(2) of schedule B1 to the Act apply to the Company, to make an application to court to end the Administration and, if deemed appropriate, to petition the court for the winding up of the Company. If appropriate, the Joint Administrators will, at the same time, apply to be appointed as joint liquidators under Section 140(1) of the Act,
- if the Joint Administrators believe there are matters that can be better pursued by a liquidator an application to Court can be made to petition for the compulsory winding up of the Company under section 124 of the Insolvency Act 1986, rather than Paragraph 79 (2) of Schedule B1 to the Act,
- that the Joint Administrators will seek a resolution from the creditors or court to be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98(1) of Schedule B1 to the Act,
- in the event that Richard Fleming and Brian Green are appointed joint liquidators then they will be allowed to act jointly and severally, and,
- that costs incurred by KPMG prior to and in preparation for the Administration, as instructed by the Administrators of the Company, will be paid as an expense incurred out of the assets of the Company under Rule 2 33(2B)(a) of the Act



In relation to Joint Administrators' fees

- that in the event that no creditors' committee is formed, or if no determination of the creditors' committee is reached, the Joint Administrators will draw fees on account from the assets of Fitness First for Women Limited (in Administration) from time to time during the period of Administration based on time properly spent at the charge out rates shown in Appendix 3 Also, the Joint Administrators will draw disbursements from time to time, and
- that the costs of KPMG LLP in respect of GSS, Pension, Tax and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Fitness First for Women Limited