

The Insolvency Act 1986

# **Notice of move from administration to dissolution**

Name of Company  
Absolute Health and Fitness Limited

Company number  
04292768

In the High Court of Justice

[full name of court]

Court case number  
11657 of 2009

(a) Insert name(s) and  
address(es) of  
administrator(s)

I / We (a) Ian Franes of Ian Franes Associates, 24 Conduit Place, London W2 1EP

(b) Insert name and  
address of registered office  
of company

having been appointed administrator(s) of (b) Absolute Health and Fitness Limited, 24  
Conduit Place, London W2 1EP

(c) Insert date of  
appointment

(d) Insert name of  
applicant / appointor

on (c) 19 march 2009 by (d) the directors

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I / We attach a copy of the final progress report

Signed

Ian Franes – Administrator

Dated 12 March 2010

## **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.

Ian Franes Associates

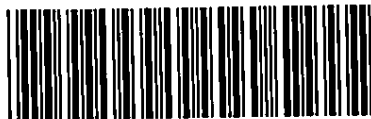
24 Conduit Place, London W2 1EP

Tel 020 7262 1199

DX Number

DX Exchange

SATURDAY



\*ASBDNIGB\*

A50

20/03/2010

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COMPANIES HOUSE

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

**Administrator's Final Progress Report**

**For the Period**

**19 March 2009 to 12 March 2010**

**Absolute Health and Fitness Limited  
(In Administration)**

**12 March 2010**

# **ABSOLUTE HEALTH AND FITNESS LIMITED - IN ADMINISTRATION**

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## **ABSOLUTE HEALTH AND FITNESS LIMITED - IN ADMINISTRATION**

### **1 Statutory Information**

- 1 1 Absolute Health and Fitness Limited ("the Company") was incorporated on 24 September 2001 under company number 04292768
- 1 2 The Company conducted its business as an operator of clinics for musculoskeletal health care. There were four clinics at 11-13 Crosswall, London EC3N 2JY (Aldgate East), 21-24 Chiswell Street, London EC1Y 4TY (Moorgate), 112 Harley Street, London W1G 7JQ (West End) and 2<sup>nd</sup> Floor, New North House, Ongar Road, Brentwood, CM15 9BB (Brentwood).
- 1 3 The registered office of the Company has been changed from c/o King & King, Roxburghe House, 273-287 Regent Street, London W1B 2HA to c/o Ian Franes Associates, 24 Conduit Place, London W2 1EP
- 1 4 Ian Franes of Ian Franes Associates, 24 Conduit Place, London W2 1EP was appointed Administrator of the Company on 19 March 2009. The application for the appointment of an Administrator was made by the directors under paragraph 22 of Schedule B1 to the Insolvency Act 1986
- 1 5 The Administrator's firm is Ian Franes Associates, 24 Conduit Place, London W2 1EP
- 1 6 The Administration is registered in the High Court of Justice under reference number 11657 of 2009
- 1 7 The EC Regulation on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation as the Company is based in the United Kingdom

### **2 Administrator's Proposals**

- 2 1 As previously advised, the Administrator must perform his functions with the purpose of achieving one of the following objectives
- (i) rescuing the Company as a going concern,
  - (ii) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
  - (iii) realising property in order to make a distribution to one or more secured or preferential creditors
- 2 2 Following my appointment on 19 March 2009 and having considered the financial position of the Company continuing trading was not viable and the offer from Health and Fitness Solutions Limited ("HFS") to acquire the Company's goodwill and the chattel assets for £31,565 was accepted

## **ABSOLUTE HEALTH AND FITNESS LIMITED - IN ADMINISTRATION**

- 2 3 The goodwill and the assets have been valued by a professional agent, Ashwells Nationwide Services Limited, at £31,565 on a willing buyer basis. The appointed agent has indicated that, on a break up basis, the chattel assets would only realise £3,820 and there would be no value for goodwill.
- 2 4 Accordingly, the goodwill and the chattel assets were sold to Health and Fitness Solutions Limited for £31,565 and it was agreed that the sale consideration will be paid in 5 instalments ending on 19 August 2009.
- 2 5 The secured creditor, Bank of Baroda, agreed to the sale and the proceeds were to be paid to it under its fixed charge security over the goodwill and floating charge over all other assets as there are no preferential creditors. The Bank also agreed to the provision of £10,935 towards the Administrator's remuneration, disbursements and VAT which was payable by HFS under the terms of the sale agreement.
- 2 6 Thus, second and third objectives have been achieved.

### **3 Progress of the Administration**

#### ***Receipts & Payments Account***

- 3.1 Attached at Appendix A is my Abstract of Receipts & Payments for the period from 19 March 2009 to 12 March 2010 which I believe is self explanatory but shall be pleased to provide any further information or clarification if required.

#### ***Asset Realisations***

##### **Goodwill/IPR and Chattel Assets**

- 3 2 As comprehensively detailed above and in my previous reports that there was a pre-packaged sale of the business and assets of the Company's to HFS.
- 3 3 The Company's goodwill and assets were sold to HFS for £31,566, comprised of goodwill of £20,001, furniture & equipment of £10,565 and stock of £1,000 and it was agreed that the sale consideration will be paid in 5 instalments.
- 3 4 As detailed above the secured creditor, Bank of Baroda, agreed to the sale the provision of £10,935 towards the administrator's remuneration, disbursements and VAT which was payable by HFS under the terms of the sale agreement.
- 3 5 I have received £42,501, the full amount due under the sale agreement, from HFS which has been applied as full settlement of goodwill/IPR of £20,001, stock of £1,000, contribution for administration costs of £10,935 and furniture & equipment of £10,565.

##### **Book Debts**

- 3 6 Further to my previous report dated 16 October 2009 I have received £9,357.48 from HFS in respect of the book debts collected on my behalf this brings a total book debts recovery of £48,503.54.

## **ABSOLUTE HEALTH AND FITNESS LIMITED - IN ADMINISTRATION**

### **Rent Deposit**

- 3 7 As previously reported, the Company's lease at 11-13 Crosswall, London has been assigned to HFS following a nil valuation by a professional agent, Roth Associates. I have recovered the rent deposit of £21,879.79 which includes the interest of £3,214.91.

### **Leases**

- 3.8 The Moorgate premises at 24 Chiswell Street, London EC1Y 4TY have been vacated immediately after the administration order and returned to the landlord.
- 3 9 The Brentwood premises at 2<sup>nd</sup> Floor, New North House, Ongar Road, Brentwood CM15 9BB have been vacated and returned to the landlord and I have received a claim of £111,901.20.
- 3.10 The West End premises at Harley Street, London were occupied under a licence which expired prior to the administration.

## **4 Administrator's Remuneration**

- 4 1 As previously reported, the Administrator's remuneration was approved by the secured creditor, Bank of Baroda, as there are no preferential creditors and no prospect of a dividend to the unsecured creditors. It was agreed by Bank of Baroda that the remuneration of the Administrator be fixed by reference to time properly spent by him and his staff in attending to matters arising from the Administration.
- 4 2 My firm's recorded time cost as at 12 March 2010 is £30,774 which represents 167.00 hours at an average rate of £184.28 per hour. Attached as Appendix B is a SIP 9 Time & Cost Summary which provides details of the activity costs incurred by staff grade during this period. I have drawn £10,000 plus VAT on account of my remuneration.
- 4 3 At Appendix C is additional information in relation to my policy on staffing, the use of sub-contractors, disbursements and details of the current charge-out rates by staff grade.

## **5 Unrealised Assets**

- 5 1 I would confirm that all assets have now been realised and the Receipts and Payments Account at Appendix A reflects the final position on both realisations achieved and payments discharged during the course of the Administration.

## **6 Outcome for Creditors**

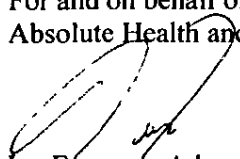
- 6 1 As detailed in the final receipts and payments account the realisations will be insufficient to pay the floating charge holder in full and, therefore, there will be no distribution to the unsecured creditors.
- 6 2 The Company granted a fixed and floating charge to Bank of Baroda on 11 March 2003. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors, which only applies to charges created after 15 September 2003.
- 6 3 There are no preferential creditors.

**ABSOLUTE HEALTH AND FITNESS LIMITED - IN ADMINISTRATION**

**7 Ending the Administration**

- 7.1 The strategy remains that the Administrator shall file a notice with Registrar of Companies for the dissolution of the Company
- 7.2 Accordingly, Form 2.35B – Notice of move from administration to dissolution is being filed with the Registrar of Companies
- 7.3 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect

For and on behalf of  
Absolute Health and Fitness Limited – In Administration

  
Ian Franes- Administrator

Encl.:

**Absolute Health and Fitness Limited**  
**(In Administration)**  
**Administrator's Abstract of Receipts & Payments**  
**To 12/03/2010**

S of A £		£	£
	<b>SECURED ASSETS</b>		
NIL	Leasehold Land and Property	NIL	
NIL	Fixed Plant & Machinery	NIL	
20,000 00	Goodwill/IPR	20,001 00	
		20,001 00	NIL
	<b>SECURED CREDITORS</b>		
(225,000 00)	Bank of Baroda	(20,001 00)	
			NIL
30,178 00	Rent Deposit	NIL	
(30,178 00)	Landlord	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
	Contribution for Officeholder's Costs	10,935 00	
10,565 00	Furniture & Equipment	10,565 00	
15,885 00	Rent Deposit	18,664 88	
1,000 00	Stock	1,000 00	
	Rent Deposit Interest	3,214 91	
50,000 00	Book Debts	48,503 54	
NIL	Prepayments	NIL	
	Council Tax Refund	373 44	
	Bank Interest Gross	4 23	
			93,261 00
	<b>COST OF REALISATIONS</b>		
	Office Holders Fees	10,000 00	
	Specific Bond	180 00	
	Agent's Fees	2,000 00	
	Legal Fees	500 00	
	Statutory Advertisement	219 82	
	Corporation Tax	901 87	
	Sundry Expenses	17 00	
			(13,818 69)
	<b>FLOATING CHARGE CREDITORS</b>		
	Payment to Debenture Holder	79,442 31	
			(79,442 31)
	<b>UNSECURED CREDITORS</b>		
(173,086 49)	Trade & Expense Creditors	NIL	
(45,000 00)	Other Loan (John Critchley)	NIL	
(59,361 00)	Director's Loan Account - Simon Moyes	NIL	
(41,259 83)	HM Revenue & Customs (PAYE)	NIL	
(16,771 00)	HM Revenue & Customs	NIL	
(25,000 00)	Barclays Bank Plc	NIL	
(8,000 00)	Director's Loan Account - J Wiggins	NIL	
(36,050 00)	Director's Loan Account - G Ryan	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(89,776 00)	Preference Shares	NIL	
(73,821 00)	Ordinary Shareholders	NIL	
			NIL
(695,675 32)			-

**SIP 9 – Time & Cost Summary of Ian Franes Associates**  
 Period 19/03/2009 to 12/03/2010

**Appendix B****Time Summary**

Classification of work function	Hours					Time Costs (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	8 00	28 35	15 20	29 85	81 40	10 473 50	128 67
Investigations	-	11 50	-	-	11 50	1,955 00	170 00
Realisations of assets	14 40	8 90	-	-	23 30	5,667 00	243 22
Trading	-	-	-	-	-	-	-
Creditors	29 20	20 00	-	1 60	50 80	12,678 50	249 58
Case specific matters	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>51 60</b>	<b>68 75</b>	<b>15 20</b>	<b>31 45</b>	<b>167 00</b>	<b>30 774 00</b>	<b>184 28</b>
<b>Total Fees Claimed</b>						<b>10,000 00</b>	

# **ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9**

## **Policy**

Detailed below is Ian Franses Associates policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

## **Staff allocation and the use of subcontractors**

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

With regard to support staff, time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, we seek to charge and recover this time.

We have not utilised the services of any subcontractors in this case.

## **Professional advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Ashwells Nationwide Services Limited (for valuation of assets)	Fixed fee
Roth Associates (Property valuation)	Fixed fee
Grower Freeman (Legal Fees)	Time Costs Basis

## **Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as Category 1 generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

## **Charge-out rates**

The hourly charge out rates of Ian Franses Associates effective from 1 April 2006 are as follows:

	Up to 31/03/06 (per hour) £	From 01/04/06 (per hour) £	From 04/09/07 (per hour) £	From 01/06/09 (per hour) £
I Franses - Senior Partner	280	295	295	340
E Popat - Partner	240	255	255	290
J Karr - Partner	-	-	240	275
Senior Manager	160	170	-	-
Managers	140	150	150	170
Senior Administrators	100	110	110	125
Administrators	90	95	95	105
Junior Administrators	60	65	65	70

The above rates may be varied from time to time, at the discretion of Ian Franses Associates, and such changes will be notified in retrospect with each report to Creditors.