

## The Insolvency Act 1986

# Notice of result of meeting of creditors

# 2.23B

Name of Company Movers and Shapers Limited	Company number 05758299
In the High Court of Justice [full name of court]	Court case number 12713 of 2009

- (a) Insert full name(s) and address(es) of the administrator(s)  
Delete as applicable
- We (a) Malcolm Peter Fillmore and Mark Riley, Atherton Bailey, Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL
- hereby report that \*a meeting / ~~an adjourned meeting~~ of the creditors of the above company was held at
- (b) Insert place of meeting
- (b) Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL
- (c) Insert date of meeting
- on (c) 2 June 2009 at which
- \*1. Proposals / ~~revised proposals~~ were approved.
- \*2. ~~Proposals / revised proposals were modified and approved.~~
- Delete as applicable
- The ~~modifications made to the proposals are as follows:-~~
- (d)
- (d) Give details of the modifications (if any)
- \*3. ~~The proposals were rejected.~~
- \*4. ~~The meeting was adjourned to (e)~~
- (e) Insert time and date of adjourned meeting
- \*5. Other resolutions: (f)
- (f) Details of other resolutions passed

THURSDAY

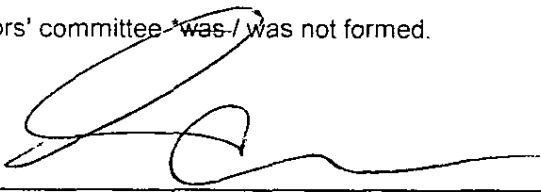


A11 \*ADBZ5AFR\* 277  
04/06/2009  
COMPANIES HOUSE

The revised date for automatic end to administration is \_\_\_\_\_

\* Delete as applicable

A creditors' committee ~~was~~ / was not formed.

Signed   
Joint Administrator – Malcolm P Fillmore

Dated 3 June 2009

\* Delete as applicable

A copy of the ~~\*original proposals / modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting.

### 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 searches of the public record

Atherton Bailey LLP	
Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL	
Tel 01293 410333	
DX Number	DX Exchange

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ  
Cardiff

DX 33050

IN THE HIGH COURT OF JUSTICE

No: 12713 of 2009

MS ADMIN LIMITED (formerly Movers and Shapers Limited (in Administration) ("The Company")  
Unit 10, Utopia Village, 7 Chalcot Road, Primrose Hill, London, NW1 8HL

Company No. 05758299

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MS ADMIN LIMITED (formerly Movers and Shapers Limited) (In Administration) ("The Company")  
Unit 10, Utopia Village, 7 Chalcot Road, Primrose Hill, London, NW1 8HL  
Company No. 05758299

#### STATEMENT OF THE ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986; and  
Rule 2.33 of The Insolvency Rules 1986

*Please note that these Proposals are of a statutory nature and give enabling powers to the Administrators in order for them to continue to pursue the purposes of the Administration Order. Creditors should also note, for the avoidance of doubt, that these are NOT Voluntary Arrangement proposals.*

#### 1. Introduction

1.1 On 1 April 2009, pursuant to an application made by the company, an Administration Order was made in The High Court of Justice in respect of the Company and Mark Riley and I were appointed Joint Administrators. The Administrators are to act jointly and severally. At the date of Administration, the Company traded as walk-in fitness centres from 9 retail units in and around London and in Stratford upon Avon.

1.2 An Administration Order has the effect of freezing amounts owing to all creditors and, except with the leave of the Court or the consent of the Administrators, Administration stops legal proceedings against the Company. The intention of the legislation is to give the Company protection against claims, or attempts to wind the Company up, the enforcing of security, or the repossession of assets while efforts are made to achieve the purpose for which the Administration order was made.

1.3 The Administrators of a company must perform their functions with the objective of (in order of priority):

- 1.3.1 rescuing the company as a going concern, or
- 1.3.2 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
- 1.3.3 realising property in order to make a distribution to one or more secured or preferential creditors.

1.4 In this case the Administration Order was made for the purposes mentioned in paragraphs 1.3.2. We concluded that it was not practical to achieve a rescue of the Company itself as a going concern. The purpose of the Creditors' meeting is to review the conduct of the Administration to date and to give appropriate powers and authority to the Administrators to achieve the purposes of the Administration as required by Paragraph 49 of Schedule B1 to the Insolvency Act 1986. These specific proposals do not exclude the exercise by the Administrators of their powers and duties under the Insolvency Act 1986 and the Insolvency Rules 1986 [as amended].

#### 2. Statutory Information

2.1 Annexed to these Proposals are the following details:

- 2.1.1 An account of the circumstances giving rise to the application for administration (Appendix A)
- 2.1.2 A summary of the company's statutory details at the date of administration (Appendix B)
- 2.1.3 An Estimated Statement of Affairs at the date of administration (Appendix C).
- 2.1.4 Rule 2.38 of The Insolvency Rules 1986, Entitlement to vote (Appendix D)

2.2 This Administration is considered to be main proceedings as defined in the EC Regulation No. 1346/2000.

#### 3. Post-Administration Management

3.1 I attach as Appendix E, a summary of our receipts and payments account to date.

3.2 As disclosed in our notification of our appointment to creditors on 8 April 2009, the majority of the business and assets of the Company were sold immediately following our appointment to B Marg Limited, a company controlled by a former director of the Company. This included the business run from six of the nine sites. The other units were (or had previously) closed and any tangible assets there are being realised by our agents, Edward Symmons & Partners. A summary of the circumstances of the sale is included in the annexed Appendix A.

3.3 As part of the sale agreement, the Company changed its name to MS Admin Limited on 6 May 2009.

3.4 Since administration, we have been dealing with the direct and indirect consequences of the sale, including a number of claims for retention of title, assignment of leases to the purchaser and employee claims. In particular, we have, under the agreement with B Marg Limited, entered into transitional arrangements in respect of ongoing trading, whilst permanent arrangements are made by the purchaser. In particular, we have continued the pre-existing rent and lease agreements pending assignment or the issue of new leases. The payments of rent etc are being funded in advance by the purchaser.

3.5 There are minimal other assets to realise but include some trading stocks and a few debtor balances.

#### 4. The Exit Route from Administration

4.1 We are presently in the process of assessing whether there will be sufficient funds for a dividend to the creditors of the company. It is not, at this stage, clear if there will be funds sufficient to pay a dividend to other than preferential creditors (who are principally former employees). If there are, it may be beneficial to make an application to court to enable the Administrators to make a distribution to creditors through the Administration rather than placing the company into liquidation. In this case once a distribution has been made, the necessary papers will be filed with the Registrar of Companies, following the filing the company will be dissolved after a period of 3 months. In the event the Administrators deem that a distribution should be undertaken through a liquidation, the Administrators will place the company into creditors' voluntary liquidation.

#### 5. Other Matters

5.1 The Administrators have certain statutory responsibilities, including a review of the matters leading up to the financial problems and the directors' conduct. We are required by law under the Company Directors Disqualification Act 1986 to make a return or conduct report on every person who was on the date of our appointment or at any time in the three years immediately preceding that date a director or shadow director of the company. If you have any information which you consider may be relevant to our report please provide such information and any related documentary evidence as soon as possible. Please note that this request forms part of my firm's usual investigation procedures and does not in any way imply that there may be any cause for concern regarding any person concerned with the company's affairs.

#### 6. Forecast Outcome

6.1 We are presently in the process of assessing the total realisations available in this matter and it is at present uncertain what if anything will be available for distribution to creditors. We anticipate that the matter will be clearer at the time of our first progress report which is due at the 6 month anniversary of the Administration which will be sent to creditors in October 2009.

#### 7. Administrators' Proposals

7.1 The following are our Statement of Proposals for achieving the purposes of the Administration Order made in respect of the Company and which we make to the creditors for their consideration and, if thought fit, approval at the Meeting of Creditors to be held on 29 May 2009.

7.2 That we be given authority to continue to manage the remaining affairs of the Company in such manner as we consider expedient and in accordance with our professional judgement, taking independent or informed advice where we consider that to be appropriate and that we take such decisions as we consider appropriate.

7.3 That we be empowered to review all existing contractual commitments and obligations of the Company and, where necessary, cause the Company to determine (if not already terminated) any such contractual commitments which, in our view, are not beneficial to the future of the business.

7.4 That we be empowered to enter into and conclude negotiations with creditors and/or others as we consider may assist in the achievement of the purposes of the Administration.

7.5 That should the creditors so wish, a Committee of Creditors be elected in order to exercise the functions conferred on it by the Insolvency Act 1986.

7.6 That our remuneration for acting as Administrators be fixed by reference to the time properly given by us and our staff in attending to matters arising in the Administration and that the Administrators be at liberty to draw fees up to actual time costs incurred from time to time from funds held by us. That details of the remuneration drawn and time costs will be set out in the Administrators' progress reports as required by the Association of Business Recovery Professionals. The current hourly charge out rates for principals and staff likely to be involved in this case are set out as follows together with details and charges for

indirect disbursements:

7.5.1 Partners £270-290, Senior Professional Staff £110 - £220 and administrative and support staff £85 - £100.

7.5.2 Indirect disbursements to be charged at the rate of 25 pence per letter, 15 pence per photocopy and 40 pence per mile plus 5 pence for additional persons travelling in the same car.

Time costs as at 10 May 2009 are £22,910.80 for the Crawley office, in addition time costs of approximately £4,000 have been incurred by our Guildford office however we do not presently have a breakdown of these costs. These costs will be sent to creditors with the notice of the outcome of the creditors' meeting. I attach a summary of the Crawley office time costs on the attached schedule in the format prescribed by the Association of Business Recovery Professionals.

- 7.7 That Atherton Bailey LLP be paid their time costs and any indirect disbursements, on the basis mentioned above, in relation to the proper professional costs incurred by them in connection with the making of the appointment pursuant to Rule 2.67 (1)(c) of the Insolvency Rules 1986 to reflect time spent by a proposed administrator, prior to any appointment, in determining that it is reasonably likely that the purpose of the administration would be achieved and to enable them to complete Form 2.2B.
- 7.8 That, if we so conclude is in the creditors interests, we convene further meetings of the creditors and members at such time as we may propose in order to put to them proposals for a CVA or to seek their approval to any other proposals or resolutions.
- 7.9 That in the exercise of our powers and in doing anything where we believe it is appropriate or necessary to seek the consent or approval of creditors and, where the law so allows, any Committee of Creditors elected will have the authority to act on behalf of all creditors.
- 7.10 That we may do all such other things as we, in our discretion, consider will preserve protect or enhance the business and/or assets of the Company and/or are incidental to these proposals and their implementation.
- 7.11 That we take and implement such other consequential decisions as, in our judgement, will benefit the creditors of the Company.
- 7.12 That as soon as we deem it appropriate, we seek a discharge of the Administration Order and our release as Administrators. Following the filing of the Administrators' final progress report to the Registrar of Companies both Administrators will deem to be released from any further liability arising from or connected howsoever to the Administration pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986.
- 7.13 That we be authorised to realise the Company's remaining assets on the best basis reasonably attainable and, if realisations are sufficient to pay any dividend to unsecured creditors, shall either make an application to Court to enable the Administrators to make the distribution to non-preferential creditors or should the Administrators deem it appropriate, place the Company into Creditors' Voluntary Liquidation. In this event the proposed liquidators will be the current Administrators but in accordance with Paragraph 83(7) and Rule 2.117(3), creditors are advised that they may nominate a different person or persons, provided that the nomination is made after receipt of such proposals to put the Company into liquidation and before those proposals are approved.

Malcolm P Fillmore  
Joint Administrator  
Date 18 May 2009

**MS ADMIN LIMITED (formerly Movers and Shapers Limited) (In Administration) ("The Company")**  
**An Account of the Circumstances giving rise to the Administration**

The Company was formed in March 2006 and was a wholly-owned subsidiary of ADD Wellness Holdings Limited. It was formed to operate a chain of specialised retail fitness clubs and was financially supported by its parent company, which itself was a 50:50 venture between ADD Leisure plc, an AIM-listed company and BUPA Finance plc. The first shop was opened in Vauxhall, South London in 2006 and 8 other shops were opened subsequently.

However, the venture did not perform as well as had been hoped and, given the downturn in the economy and other considerations, the financiers decided in March 2009 not to provide any further funding.

Atherton Bailey LLP was introduced to the Company by the Finance Director of its ultimate 50% shareholder, ADD Leisure plc in mid March 2009. Following our review with the directors, we concluded that the Company was insolvent and that a sale of its business and assets as a going concern would be to the benefit of its creditors. Shortly thereafter, one of the directors of the Company made a proposal to purchase part of the business and assets of the Company as a going concern.

We reviewed with the directors and shareholders of the Company the likely effects of not accepting the offer being made and, instead, for example, seeking alternative offers and/or wider marketing. We also discussed the terms of the offer with independent agents, Edward Symmons and Partners. Their advice in the context of no further funding being available, may be summarised as that the business was not likely to be immediately saleable as a going concern to a third party and that the offer received from the director exceeded the realisation likely to be achieved if the business was closed and the assets realised. The offer was also considered by them to be close to the optimum they could expect to sell the business as a going concern, were ongoing funding to be available but that there would be losses incurred in continuing the business.

No alternative formal marketing was undertaken by the Company in the period prior to Administration on the basis that it was not considered likely that it would have been effective.

Edward Symmons provided an independent appraisal of the offer but in the time available were unable to attend all the premises and assessed the values based on the financial information which we caused to be made available by the Company.

Because of ongoing trading losses and the decision by the parent companies to withdraw further funding and with no alternative source of funding available, we considered that it would not be possible to continue trading in Administration.

The Company had hitherto been funded by its parent companies and did not have any external bank funding.

By far and away the biggest unsecured creditors were the parent and associated companies and there were no other material creditors who we considered should have been consulted.

The sale of the business and assets was completed on 1<sup>st</sup> April 2009 and comprised six of the eight retail units operated by the Company, together with the majority of the fixed assets and goodwill attaching thereto. The purchaser was B Marg Limited, a newly formed company owned and controlled by Mr Ben Margolis and the purchase consideration was £50,000. Mr Ben Margolis was a director of the Company. There were no guarantees given by Mr Margolis in connection with the purchase and no specific conditions in the sale contract which are required to be disclosed.

The sale was not part of a wider transaction.

APPENDIX B

MS ADMIN LIMITED (formerly Movers and Shapers Limited) (In Administration)  
STATUTORY INFORMATION

Company Registration Number: 05758299

Date of Incorporation: 27 March 2006

Share Capital: 500,000 ordinary shares with Nominal Value of £500,000

Directors: Allan Brian Henry Fisher  
Benjamin Margolis  
Michael Peter Mills  
David Turner

Company Secretary: Filex Services Limited

Shareholders: ADD Wellness Holdings Limited (100% shares)

Registered Office: Unit 10, Utopia Village, 7 Chalcot Road, Primrose Hill, London,  
NW1 8HL [now moved to C/O Atherton Bailey, 1 Liverpool Terrace,  
Worthing, West Sussex BN11 1TA]



## ESTIMATED STATEMENT OF AFFAIRS

As at 1 April 2009

£000

	Book Value	Estd to Realise
Assets Not Subject to Charge		
Fixed Assets		
Computers and Equipment	235	
Fixtures and Fittings	600	
Leases	54	
Intangible Assets	12	
	-----	
	901	
Trading Stocks	137	
	-----	
	1,038	51
Debtors	2	1
Cash at Bank	35	35
	-----	-----
	£1,075	87
	=====	
Less: Preferential Creditors		
Employee claims		nk
Less: Non-Preferential Creditors		
Trade Creditors	310	
Intra-Group Accounts and Loans	2,062	
HM Revenue & Customs -- PAYE/NI	80	
Lease creditors	30	
Contingent & Termination claims	nk	
	=====	
		2,482
		-----
Net Deficiency		2,395
Share Capital		500
		-----
Net Deficiency as Regards Members		£2,895
		=====

Note: Subject to Costs of Realisation

## MOVERS AND SHAPERS LIMITED (IN ADMINISTRATION)

Notes regarding Entitlement to Vote at the initial Creditors' Meeting  
under paragraph 51 of Schedule B1 to the Insolvency Act 1986

## Rule 2.38 of The Insolvency (Amendment) Rules 2003 - Entitlement to Vote

2.38 (1) - Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if:-

(a) he has given to the administrator, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of the debt which

(i) he claims to be due to him from the company; or

(ii) in relation to a member State liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office;

(b) the claim has been duly admitted under the following provisions of this Rule; and

(c) there has been lodged with the administrator any proxy which he intends to be used on his behalf,

and details of the debt must include any calculation for the purposes of Rules 2.40 to 2.42.

2.38 (2) - The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a) if satisfied that the failure was due to circumstances beyond the creditor's control.

2.38 (3) - The chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim.

2.38 (4) - Votes are calculated according to the amount of a creditor's claim as at the date on which the company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes are counted.

2.38 (5) - A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.

2.38 (6) - No vote shall be cast by virtue of a claim more than once on any resolution put to the meeting.

2.38 (7) Where

- (a) a creditor is entitled to vote under this Rule;
- (b) has lodged his claim in one or more sets of other proceedings; and
- (c) votes (either in person or by proxy) on a resolution put to the meeting; and
- (d) the member State liquidator casts a vote in respect of the same claim,

only the creditor's vote shall be counted.

2.38 (8) - Where

- (a) a creditor has lodged his claim in more than one set of other proceedings; and
- (b) more than one member State liquidator seeks to vote by virtue of that claim,

the entitlement to vote by virtue of that claim is exercisable by the member State liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings.

2.38 (9) - For the purposes of paragraph (6), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.

2.38 (10) - For the purposes of paragraphs (7) and (8), "other proceedings" means main proceedings, secondary proceedings or territorial proceedings in another member State.

## MOVERS AND SHAPERS LIMITED (IN ADMINISTRATION)

ABSTRACT OF RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE PERIOD FROM 1 APRIL 2009 TO 18 MAY 2009

RECEIPTS	£	£
Sale of Business	50,945	
Cash from various Retail Branches	512	
Cash at Bank/Client Account	78,750	
Cheques from various Retail Branches	123	
Rent Received	30,861	
Post Administration Cash	<u>16,062</u>	177,255
<b>PAYMENTS</b>		
Pre-Administration Fees (Drawn pre Administration)	20,600	
Agent's Fees	5,000	
Legal Fees	18,330	
Companies House Charges	10	
Postage	64	
Statutory Advertising	159	
Rent	30,861	
VAT Input Tax	<u>6,618</u>	81,642
<b>CASH AT BANK</b>		<u><u>£95,613</u></u>

Name of Case	Movers and Shapers Limited (In Administration)
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Date	17 May 2009
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# TIME AND CHARGE OUT SUMMARIES

Classification of Work Function	Hours				Total Hours	Time Cost £	Average hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration and planning	13.90		27.78	109.02	150.70	17,156.46	113.84
Investigations				0.17	0.17	12.50	74.99
Realisation of assets	8.50			5.70	14.20	2,727.50	192.08
Trading	1.50			0	1.5	405.00	270.00
Creditors	5.50			2.97	8.47	1,707.50	201.59
Case specific matters (specify) Receipts & Payments				9.77	9.77	901.84	92.34
Total Hours	29.40		27.78	127.62	184.80		
Total Fees Claimed (£)	7,925.0			4,369.89		£22,910.80	