

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation **2.34B**

Name of Company

ADD Wellness Holdings Limited

Company number

06172268

In the

High Court of Justice

[full name of court]

Court case number

12714 of 2009

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

We (a) Malcolm Peter Fillmore and Mark Pearce Riley, Atherton Bailey LLP, Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL

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

having been appointed administrator(s) of (b) ADD Wellness Holdings Limited whose registered office is Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL

(c) Insert date of appointment
(d) Insert name of applicant / appointor

on (c) 1 April 2009 by (d) the Company

hereby give notice that

(e) Insert name(s) and address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Malcolm Peter Fillmore and Mark Pearce Riley, Atherton Bailey LLP, Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL

will be the liquidators of the company (IP Nos) 6252 and 5778

We attach a copy of the final progress report

Signed

Joint Administrators -

M P Fillmore

M P Riley

Dated 19 August 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 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

WEDNESDAY



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18/08/2010

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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
Cardiff

DX 33050

ADD WELLNESS HOLDINGS LIMITED ("THE COMPANY") (IN ADMINISTRATION)
Unit 10, Utopia Village, 7 Chalcot Road, Primrose Hill, London, NW1 8HL

ADMINISTRATORS' FINAL PROGRESS REPORT PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986
FOR THE PERIOD FROM 1 APRIL 2010 TO 19 AUGUST 2010

1 Introduction

- 1.1 Pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986, I set out below our report on the progress of this Administration since our report to 31 March 2010

2. Details of Relevant Court

- 2.1 These Administration proceedings fall under the jurisdiction of High Court of Justice, the court reference is no 12714 of 2009

3 Company details

- 3.1 The company's registered number is 06172268 and its registered office is situated at Arundel House, 1 Amberley Court, Whitworth Road, Crawley, RH11 7XL

4 Administrators' details

- 4.1 The Joint Administrators, Malcolm Peter Fillmore and Mark Pearce Riley of Atherton Bailey LLP, Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex RH11 7XL, were appointed on 1 April 2009. Our appointment was made by the director. Since our appointment, there have been no changes in the office holders. For the purposes of paragraph 100(2) of schedule B1 to the Insolvency Act 1986, the Administrators have agreed to act jointly and severally in all matters relating to the administration. All functions relating to the administration may be exercised by either administrator.

5 Extension to the initial period of the appointment of the Administrators

- 5.1 The Administration was extended by consent of creditors to 30 September 2010

6 Administrators' Receipts and Payments Account

- 6.1 I attach a summary of the administrators' receipts and payments as at 19 August 2010

7 Administrators' Progress Report

- 7.1 The Purpose of the Administration was to achieve 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) and was effected at the same time as that of its 50% subsidiary, Movers & Shapers Limited
- 7.2 The Company also held 100% shares in Fitbug Limited and these shares were sold to Fitbug Plc (formerly ADD Leisure Plc) (an associated company) for £250,000, supported by an independent valuation from Edward Symmons & Partners. Fitbug Plc is by far the largest creditor of the Company and it was agreed that funds to pay a dividend to the other creditors would be deferred until such time as they had been agreed. The only other creditors known at the time were guarantee obligations on two property leases held by Movers & Shapers
- 7.3 During the period of Administration, we have had provisional guarantee claims from the landlords and two other claims have been lodged. We have also received a claim from HM Revenue and Customs for VAT due, this claim is shared with MS Admin Limited as both Companies were in a VAT group and therefore jointly liable. We are awaiting the final guarantee claims now that the new Leases have been signed and the Loughton property has been formally surrendered back to the Landlord. Once we have received the final claims under the guarantee and from Fitbug Plc we will be in a position to finalise and pay dividends to creditors
- 7.4 Our investigations into the Company's pre-administration activities have not brought any matter to light which would suggest the need for the additional powers available to liquidators to pursue asset recoveries

8 The Exit Route

- 8.1 It was proposed at the commencement of our appointment that the likely exit route would be to distribute to the creditors in Administration and dissolve the company or in the alternative distribute through a CVA. Given the delays in agreeing claims, and the Administration period of 18 months, it is now proposed that a CVL is the most cost effective exit route.

9 Assets remaining to be realised

- 9.1 The deferred consideration on the sale of Fitbug Limited realisable to pay the third party dividends and costs is the only unrealised asset.

10 Administrators' Costs and Remuneration

- 10.1 The total time costs incurred from 1 April 2009 to 15 August 2010 are £16,473.11, which are summarised on the attached schedule in the format prescribed by the Association of Business Recovery Professionals. A summary of the Administration time costs for the period from 1 April 2010 to 15 August 2010 is also attached (period since last report). Remuneration totalling £16,000 has been drawn in accordance with the resolution approved by creditors. A Creditor's guide to Administrator's Fees can be located in SIP 9 (Statement of Insolvency Practice) which can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk. Alternatively please contact this office for a copy to be sent to you by post.

The current hourly rates of staff and partners that were involved in this case are as follows:

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

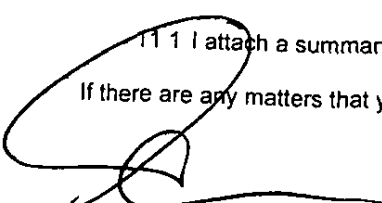
Creditors have also approved our category 2 disbursements at the rate of 25 pence per letter, 15 pence per photocopy and 40 pence per mile plus 5 pence for additional persons travelling in the same car. Details of the category 2 disbursements paid in the period are shown on the attached receipts and payments account. The category 2 disbursements incurred by the Administrators for the period of the report is as follows:

Letters and photocopying £26.80
Mileage and travel costs £0.00

11 Administrators' Proposals

11.1 I attach a summary of the Administrators' Proposals.

If there are any matters that you wish to discuss with me, please do not hesitate to contact me.


Malcolm P. Fillmore
Joint Administrator of ADD Wellness Holdings Limited
Dated 19 August 2010

ADD Wellness Holdings Limited
[n Administration]

	£	As per director's Statement of Affairs
RECEIPTS		
Cash at Bank	25 011 59	
Bank Interest Received (Gross)	63 79	
VAT Refund	343 66	
Reimbursement to Edward Symmons	2 300 00	
Reimbursement to DAC	205 00	
VAT Output Tax	0 00	
		<u>27 924 04</u>

Pre Administration Fees	175 00
Administrators Remuneration	16 000 00
Sale of FitBug assets	2,112 80
Other Professional Costs	178 26
Printing, Copying & Postage	109 25
Statutory Advertising	396 36
Solvency Bonding	184 00
VAT Input Tax	3 264 34
	<u>22 420 01</u>

balance at bank as at 19 August 2010

£	£
Brought Forward	18 083 35

1 000 00

12 925 00

5 504 03

Name of Case	ADD Wellness Holdings Limited
Date	1 April 2010 to 15 August 2010

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	5 33	0 00	0 00	13 30	18 63	2,772 64	148 83
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	4 1	0 00	0 00	0 00	4 1	902 00	220 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 85	0 00	0 00	1 27	3 12	563 82	180 71
Case specific matters (Rec & Pay)	0 00	0 00	0 00	1 37	1 37	132 83	97 19
Total Hours	11 28	0 00	0 00	15 93	27 22	4,371.29	
Total Fees Claimed (£)	2,643 16	0 00	0 00	1,728 13			

Name of Case	ADD Wellness Holdings Limited
Date	15 August 2010

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	19 17	0 00	0 00	56 95	76 12	10,823 44	142 19
Investigations	0 00	0 00	0 00	0 63	0 63	63 84	100 79
Realisation of assets	4 68	0 00	0 25	0 42	5 35	1,144 52	213 93
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	12 78	0 00	0 00	4 58	17 36	3,320 75	191 29
Case specific matters (rec & pay)	0 00	0 00	0 00	11 58	11 58	1,120 56	96 74
Total Hours	36 63	0 00	0 25	74 17	111 04	16,473 11	
Total Fees Claimed (£)	9,010 70	0 00	31 25	7,431 16			

ADD WELLNESS HOLDINGS LIMITED (In Administration) ("The Company")
Unit 10, Utopia Village, 7 Chalcot Road, Primrose Hill, London, NW1 8HL
Company No 06172268

STATEMENT OF THE ADMINISTRATORS' PROPOSALS

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

7 Administrators' Proposals

Extract from full 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 on the future management of the Company 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

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

7.6.2 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 £3,913 for the Crawley office, in addition time costs of approximately £1,000 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