

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number	0	8	9	4	4	4	3	4
Company name in full	The Core Collective Health Limited							

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	Allister
Surname	Manson

3 Administrator's address

Building name/number	4th Floor, Euston House
Street	24 Eversholt Street
Post town	London
County/Region	
Postcode	N W 1 1 D B
Country	

4 Administrator's name ①

Full forename(s)	Steven
Surname	Parker

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	4th Floor, Euston House
Street	24 Eversholt Street
Post town	London
County/Region	
Postcode	N W 1 1 D B
Country	

② **Other administrator**
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

^①As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's Signature

Signature

X



X

Signature date

^d

1

^d

0

^m

0

^m

6

^y

2

^y

0

^y

2

^y

2

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name Allister Manson

Company name Opus Restructuring LLP

Address 24 Eversholt Street

4th Floor, Euston House

Post town London

County/Region

Postcode N W 1 1 D B

Country

DX

Telephone 020 3326 6454



Checklist

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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

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In the High Court of Justice Reference No. 1031 of 2022

The Core Collective Health Limited (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

Allister Manson and Steven John Parker
Joint Administrators

Opus Restructuring LLP

4th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB

01908 087 220

Disclaimer Notice

- This Statement of Proposals has been prepared by Allister Manson and Steven John Parker, the Joint Administrators of The Core Collective Health Limited ("the Company"), solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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 Statement of Proposals.
- The Joint Administrators act as agents for The Core Collective Health Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Opus Restructuring LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

Contents

1. Executive Summary	3
2. Background to the Company	4
3. Events leading to the Administration	4
4. The Objective of the Administration	Error! Bookmark not defined.
5. Events since the Administrators' Appointment..	Error! Bookmark not defined.
6. The Statement of Affairs and the Outcomes for Creditors	7
7. The Administrators' Fees	8
8. The Administrators' Expenses	9
9. The Administrators' Discharge	9
10. Approval Process.....	9
Appendix I: Definitions.....	11
Appendix II: Statutory and Financial Information	12
Appendix III: Statement of Pre-Administration Costs	14
Appendix IV: SIP16 Statement	15
Appendix V: Estimated Financial Position.....	22
Appendix VI: Receipts and Payments Account	30
Appendix VII: Estimated Outcome Statement	31
Appendix VIII: The Administrators' Fees Estimate	33
Appendix IX: Breakdown of the Administrators' Time Costs	37
Appendix X: Charge-out Rates and Expenses Policy	39
Appendix XI: The Administrators' Expenses Estimate	40
Appendix XII: The Administrators' Statement of Proposals.....	41

1. Executive Summary

- 1.1** This Statement of Proposals is being delivered to creditors on 8th June 2022, further to the SIP16 Disclosure that was circulated to creditors on 25th April 2022. The Proposals were not circulated with the SIP16 Disclosure because the Joint Administrators were waiting for further confirmation that the funds have been cleared from the sale of assets. Creditors should note that some important details have changed since the SIP16 Disclosure was circulated including the position with regard to the secured creditors of the Company.
- 1.2** The principal activity of the Company was the management of fitness facilities and it traded from three locations being, Ground Floor and Basement 23 Pavilion Road, London SW1 ("Knightsbridge"); Part Ground and Part Basement Floors, Troy Court, Kensington High Street, London W8 7RZ ("Kensington High Street") and Basement 47-51 and Ground Floor, 51 St John's Wood High Street, London NW8 7NJ ("St John's Wood"). On 14 April 2022, Allister Manson and Steven John Parker, of Opus Restructuring LLP, were appointed Joint Administrators of the Company by the Directors.
- 1.3** The Joint Administrators are currently pursuing the third statutory objectives of Administration: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.4** A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Cash at Bank	170,851.68	-	170,851.68
Book Debts	-	20,000.00	20,000.00
Sale of Business	45,002.00	-	45,002.00
Sale of fixtures & fittings	7,000.00	-	7,000.00

Expenses

Expense	Expense Incurring to date £	Anticipated further expense £	Total anticipated expense £
Joint Administrators' Pre-Appointment Fees	29,840.00	-	29,840.00
Joint Administrators' fees	-	45,000.00	45,000.00
Solicitors' Pre-Appointment fees	22,573.00	2,500.00	25,073.00
Solicitors' pre-appointment disbursements	67.50	-	67.50
Agents' Pre-Appointment fees	12,250.00	1,400.00	13,650.00
Agents' post appointment costs	1,400.00	-	1,400.00
Storage fees	-	1,500.00	1,500.00
All other expenses	-	1,500.00	1,500.00

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	Nil	3p in £
Secured creditor (floating charge)	Nil	0p in £
Preferential creditors	N/A	N/A
Secondary Preferential creditors	Nil	38p
Unsecured creditors	Nil	0p in £

1.5 The main work remaining to be done to conclude the Administration is to collect the remaining book debts and pay distributions to the secured and secondary preferential. The Administration is expected to be concluded in around 9 months by exiting to Creditors' Voluntary Liquidation.

1.6 Definitions of the terms used in this Proposal are provided in Appendix I.

2. Background to the Company

2.1 The business was established on 18 March 2014 and the principal activity of the Company was the management of fitness facilities. It traded from the premises at Knightsbridge, Kensington High Street and St John's Wood.

2.2 The Company started trading in 2015 when it opened its first gym. The founders are the directors Jason de Savary and Nicholas de Savary. The Company was founded upon the principles of providing high end fitness facilities to discerning clientele and initially traded at a loss. This is to be expected when the fit out costs and acquisitions of trading premises are factored in. By the financial year end March 2017, the Company filed accounts disclosing a material profit, which remained the case until the onset of the global COVID19 pandemic and UK wide "lockdown". These factors resulted in the immediate closure of the three sites and in turn a complete cessation of the trading of the Company. This position is neatly illustrated by the contrasting accounts filed in the financial years ended 31 March 2020 and 31 March 2021, the former disclosing shareholders' funds of £2,049,313 and the latter £717,947.

The Company was supported by secured loans and investment throughout, two of which remain outstanding in favour of Nicholas de Savary and Lord George Farmer.

2.3 Statutory information regarding the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Opus Restructuring LLP.

3. Events leading to the Administration

3.1 Attached at Appendix III is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.

3.2 By the start of 2022, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company, nor its investors, were in a position to advance the necessary funding in order to pay wages and other costs due: notably, the rent and finance agreements in respect

of the gym equipment leased from a finance provider. Third party investment was sought by the Board of Directors and seemingly had been secured, only for the proposed investor to pull out at the last moment, without warning, leaving the Company in a parlous financial position.

- 3.3** A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the short to medium term to enable a purchaser to be found.
- 3.4** Prior to the Joint Administrators' appointment, Hilco Appraisal Limited ("Hilco") were instructed to assist the Board of Directors with the marketing and proposed sale of the Company and/or its business and assets.
- 3.5** The Company had cash at bank at the end of February 2022, but it was accepted that the balance was dwindling and the Company was not able to meet its March month end liabilities. Because of this, the directors were keen to move forward rapidly with a formal sale process out of insolvency.
- 3.6** Various options were discussed with the directors. However, a pre-pack administration was deemed the best outcome for creditors and the best option for the Company.
- 3.7** On 14 April 2022, Allister Manson and Steven John Parker of Opus Restructuring LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Directors. A sale of the Company's business and assets was immediately concluded by the Joint Administrators.
- 3.8** These proceedings are COMI proceedings.

Ethical Considerations

- 3.9** Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified that would impair the independence and/or objectivity of the prospective Joint Administrators. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

4. The Objective of the Administration

- 4.1** Administrators must perform their functions with the objective of:
- rescuing the company as a going concern;
 - or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
 - or, if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2** The Joint Administrators would comment that, due to a lack of working capital prior to appointment, the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

4.3 The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in liquidation. The swift steps taken by the Joint Administrators sought to enhance realisation and, as a consequence of the limited costs and time taken, the Joint Administrators believe that the quantum and timing of any future distribution to unsecured creditors has been improved over that which could have been achieved via insolvent liquidation, alone. However, regrettably it is projected that there is unlikely to be a distribution to the unsecured creditors. Accordingly, the Joint Administrators believe that the second objective will not be achieved.

4.4 The Joint Administrators would comment that the third objective will be achieved, as they expect to pay a distribution to the Company's secured creditors.

4.5 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events since the Joint Administrators' Appointment

5.1 Immediately upon appointment, the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

The sale of the Company's business and assets

5.2 The Joint Administrators concluded a pre-packaged sale of the Company's business and assets. Information relating to this sale is attached at Appendix IV. Of the total sale consideration of £45,001, the entirety of which has now been received.

Other steps taken as regards assets

5.3 On the Joint Administrators' appointment, the value of the Company's book debt ledger was £47,982. The Joint Administrators will look to collect the outstanding book debts and will instruct a third party to assist with this if necessary. To date, no realisations have been made and the impairment to the Estimated to Realise amount reflects the generally difficulties that may be incurred in realising the portfolio in full.

5.4 The Joint Administrators made immediate contact with the Company's bank in order to freeze the Company's bank accounts and to request the transfer of any credit balances to the Joint Administrators' control. Such balances have now been received but contain an element of third-party funds received in error post the completion of the sale of the Company's business.

5.5 The Joint Administrators' agents entered into negotiations with an unconnected third party in respect of the site at Knightsbridge. Regrettably, no agreement could be reached in respect of the premises itself. However, the agents negotiated a sale of the unencumbered assets contained therein for £7,000 plus VAT. These funds are still to be received from the agents.

Steps taken as regards creditors

- 5.6** Immediately following the appointment of the Joint Administrators, the staff were contacted and were briefed with regards to the Administration and informed that a sale of the business and assets had been completed to One Rebel Limited ("One Rebel"). Staff were then informed that their employment had been transferred to One Rebel under TUPE and they were introduced to the relevant contact from One Rebel.
- 5.7** The Joint Administrators' staff have handled creditors' queries as they have arisen, which have included telephone calls and correspondence.

Instruction of specialists

- 5.8** When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obliged to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.
- 5.9** To advise on appropriate legal matters and to prepare required legal documentation on the sale of the business and assets pre-appointment, the Joint Administrators instructed VWV Solicitors, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 5.10** In addition, Hilco, a third-party firm of chattel agents, was instructed pre-appointment by the Directors of the Company to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agents also advised on the best method of disposal of those assets and assisted in their disposal, as well as assisted with claims of retention of title and security. Upon the Joint Administrators' appointment, Hilco effectively became the agents of the Joint Administrators.
- 5.11** VWV's professional fees are based upon their recorded time costs incurred at their standard charge out rates and Hilco fees are based on fixed fee and percentage of realisations. All costs will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's affairs prior to the Administration

- 5.12** The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.
- 5.13** Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcomes for Creditors

- 6.1** To date, the directors have not submitted a signed Statement of Affairs. The Estimated Financial Position of the Company, together with a list of creditors, is attached at Appendix V. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.
- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

- 6.3** Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 14 April 2022 to 8 June 2022.
- 6.4** Also attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.
- 6.5** The Act requires Administrators to calculate a prescribed part of the Company's net property (which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts).
- 6.6** In this case, the prescribed part provision does not apply, it is anticipated that the net property is likely to be less than the prescribed minimum of £10,000.
- 6.7** The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because in any event the net property will be less than £10,000.
- 6.8** In summary, it is anticipated that there will be insufficient funds to pay a distribution to unsecured creditors.

7. The Joint Administrators' Fees

- 7.1** The Joint Administrators propose to fix their fees on the following basis:
- the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Opus Restructuring LLP at the time the work is performed;
- 7.2** Attached at Appendix VIII is the Joint Administrators' Fees Estimate. Attached at Appendix IX is a breakdown of the time costs incurred in the Administration to 3 June 2022 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix X.
- 7.3** The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.

7.4 Creditors may access a Guide to Administrators' Fees at <http://thecompliancealliance.co.uk/cgfdm.pdf> or a hard copy will be provided on request.

8. The Joint Administrators' Expenses

8.1 Attached at Appendix XI are details of the expenses that the Joint Administrators expect to incur in the Administration.

8.2 Expenses fall into two categories: Category 1 and Category 2.

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not associates of the Joint Administrators. Administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are payments to associates or which have an element of shared costs. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

8.3 Appendix X provides details of the bases of Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

9.0 The Joint Administrators' Discharge

9.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

Approval Process

10. Approval of the Statement of Proposals

10.1 Attached at Appendix XII is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out in detail what further work the Joint Administrators propose to undertake. The Joint Administrators think that neither of the first two Administration objective can be achieved. Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, Joint Administrators are not required to seek creditors' approval of the Statement of Proposals. Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision. If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

10.2 The Joint Administrators are inviting the secured creditors to decide on the following matters:

- The timing of the Joint Administrators' discharge from liability
- In the event that a creditors' committee is not established:
 - The basis on which the Joint Administrators' fees shall be fixed
 - The approval of the unpaid pre-Administration costs
 - The approval of the basis of Category 2 expenses

10.3 To assist those creditors who are requested to vote on these matters, the relevant forms have been provided under separate cover.

Should any creditor have any queries in relation to the above, please do not hesitate to contact me or my colleague, Ian Kiteley, on 01908 087220 or by email to ian.kiteley@opusllp.com.

Dated this 8 June 2022



Allister Manson
Joint Administrator

Allister Manson and Steven John Parker were appointed Joint Administrators of The Core Collective Health Limited on 14 April 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Allister Manson and Steven John Parker
The Company	The Core Collective Health Limited (in Administration)
The Court	High Court of Justice
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

Appendix II: Statutory and Financial Information

Company name	The Core Collective Health Limited
Previous name(s)	n/a
Trading name(s)	The Core Collective
Proceedings	In Administration
Court	High Court of Justice
Court reference	1031 of 2022
Date of appointment	14 April 2022
Appointed by	The Directors
Joint Administrators	Allister Manson and Steven John Parker Opus Restructuring LLP 4th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them
Registered office	c/o Opus Restructuring LLP, 4th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB
Company number	08944434
Incorporation date	18 March 2014
Company Secretary at date of appointment	N/A
Directors at date of appointment	Jason Charles de Savary Nicholas Charles de Savary
Directors' / Secretary's shareholdings	50 Ordinary Shares 50 Ordinary Shares

Summary Balance Sheet

	Unaudited Statutory Accounts for year to 31 March 2021 £	Unaudited Statutory Accounts for year to 31 March 2020 £	Unaudited Statutory Accounts for year to 31 March 2019 £
Tangible assets	3,559,827	3,863,295	3,069,771
Intangible assets	1,038	5,765	9,601
	<hr/> 3,560,865	<hr/> 3,869,060	<hr/> 3,079,372
Current Assets			
Cash at Bank	309,846	123,557	222,106
Debtors	600,178	541,029	672,799
Stock	-	-	5,531
	<hr/> 910,024	<hr/> 664,586	<hr/> 900,436
Liabilities			
Creditors	(3,752,942)	(2,484,333)	(1,188,699)
Total Liabilities	<hr/> (3,752,942)	<hr/> (2,484,333)	<hr/> (1,188,699)
Net Assets	<hr/> <hr/> 717,947	<hr/> <hr/> 2,049,313	<hr/> <hr/> 2,791,109

Appendix III: Statement of Pre-Administration Costs

On 10 March 2022, Jason de Savary agreed with the proposed Joint Administrators that Opus Restructuring LLP be paid fees for work done prior to the Administration as a set fee of £7,500 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing The Core Collective Health Limited into Administration.

Setting the Joint Administrators' fees in the sum of £7,500 is considered to be a fair and reasonable reflection of the work undertaken, as the fixed fee covered the work set out below. In addition, if the Joint Administrators were to charge their fees on the basis of time costs incurred by them and their staff, this would result in a fee in excess of that proposed.

Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. In addition, The Directors of the Company had begun to take steps to market the business and assets of the Company and to negotiate with interested parties with a view to agreeing a sale in principle that could be completed shortly after the Joint Administrators' appointment. Thus, agents were engaged to value and market the business and assets by the most beneficial means in view of the time available. Solicitors were also engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser. It was felt that this strategy would further the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up. This work was expected to have a financial benefit for creditors, as the strategy of pursuing the second Administration objective would improve the prospects of recovery, even avoiding some claims arising, e.g. those of the employees.

In conducting the above work, the following costs were incurred:

	£
Opus Restructuring LLP's time costs	29,840.00
Opus Restructuring LLP's other expenses	10.00
Agents' costs	12,250.00
Solicitors' costs	22,640.50

Further below is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and at Appendix X are Opus Restructuring LLP's charge-out rates and bases of expenses.

All the above costs remain unpaid and are requested to be paid as expenses of the Administration.

Appendix IV: SIP16 Statement

PRE-PACKAGED SALE

As previously stated in the Joint Administrators SIP16 disclosure to creditors on 25 April 2022, the Company's business and assets have been sold following a pre-packaged sale. The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to make a distribution to the secured creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an insolvency practitioner's firm is initially engaged by the insolvent company to help its board of directors to consider the company's options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an administration is appropriate, the company may then instruct the insolvency practitioner's firm to assist the company or its directors to issue the statutory notices to commence the process and to assist the company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances. Once appointed as administrator, the role of the insolvency practitioner is to manage the company's affairs, business and assets with the objective of achieving a statutory purpose of an administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the administration has begun. When either assisting the company before administration or acting as an administrator, the insolvency practitioner's role is not to advise the directors personally or any parties connected with any potential purchaser, who are usually encouraged to take independent advice.

In this case, prior to commencement of the Administration, Opus Restructuring LLP acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Opus Restructuring LLP nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets. Additionally, it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime.

Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale (which represented the best outcome for creditors as a whole) and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale of the majority of the business and assets could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Ethical Considerations

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified that would impair the prospective Joint Administrators independence and/or objectivity.

Initial Introductions

Opus Restructuring LLP was initially approached by the Company's directors on 9 March 2022 to help advise on the options available for the Company, as it was deemed to be insolvent.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. The fee agreed in respect of my pre-appointment advice was the sum of £7,500 plus VAT.

A signed engagement letter was received from the directors of the Company on 14 March 2022.

The Company traded as a provider of fitness facilities from 45 Philimore Walk, London W8 7RZ; 23 Pavilion Road, London SW1X 0HD and 51 St John's Wood High Street, London NW8 7NJ.

The Directors advised that the Company had become insolvent due to the following factors:

The Company had cash at bank at the end of February 2022, but it was understood that the balance was dwindling and the Company was not able to meet its month end liabilities, in March 2022. Because of this, the directors were keen to move forward rapidly with a formal insolvency process.

The Company granted the following security:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Fixed & Floating Charge	Nicholas De Savary	23 September 2019
Fixed & Floating Charge	Lord Farmer	14 February 2019

By the start of 2022, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company, nor its investors, were in a position to advance the necessary funding in order to pay wages and other costs due: notably, the rent and finance agreements in respect of the gym equipment leased from a finance provider. Third party investment was sought by the Board of Directors and seemingly had been secured, only for the proposed investor to pull out at the last moment, without warning, leaving the Company in a parlous financial position.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the short to medium term to enable a purchaser to be found.

The options listed below were considered with the Directors.

Continuing to trade outside insolvency or through a Moratorium

The Company had dwindling cash resources and its cash constraints were impacting on its ability to continue trading, primarily as there was insufficient cash cover to run payroll beyond April 2022, allied with arrears of rent in respect of the Company's trading sites.

The Company's shareholders and bank confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

Company Voluntary Arrangement (“CVA”)

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

The possibility of placing the Company into Liquidation was considered. However, it was decided that this was not the best course of action to take, as Liquidation would mean that all employees would be made redundant leading to an increase in the level of creditors. In addition, any value in the Company’s client listing would have been impaired if there were a break in services as a result of staff being made redundant and the negatively publicity that would have ensued in the event of a sudden cessation of services to the clientele. Furthermore, as a result of the staff of the Company being made redundant, a further pool of creditors would have been created and increased the deficiency as regards creditors generally.

Pre-packaged Administration Sale

There was insufficient working capital and little prospect of attaining new funding to allow medium-term trading to continue, in order that the business and assets could be exposed thoroughly to the market. The main benefits of achieving a pre-packaged sale were the transfer of the employees and potentially certain leases on trading premises and the avoidance of a break in the supply of fitness services to the club members, all of which would enable value to be maximised upon sale of the majority of the Company’s business and assets.

The Joint Administrators’ Options on Appointment

Immediately prior to their appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors.

However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would be able to trade profitably in a CVA. With uncertainty surrounding the future of the Company it was felt that staff would begin to look for alternative employment which would negatively affect the Company’s ability to service its clientele which would in turn impact upon the viability of the business.

For these reasons, also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration with a view to exploring whether the existing offers for the purchase of the business and assets could be improved upon.

The Company’s major creditors were contacted and the Company’s circumstances and proposed strategy were explained. The creditors did not raise objections to the proposed pre-pack strategy.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The directors were asked to advise of any marketing conducted by the Company prior to approaching Opus Restructuring LLP for advice and we were advised that marketing had been undertaken by Hilco. We were advised that, as a result of the marketing, Hilco had received a number of expressions of interest and the Company had entered into initial discussions with a potential purchaser, One Rebel Ltd (“One Rebel”), for the acquisition of the business and assets.

The agents, Hilco, were then instructed to market the business and assets of the Company more widely and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising on the agents' and other websites.

Marketing was undertaken for a period of two to three weeks, due to the parlous cash flow position and in view of interest received from One Rebel prior to marketing. The agents deemed it reasonable to allow for any further interested parties, if applicable, to make offers on the business and assets. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole, in all the circumstances.

The reasons for the marketing and media strategy adopted were to ensure that the teaser document would be exposed to the widest possible area through electronic means, as opposed to the publishing in written media which was considered to require a period of time to prepare, publish and distribute across the nation, thereby giving no window of opportunity for interest to be enhanced. In addition, One Rebel Ltd had already expressed an interest in acquiring the business of the Company including all staff.

The marketing generated a reasonable level of interest with 27 enquiries being received and 16 non-disclosure agreements being returned. These prospective purchasers were provided with access to a virtual data room containing an information memorandum, financials, organisational chart, equipment inventories, property lease summaries etc along with a summary of the sales process.

A deadline for offers was set for 4pm on Tuesday 5th April which resulted in the following offers being submitted:

- One Rebel offered £45,000 on completion for the St John's Wood and High Street Kensington sites, together with the owned gym equipment, the Core Collective Brand and client base. This party had discussions with the landlords of both sites and agreed revised lease terms in principle, on the basis of taking assignment of the existing leases. They also agreed terms, if successful, with an existing finance provider, to take over the equipment subject to asset finance agreements. One Rebel also proposed to take on the existing employees, the trainers at the two locations, and honour all existing customer bookings. They have advised they are able to proceed immediately.
- Another party were interested in Knightsbridge site in isolation and indicated an offer of £50,000, but had undertaken no real due diligence, nor had any discussions with the landlord regarding amending the lease terms. The offer was also conditional on securing the Core Collective brand and the customer base for Knightsbridge.
- A further offer was received for £30,000 for the equipment at the Knightsbridge and High Street Kensington sites, on a removal basis.

Of the three offers received by Hilco, only one represented an offer for the majority of the business that was capable of acceptance in the view of Hilco, being the offer from One Rebel. This was partly due to the time frame available for the completion of any deal: only One Rebel had sufficiently progressed their due diligence and were proposing to take on all staff, who may otherwise not have been paid and would potentially have left to find gainful employment elsewhere.

This could potentially have caused a break in services and led to clients not being able to utilise the gyms which, in turn, would have impacted upon the saleability of the Company's business, resulting in a lesser return for the body of creditors as a whole. In addition, it is understood that the secured creditors of the Company were open to a sale to One Rebel and would release their security to enable a sale to occur.

The marketing strategy has achieved the best available outcome for creditors as a whole, in all the circumstances, because the marketing activity has distributed material across the country in the most widespread manner available,

given the time constraints. Despite the offers received, relative to the interest generated, it was concluded that the market has indicated that there were very limited prospects of receiving multiple offers from a higher volume of interested parties, given the limited cash flow. Therefore, it was concluded that a prolonged period of marketing would have been likely to serve in increasing costs without achieving a materially higher realisation in this matter and presented a real prospect of diminishing any value in the Company.

Negotiations regarding a sale of the assets at the third site were ongoing. However, subsequent to the release of the Joint Administrators' SIP16 disclosure on 25 April 2022 negotiations in respect of an acquisition of the trading premises and assets in situ took place but regrettably the acquisition of the lease did not take place. Instead, the assets of Company in situ at the site were sold upon the recommendation of Hilco to the party for £7,000 plus VAT which compared well with Hilco's valuation of the same assets.

Valuation of the Business and Assets

Hilco were instructed by the Board of Directors on 9 March 2022 to value the business and assets of the Company. They confirmed their independence, are qualified by RICS, and have adequate professional indemnity insurance. A valuation visit to the sites was carried out on 16 & 17 March 2022.

Their valuation was received on 21 March 2022 and is summarised below:

	Market Value In-Situ (£)	Market Vale Ex-Situ (£)
Machinery & Business Assets owned	100,180	20,100
Machinery & Business Assets subject to finance	59,440	25,360
Total	159,620	45,460

A market value in-situ valuation reflects the estimated amount for which the assets could be sold as a whole in their working place. The market value ex-situ reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise, in the event that sale negotiations deteriorated, and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets compares favourably with the above valuation especially taking into account that the finance provider would have to consent to any sale of its assets to a third party and I am therefore satisfied with the sale price achieved.

The Transaction

The purchaser and related parties

A sale of a majority of the business and assets was completed on 14 April 2022 with One Rebel.

There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates.

The transaction is between the insolvent Company and One Rebel only and does not impact on any related companies.

No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier.

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement:

- the Goodwill;
- the Plant and Machinery;
- the Stock;
- the future benefit (subject to the burden) of the Customer Contracts;
- the SJW Property;
- the Customer Database;
- the Business Intellectual Property Rights;
- the Systems.

The sale consideration

The sale consideration totalled £45,001 and required the full amount to be paid on completion.

The sale consideration has been allocated to the following asset categories:

All business assets which were unencumbered £45,000 with £1 attributed to the transfer of the Company's leasehold interests at St John's Wood and Kensington High Street. All employees were transferred as part of the Sale. The consideration for the Sale has been received in full.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

As stated above, negotiations regarding the potential sale of the equipment at the Knightsbridge site were previously ongoing. Following negotiations between one prospective purchaser and the Landlord, terms were not agreeable on the basis of taking on the terms of the lease. It was agreed to then invite offers for the equipment separately.

Hilco provided an ex-situ valuation on the equipment for £6,820. Following the failed negotiations previously, an offer of £7,000 was received and accepted. Hilco have confirmed the equipment has now been cleared, with funds received. The premises at Knightsbridge have been passed back to the Landlord.

Connected Person Transactions

As the Sale was not to a connected person (as defined by Paragraph 60A(3) of Schedule B1 to the Insolvency Act 1986), an evaluator's report on the proposed sale was not required.

OTHER MATTERS

The effect of the Administration is to provide protection for the Company and prevent any creditor taking action against it. During the period of the Administration, the Company cannot be wound up, no Administrative Receiver can be appointed, nor can any creditor enforce security, repossess goods, commence or continue legal action without consent of the Joint Administrators or the permission of the Court.

The Joint Administrators will manage the remaining affairs, business and property of the Company. The Joint Administrators are neither personally adopting any contracts that may have been entered into by the Company, nor are they personally liable in any way in respect of them.

Until it is clear that a dividend will be paid, the Joint Administrators will not take steps to agree creditors' claims and, in order to avoid incurring unnecessary costs, they do not intend to respond to routine queries. However, it would assist with the preparation of an accurate statement of the Company's affairs if you will forward a statement of your account made up to 14 April 2022. If you intend to claim a lien, retention of title or any other form of security, you should advise me of your claim immediately in writing and forward any relevant supporting documents.

As part of our duties as Joint Administrators, we shall be investigating what assets the Company held and what recoveries may be made for the benefit of creditors, as well as the manner in which the Company's business was conducted. These enquiries include the investigation into any potential claims, if any, that may be brought against third parties. Accordingly, should you have any information which may be relevant, please contact me as soon as possible. A short questionnaire has been enclosed, which may assist you in this regard.

VAT Bad Debt relief is now available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue and Customs, which has been outstanding for a period of six months and is written off in the accounts. No further documentation is required.

FURTHER INFORMATION

"A Creditors' Guide to Administrators' Remuneration" is available to download at www.opusllp.com. Should you require a paper copy, please send your request in writing to the Joint Administrators. A copy will be provided at no cost.

Appendix V: Estimated Financial Position

The Core Collective Health Limited

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £	
Assets subject to a fixed charge:			
Sale of Business	45,001	45,001	
Fixtures & Fittings	7,000	7,000	
Lord Farmer	(612,416)	(612,416)	
Nicholas de Savary	(976,849)	(976,849)	
Deficiency c/f			(1,537,264)
Assets subject to a floating charge:			
Book Debts	47,982	20,000	20,000
Uncharged assets:			
Cash at Bank	170,851	152,867	152,867
Surplus from assets subject to a fixed charge			0
Estimated total assets available for preferential creditors			172,867

A1 – Summary of liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	172,867
Liabilities	
Preferential creditors:	
None	0
Total Preferential Claim	0
Estimated deficiency / surplus as regards preferential creditors:	172,867
Secondary Preferential creditors:	
Secondary Preferential Creditors (1)	(117,374)
Total Secondary Preferential Creditors	(117,374)
Estimated deficiency / surplus as regards secondary preferential creditors:	55,493
Estimated prescribed part of net property where applicable (to carry forward)	(14,099)
Estimated total assets available for floating charge holders	41,394
Debts secured by floating charges	
Lord Farmer deficiency b/f	(560,415)
Nicholas de Savary deficiency b/f	(931,848)
	(1,492,263)
Estimated deficiency/surplus of assets after floating charges	(1,450,869)
Estimated prescribed part of net property where applicable (brought down)	14,099
Total assets available to unsecured creditors	14,099
Unsecured claims (excluding any shortfall to floating charge holders)	
Employees' Claims	0
Trade Creditor (36)	(1,220,679)
	(1,220,679)
Estimated surplus/deficiency as regards unsecured creditors (excluding any shortfall to floating charge holders)	(1,206,581)
Shortfall to floating charge creditors	(1,450,869)
	(2,657,450)
Issued and called up capital	
Ordinary	(100)
	(100)
Estimated total deficiency / surplus as regards members	(2,657,550)

B - COMPANY CREDITORS

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value of security
Npower Business Solutions	2 Princes Way, Solihull, B91 3ES	Trade Creditor	£22,030.70			£0.00
Spitfire Network Services Limited	The Printworks, 139 Clapham Road, London, SW9 0HP	Trade Creditor	£108.91			£0.00
Stradawood Limited	C/o Trophaeum Asset Management Limited, 2nd Floor, 27 Albemarle Street, London, W1S 4HZ	Trade Creditor	£439,050.32			£0.00
WFC Contractors Limited	Olympus House, Kingsteignton Road, Newton Abbott, Devon, TQ12 2SN	Trade Creditor	£8,442.96			£0.00
Wholegood (Yeoh Saxton-Pizzie Limited)	20/21 Fairway Drive, Greenford, London, UB6 8PW	Trade Creditor	£2,927.30			£0.00
Smith & Brock	Arches 254/255 Grosvenor Terrace, London, SE5 0NP	Trade Creditor	£8,103.76			£0.00
Safestore	6 Hall Road, London, NW8 9PA	Trade Creditor	£1,466.70			£0.00
Ridgeway Furniture Manufacturing Limited	Unit 21A, Chartmoor Road, Leighton Buzzard, Bedfordshire, LU7 4WG	Trade Creditor	£368.93			£0.00
Premier Cooling	New Premier House, 47 Nork Way, Banstead, SM7 1PB	Trade Creditor	£5,993.25			£0.00
Ozone Coffee Roasters Limited	UK Accounts, 11 Leonard Street, London, EC2A 4AQ	Trade Creditor	£357.00			£0.00
Malin & Goetz	Empire House, 4th Floor, London, W1J 9EN	Trade Creditor	£1,943.54			£0.00
Initial Hygiene	Ebony House, Castlegate Way, Dudley, DY1 4TA	Trade Creditor	£5,247.18			£0.00
Human One Limited	94 Fulham Road, London, SW3 6HS	Trade Creditor	£96,906.68			£0.00
JXK Limited t/a Galicia Laundry	Unit 1&2, No.3 Sunbeam Road, Park Royal, London, NW10 6JP	Trade Creditor	£11,172.79			£0.00
Disposables & Catering Supplies Limited	7-13 Cutlers Road, South Woodham Ferrers, Chelmsford, CM3 5WA	Trade Creditor	£367.81			£0.00

City of Westminster Council	Business Rates, PO Box 187, Erith, DA8 9EY	Trade Creditor	£3,298.00		£0.00
Castle Water	1 Boat Brae, Rattray, Blairgowrie, PH10 7BH	Trade Creditor	£92.24		£0.00
Bowen Builders Limited	Suite 220, 4 Montpellier Street, London, SW7 1EE	Trade Creditor	£3,605.40		£0.00
Avison Young	PO Box 4444, London, W1A 7PU	Trade Creditor	£339,854.62		£0.00
Barry's London SW1	16 Eccleston Yards, London, SW1W 9AZ	Trade Creditor	£24.00		£0.00
Chubb Fire & Security Limited	Shadsworth Road, Blackburn, BB1 2PR	Trade Creditor	£21.66		£0.00
LFK Holdings Limited	C/o Dexter Brown Limited, Elder House, Elder Gate, Central Milton Keynes, MK9 1LR	Trade Creditor	£147,131.24		£0.00
Eon Next Energy	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	Trade Creditor	£197.22		£0.00
Drax Energy	Drax Power Station, Selby, YO8 8PH	Trade Creditor	£3,516.79		£0.00
Lowrie Studios	Unit 74, 38-40 The Oval, London, E2 9DT	Trade Creditor	£1,117.43		£0.00
Johnson Health Tech UK Limited	East Court, Riverside Park, Campbell Road, Stoke-on-Trent, ST4 4DA	Trade Creditor	£47.29		£0.00
Napier Parking Limited	Atterbury Lakes, Fairbourne Drive, Milton Keynes, MK10 9RG	Trade Creditor	£5,706.94		£0.00
Royal Bank of Scotland	139 St Vincent Street, Glasgow, G2 5JF	Trade Creditor	£593.40		£0.00
PPL PRS Ltd	PO Box 272, Sheffield, S98 1RG	Trade Creditor	£10,243.77		£0.00
Royal Borough of Kensington & Chelsea	Town Hall, Hornton Street, Kensington, W8 7NX	Trade Creditor	£12,219.00		£0.00
SES Business Water	Pixham End, Dorking, RH4 1GB	Trade Creditor	£952.28		£0.00
Soho House UK Ltd	180 The Strand, London, WC2R 1EA	Trade Creditor	£17,786.08		£0.00
Spectrum Corporate Finance	7th Floor, Abbey Gardens, 4 Abbey Street, Reading, RG1 3BA	Trade Creditor	£12,000.00		£0.00
Casual Tees Limited	63 Vyner Street, London, E2 9DQ	Trade Creditor	£1,069.20		£0.00
BellCo	7 Billing Road, London, SW10 9UJ	Trade Creditor	£3,600.00		£0.00
Close Brothers Leasing	Olympic Court, Third Avenue, Trafford Park Village, Manchester, Lancashire, M17 1AP	Trade Creditor	£53,114.96		£0.00
HM Revenue & Customs	Insolvency and Securities Section, 3rd	Secondary	£117,374.41		£0.00

	Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	Preferential Creditors				
Lord Farmer		Secured Creditor	£612,416.00	Fixed & Floating Charge	14/02/2019	£612,416.00
Nicholas de Savary		Secured Creditor	£976,849.00	Fixed & Floating Charge	23/09/2019	£976,849.00
Napier Car Park Finance Limited	Atterbury Lakes, Fairbourne Drive, Atterbury, Milton Keynes, MK10 9RB	Trade Creditor	£0.00			£0.00
Employee(s)		Employee(s)	£0.00			£0.00
Totals			£2,927,318.76			£1,589,265.00

* Denotes a Creditor claiming Retention of Title

C - COMPANY CREDITORS (EMPLOYEES FORMER EMPLOYEES & CONSUMER CLAIMING AMOUNTS PAID IN ADVANCE FOR THE SUPPLY OF GOODS OR SERVICES)

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value of security
		Employee				£0.00
Totals			£0.00			£0.00

D - COMPANY MEMBERS

Name of shareholder or member	Address (with postcode)	Type of share	Nominal value	No. of shares	Amount up
Jason de Savary		Ordinary	£50.00	50	£1.00
Nicholas de Savary		Ordinary	£50.00	50	£1.00

Schedule of Secured Creditors

Secured Creditors

Secured creditors	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Lord Farmer	612,416	Fixed & Floating Charge	14 February 2019	612,416
Nick De Savary	976,849	Fixed & Floating Charge	23 September 2019	976,849

From 14 April 2022 To 8 June 2022

[illegible]

Appendix VII: Estimated Outcome Statement

Estimated Outcome Statement as at 8 June 2022

	Notes	Estimated to Realise - Administration £	Estimated to Realise - Liquidation £
Fixed Charge Assets			
Sale of business	1	45,001	Nil
Sale of F&F	2	7,000	45,000
		<u>52,001</u>	<u>45,000</u>
Less: secured creditors			
Nicholas de Savary		(976,849)	(976,849)
Lord Farmer		<u>(612,416)</u>	<u>(612,416)</u>
		<u>(1,589,265)</u>	<u>(1,589,265)</u>
Shortfall		<u>(1,537,264)</u>	<u>(1,544,265)</u>
Floating Charge Assets			
Book Debts	3	<u>20,000</u>	<u>10,000</u>
		20,000	10,000
Uncharged assets			
Cash at Bank	4	<u>152,867</u>	<u>120,000</u>
Total		<u>172,867</u>	<u>130,000</u>
Floating Charge Costs			
Joint Administrators' Pre-Appointment Costs		(29,840)	Nil
Joint Administrators' Fees		(45,000)	Nil
Solicitors' Pre Appointment Fees		(22,573)	Nil
Solicitors' Pre Appointment disbursements		(68)	Nil
Solicitors' Post Appointment Fees		(2,500)	(10,000)
Agents' Pre Appointment Fees		(12,250)	Nil
Agents' Post appointment Fees & Costs		(1,400)	(5,000)
Auction fees		Nil	(4,500)
Joint Liquidators' Pre-Appointment Fees		Nil	(7,500)
Joint Liquidators' Fees		(7,500)	(25,000)
Book Debt Collection Fees		(4,000)	(2,000)
Insurance		Nil	(2,000)
Storage Fees		(1,500)	(1,500)
ERA / Pension Advisors' Fees		Nil	(3,500)
Other Expenses		<u>(1,500)</u>	<u>(1,500)</u>
Total		<u>(128,131)</u>	<u>(62,500)</u>
Total Assets Available to Preferential Creditors		<u>44,737</u>	<u>67,500</u>
Preferential Creditors			

Employees Holiday Pay and Arrears of Wages	Nil	(80,000)
Total Assets Available to Secondary Preferential Creditors	44,737	(12,500)
Secondary Preferential Creditors:		
HM Revenue & Customs	(117,374)	(117,374)
Total Assets Available to Floating Charge Creditors	(72,638)	(129,874)
Prescribed Part deduction (c/f)	Nil	Nil
Total Assets Available to Floating Charge Creditors	(72,638)	(129,874)
Amount owing to Secured Creditors	(1,537,264)	(1,544,265)
Shortfall as regards secured creditors	(1,609,902)	(1,674,139)
Total Assets Available to Unsecured Creditors (Prescribed Part b/f)	Nil	Nil
Unsecured Creditors:		
Trade Creditors	(1,220,679)	(1,220,679)
Employees (unsecured)	Nil	(100,000)
Floating Charge Shortfall	(1,609,902)	(1,674,139)
Total Unsecured Creditors	(2,830,581)	(2,994,818)
Shortfall to Unsecured Creditors	(2,903,218)	(3,124,692)
Rate of Dividend - Unsecured Creditors (p/£)	-2.57	-4.34 p in the

Notes

- 1 The sale of business would not have been achievable in a Liquidation as the staff would have been made redundant and thus services to clients ceased immediately resulting in a loss of goodwill and the ability for any prospective purchaser to take over the memberships and service the client base
- 2 Fixtures & fittings were estimated to realise £45,000 by the agents in a in situ sale
- 3 the Company's book debt ledger largely comprises receivables from finance providers, such a source would have been in a liquidation scenario as trading would have ceased earlier
- 4 Had the Company been placed in to liquidation, trading would have ceased at an earlier juncture and would have resulted in lesser realisations from cash at bank. Contained within cash at bank is an element of £17,984 owing to a third party that will be refunded to them in due course

Appendix VIII: The Joint Administrators' Fees Estimate

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix IX.

The Fees Proposed has been compiled on the following assumptions:

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- no exceptional work will be required to realise the remaining assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration.

On these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the fees proposed. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those covered by the proposed fee that they wish to draw from the insolvent estate.

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate	Estimate of total
Administration (including statutory reporting)		41	246.95	£10,125.00
Statutory/advertising	Filing and advertising to meet statutory requirements			
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists			
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments			
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case			
Books and records / storage	Dealing with records in storage Sending case files to storage			
Creditor reports	SIP16 disclosure following pre-pack sale of assets Preparing proposal, six monthly progress reports, fee authority report to secured creditors), conversion to CVL (where appropriate) and final report Seeking extension via creditors (where appropriate) and/or court Proposing further fee approval (where the fees estimate is not for the administration of the case to conclusion)			
Creditors' decisions	Preparation of decision notices, proxies/voting forms			

	Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure Issuing notice of result of decision on Proposals			
Investigations		22	252.27	£5,500.00
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken			
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Assisting the Insolvency Service with its investigations			
Realisation of Assets		23	268.48	£6,175.00
Sale of Business as a Going Concern	Instructing and liaising with agents Preparing an information memorandum Liaising with potential purchasers Agreeing licences to trade/occupy Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Exchanges with solicitors to agree sale and purchase agreement Surrender of lease			
Plant and machinery; office furniture and equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings Liaising with secured creditors and landlords			
Debtors and retentions	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers			
Leasing	Reviewing leasing documents Liaising with agents and owners/lessors			
Creditors (claims and distribution)		14.5	218.10	£3,162.50
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post			
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend			
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising			

	outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims			
Distribution procedures	Agreeing allocation of realisations and costs between fixed and floating charges Paying distribution to secured creditors and seeking confirmation of discharged claims Paying distribution to preferential/secondary preferential or unsecured creditors The process below will need to be applied for each class of creditor paid: Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of notice of intended dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Preparation of cheques/BACS to pay dividend Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/Ni deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim, may involve bringing the Company's preferential tax affairs up to date			
Creditors' Committee	No estimate has been provided, as it has been assumed that no Committee will be established			

Total

100.5

248.88

25,012.00

Administration (including Statutory Reporting)

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Investigations

At present, the Joint Administrators' investigations are ongoing and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

The receipts and payments account at Appendix VII sets out the realisations achieved to date and the Estimated Outcome Statement at Appendix VII sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. In brief, the following main tasks are yet to be completed:

- Book debts: continuing to pursue

Creditors (claims and distributions)

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries.

Appendix IX: Breakdown of the Joint Administrators' Time Costs – Pre & Post Appointment Costs

Pre Appointment Remuneration Schedule
The Core Collective Health Limited
Between 14 March 2022 and 14 April 2022

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	26.10	54.30	22.60	0.50	103.50	29,840.00	288.31
Forensics	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	26.10	54.30	22.60	0.50	103.50		
Time costs	9,772.50	14,932.50	5,085.00	50.00		29,840.00	
Average hourly rate	374.43	275.00	225.00	100.00			288.31

Description	Total Incurred £	Total Recovered £
CAT 2 Red Flag search	10.00	0.00
Totals	10.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	103.50
Total value of time spent to 14 April 2022	£	29,840.00
Total Pre Appointment fees charged to 14 April 2022	£	0.00

Joint Administrators' Remuneration Schedule
The Core Collective Health Limited
Between 15 April 2022 and 03 June 2022

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	1.00	19.30	37.10	3.40	60.80	14,385.00	236.60
Investigations	0.00	0.00	1.30	0.00	1.30	292.50	225.00
Realisation of Assets	1.50	6.30	2.20	0.00	10.00	2,790.00	279.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	12.80	1.30	0.00	14.10	3,812.50	270.39
Case Specific Matters	0.00	0.40	1.50	0.00	1.90	447.50	235.53
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Forensics	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	2.50	38.80	43.40	3.40	88.10		
Time costs	937.50	10,670.00	9,765.00	355.00		21,727.50	
Average hourly rate	375.00	275.00	225.00	104.41			246.62

Description	Total Incurred £	Total Recovered £
	0.00	0.00
Totals	0.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	88.10
Total value of time spent to 03 June 2022	£	21,727.50
Total Joint Administrators' fees charged to 03 June 2022	£	0.00

Appendix X: Charge-out Rates and Expenses Policy

Information relating to Opus Restructuring LLP's Fees and Expenses

Explanation of Opus Restructuring LLP's charging and expense recovery policies

Time recording

Work undertaken on cases is recorded in 6-minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

Staff	Charge out rates £ per hour
Insolvency Practitioner/Partners	250 – 425
Directors/Senior Manager	275 – 350
Manager/Assistant Manager	250 – 275
Senior Administrator/Administrator/ Junior Administrator	100 – 225
Secretarial/Administration support staff	100 – 150

Expense recovery

Expenses are categorised as either Category 1 or Category 2.

Category 1 expenses will generally comprise of external parties which will include the supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is required and are identified as Category 2 expenses. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses include but are not limited to case advertising, invoiced travel, agents' costs and expenses, solicitors' fees and expenses, external room hire, bank charges, Insolv case management charge and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 expenses include elements of shared or allocated costs incurred by Opus and are recharged to the estate; they are not attributed to the estate by a third party invoice and they do not include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 expenses are photocopying, all business mileage (for cases commencing on or after 1 November 2011. Payment of Category 2 expenses require the approval of creditors.

Included in Category 2 expenses are costs incurred with associated parties.

Appendix XI: The Joint Administrators' Expenses Estimate

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

Category 1 Expenses	Basis	Estimate of total
Legal costs VWV: providing assistance in drafting the sale purchase agreement	Time-costs	£25,073
Agents and Valuers Hilco Valuation Services: providing a valuation and assisting with a sale of the Company's business and assets	Time-costs	£13,650
Agents and Valuers book debt collection agents	Success based	£4,000
Advertising		£298.35
Bank charges		£5.00
Bond premium		£115.00
Books and records storage		£1,500
Document storage		£150.00
Case management software and website document access		£185.00
Printing and postage		£50.00
Total		£45,026.35

Category 2 Expenses	Basis	Estimate of total
Photocopying	10p per sheet	£20.00
Total		£20.00

Appendix XII: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's remaining assets at such time and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) in the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Allister Manson and Steven John Parker will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Allister Manson and Steven John Parker may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator; or

- (iv) in the event that the Joint Administrators think that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act / apply to the court to bring the Administration to an end in accordance with Paragraph 79(3) of Schedule B1 of the Act