

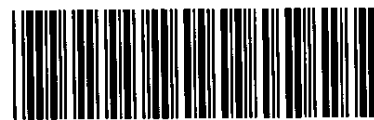
AM03

Notice of administrator's proposals



Companies House

MONDAY



A10

A81HHK00
18/03/2019

#185

COMPANIES HOUSE

1 Company details

Company number 05167822

Company name in full Grainsborough Health And
Fitness Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Christopher

Surname Horner

3 Administrator's address

Building name/number Robson Scott Associates

Street 49

Duke Street

Post town Darlington

County/Region Durham

Postcode DL3 7SD

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

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

Sign and date

Administrator's
Signature

Signature

x



x

Signature date

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**Administrator's Proposals relating to
Gainsborough Health And Fitness Limited ("the Company") – In Administration**

Issued on: 13 March 2019

Delivered to creditors on: 15 March 2019

I am the Administrator of the Company and these are my statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Company Information

Company name:	Gainsborough Health And Fitness Limited
Trading name:	Gainsborough Health And Fitness
Company number:	05167822
Date of incorporation:	01 July 2004
Trading address:	Gainsborough Studios, 1 Poole Street, London, N1 5EB
Current registered office:	C/o Robson Scott Associates, 49 Duke Street, Darlington, County Durham, DL3 7SD
Former registered office:	Gainsborough Studios, 1 Poole Street, London, N1 5EB
Principal trading activity:	Other sports activities

Appointment Details

Administrator	Christopher David Horner
Administrator's address	Robson Scott Associates Ltd, 47-49 Duke Street, Darlington, County Durham, DL3 7SD
Date of appointment	6 February, 2019

Court name and reference Business and Property Courts in Manchester
26 of 2019

Appointment made by: Richard Pearce

Officers of the Company:

Directors: *Name: Richard Pearce* *Shareholding: 1000*

Company secretary: *Name: Richard Pearce*

Share capital

Authorised *Allotted, called up and fully paid*

1000 ordinary shares £1 each 1000 ordinary shares of £1 each

Charges

Lloyds TSB Bank Plc – Mortgage – Created on 19 September 2011 and delivered on 23 September 2011

Lloyds TSB Bank Plc – Fixed and Floating Charge – Created on 4 November 2004 and delivered on 10 November 2004

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATOR

The Company was set up in 2004 and traded as a gym and provided services such as personal training. Problems began when there was a dispute with the landlord over the condition of the property which led to the Company refusing to pay rent.

This situation escalated to the point that the landlord re-entered the property and as such the business was unable to continue.

Prior to the commencement of the Administration Robson Scott Associates Ltd acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the company on their personal financial affairs. Whilst not formally in office at that time, Robson Scott Associates Ltd was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

As required by the Insolvency Code of Ethics, I considered the various threats to my objectivity arising from this prior involvement. I concluded that those threats were at an acceptable level such that I could still act objectively and hence could be appointed Administrators of the Company.

On 6 February, 2019, I was appointed by Richard Pearce as Administrator of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATOR'S STRATEGY FOR ACHIEVING THEM

As Administrator of the Company, I am an officer of the Court, and must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) 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); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as the Company had ceased trading and no longer had access to the premises following a dispute with the landlord. This also meant that a Company Voluntary Arrangement was not appropriate.

As a result, I am seeking to achieve objective (b) for the Company, and will do this by realising the cash at bank and attempting to sell the fixtures and fittings. Access to the property and company records could not be obtained, ruling out voluntary liquidation as notice could not be given to all creditors and the Statement of Affairs could not be prepared. The process also prevented the assets from being disposed of while access was secured under the moratorium.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of

the Company within 12 months then I will either apply to the Court, or seek a decision from the creditors to extend the duration of the Administration.

4. ACTIONS OF THE ADMINISTRATOR FOLLOWING APPOINTMENT

Since I was appointed Administrator I have carried secured the assets of the company, and have taken steps to recover the funds from the bank. I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company. In addition, I have undertaken routine statutory and compliance work, such as filed notice of my appointment at Companies House and prepared a gazette notice. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

On 7 February 2019 a valuation of the assets of the Company was prepared by JPS Chartered Surveyors, an independent firm of valuers, registered with the RICS, who have confirmed that they hold Professional Indemnity Insurance.

5. FINANCIAL POSITION OF THE COMPANY

A draft summary of the Company's estimated financial position as at 6 February 2019 which known as a draft Statement of Affairs is attached at Appendix 1.

5.1. Cash at Bank

It is understood that approximately £25,296 is held in the Company's bank account.

5.2. Fixtures and Fittings

Fixtures and fittings with a book value have an estimated to realise value of £1,800. From the information supplied, the assets to be valued consist of a relatively small quantity of gym equipment, catering equipment, IT equipment and furniture. The information provided has been very limited and gained through a conversation with the Director and images provided by the property managing agent. Agents were advised that the Director kept a large quantity of personal goods on site however they are unaware as to what these consist of and for the purpose of the valuation report assumed all assets in the schedule are owned by the Company. They were also advised that the company owned sauna and steam rooms for a cost price of £40,000. No other information has been provided on these items however they consider that the sale and removal costs would likely outweigh realisations and removal would likely cause damage to the building.

5.3. Preferential creditors

The only known preferential creditors are the former employees of the Company for holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

5.4. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company gave a fixed and floating charge to Lloyds Bank Plc on 04 November 2004. It is understood that there are no monies owing under this charge. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

6. ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 6 February 2019, to the date of these proposals, at Appendix 2.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATOR TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to continue efforts to secure the cash at bank and deal with the assets of the Company. I will also be carrying out investigations into the circumstances leading to the administration of the company. If no issues are noted which may lead to a recovery then it is likely the administration will conclude with the dissolution of the company.

8. ADMINISTRATOR'S REMUNERATION AND EXPENSES

I attach at Appendix 3 a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on more than one basis as detailed below:

Fixed fee basis:

There are certain tasks that I have to carry out on nearly every case, namely Administration, Investigation and Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out.

Administration: This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to

the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Creditors:

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions.

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

After taking into account the nature and value of the assets involved and that this is a more complex, as highlighted above, I have concluded that a fixed fee of £13,500 is necessary to cover that work. I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Full information about the work that I will undertake for the fixed fee is contained in Appendix 4.

Percentage basis:

There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking to recover a percentage of the property that I have to deal with, in order to remunerate me for the work that I undertake in respect of protecting and then realising that property. The percentage I propose to charge will also share the anticipated benefit with the creditors. I am seeking to recover the following percentages:

Nature of asset	Percentage being sought (%)
Cash at Bank	5%
Tangible Assets	20%

I think the percentages I am seeking approval for reflects the risk that I am taking, the nature of the assets involved, and the complexity of the Administration, as highlighted above. As a result, I believe that this demonstrates why the percentages proposed are expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Whilst I am required to maintain records of creditors' claims in all cases, in those cases where sufficient realisations are made to enable me to pay a dividend to creditors, I have to undertake certain statutory formalities. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. I am seeking to recover 5% percent of any distributions made, to reflect the additional work required.

I think the percentage I am seeking approval for reflects the number of creditors involved and the complexity of the Administration, as highlighted above. I have also compared the proposed percentage for which approval is being sought with the statutory scale for such work and taken that into account when determining the percentage being sought. I believe that this demonstrates why the percentage proposed is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Full information about the work that I will undertake as a percentage of realisations and distributions is contained in Appendix 4.

The work for which fee approval is being sought includes the work that will need to be undertaken should the Administrators be appointed Liquidator either following conversion to Creditors' Voluntary Liquidation or upon the making of a winding up order.

If a Creditors' Committee is appointed, it will be for the Committee to approve the basis of the Joint Administrators' remuneration and category 2 expenses. If a Committee is not appointed, then I will be seeking a decision from the creditors at the same time I seek a decision from them on whether or not to approve these proposals.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.robsonscott.co.uk. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Fee Arrangement
JPS Chartered Surveyors	Valuer/Auctioneer	Fixed Fee and Percentage
Freeths LLP	Solicitors	Time Costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money.

JPS Chartered Surveyors have carried out a valuation in relation to the assets of the company.

Freeths LLP have acted in dealing with my appointment as administrator and with the cessation of an ongoing legal dispute which was commenced prior to the administration.

My expenses incurred to date amount to £1,990.47 and represent:

Type of expense	Amount incurred/accrued since appointment	Amount still to be paid
Specific Bond	£98.00	£98.00
Statutory Advertising	£175.00	£175.00
ID Checks	£4.00	£4.00
Legal Fees	£1,713.47	£1,713.47

I have not been able to draw any expenses in this matter.

I also propose that I am permitted to charge and recover what are known as category 2 expenses. Details of my category 2 disbursement recovery policy are included within our practice fee recovery sheet enclosed as Appendix 3.

To date no category 2 disbursements have been incurred.

I anticipate that expenses totalling £5,066.20 will arise in these proceedings, together with any subsequent Liquidation as detailed in Appendix 7. Expenses do not have to be approved, but when reporting to any committee and the creditors during the Administration together with any subsequent Liquidation, the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action).

9. PRE-ADMINISTRATION COSTS

A. Where approval for any of the pre-administration costs is being sought:

The Board of Directors instructed me to assist them in placing the Company in Administration on 25 January 2019. They agreed that I should be paid my pre-administration costs as a fixed fee of £3,000 plus disbursements and VAT.

The following work was undertaken:

- Reviewing the articles and memorandums of the company, in conjunction with my solicitor in order to ensure there were no restrictions which would invalidate my appointment as administrator.
- Gaining access to the company's premises and securing the assets
- Laising with the bank in order to realise the funds held.

I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following statement sets out my pre-administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Paid pre-appointment £	To be paid £
Administrator's remuneration	3,000.00	0.00
Other expenses	0.00	4.00
Total	3,000.00	4.00

If a Creditors' Committee is appointed, it will be for the Committee to approve payment of the pre-administration costs that have not yet been paid. If a Committee is not appointed, then since the pre-administration costs that have not yet been paid cannot be approved as part of these proposals, I will be seeking a separate decision from the creditors in accordance with rule 3.52 at the same time I seek a decision from them on whether or not to approve these proposals.

Freeths LLP undertook the necessary legal formalities to put the company into Administration. Their costs for providing that work were £3,000 plus VAT plus disbursements of £200. This amount will be paid as an expense of the Administration without needing to obtain the approval of creditors.

10. ADMINISTRATOR'S INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the

Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

12. ADMINISTRATOR'S PROPOSALS

In order to achieve the objective set out at section 3 above, I formally propose to creditors that:

(a) I continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that I:

1)

(i) continue efforts to recover the funds held by the company bankers

(ii) sell the Company's assets at such time(s) on such terms as I consider appropriate;

(iii) 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 which supplies or has supplied goods or services to the Company; and

(iv) do all such things and generally exercise all their powers as Administrator as I consider desirable or expedient at my 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 proposals

(b) the Administration will end by placing the Company into Creditors' Voluntary Liquidation, and propose that I, Christopher David Horner am appointed the Liquidator of the Company.

(c) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.

Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals is set out at section 13.

(d) the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, and propose that: I, Christopher David Horner am appointed the Liquidator of the Company by the Court.

13. APPROVAL OF PROPOSALS

I am seeking resolutions at a virtual meeting from the creditors to approve my proposals, approve my pre-administration costs, fix the basis of my remuneration, and to approve my category 2 disbursements. If a creditor wishes to vote on the resolutions, please contact the case administrator on the details at the bottom of this letter to confirm your attendance and ensure you are available at the time and date specified in the notice.

If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote on the resolutions by a creditor will not count unless they have lodged proof of their debt by no later than 4 p.m. the day before 29 March 2019.

If a creditor does not wish to attend the virtual meeting in person and wishes to nominate a person as their proxy holder, or alternatively request the Chair of the meeting to act as their proxy holder, they should complete and return the enclosed proxy form. Proxy forms must be lodged before the meeting.

Creditors are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' Committee and further instructions are enclosed. To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link www.robsonscott.co.uk

Please note that I must receive at least one vote by the decision date or the decisions will not be made. I would therefore urge creditors to respond promptly.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about Robson Scott Associates Ltd, including about our complaints policy and Professional Indemnity Insurance, can be found at www.robsonscottassociates.co.uk.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available online, they should contact Daniel Harrison by email at admin@robsonscott.co.uk, or by phone on 01325 365 950.



Christopher David Horner
Administrator

Christopher David Horner is an insolvency practitioner (no 16150) authorised by the Insolvency Practitioners Association and holds professional indemnity insurance covering all his formal insolvency appointments with Travelers Insurance Company, 61-63 London Road, Redhill, Surrey, RH1 1NA

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 Emma Kemp

Company name Robson Scott Associates

Address 49 Duke Street

Post town Darlington

County/Region Durham

Postcode

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Country

DX

Telephone 01325 365 950

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ 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.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse