

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06447912

Name of Company

International Health Technology Limited

I / We

Paul James Pittman, 7th Floor Dashwood House, 69 Old Broad Street, London, EC2M 1QS

Paul Anthony Higley, 7th Floor Dashwood House, 69 Old Broad Street, London, EC2M 1QS

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 20/12/2015 to 19/12/2016

Signed

Date

16/02/17

Price Bailey LLP
7th Floor Dashwood House
69 Old Broad Street
London
EC2M 1QS

Ref I10101/PP/PAH/JK



International Health Technology Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 20/12/2015 To 19/12/2016	From 20/12/2013 To 19/12/2016
	COSTS OF REALISATION	
	Agents/Valuers Fees	
	600 00	600 00
	(600 00)	(600 00)
	ASSET REALISATIONS	
5,320 00	Furniture & Equipment	NIL
500 00	Stock	NIL
Uncertain	Research & Decelopment Refund	NIL
10,000 00	Book Debts	NIL
9,625 00	Rent Deposit	NIL
Uncertain	Goodwill	NIL
	Proceeds of Sale of Business	20,000 00
	Bank Interest Gross	1 31
105,125 00	Intellectual Property	NIL
	20,001 31	20,001 31
	COST OF REALISATIONS	
	Legal Fees (1)	
	5,920 00	5,920 00
	(5,920 00)	(5,920 00)
	COST OF ADMINISTRATION	
	Supervisor's Fees	
	10,000 00	10,000 00
	(10,000 00)	(10,000 00)
130,570.00	3,481 31	3,481.31
	REPRESENTED BY	
	VAT Receivable	3,304 00
	Bank 1 - Current IB	177 31
		3,481.31

16 February 2017

To: All Known Members and Creditors

INTERNATIONAL HEALTH TECHNOLOGY LIMITED
In Creditors' Voluntary Liquidation

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS
For the period from 20 December 2015 ending 19 December 2016

STATUTORY INFORMATION

Company name	International Health Technology Limited
Registered office	C/o Price Bailey, 7 th Floor, Dashwood House, 69 Old Broad Street, London EC2M 1QS
Former registered office	1 The Mill, Copley Hill Business Park, Cambridge, Cambridgeshire CB22 3GN
Registered number	06447912
Joint Liquidators' names	Paul James Pittman (IP Number 13710) Paul Anthony Higley (IP Number 11910)
Joint Liquidators' address	Price Bailey LLP, 7 th Floor, Dashwood House, 69 Old Broad Street, London EC2M 1QS
Joint Liquidators' date of appointment	20 December 2013

LIQUIDATORS' ACTIONS SINCE LAST REPORT

This report outlines the 3rd year of my tenure as joint liquidator. This report should be read in conjunction with my previous reports.

In my SIP 13 report to creditors dated 8 April 2014, I outlined the sale of the business to a connected party. That report included the price achieved for the assets of the business and the basis of the sale agreement.

As part of the sale process the successor business was due to make payments into the liquidation estate depending on how it was performing. I have been monitoring the progress of the successor business in order to ascertain when we can expect funds to be received. It is worth noting that according to the sales agreement a lump sum payment is due to be made in March, irrespective of the performance of the successor business.

The initial payment of £20k was received in March 2016.

Unfortunately, there has been an unexpected change in the successor business' management team and therefore some uncertainty has slowed progress. The successor business is currently going through the process of raising investment and is currently struggling with cash flow. I am currently negotiating with the directors on the quantum to be paid in March and the amounts to be expected in the future.

16 February 2017

To All Known Members and Creditors

Going forward, should the successor business be making a profit a percentage of this will be paid into the liquidation account. The creditors should rest assured that I will be monitoring the performance of the successor business closely.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is as follows:

1 Administration

- Case planning – looking at the case strategy for dealing with the case and changing if necessary. Also giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2 Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

3 Cashiering

- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Maintaining and updating the practice IPS system.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 20 December 2015 to 19 December 2016 is attached at Appendix 1. Funds have been received and are held in an interest bearing account.

ASSETS

Sale of Business

£20,000 was received in March 2016 in relation to the sale of the business.

16 February 2017

To All Known Members and Creditors

Rent Deposit

The Company had paid a rent deposit for the trading premises. The amount paid was £9,325 and this was subject to fixed charge security. The landlord agreed to the new Company continuing to trade from the premises and novated the rent deposit to the new business following the sale of the business.

Intellectual Property

Steps were taken to value the Intellectual Property of the business and the Sale Agreement stated that £125,695 would be paid for the Goodwill of the Business and £105,125 would be paid for the Intellectual Property. A further nominal sum of £1 was paid for the benefit of the ongoing contracts. These contracts could not be completed unless the new Company took steps to continue them.

Equipment, Furniture and Stock in Hand

The tangible assets of the business were valued at £65,336 and a sum of £64,876 was agreed in the sale contract.

Trade Debtors

At the date of Liquidation the sum of £31,211 was due to the Company. The successor business has agreed to pay a sum of the same amount to the Liquidation and has taken over the rights to collect these monies.

Shares in Related Business

The Company held shares in a related business. These shares held no value as the related business could only function with the successor business in place. A nominal sum of £2 was agreed in relation to these shares.

Research and Development Refund

A research and development loan was due to the business but due to it entering into Insolvency no funds were received. I do not expect to receive any funds for this asset.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company has granted the following charges -

Name of Charge holder	Date of Creation	Date of Registration	Type of Charge
FE Loan Management Limited	29 October 2012	7 November 2012	Fixed and Floating Charge
Copley Estate Limited	25 November 2011	30 November 2011	Rent Deposit Charge
Copley Estate Limited	26 August 2011	3 September 2011	Rent Deposit Charge

All of the charge holders agreed to waive their security as the charges were transferred to the successor business.

16 February 2017

To All Known Members and Creditors

Preferential Creditors

The statement of affairs did not anticipate any Preferential Claims and I confirm that no claims have been received. As the employees were transferred to the new business no claims are expected to be received.

Crown Creditors

The statement of affairs did not include any potential debt owed to HMRC. Since the Company has entered into Liquidation a claim of £30,732.80 has been received and admitted for dividend purposes.

Non-preferential unsecured Creditors

The statement of affairs included 65 non-preferential unsecured creditors with an estimated total liability of £326,910. I have received claims from 23 creditors at a total of £276,344.83. I have not received claims from 52 creditors with original estimated claims in the statement of affairs of £94,762.23.

DIVIDEND PROSPECTS

Secured creditors

The secured creditors have moved the fixed charges they held over the Company to the new business and no longer have a debt in the business.

Preferential creditors

There are no Preferential Creditors to date and as outlined above no claims are expected.

Non-preferential unsecured creditors

Any dividend prospects will be dependent on the new company's ongoing trading results. As per the Sale Agreement these are provided to me on a continual basis to monitor. The timing of dividends is dependent upon when funds are paid into the estate.

As previously advised, the Company gave a floating charge to FE Loan Management Limited on 7 November 2012 and the prescribed part provisions should apply. The fixed and Floating Charge has been novated to the new Business and no longer applies in this matter.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular, I recovered, listed and reviewed the Company's accounting records, obtained and reviewed copy bank statements for the 36 months prior to the Company ceasing to trade from the Company's bankers, and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work.

16 February 2017

To All Known Members and Creditors

which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company I would confirm that my report has been submitted

PRE-APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £12,500 plus VAT for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors at a meeting held on 20 December 2013

The fee for preparing the statement of affairs and convening and holding the meeting of creditors has partly been paid £10,000 plus VAT has been paid

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the creditors at a meeting held on 20 December 2013 to be drawn on a time cost basis My total time costs to 19 December 2016 amount to £28,259 90, representing 128 50 hours of work at an average charge out rate of £219 92 per hour, of which £6,550 90, representing 34 70 hours of work, was charged in the period since 20 December 2015, at an average charge out rate of £188 79 per hour

I have not been able to draw any remuneration in this matter

A schedule of my time costs incurred to date and in the period since 20 December 2015 is attached at Appendix 2

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/> A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Price Bailey LLP's fee policy are available at the link www.pricebailey.co.uk/creditors Please note that there are different versions of the Guidance Notes and in this case you should refer to the appointments commencing between 6 April 2010 and 30 September 2015 version

LIQUIDATORS' EXPENSES

I have incurred expenses to 19 December 2016 of £1,316 68 none of which was incurred in the period since 20 December 2015

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

16 February 2017

To All Known Members and Creditors

I have incurred the following expenses in the liquidation

Type of expense	Amount incurred/ accrued in the reporting period from 20/12/15 to 19/12/2016 £	Amount incurred/ accrued in the period from 20/12/2013 to 19/12/2016 £
Postage	236 33	Nil
Statutory Bonding	40 00	Nil
Advertising	360 00	Nil
Total	663.33	Nil

I have incurred the following category 2 disbursements in the period since my last progress report

Type of category 2 disbursement	Amount incurred/ accrued in the reporting period from 20/12/15 to 19/12/2016 £	Amount incurred/ accrued in the period from 20/12/2013 to 19/12/2016 £
Photocopying	£653 35	Nil
Total	£653.35	Nil

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

Professional Advisor	Nature of Work	Basis of Fees
Edward Wells Chartered Surveyors	Valuer	Fees to be Agreed dependent on time costs
Mills & Reeve Solicitors	Solicitors	Time costs

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

The professional agents above were instructed at the beginning of this matter but have not undertaken any work during the reporting period.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8

16 February 2017

To All Known Members and Creditors

weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Price Bailey LLP can be found at www.pricebailey.co.uk/legal

SUMMARY

The Liquidation will remain open until all of the funds due from the sale of the business are received. Due to the nature of the Sale Agreement I am not able to put an estimate on the amount of time that this will take.

At Price Bailey LLP we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. We undertake to look into any complaint carefully and promptly, and to do all we can to explain the position to you. If we have given you less than satisfactory service, we undertake to do everything reasonable to put it right. Any complaint should be referred initially to the Insolvency Practitioner responsible for our services to you. If you do not receive an acceptable response you should contact the Head of Compliance at Price Bailey LLP, Causeway House, 1 Dane Street, Bishops Cleeve, L69 3BT.

Most disputes can be resolved amicably through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA, and you can make a submission using an on-line form available www.gov.uk/complain-about-insolvency-practitioner, or you can e-mail insolvency.enquiryline@insolvency.gsi.gov.uk, or you may phone 0300 678 0015 – calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you're calling from the UK.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available to them, they should contact the case manager Jasdeep Koundu on the above telephone number, or by email at jasdeep.koundu@pricebailey.co.uk

Yours faithfully



2 P J Pittman MIPA
JOINT LIQUIDATOR

Authorised to act in the UK by the Insolvency Practitioners Association
For and on behalf of
PRICE BAILEY LLP

Enc

INTERNATIONAL HEALTH TECHNOLOGY LIMITED

(In Creditors' Voluntary Liquidation)

Liquidator's Receipts and Payments Account

For the Period 20 December 2013 to 19 December 2016

	Notes	Statement of Affairs £	Realised 20/12/2015 to 19/12/16 £	Realised 20/12/2013 to 19/12/16 £
Receipts				
Fixed Charge Assets				
Sale of business			20,000 00	20,000 00
Rent Deposit		9,625 00	-	-
Intellectual Property		Nil	-	-
Bank Interest Gross			1 31	1 31
Floating Charge Assets				
Equipment and Furniture		51,668	-	-
Stock in Hand		13,208	-	-
Debtors		31,211	-	-
Research and Development Refund		20,000	-	-
		<u>116,087 00</u>	<u>20,001 31</u>	<u>20,001 31</u>
Payments				
Joint Liquidators pre appointment fees			10,000 00	10,000 00
Legal Fees			5,920 00	5,920 00
Agents Fees			600 00	600 00
			<u>16,520 00</u>	<u>16,520 00</u>
			<u>3481.31</u>	<u>3481 31</u>
Balance in Hand			177 31	177 31
VAT Receivable			3,304 00	3304 00

Notes

- The Statement of Affairs was agreed at £12,500 at a meeting of members held on 20 December 2013
- The Following resolution was passed at a meeting of creditors held on 20 December 2013
"That the Joint Liquidators be remunerated on a time costs basis according to the time properly spent by the Liquidators and staff in their duties in relation to the Liquidation, this remuneration being drawn from time to time at the Liquidators' discretion "

	20/12/13 to 19/12/16		20/12/15 to 19/12/16		Cumulative Total	
	Incurring £	Paid £	Incurring,£	Paid £	Incurring, £	Paid £
2 Breakdown of Disbursements						
Category 1 Disbursements						
Postage	263 33	-	-	-	263 33	-
Specific Bond	40 00	-	-	-	40 00	-
Statutory Advertising	360 00	-	-	-	360 00	-
Category 2 Disbursements						
Photocopying	653 35	-	-	-	653 35	-
	<u>1,316 68</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,316 68</u>	<u>-</u>

International Health Technology Limited
In Creditors Voluntary Liquidation

Analysis of Time Costs for the period 20 December 2013 to 19 December 2016

Classification of Work	Insolvency Practitioners		Managers		Administrators		Assistants and Support Staff		Total Hours	Time Cost	Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		£	£
Administration and Planning	16 50	5,774 00	52 30	10,652 50	13 20	1,568 20	0 60	36 00	82 60	18,030 70	218 29
Creditors	4 60	1,517 00	11 30	2,258 50	1 00	122 00	0 00	0 00	16 90	3,897 50	230 62
Investigations	0 70	245 00	0 00	0 00	0 00	0 00	0 00	0 00	0 70	245 00	350 00
Realisation of Assets	9 90	3,029 00	11 90	2,355 50	4 50	540 00	0 00	0 00	26 30	5,924 50	225 27
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	0 00	0 00	0 20	43 00	0 10	15 00	1 70	104 20	2 00	162 20	81 10
Other Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	31 70	10,565 00	75 70	15,309 50	18 80	2,245 20	2 30	140 20	128 50	28,259 90	219 92
Average Hourly Rate, £		333 28		202 24		119 43		60 96			

**INFORMATION TO ASSIST CREDITORS IN MAKING AN INFORMED DECISION ON ANY
RESOLUTION SEEKING APPROVAL OF THE OFFICE HOLDERS REMUNERATION**

PRICE BAILEY LLP CHARGE OUT RATES

Our current charge-out rates which may be amended from time to time are as follows

POSITION	HOURLY CHARGE OUT RATE (£)
<u>Insolvency Practitioners</u>	
- Partner	360 - 450
- Non-Partner	320 - 400
<u>Managers</u>	
- Qualified Senior Manager	270 - 340
- Senior Manager	245 - 310
- Manager	215 - 270
<u>Administrators</u>	
- Senior Administrator	180 - 225
- Administrator	150 - 200
- Junior Administrator	120 - 150
<u>Assistants & Support Staff</u>	
- Assistant	75 - 125
- Cashiering	25 - 80
- Secretarial	25 - 35

Our remuneration and disbursements policy and details of our historic charge out rates can be viewed at www.pricebailey.co.uk/creditors

The Creditors' Guides to Fees can also be viewed at this web address Hard copies can be made available upon request

Should you require clarification on any of the above, do not hesitate to contact Price Bailey on 020 7065 2660

International Health Technology Limited
In Creditors' Voluntary Liquidation

Analysis of Time Costs for the period 20 December 2015 to 19 December 2016

Classification of Work	Insolvency Practitioners		Managers		Administrators		Assistants and Support Staff		Total Hours	Time Cost	Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		£	£
Administration and Planning	5 40	1,944 00	6 70	1,440 50	12 90	1,526 20	0 00	0 00	25 00	4,910 70	196 43
Creditors	1 70	612 00	0 40	86 00	0 90	108 00	0 00	0 00	3 00	806 00	268 67
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 40	144 00	0 00	0 00	4 50	540 00	0 00	0 00	4 90	684 00	139 59
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	0 00	0 00	0 20	43 00	0 10	15 00	1 50	92 20	1 80	150 20	83 44
Other Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	7 50	2,700 00	7 30	1,569 50	18 40	2,189 20	1 50	92 20	34 70	6,550 90	188 79
Average Hourly Rate, £	360 00		215 00		118 98		61 47				

**INFORMATION TO ASSIST CREDITORS IN MAKING AN INFORMED DECISION ON ANY
RESOLUTION SEEKING APPROVAL OF THE OFFICE HOLDERS REMUNERATION**

PRICE BAILEY LLP CHARGE OUT RATES

Our current charge-out rates which may be amended from time to time are as follows

POSITION	HOURLY CHARGE OUT RATE (£)
<u>Insolvency Practitioners</u>	
- Partner	360 - 450
- Non-Partner	320 - 400
<u>Managers</u>	
- Qualified Senior Manager	270 - 340
- Senior Manager	245 - 310
- Manager	215 - 270
<u>Administrators</u>	
- Senior Administrator	180 - 225
- Administrator	150 - 200
- Junior Administrator	120 - 150
<u>Assistants & Support Staff</u>	
- Assistant	75 - 125
- Cashiering	25 - 80
- Secretarial	25 - 35

Our remuneration and disbursements policy and details of our historic charge out rates can be viewed at www.pricebailey.co.uk/creditors

The Creditors' Guides to Fees can also be viewed at this web address. Hard copies can be made available upon request.

Should you require clarification on any of the above, do not hesitate to contact Price Bailey on 020 7065 2660

