

**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

5688772

Name of Company

Power Plate International Limited

We

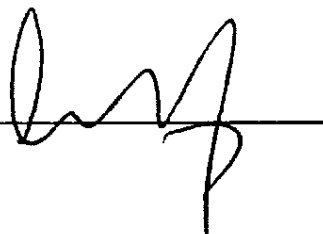
Paul John Clark, The Shard, 32 London Bridge Street, London SE1 9SG

Philip Francis Duffy, The Chancery, 58 Spring Gardens, Manchester M2 1EW

The Joint Liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 24/09/2013 to 23/09/2014

Signed



Date

18/11/14

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London, SE1 9SG

Ref 43060C/PJC/pfd/SMS/mah/HR

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Progress Report to Creditors

18 November 2014

Power Plate International Limited
(In Creditors' Voluntary Liquidation)

Annual Progress Report of the Joint Liquidators
For the period from 24 September 2013 to 23 September 2014
Pursuant to Section 104A of the Insolvency Act 1986 (as amended)
and Rule 4.49C of the Insolvency Rules 1986 (as amended)

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London, SE1 9SG

Definitions

| Word or Phrase | Definition |
|--|---|
| the Act | The Insolvency Act 1986 (as amended) |
| the Administration Trading Period | The period of 24 September 2012 to 2 November 2012 (inclusive) |
| the Appointment Date | 24 September 2013 being the date of appointment of the Joint Liquidators |
| Blick Rothenberg | Blick Rothenberg LLP, 16 Great Queen Street, London WC2B 5AH |
| Category 1 Disbursements | Costs incurred by the Joint Liquidators that are directly attributable to an independent third party |
| Category 2 Disbursements | The Joint Liquidators' internal costs and expenses in dealing with the Liquidation |
| the Company | Power Plate International Limited (In Creditors' Voluntary Liquidation) (Company Number 05688772) |
| CVL | Creditors' Voluntary Liquidation |
| DBIS | The Department for Business Innovation and Skills |
| the Directors | the directors of the Company |
| Duff & Phelps | Duff & Phelps Ltd The Shard, 32 London Bridge Street, London SE1 9SG (Company Number 05562550) |
| FBME | FBME Bank Limited, holder of fixed and floating charges over certain of the Company's assets |
| the Joint Administrators / Joint Liquidators | Paul John Clark of Duff & Phelps Ltd The Shard, 32 London Bridge Street, London SE1 9SG and Philip Francis Duffy of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester M2 1EW |
| PHS | Performance Health Systems, LLC (formerly PPI Acquisitions, LLC), the holder of fixed and floating charges over the assets of the Company and the purchaser of the business and assets of the Company |
| Prescribed Part | Pursuant to Section 176A of the Act which states that where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors |

DUFF & PHELPS

| | |
|-----------------------|--|
| the Reporting Period | 24 September 2013 to 23 September 2014 |
| RPS | Redundancy Payments Service |
| the Rules | The Insolvency Rules 1986 (as amended) |
| the Secured Creditors | PHS, FBME and Whitney |
| Speechlys | Speechly Bircham LLP, 6 New Street Square, London EC4A 3LX |
| Whitney | Whitney Private Debt Fund L P , holder of fixed and floating charges over the Company's assets |

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- 1 Joint Liquidators' Receipts and Payments Account
- 2 Analysis of Time Charged
- 3 Proof of Debt form

1. Introduction

- 1 1 The Joint Liquidators refer to their previous report to creditors dated 2 October 2013, which provided the final account of the Administration of the Company
- 1 2 The purpose of this annual progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation since the Appointment Date

2 Background

- 2 1 The Joint Liquidators were appointed on the Appointment Date. The Joint Liquidators' address is Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London SE1 9SG
- 2 2 The Company's registered office is c/o Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London SE1 9SG. The Company's registration number is 05688772
- 2 3 The Company's former registered office was 43-45 Portman Square, London, W1H 6LY. Prior to this the Company's registered office was 13 George Street, London W1U 3QJ, which was also the Company's former trading address
- 2 4 The Company's principal activity was the development and subsequent retail of vibration plate training equipment
- 2 5 Further details on the background of the Company, the events leading up to the appointment of Joint Administrators and the conduct of the Administration, including details of all assets realised by the Joint Administrators, can be found in the Joint Administrators' reports sent to creditors during the Administration, which can be provided to creditors upon request
- 2 6 This report only covers the affairs of the Company since the commencement of the CVL on the Appointment Date

3 Joint Liquidators' Receipts and Payments Account

- 3 1 A detailed receipts and payments account for the Reporting Period is shown at Appendix 1
- 3 2 As at 24 September 2014 there was a cash balance of £483,572

4 Asset Realisations

- 4 1 The manner in which the affairs and business of the Company have been managed during the Reporting Period are set out below

Administration Surplus

- 4 2 The balance of Administration funds of £794,674, which included bank interest of £144 in addition to the balance in the Joint Administrators' final report of £794,530, was transferred into the Liquidation estate bank account upon the Joint Liquidators' appointment

Book Debts

- 4 3 There have been no further collections during the Reporting Period in respect of the pre-appointment and Administration Trading Period book debt ledgers. There is an ongoing reconciliation with PHS in respect of sums due between the Company and PHS for debtor collections.
- 4 4 A final position is expected to be reached in conjunction with the matter discussed at 4 8 and 4 9 and will be reported in the Joint Liquidators' next report.

Leasehold Property

- 4 5 The Joint Liquidators disclaimed the Company's interest in all leases related to the George Street premises during the Reporting Period. No further action is therefore required with respect to Leasehold Property.

Bank Interest

- 4 6 The Joint Liquidators have realised £1,326 in respect of bank interest during the Reporting Period.

Sundry Refunds

- 4 7 A business rates refund of £1,386 was received during the Reporting Period.

Assets to be realised

- 4 8 As noted in the previous report to creditors, the Joint Liquidators noted that they had instigated legal proceedings against PHS with respect to outstanding monies that the Joint Liquidators believe are due to the Company in relation to the sale of the Company's business and assets.
- 4 9 No further comment can be made by the Joint Liquidators at the time of this report, however should the matter be concluded within the next twelve months then further information will be provided to creditors in the Joint Liquidators' next report to creditors.

5 Investigations

- 5 1 The directors conduct report was submitted to DBIS on 10 March 2014. The content of this report remains confidential.
- 5 2 Should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Liquidators' attention, please contact this office.

6 Dividend Prospects / Prescribed Part

Secured Creditors

PHS

- 6 1 PHS was repaid in full during the Administration via their credit bid to purchase the business and assets of the Company. However, this is now part of the ongoing legal process between PHS and the Company as noted above and further comment will be provided by the Joint Liquidators in their next report.

FBME

- 6 2 FBME was repaid in full during the Administration. No further distributions were made to FBME during the Reporting Period.

Whitney

- 6 3 No distributions were made to Whitney during the Reporting Period. It is currently uncertain whether there will be sufficient asset realisations to enable a dividend to be paid to Whitney in the CVL as this is dependent on the outcome of the legal process between the Company and PHS.
- 6 4 In any case, Whitney will not be repaid in full.
- 6 5 Please refer to the Joint Administrators' previous progress reports for full details of the Secured Creditors.

Preferential Creditors

- 6 6 A preferential claim in the sum of £15,918 was received from the RPS prior to the Reporting Period. It is currently anticipated that there will be sufficient asset realisations to enable a preferential dividend to be paid in the CVL, however the quantum and timing of any dividend remains uncertain.
- 6 7 Further residual preferential claims may also be received from the former employees of the Company.

Prescribed Part

- 6 8 Pursuant to section 176A of the Act where a floating charge is created after 15 September 2003 a Prescribed Part of the Company's net property shall be made available to non-preferential unsecured creditors.

6 9 The Prescribed Part is calculated as a percentage of net property, as follows -

| | |
|-----------------------------------|---|
| Net property less than £10,000 | 50% unless the Joint Liquidators consider that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits |
| Net property greater than £10,000 | 50% up to £10,000 plus 20% thereafter to a maximum of £600,000 |

6 10 Based on the current information, the Joint Liquidators are of the opinion that it is likely that there will be sufficient asset realisations to enable a dividend to be paid to the non-preferential unsecured creditors of the Company from the Prescribed Part. The quantum and timing of any distribution is uncertain and is dependent on the outcome of the ongoing legal process between the Company and PHS.

Non-Preferential Unsecured Creditors

6 11 Based upon the current information available, the Joint Liquidators are of the opinion that there will be insufficient asset realisations to enable a dividend to be paid to the non-preferential unsecured creditors of the Company, other than from the Prescribed Part, if any.

6 12 **Creditors should complete the proof of debt form shown at Appendix 3 and return it to this office, together with full supporting documentation, in order for their non-preferential unsecured claim to be noted, if they have not already done so.**

7 Joint Liquidators' Costs and Expenses

7 1 Full details of the approval of the Joint Administrators' proposals, which fixed the basis of the Joint Administrators' remuneration on the basis of time properly spent by them and their staff in attending matters arising in the Administration, is noted in the Joint Administrators' previous reports.

7 2 Please be advised that the above approval with regard to the basis of remuneration automatically passes from the Administration to the Liquidation and therefore the Joint Liquidators' remuneration is fixed on the same basis, in accordance with Rule 4.127(5A) of the Rules.

7 3 An analysis of the Joint Liquidators' time costs for the Reporting Period is shown at Appendix 2.

7 4 Joint Administrators' remuneration of £90,000 was drawn in the Reporting Period, in relation to outstanding time costs from the Administration. In addition, a further £63,896 of the Joint Administrators' time costs remains outstanding.

7 5 The time costs charged in the Reporting Period total £172,193 and are analysed at Appendix 2. The Joint Liquidators have not drawn any remuneration in respect of the above time costs in the Reporting Period.

7 6 It is anticipated that the Joint Liquidators will draw remuneration in respect of their time costs during future reporting periods of the CVL

7 7 The Joint Liquidators have incurred the following expenses in dealing with the Liquidation of the Company in the Reporting Period

| Company | Explanation | Incurred in the Reporting Period (£) |
|---------------------------------------|--|--|
| Speechlys | Company's solicitor Legal advice in relation to litigation against PHS | 256,978 50 – legal fees 41,444 00 – disbursements (Counsel fees) 49,814 16 – disbursements (US solicitor fees) 8,749 22 – disbursements (other) |
| Blick Rothenberg | Preparation of Corporation Tax returns and ad hoc tax advice | 3 500 00 |
| De Pinna Notarres | Notansation of documents | 402 00 |
| Menzies LLP | Preparation of employee related documentation | 285 00 |
| Accurate Mailing Services Limited | Posting correspondence to creditors and members | 188 15 |
| Total Data Management Limited | Storage of the Company's books and records and the Joint Administrators' / Liquidators' files | 1,587 14 |
| Courts Advertising Limited | Statutory Advertising of the appointment of the Joint Liquidators | 84 60 |
| The Coupers Partnership Limited | Agents assisting with the recovery of a historic business rates refund due to the Company | 221 31 |
| Insolvency Risk Services | Public liability insurance for the Company's former premises | 265 00 |

7 8 Information regarding the fees and disbursements of Liquidators, including details of the Duff & Phelps disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Liquidators' Fees" This can be viewed and downloaded from the Joint Liquidators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> Should you require a copy, please contact this office

- 7 9 Any secured creditor, or any non-preferential unsecured creditor (with the support of at least 10% in value of the non-preferential unsecured creditors or the permission of the Court), may apply to Court on the grounds that the remuneration or basis fixed for the Liquidator's remuneration or the expenses incurred by the Liquidator are considered to be excessive. This application must be made no later than 8 weeks after receipt of the progress report, where the charging of the remuneration or the incurring of expenses in question occurs

8 Further Information

- 8 1 In accordance with Rule 4.49E of the Rules, secured creditors and non-preferential unsecured creditors (with the concurrence of at least 5% in value of total non-preferential unsecured claims) may make a request in writing to the Liquidator for further information about the remuneration or expenses set out in this annual progress report. This should be done within 21 days receipt of this annual progress report

9 Conclusion

- 9 1 I shall be continuing my Liquidation of the Company and I have a duty to provide creditors with a progress report on an annual basis. However, should the Liquidation be finalised prior to the end of the next period then a final report will be issued and the Company dissolved
- 9 2 The only outstanding matters are to conclude the claim against PHS and then, if applicable, take steps to pay distributions to Whitney and the preferential and non-preferential unsecured creditors of the Company. The Liquidation will then be closed and the Company dissolved
- 9 3 In accordance with the Act and the Rules, no creditors' meeting is required
- 9 4 If you require any further information, please contact Hannah Raymond of this office

Yours faithfully
For and on behalf of
Power Plate International Limited

Philip Duffy
Joint Liquidator



Appendix 1

Joint Liquidators' Receipts and Payments Account

Power Plate International Limited (In Creditors' Voluntary Liquidation)**Joint Liquidators' Receipts & Payments Account for the period 24 September 2013 to 23 September 2014****Reporting Period
24 September 2013 to 23 September 2014**

| | Fixed Charge (£) | Floating Charge (£) |
|-------------------------------------|-----------------------------|--------------------------------|
| Asset Realisations | | |
| Administration surplus | 9,539 | 785 135 |
| Bank Interest Gross | 4 | 1,323 |
| Business Rates Refunds | 0 | 1,386 |
| | <u>9,543</u> | <u>787 843</u> |
| Costs of Realisations | | |
| Bank Charges | (1) | (45) |
| Notary Costs | 0 | (402) |
| Joint Administrators' Remuneration | 0 | (90 000) |
| Joint Administrators' Disbursements | 0 | (112) |
| Agents/Valuers Fees | 0 | (3,785) |
| Legal Fees | 0 | (156,794) |
| Legal Disbursements | 0 | (44,667) |
| Stationary & Postage | 0 | (188) |
| Storage Costs | 0 | (1,587) |
| Statutory Advertising | 0 | (85) |
| Business Rates Recovery Agent Fee | 0 | (221) |
| Insurance of Assets | 0 | (265) |
| | <u>(1)</u> | <u>(298,151)</u> |
| | <u>9,542</u> | <u>499,234</u> |
| Represented by | | |
| VAT Receivable | | 15,661 |
| Floating/Main Current Account | | 474,030 |
| Fixed Account | | 9,542 |
| | | <u>499,234</u> |

Note Statement of Affairs comparative values are not shown as these apply to asset realisations in the Administration

Appendix 2

Analysis of Time Charged

Power Plate International Limited (In Creditors' Voluntary Liquidation)

Analysis of the Joint Liquidators' time costs for the period 24 September 2013 to 23 September 2014

| Classification of Work Function | Partner | Manager | Hours Senior | Assistant | Support | Total Hours | Time Cost | Avg Hourly Rate |
|---|------------------|------------------|-----------------|------------------|-------------|----------------|-------------------|--------------------|
| Administration and Planning | | | | | | | | |
| Statutory Planning & Control | 4.00 | 17.10 | 1.45 | 42.05 | 0.00 | 64.60 | 21,435.25 | 331.82 |
| Case Review and Case Diary Management | 3.30 | 3.20 | 0.00 | 26.50 | 0.00 | 33.00 | 8,065.00 | 271.36 |
| Cashiering & Accounting | 0.50 | 2.80 | 8.20 | 22.10 | 0.00 | 33.60 | 8,648.25 | 257.39 |
| Statutory Matters (Meetings & Reports & Notices) | 0.00 | 3.20 | 0.00 | 12.70 | 0.00 | 15.90 | 4,161.25 | 261.71 |
| Tax Compliance/Planning | 0.00 | 0.60 | 0.00 | 8.80 | 0.00 | 9.40 | 2,963.50 | 315.27 |
| IPS Set Up and Maintenance | 0.00 | 0.40 | 0.00 | 1.10 | 0.00 | 1.50 | 485.50 | 310.33 |
| Dealings With Directors and Management | 0.00 | 0.00 | 0.00 | 2.70 | 0.00 | 2.70 | 324.00 | 120.00 |
| Insurance | 0.00 | 0.00 | 0.00 | 1.95 | 0.00 | 1.95 | 290.75 | 149.10 |
| Creditors | | | | | | | | |
| Secured Creditors | 0.00 | 119.70 | 0.00 | 119.30 | 0.00 | 239.00 | 68,907.50 | 372.00 |
| Preferential Claims Adjudication and Distribution | 0.00 | 0.20 | 6.10 | 14.55 | 0.00 | 20.85 | 3,694.50 | 186.79 |
| Non Preferential Creditors/Employee Claims Handling | 0.00 | 4.30 | 0.00 | 4.60 | 0.00 | 8.90 | 3,146.00 | 353.48 |
| Communications with Creditors/Employees | 0.00 | 1.10 | 0.00 | 9.15 | 0.00 | 10.25 | 2,044.25 | 199.44 |
| Investigations | | | | | | | | |
| Financial Review and Investigations (S238/239 etc) | 3.20 | 0.80 | 0.00 | 14.80 | 0.00 | 18.80 | 6,110.00 | 325.00 |
| CDDA & Reports & Communication | 0.30 | 1.10 | 0.00 | 15.35 | 0.00 | 16.75 | 4,490.25 | 268.07 |
| Realisation of Assets | | | | | | | | |
| Sale of Business | 13.10 | 0.00 | 0.00 | 2.60 | 0.00 | 15.70 | 8,477.00 | 539.94 |
| Freehold and Leasehold Property | 0.20 | 2.00 | 0.00 | 12.80 | 0.00 | 15.10 | 4,548.50 | 301.09 |
| Book Debts | 0.40 | 3.20 | 0.00 | 3.00 | 0.00 | 6.60 | 2,578.50 | 390.38 |
| Other Intangible Assets | 0.20 | 0.70 | 0.00 | 1.20 | 0.00 | 2.10 | 727.00 | 346.19 |
| Other Tangible Assets | 0.00 | 0.00 | 0.00 | 0.25 | 0.00 | 0.25 | 30.00 | 120.00 |
| Total Hours | 25.20 | 160.40 | 16.75 | 315.60 | 0.00 | 516.95 | | 333.09 |
| Total Fees Claimed | 14,818.50 | 75,894.50 | 4,681.25 | 76,788.75 | 0.00 | | 172,193.00 | |

Category 1 Disbursements

| | |
|---------------------------------------|---------------|
| Taxes | 123.44 |
| Storage of Company Records | 5.00 |
| Total Category 1 Disbursements | 128.44 |

Category 2 Disbursements

There are no Category 2 Disbursements

Appendix 3

Proof of Debt Form

DUFF & PHELPS

Proof of Debt – General Form

| Power Plate International Limited (In Creditors' Voluntary Liquidation) | | |
|--|--|---------------------------|
| Relevant Date for Claims 24 September 2012 | | |
| 1 | Name of creditor (If a company please also give company registration number) | |
| 2 | Address of creditor for correspondence | |
| 3 | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation | |
| 4 | Details of any documents by reference to which the debt can be substantiated | |
| 5 | If amount in 3 above includes outstanding uncapitalised interest please state amount | £ |
| 6 | Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form) | |
| 7 | Particulars of any security held, the value of the security, and the date it was given | |
| 8 | Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates | |
| 9 | Signature of creditor or person authorised to act on his behalf _____ | |
| | Name in BLOCK LETTERS _____ | |
| | Position with or in relation to creditor _____ Address of person signing (if different from 2 above) _____ | |
| For Liquidators' Use only | | |
| Admitted to vote for | | Admitted for dividend for |
| £ | | £ |
| Date | | Date |
| Liquidator | | Liquidator |