

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

06855809

Name of Company

Innerscope Limited

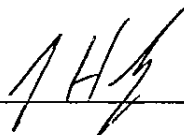
I / We

John Hedger, Speedwell Mill, Old Coach Road, Tansley, Matlock, DE4 5FY

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 19/11/2012 to 18/11/2013

Signed



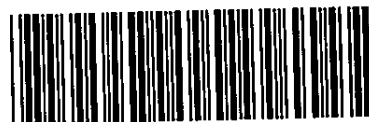
Date

12/01/14

Seneca IP Limited
Speedwell Mill
Old Coach Road
Tansley
Matlock
DE4 5FY

Ref 0340/JH/SG/BL/JM

FRIDAY



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17/01/2014

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COMPANIES HOUSE

**Innerscope Ltd – in Creditors' Voluntary Liquidation
Liquidator's Progress Report to Creditors and Members
For the period/year 19 November 2012 ending 18 November 2013**

STATUTORY INFORMATION

Company name	Innerscope Ltd
Registered office	Speedwell Mill Old Coach Road Tansley Derbyshire DE4 5FY
Former registered office	109 - 117 Great Ancoats Street Manchester Lancashire M4 5AG
Registered number	06855809
Liquidator's name	John Hedger
Liquidator's address	Speedwell Mill Old Coach Road Tansley Derbyshire DE4 5FY
Liquidator's date of appointment	19 November 2013

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Seneca IP Ltd was instructed by the Director to commence liquidation proceedings on 5 November 2012. The subsequent meetings of Members and Creditors were held on 19 November 2012. During that time the assets of the company were assessed and valued by Flyde Coast Valuations Ltd. These unencumbered assets consisted of Stock, some basic office furniture & equipment and stock. The assets (not including book debts) were subsequently sold to BoConcept A/S for the sum of £18,750 plus VAT. The book debts were recovered with the assistance of the former Director.

Initial investigations of the company records were carried out into the affairs of the company, to assess whether there were further assets which were recoverable under the Liquidation, and also whether there were any matters in relation to the conduct of the Director which required further investigation.

The Liquidator has submitted his report on the conduct of the Director to the Department of Business, Innovation and Skills, as is standard procedure in all Liquidations.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 19 November 2012 to 18 November 2013 is attached at Appendix 1

ASSETS

Office Equipment

The company owned basic office equipment which included two PCs, general office storage and basic kitchen equipment. This was valued and marketed by Fylde Coast Valuations Ltd at £1,250 plus VAT.

Stock

The company's stock included various items of bespoke furniture. Taking into account the cost of dismantling and transport plus the furniture's fragile nature, the stock was valued at £17,500 plus VAT.

Debtors/ Retentions

The company had outstanding debts of £5,321.54 which the Director assisted the Liquidator to collect. These were collected in full.

Rates Refund

During the process of the Liquidation it was brought to the Liquidator's attention that the company was due a rates refund. A total of £3,636.86 was collected in respect of this.

Other Assets

The company records and accounts have been reviewed and no other company assets have been highlighted.

Following my appointment as Liquidator, Bo-Concept A/S, based in Denmark, made an offer of £18,750 plus VAT for the stock and office equipment. My agent Fylde Coast recommended that this offer for the company's assets be accepted. This offer was subsequently accepted.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company had granted a charge to Natwest Bank plc registered on 3 July 2010 in respect of a business loan. As the company held no fixed assets, Natwest hold only a floating charge over the company's assets. Natwest have submitted a claim of £70,050.02 in the Liquidation.

Preferential Creditors

The statement of affairs anticipated £2,400 in preferential creditors. No claims have been received.

Crown Creditors

The statement of affairs included £36,985.12 owed to HMRC made up of £30,550.70 to VAT and £6,434.46 to PAYE/NIC. HMRC's final claim for VAT of £65,136 has been received which includes a default surcharge. No claim has been submitted in respect of PAYE/NIC.

Non-preferential unsecured Creditors

The statement of affairs included 9 unsecured creditors with an estimated total liability of £229,089.85. I have received claims from 5 creditors at a total of £217,214.67. I have not received claims from 4 creditors with original estimated claims in the statement of affairs of £49,308. This difference is, in part, a result of HMRC's VAT claim being higher than expected.

DIVIDEND PROSPECTS

Preferential creditors – There may be a dividend paid to preferential creditors subject to the future costs of the Liquidation, however, as we have not yet received a preferential claim. This will be clarified by the Liquidator prior to a notice of intended dividend being paid.

Floating charge creditors – There is unlikely to be a dividend paid to floating charge creditors.

Ordinary unsecured creditors – As previously advised, the Company gave a floating charge to Natwest Bank plc on 3 July 2010 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Liquidation to date, the net property of the Company is £11,327.24. However, these estimates do not take into account any possible payment to the preferential creditors or the future costs of the Liquidation, which will reduce the amount of the Company's net property. This amount will be reviewed again prior to making a decision with regard to any potential dividend to unsecured creditors.

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.

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 which may indicate that the conduct of any past or present Director would make him 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 £7,500 for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 19 November 2012.

The fee for preparing the statement of affairs and convening the meetings was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 19 November 2013 to be drawn on a time cost basis. My total time costs to 18 November 2013 amount to £7,615, representing 41.65 hours of work at an average charge out rate of £182.83 per hour. I have drawn £3,500 to date.

A schedule of my time costs incurred to date is attached as Appendix 2.

A description of the routine work undertaken in the Liquidation to date is as follows.

- 1 Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details on IPS
 - Review and storage
 - Case bordereau
 - Case planning and administration
 - Preparing reports to members and creditors
 - Convening and holding meetings of members and creditors
- 2 Cashiering
 - Maintaining and managing the Liquidator's cashbook and bank account
 - Ensuring statutory lodgements and tax lodgement obligations are met
- 3 Creditors
 - Dealing with creditor correspondence and telephone conversations
 - Preparing reports to creditors
 - Maintaining creditor information on IPS
 - Reviewing and adjudicating on proofs of debt received from creditors
- 4 Investigations
 - Review and storage of books and records
 - Preparing a return pursuant to the Company Directors Disqualification Act
 - Conducting investigations into suspicious transactions
 - Review books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors
- 5 Realisation of Assets
 - Corresponding with debtors and attempting to collect outstanding book debts
 - Liaising with the Company's bank regarding the closure of the account

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows Seneca's fee policy are available at the link <http://www.seneca-ip.co.uk> A hard copy of both documents can be obtained on request from the address below

LIQUIDATOR'S EXPENSES

My expenses to 18 November 2013 amount to £Nil

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Fylde Coast Valuations Ltd	Valuer/Auctioneer	Agreed Fee

The choice of professionals 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. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

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 Liquidator's 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 Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

SUMMARY

The Liquidation will remain open until the post appointment payable and receivable VAT is reconciled, outstanding fees have been taken and a dividend has been made to relevant creditors. I estimate that this will take approximately three months and once resolved the Liquidation will be finalised and our files will be closed.

Should you have any queries regarding this report, or the Liquidation in general, please contact Ben Leaney on 01629 761700.



John Hedger
Liquidator

S of A £		£	£
	SECURED CREDITORS		
(68,301 25)	Natwest Bank Plc	NIL	NIL
	ASSET REALISATIONS		
1,250 00	Plant & Machinery	1,250 00	
17,500 00	Stock	17,500 00	
3,991 16	Book Debts	5,321 54	
	Rates Refund	3,636 86	
	Bank Interest Gross	9 11	
			27,717 51
	COST OF REALISATIONS		
	Preparation of S of A	7,500 00	
	Office Holders Fees	3,500 00	
	Agents/Valuers Fees (1)	1,000 00	
	Turnkey Licence Fee	66 92	
	Statutory Advertising	209 25	
			(12,276 17)
	PREFERENTIAL CREDITORS		
(2,400 00)	Employee Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(192,104 69)	Trade & Expense Creditors	NIL	
(6,434 46)	HM Revenue & Customs (PAYE/NI)	NIL	
(30,550 70)	HM Revenue & Customs (VAT)	NIL	
			NIL
(277,049 94)			15,441 34
	REPRESENTED BY		
	Vat Receivable		2,455 24
	Bank 2 Current		16,736 10
	Vat Payable		(3,750 00)
			15,441 34
			John Hedger
			Liquidator

Time Entry - SIP9 Time & Cost Summary

0340 - Innerscope Limited
Project Code POST
From 19/11/2012 To 18/11/2013

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	3.70	0.00	2.50	12.05	18.25	3,261.25	178.70
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.70	0.00	1.10	3.80	5.60	977.25	174.51
Investigations	1.40	0.00	11.10	2.30	14.80	2,729.75	184.44
Realisations of Assets	0.90	0.00	0.10	2.00	3.00	646.75	215.58
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	5.70	0.00	14.80	20.15	41.65	7,615.00	182.83
Total Fees Claimed						3,500.00	
Total Disbursements Claimed						0.00	