

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company BHM Health Group Limited	Company number 02902632
In the High Court Of Justice, Chancery Division, Birmingham District Registry [full name of court]	Court case number 9381 of 2008

(a) Insert full name(s) and
address(es) of
administrator(s)

I/We (a) Toby Scott Underwood and Christopher Kim Rayment of BDO Stoy Hayward LLP,
1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From

(b)
19 August 2008

to

(b)
18 February 2009

Signed

Joint/administrator(s)

Dated

16.3.09

Contact Details:

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

BDO Stoy Hayward LLP, 1 Bridgewater Place, Water lane,	
Leeds, LS11 5RU.	
Our Ref JM/ADM933 Form 2/A6	Tel 0113 244 3839
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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18/03/2009

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COMPANIES HOUSE

WEDNESDAY



BDO Stoy Hayward LLP
Chartered Accountants

1 Bridgewater Place Water Lane
Leeds LS11 5RU
Telephone: +44 (0)113 244 3839
Facsimile: +44 (0)113 204 1200
Website: www.bdo.co.uk

16 March 2009

Your Ref
Our Ref 9270/JRM/J6/A6

Please ask for Joe McNeice
0113 204 1306

TO ALL CREDITORS

Dear Sirs

BHM Health Group Limited - In Administration ("the Company")

It is now six months since my appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration.

This report should be read in conjunction with the Administrator's proposals dated 9 October 2008.

1 Statutory Information.

The Joint Administrators are Toby Scott Underwood and Christopher Kim Rayment of BDO Stoy Hayward LLP, 1 Bridgewater Place, Water Lane, Leeds LS11 5RU and they were appointed in respect of the above Company on 19 August 2008. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.

The Administrators were appointed by Steven Paul Ryan being a director, pursuant to Paragraph 22 of schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division, Birmingham District Registry and the court case number is 9381 of 2008.

The Company's registered office is situated at BDO Stoy Hayward LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and the registered number is 02902632.

I enclose, for your information, a summary of my receipts and payments for the last six months showing a balance in hand of £208,103.80, together with a copy of my abstract account covering the last six month period, and report as follows:

9270/JRM/J6
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2 Receipts

The receipts shown are largely self-explanatory, although I would comment specifically on;

Sale of business and assets as a going concern

All the Company's business and assets (excluding book debts) were sold immediately upon appointment for a total sale consideration of £325,000 to B-Bio Limited ("B-Bio") and Sharplook Limited. This was received in full on completion. The purchasers continue to trade under the name Bee-Bio Limited.

Stock

We have forwarded numerous retention of title claims to B-Bio, who have conduct of such claims per the sale agreement. Certain claims have required the input of the Joint Administrators and our legal advisors Eversheds, with suitable responses drafted.

In total B-Bio have dealt with ROT claims from 29 suppliers with outstanding balances of £761,330. Settlements of £154,987 have been agreed via cash payments or the return of stock to suppliers.

Book debts

As previously reported, at the date of appointment the Company had book debts of £616,930, comprising FSC brand sales (£188,549) and other sales (£428,380).

Amounts totalling £21,819 were received by the Company on the date of appointment and as such have not been transferred into the Administration account, however the Bank's debt and the debtor's ledger were consequently reduced by this amount.

Credit notes of £18,153 have been authorised to date. In total, £358,211 has been collected and the remaining outstanding balance is £218,746.

The ledger was initially collected by B-Bio as per the sale agreement, however, in order to maximise debtor realisations, the Joint Administrators handed the remaining ledger to Lupton Fawcett solicitors and their collection team specialists in November 2008.

Due to lower than expected realisations, we have recently met with B-Bio to assess the remaining debtor balances and determine a strategy for the collection of the outstanding balances via legal proceedings.

3 Trading

As previously advised, the Administrators did not trade the business.

4 Future of the Administration

It is envisaged that once all collectable book debts have been received and any outstanding Administration liabilities are settled, a distribution will be made under the prescribed part to the unsecured creditors of the Company as per the Administrators proposals.

Upon completion of this process, we expect the Company will exit the Administration via dissolution pursuant to paragraph 84 of Schedule B1 of the Insolvency Act 1986.

5 Prospects for Creditors

Preferential Creditors

Preferential creditors' claims represent amounts due to employees at the date of appointment of the Administrators. The Insolvency Service has submitted a preferential claim totalling £3,092.86. A further employee claim was recently received by the Administrators which will increase the level of preferential creditors, albeit not significantly.

I will obtain confirmation of The Insolvency Service's final claim, and I anticipate that this will be paid in full.

Unsecured Creditors

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a Company has granted to a creditor a floating charge, a proportion of the net property of the Company must be made available purely for the unsecured creditors. Based on current information, I estimate that after allowing for our costs and preferential claims, the value of the net property will be in the region of £636,000. I therefore expect that the prescribed part will be £129,000.

6 Remuneration

Administrators' time costs to date total £82,121.17 for the period since our appointment. I attach a summary of these time costs pursuant to Statement of Insolvency Practice 9 for your information.

Pursuant to Rule 2.106 of the Insolvency Rules 1986, the Bank has approved our fees on a time cost basis and to date we have drawn £60,000 plus disbursements and VAT.

Disbursements

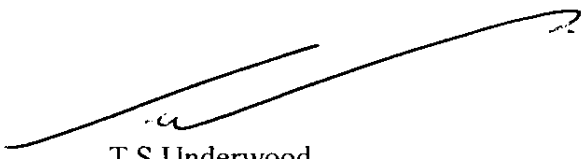
Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I therefore report that the sum of £660.72 has been drawn in respect of category 1 disbursements which relate to the following:

	£
Staff Travel Costs	249.12
Statutory advertising	72.60
Administrators' Bond	339.00
Total	660.72

Some Administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO Stoy Hayward LLP is not to charge any category 2 disbursements.

I will write to you again once all collectable book debts have been received and I am in a position to make a prescribed part distribution.

Yours faithfully
For and on behalf of
BHM Health Group Limited



T S Underwood
Joint Administrator

Toby Underwood is authorised by the Insolvency Practitioners Association and Christopher Kim Rayment is authorised by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators act as agents of the Company only and without personal liability.

Encs

**BHM Health Group Limited
(In Administration)**

**Summary of Receipts & Payments
19 August 2008 to 18 February 2009**

RECEIPTS	Total (£)
Leasehold Land & Property	1.00
Goodwill	55,002.00
Intellectual Property	1.00
Bank Interest - Fixed	1,873.94
Plant & Machinery	210,000.00
Motor Vehicles	9,995.00
Stock	50,000.00
Stock/WIP	1.00
Book Debts	316,889.87
B-Bio Funds Held	2,762.02
Rates Refund	1,465.02
Bank Interest - Floating	5,302.53
VAT Payable - Flt	45,500.00
VAT Control Account - Fxd	473.00
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	699,266.38
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PAYMENTS	
Legal Fees	2,712.00
Office Holders Fees	60,000.00
Office Holders Expenses	660.72
Agents/Valuers Fees	3,220.00
Legal Fees	26,638.50
Insurance of Assets	262.50
Wages & Salaries (Prep P35)	750.00
Bank Charges	25.00
Floating Charge Creditor	340,000.00
VAT Receivable - Flt	14,164.95
VAT Receivable - Fixed	473.00
VAT Control Account - Flt	42,255.91
	<hr/>
	491,162.58
Balance In Hand	208,103.80
	<hr/>
	699,266.38
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BHM Health Group Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period to 18/02/2009

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		GRAND TOTAL		AVRT £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A. Pre Appointment Matters			4.95	1,103.85			16.75	2,747.75			21.70	3,851.60	177.49
B. Steps on Appointment			18.65	4,187.45			53.75	8,837.50			72.40	13,024.95	179.90
C. Planning and Strategy			0.75	167.25							0.75	167.25	223.00
D. General Administration	10.00	3,901.00	9.15	1,810.45	7.85	1,531.10	28.75	4,722.50	38.10	5,601.15	93.85	17,566.20	187.17
E. Assets Realisation/Dealing	3.00	1,092.00	63.60	14,633.50			30.00	4,941.75			96.60	20,667.25	213.95
G. Employee Matters			2.80	645.60			19.25	3,160.00			22.05	3,805.60	172.59
H. Creditor Claims			8.65	2,457.45			18.25	2,993.00			26.90	5,450.45	202.62
I. Reporting	1.00	364.00	16.80	3,801.40			13.25	2,191.00	5.00	300.00	36.05	6,656.40	184.64
K. Work			38.00	9,113.00			3.25	533.00	5.95	624.75	47.20	10,270.75	217.60
	14.00	5,357.00	163.35	37,919.95	7.85	1,531.10	183.25	30,126.50	49.05	6,525.90			
									Net Total		417.50	81,460.45	
									Other Disbursements			660.72	
									Grand Total			82,121.17	