

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company Passion For Life Healthcare Limited	Company number 03244293
In the Guildford County Court (full name of court)	For court use only 57 of 2009

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

We (a) James Bradney and Andrew Duncan of Bridge Business Recovery, 3rd Floor, 39-45 Shaftesbury Avenue, London W1D 6LA

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

From

To

(b) Insert date

(b) 1 January 2010

(b) 10 May 2010

Signed

Joint Administrator(s)

Dated

Contact Details:

You do not have to give any contact information in the box if you are a company secretary.

Bridge Business Recovery
3rd Floor
39-45 Shaftesbury Avenue
London

W1D 6LA



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COMPANIES HOUSE

If completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33080 Cardiff

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COMPANIES HOUSE

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THURSDAY

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Passion For Life Healthcare Limited
(In Administration)

Final Progress Report of the Joint Administrators
Pursuant to Rule 2.117 of The
Insolvency Rules 1986

10 May 2010

Bridge Business Recovery
3rd Floor
39-45 Shaftesbury Avenue
London
W1D 6LA

Names of Joint Administrators: James Bradney
Andrew Duncan

Date of appointment. 1 July 2009

Date of report: 10 May 2010

Appointed by: The Directors

Court reference: Guildford County Court no. 57 of 2009

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1. INTRODUCTION

- 1.1 James Bradney and Andrew Duncan of Bridge Business Recovery were appointed Joint Administrators of Passion For Life Healthcare Limited ("the Company") on 1 July 2009 by the Directors of the Company pursuant to paragraph 22 of Schedule B1 to The Insolvency Act 1986
- 1.2 The purpose of this Report is to provide creditors with a final account of the progress of the Administration, in accordance with Rule 2.117 of The Insolvency Rules 1986
- 1.3 This report should be read in conjunction with the earlier Reports to creditors dated 24 August 2009 and 28 January 2010

2. BACKGROUND

- 2.1 The Company was incorporated on 30 August 1996
- 2.2 Statutory information on the Company and a summary of its financial position prior to the appointment of the Joint Administrators is included within Appendix 1
- 2.3 The Company's principal activity was the distribution of healthcare products
- 2.4 The main causes of failure were due to the worldwide financial crisis and the subsequent recession causing overseas distributors to reduce order levels and 'de-stock'. The Company suffered a near 50% reduction in turnover from the autumn of 2008. Further reasons for the Company's failure were disclosed in the Joint Administrators' Proposals dated 24 August 2009.

3. ASSET REALISATIONS

Sale of Business

- 3.1 Immediately upon our appointment, we took the decision to sell the business and assets of the Company as a going concern to Aria Healthcare Limited. Aria Healthcare Limited is connected by way of common Directors and Shareholders
- 3.2 The sale completed on 2 July 2009. The consideration was apportioned as follows

	£
Rent Deposit	25,300
Stock	91,792
Goodwill, Intellectual Property and Work in Progress	36,588
Equipment	13,412
Total	167,092

- 3.3 An amount of £25,300 was received in respect of the rent deposit
- 3.4 An amount of £36,588 was received in respect of goodwill, intellectual property and work in progress
- 3.5 An amount of £13,412 was received in respect of equipment
- 3.6 In accordance with the Sale and Purchase Agreement, the consideration due in respect of stock only becomes payable when the stock is utilised or sold. This process and the

subsequent payments are monitored by the Joint Administrators on a monthly basis. To date, payments totalling £49,136 were received in respect of the stock. An amount totalling £42,656 remains outstanding.

Book Debts

- 3.7 The Company's book debts, with a book value of £514,951 and estimated to realise value of £388,213, were subject to a specific charge and assigned to Eurofactor (UK) Limited. Aria Healthcare Limited was instructed to collect in the book debts on behalf of Eurofactor (UK) Limited. Any surplus book debts, once Eurofactor (UK) Limited were repaid in full, were made available to the Company as an uncharged asset.
- 3.8 Eurofactor (UK) Limited's liability of £392,174 has now been paid in full and further book debt realisations of £93,529 were received by the Joint Administrators. An amount totalling £15,050 remains outstanding on the debtor ledger. However, the timing and quantum of any further realisations in respect of these book debts remains uncertain at this time.
- 3.9 An amount of £57,623 plus VAT has been paid to Aria Healthcare Limited in respect of debt collection fees.

Cash at Bank

- 3.10 An amount totalling £5,161 was received in respect of cash at bank.

4. INVESTIGATION

- 4.1 A conduct report on the Directors was submitted to the Department for Business Innovation and Skills on 24 February 2010.

5. DIVIDEND PROSPECTS/PREScribed PART

Secured Creditors

- 5.1 Eurofactor (UK) Limited held a specific charge over the book debts and a fixed and floating charge over the remaining assets of the Company.
- 5.2 As detailed above, Eurofactor (UK) Limited's charge was satisfied in full. A deed of satisfaction has been filed at Companies House.
- 5.3 No further secured claims have been received and no more are expected.

Preferential Creditors

- 5.4 No claims from preferential creditors have been received and none are expected.

Prescribed Part

- 5.5 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to unsecured creditors.
- 5.6 The prescribed part is calculated as a percentage of net property, as follows -

Net property less than £10,000	50%, unless you think costs of distribution > benefit
Net property in excess of £10,000	50% up to £10,000 plus 20% thereafter

5 7 The maximum value of the ring-fenced proportion of the funds, is known as the "prescribed part", is £600,000

5 8 There will not be a prescribed part in this case as Eurofactor (UK) Limited's liability was satisfied in full from realisations of the assets subject to their specific charges i.e the book debts.

Non Preferential Creditors

5 9 According to the Directors' Statement of Affairs, non-preferential creditors total £804,472

5 10 To date, the following claims have been received.

	£
HM Revenue & Customs	60,452
Trade & Expense Creditors	660,655
Total	721,107

5 11 It is likely there will be sufficient realisations to enable the Joint Liquidators to make a distribution to the non-preferential creditors of the Company once appointed

6. COSTS AND EXPENSES

6 1 Details of payments are shown on the Receipts and Payments Account at Appendix 2, the contents of which are self-explanatory

6 2 Attached at Appendix 3 is an analysis of our time costs in accordance with the provisions of SIP9 for the period 1 July 2009 to 10 May 2010. You will note that our total time costs in the period of the Administration are £54,716 excluding VAT representing 254 hours at an average charge out rate of £215. In addition, disbursements totalling £1,714 excluding VAT have been incurred.

6 3 An amount totalling £54,984 plus VAT has been drawn in respect of these time costs and disbursements. Details of our firm's charge out rates and the basis of recharging of expenses as well as a creditor's guide to Administration fees can be found on our website at

www.bnidgebr.co.uk/technical-details/administration

7. END OF ADMINISTRATION

7 1 Following the approval of the Proposals at the meeting of creditors held on 8 September 2009, the Joint Administrators are now taking the appropriate steps to place the Company into Creditors' Voluntary Liquidation, to enable a distribution to be made to unsecured creditors

7 2 Upon the filing of the necessary statutory form with the Registrar of Companies, Andrew Duncan and I will be appointed as Joint Liquidators of the Company and the Administration will come to an end

7 3 In accordance with rule 2.117 of The Insolvency Rules 1986 I can confirm that the following assets will be dealt with in the liquidation:

Stock

7 4 An amount totalling £42,656 remains outstanding in respect of stock as per the Sale and Purchase Agreement.

- 7.5 The Joint Liquidators will continue to collect the stock payments on a monthly basis in accordance with the Sale and Purchase Agreement

Book Debts

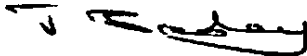
- 7.6 The debt collection process will continue to be monitored by the Joint Liquidators
- 7.7 An amount totalling £15,050 remains outstanding on the debtor ledger. However, the timing and quantum of any further realisations in respect of these book debts remains uncertain at this time

Joint Administrators' Funds

- 7.8 The Joint Administrators' funds in hand, totalling £86,270, will be transferred to the Joint Liquidators

8. OTHER MATTERS

- 8.1 If you require further information or assistance, please do not hesitate to contact my colleague James Carr on 0207 025 6144.



James Bradney
Joint Administrator

APPENDIX 1

STATUTORY INFORMATION

STATUTORY INFORMATION

Date of Incorporation	30 August 1996	
Registered Number	03244293	
Company Directors	Philip Matthew Artus Alexander James Hanbury Duggan Robert Andrew Gray Richard James Lenton Anton Marcel Mercier Richard Austin Wiffen	
Company Secretary	Philip Matthew Artus	
Shareholders	Anton Marcel Mercier – 57 Ordinary A Shares Robert Andrew Gray – 57 Ordinary A Shares Alexander James Hanbury Duggan – 133 Ordinary C Shares Phillip Matthew Artus – 133 Ordinary C Shares Richard James Lenton – 20 Ordinary D Shares Richard Austin Wiffen – 13 Ordinary D Shares	
Registered Office	Current	Formerly
	3 rd Floor 39-45 Shaftesbury Avenue London W1D 6LA	55 High Street Epsom Surrey KT19 8DH
Former Trading Address	55 High Street Epsom Surrey KT19 8DH	
Previous Company Name	Passion For Life Products Limited (changed 12 December 2002)	
Charges	Eurofactor (UK) Limited All Assets Debenture 24 June 2009	

Financial Information	Abbreviated Balance Sheet as at 31 May 2008	Abbreviated Balance Sheet as at 31 May 2007
	£	£
Fixed Assets	108,886	109,462
Current Assets	2,027,325	1,741,521
Total Assets	2,136,211	1,850,983
Creditors: amounts falling due within one year	(1,610,410)	(1,488,301)
Creditors: amounts falling due after more than one year	-	-
Total Liabilities	(1,610,410)	(1,488,301)
Net Assets/(Liabilities)	525,801	362,682
Called Up Share Capital	405	405
Share Premium Account	52,465	52,465
Net retained profit/loss	472,931	309,812
Shareholder Funds	525,801	362,682

APPENDIX 2
RECEIPTS AND PAYMENTS ACCOUNT

PASSION FOR LIFE HEALTHCARE LIMITED
IN ADMINISTRATION
JOINT ADMINISTRATORS' SUMMARY RECEIPTS AND PAYMENTS ACCOUNT

	Directors' estimated Statement of Affairs £	For period 1 July 2009 to 29 April 2010 £	TOTAL £
RECEIPTS			
Bank Interest Gross		20 59	20 59
Surplus Book Debts	18,743 00	93,529.29	93,529 29
Cash at Bank		5,161 39	5,161.39
Equipment	13,412 00	13,412 00	13,412 00
Goodwill, Intellectual Property and WIP	36,588 00	36,588.00	36,588 00
Rent Deposit	25,300 00	25,300 00	25,300 00
Stock	91,792 00	49,136.11	49,136 11
TOTAL	185,835.00	223,147.38	223,147 38
PAYMENTS			
Agents Fees		(1,500 00)	(1,500.00)
Debt Collection Fees		(57,623 02)	(57,623 02)
Legal Fees		(4,584.81)	(4,584 81)
Office Holders' Fees		(53,270 84)	(53,270 84)
Office Holders' Disbursements		(1,713 59)	(1,713 59)
VAT Inputs		(18,185 31)	(18,185 31)
TOTAL		(136,877 57)	(136,877 57)
Net Receipts (Payments)			86,269 81

APPENDIX 3
SCHEDULE OF JOINT ADMINISTRATORS' TIME COSTS

SIP9 time only

01/07/2009 to 10/05/2010

BR1156 Passion For Life Healthcare Limited

Administration and planning	32 10	7 65	60 75	0 00	100 50	21,258 75	211 51
Case specific matters	0 50	0 00	0 00	0 00	0 50	187 50	375 00
Creditors	19 80	0 80	36 72	7 35	64 67	12,246 09	189 36
Investigations	10 70	0 00	15 50	0 00	26 20	5,916 00	225 80
Realisation of Assets	31 00	0 00	31 30	0 00	62 30	15,109 50	242 53
Total Time Charged	27,434.00	1,952 50	24,667.84	661 50		54,715.84	
Total Hours	94 10	8.45	144.27	7 35	254 17		

APPENDIX 4
PROOF OF DEBT FORM

Proof of Debt – General Form

Passion For Life Healthcare Limited In Administration

Date of administration 1 July 2009

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 administration	
4.	Details of any documents by reference to which the debt can be substantiated. (Note: Please attach the relevant documents to the proof of debt form to substantiate the claim)	
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 Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator