

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Oldname No. 397 Limited Formerly DiagnoSYS Limited

Company number
02589210

In the High Court of Justice Chancery Division Companies Court
(full name of court)

Court case number
13701 of 2009

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

I/We (a)
Philip Lewis Armstrong
Vantis Business Recovery Services
PO Box 2653
66 Wigmore Street
London
W1A 3RT

Nicholas Hugh O'Reilly
Vantis Business Recovery Services
PO Box 2653
66 Wigmore Street
London
W1A 3RT

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

(b) Insert date

From
(b) 13 May 2009

To
(b) 12 November 2009

Signed


 Joint / Administrator(s)

Dated

9/12/09

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

Philip Lewis Armstrong
Vantis Business Recovery Services
PO Box 2653
66 Wigmore Street
London
W1A 3RT

DX Number

020 7467 4000
DX Exchange

FRIDAY



COMPANIES HOUSE

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



COMPANIES HOUSE

Vantis
PO Box 2653
66 Wigmore Street
London W1A 3RT
Tel: +44(0)20 7467 4000
Fax: +44(0)20 7467 4250
DX: 42741 Oxford Circus North
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TO ALL KNOWN CREDITORS AND MEMBERS

our ref: D0526WES

date: 9 December 2009

please ask for: Laurence Kilpin

Dear Sir/Madam

**OLDNAME NO. 397 LIMITED FORMERLY DIAGNOSYS LIMITED
(IN ADMINISTRATION)**

Further to my appointment as Joint Administrator of the above companies on 13 May 2009, I report on the progress of the administration under rule 2.47 of the Insolvency Rules 1986.

This update should be read in conjunction with my previous reports in this matter.

1. The Administration

- 1.1 Philip Lewis Armstrong and Nicholas Hugh O'Reilly of 66 Wigmore Street, London, W1U 2SB were appointed Joint Administrators on 13 May 2009. The appointment was made by the directors of the company.

2. Statutory Information

Company number:	02589210
Registered Office:	66 Wigmore Street London W1U 2SB

3. The Administrators' Proposals

- 3.1 The objectives of the administrations initially were:-

- a) to rescue the Companies as a going concern, or
- b) to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration), or
- c) to realise property in order to make a distribution to one or more secured or preferential creditors.

- 3.2 The Administrators' proposals, in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act, were to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), failing which, the objective was to realise property in order to make a distribution to one or more secured or preferential creditors.

3. The Progress of the Administrations

- 3.1 Proceeds from the sale and purchase agreement were transferred to the Joint Administrators from their solicitors client account, following a transfer of funds to Royal Bank of Scotland ("RBS") to clear their exposure in full and after legal costs had been deducted.
- 3.2 A sum of £10,265.41 representing foreign currency sums held in a pre-appointment bank account has been realised and is detailed on the appended receipts and payments account.
- 3.3 It is not anticipated that there will be any further realisations in respect of the administration because all book debts were acquired by the purchasing companies following completion of the sale and purchase agreement, and all other chattel assets transferred under the same agreement. You will note from the appended receipts and payments account that a sum of £24,763 was received in respect of pre-appointment book debts and this sum was remitted to the purchaser in accordance with the terms of the sale and purchase agreement.

4. The Administrators receipts and payments account

- 4.1 I attach at Appendix A an abstract of my receipts and payments for the period from 13 May 2009 to 12 November 2009 for the company.

5. Estimated outcome for secured creditor

- 5.1 RBS's exposure was mitigated in full following the successful completion of the sale and purchase agreement.
- 5.2 Grenadier Capital Development Fund ("Grenadier"), also a secured creditor of the company, hold a floating charge and it is expected that their exposure of c. £208k at the date of appointment will only be partly alleviated by realisations achieved to date. A payment of £39,000 from funds held was made to Grenadier in August, and it is not anticipated that any further funds will become available for further distribution to Grenadier.

6. Estimated outcome for preferential creditors

- 6.1 The preferential claim element would normally relate to employee redundancies, although in this case, due to the terms of the SPA, employees were transferred across under the TUPE regulations and as such, the purchaser is responsible for all employee contractual entitlements.

7. Prescribed Part for Unsecured Creditors

- 7.1 Under Section 176A of the Insolvency Act 1986 it is a requirement that a "Prescribed Part" of the net proceeds of floating charge realisations are set aside for the general body of unsecured creditors. For your information the net proceeds are calculated after the deduction of preferential claims and the cost of floating charge realisations, 50% is withheld from the first £10,000 of the net proceeds and 20% thereafter up to a maximum of £600,000.

The Joint Administrators anticipate that there will be property available for a prescribed part in the administration. Accordingly, please find detailed below a calculation of the anticipated funds available for distribution to the unsecured creditors under the prescribed part.

	£
Gross Sale Proceeds	950,000
Less Fixed Charge Realisations	(550,000)
Net Floating Charge Realisations	400,000
Less:	
Legal Costs	(40,602)
Administrators Costs	(30,000)
Future Administrators Costs Provision	(5,000)

Sub Total	324,398
50% of First £10,000	5,000
20% of Remainder (314,298 X 20%)	62,880
Total Available Prescribed Part Funds	67,880

8. Estimated outcome for unsecured creditors

- 8.1 Based upon present information, the Joint Administrators do not consider that any monies will be available for unsecured creditors, other than by way of the prescribed part as detailed above.

9. Administrators' remuneration

- 9.1 Details of the time charged to the case to 12 November 2009, analysed between the different types of work undertaken, are enclosed at Appendix B. The basis of the Joint Administrators' remuneration has been approved by creditors on a time cost basis, and the Administrators have accordingly drawn fees of £30,000 to date.
- 9.2 Details of Vantis' charge out rates are included with the analysis of time costs at Appendix B. The creditors' guide to fees charged by Administrators can easily be accessed on the Vantis website on www.vantisplc.com. Click on 'Creditors' Guides to Fees' under Top Searches at the bottom right of the home page and follow the instructions. If you have problems accessing the creditors' guide to fees on the Vantis website or if you would like to have a hard copy of the creditors' guide to fees sent to you, please contact Laurence Kilpin of this office.

10. Move to Liquidation

It is the intention of the Joint Administrators to move the company to Liquidation shortly following the circulation of this report, and for the Liquidators to undertake the agreement of creditor claims and distribution of the prescribed part as detailed.

Please be advised that Philip Lewis Armstrong and Nicholas Hugh O'Reilly are the proposed Joint Liquidators.

If you have any queries about this report or the progress of the administration, please do not hesitate to contact Laurence Kilpin of this office.

Dated this 9th day of December 2009

Yours faithfully
For and on behalf of
Oldname No. 397 Limited



Philip Lewis Armstrong
Joint Administrator

Licensed by the Institute of Chartered Accountants in England and Wales

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

The affairs, business and property of the company are being managed by Philip Lewis Armstrong and Nicholas Hugh O'Reilly who were appointed Joint Administrators on 13 May 2009.

**Oldname No. 397 Limited Formerly DiagnoSYS Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 12 November 2009**

	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
Third Party Contributions (rent)		100,120.88	100,120.88
Pre-Appointment Book Debts		24,763.04	24,763.04
Cash at Bank		10,265.41	10,265.41
Sale Proceeds (after RBS paid in full)		176,452.13	135,850.33
Bank Interest Gross		207.63	207.63
	0.00	311,809.09	311,809.09
PAYMENTS			
Administrators' Remuneration		30,000.00	30,000.00
Filing fee		10	10
Book Debt Transfer Payment		24,763.04	24,763.04
Statutory Advertising		67.5	67.5
Legal Fees		40,601.80	40,601.80
Rents Payable		100,120.88	100,120.88
Bank Charges		60.84	60.84
Floating Charge Secured Creditor Distribution		39,000.00	39,000.00
Vat Receivable - Floating		4,510.13	4,510.13
	0.00	239,134.19	239,134.19
Balances in Hand	0.00	72,674.90	72,674.90
	0.00	311,809.09	311,809.09

OLDNAME NO. 397 LIMITED FORMERLY DIAGNOSYS LIMITED (IN ADMINISTRATION)

**Analysis of time costs
for the period 13 May 2009 to 12 November 2009**

Time costs							
Classification of work	Partner	Manager	Other senior professionals	Assistants & support staff	Total hours	Time cost	Total average cost
Admin & Planning	14.00	4.00	107.05	8.70	133.75	30,974.50	231.59
Investigations	-	-	2.50	-	2.50	550.00	220.00
Realisation of Assets	4.00	-	1.00	-	5.00	2,200.00	440.00
Trading	-	-	-	-	-	-	-
Creditors	3.50	0.40	4.50	-	8.40	2,868.50	341.49
Case Specific Matters	-	-	-	-	-	-	-
Total	21.50	4.40	115.05	8.70	149.65	36,593.00	
Total fees claimed						6,593.00	

Disbursements

Category 1

5,139.19

Charge out rates with effect from 1/05/08

Grade	£/h
Partner	360-445
Manager	260-310
Other senior professionals	160-210
Assistants and support staff	140-163

Charge out rates with effect from 1/11/08

Grade	£/h
Partner	395-495
Manager	295-350
Other senior professionals	160-250
Assistants and support staff	140-250

Examples of work

Admin & Planning

Case planning
Administrative Set-up
Appointment Notification
Maintenance of records
Statutory reporting

Investigations

SIP 2 - A Liquidator's Investigation into the affairs of an insolvent company
Company Directors Disqualification Act 1986
Antecedent transactions

Realisation of Assets

Identifying, insuring and securing assets
Retention of title
Property Business and asset sales
Debt collection

Trading

Management of operations
Accounting for trading
Ongoing employee issues

Creditors

Communication with creditors
Creditors claims (including employees and other preferential creditors)

Case Specific Matters