

Rule 1.29/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of
Completion or Termination of
Voluntary ArrangementPursuant to Rule 1.29 or Rule 1.54 of the
Insolvency Rules 1986**R.1.29/
R.1.54**

To the Registrar of Companies

For Official Use

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Company Number

06878706

Name of Company

(a) Insert full name of
Company

Rikotte Systems Ltd

(b) Insert full name and
Address

I, William Antony Batty
Antony Batty & Co
3 Field Court
Grays Inn
London
WC1R 5EF

(c) Insert date

(d) Delete as applicable

the supervisor of a voluntary arrangement which took effect on 21 October, 2013 enclose
a copy of my notice to the creditors and members of the above-named company that the
voluntary arrangement has terminated, (d) together with a report of my receipts and
payments

Signed



Date 18/12/2015

Presenter's name,
address and reference

(if any)

DTS
Rikotte Systems Ltd Formerly
Diagnosys Systems Ltd

William Antony Batty
Antony Batty & Co
3 Field Court
Grays Inn
London
WC1R 5EF

For Official Use

Liquidation Section

Post Room

THURSDAY



A4MYJ5DF

A46

24/12/2015

#55

COMPANIES HOUSE

IN THE HIGH COURT OF JUSTICE

6746 OF 2013

RE RIKOTTE SYSTEMS LTD FORMERLY DIAGNOSYS SYSTEMS LTD

COMPANY VOLUNTARY ARRANGEMENT - NOTICE OF TERMINATION

TAKE NOTICE that Rikotte Systems Ltd has failed to comply with the terms of the Voluntary Arrangement approved on 21 October 2013. Accordingly the Arrangement has failed and I, William Antony Batty of Antony Batty & Company LLP, 3 Field Court, Gray's Inn, London, WC1R 5EF shall cease to be Supervisor in accordance with the provisions of the Insolvency Rules 1986

Dated 18/12/2015

A handwritten signature in black ink, appearing to be 'W A Batty', written over a circular stamp or seal.

Signed
W A Batty
Supervisor

**RIKOTTE SYSTEMS LIMITED FORMERLY KNOWN AS DIAGNOSYS SYSTEMS LIMITED -
COMPANY VOLUNTARY ARRANGEMENT**

SUPERVISOR'S REPORT ON THE COMPLETION OF THE ARRANGEMENT

**ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAY'S INN
LONDON
WC1R 5EF**

RIKOTTE SYSTEMS LIMITED - COMPANY VOLUNTARY ARRANGEMENT

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Supervisor to provide creditors with an update of the progress of the arrangement. The report has been prepared for the purpose of advising creditors. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

W A Batty was appointed as Supervisor of Rikotte Systems Limited formerly known as Diagnosys Systems Ltd on 21 October 2013.

WA Batty, SJ Evans & HF Jesseman are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales under S 390 (2) of the Insolvency Act 1986.

Abbreviations used in this report

- Rikotte Systems Limited – ("Rikotte" or "the Company")
- Diagnosys Systems Limited – ("DTS" or "the Company")
- Company Voluntary Arrangement – ("CVA")
- W A Batty - ("the Supervisor")
- HM Revenue & Customs - ("HMRC")
- Redundancy Payments Office – ("RPO")

RIKOTTE SYSTEMS LIMITED - COMPANY VOLUNTARY ARRANGEMENT

CONTENTS

- 1 Introduction
- 2 Progress of Voluntary Arrangement following the last report
- 3 Creditors – claims and distributions
- 4 Supervisor's receipts & payments
- 5 Supervisor's remuneration & expenses
- 6 The effect of the failure of the Arrangement

APPENDICES

- I Supervisor's receipts and payments account
- II Summary of Supervisor's time costs
- III Summary of Supervisor's expenses
- IV Charge out rates & disbursements policy

1. INTRODUCTION

This report is prepared pursuant to the provisions of the Insolvency Act 1986, which require the Supervisor to provide creditors and members with a report on the failure of the Voluntary Arrangement

This report covers the period from 21 October 2014 to 20 October 2014 and from the 21 October 2015 to 18 December 2015 and represents the final report

The following information is included in this report

- The implementation of the Voluntary Arrangement and any departures from the Proposal as it was agreed
- Details of any distributions made to creditors and likely further distributions
- Details of the Supervisor's receipts and payments including details of assets realised and any costs paid
- Information regarding fees and expenses
- The effect of the failure of the Voluntary Arrangement

2 FAILURE OF THE VOLUNTARY ARRANGEMENT

2.1 Reasons for failure

The Company has made contributions totalling £12,500 from income under the terms of the Voluntary Arrangement as follows

	Required Contributions £	Additional Contributions £
Year 1	44,000	44,000
Year 2	84,000	
Year 2	120,000	
Year 4	120,000	
Year 5	150,000	
	<hr/> £518,000	<hr/> £44,000

The Company's contribution of £7,000 due on 1 October 2014 became 60 days overdue. Under the terms of the Voluntary Arrangement, this was a default. Attempts to remedy the situation failed and the Director indicated that the business was failing due to the loss of some major contracts coupled with bad debts severely restricted cash flow resulting in the Company being unable to meet its post appointment liabilities as a result the Company ceased trading on 23 December 2014. Accordingly, on 8 January 2015, I issued a default notice and instructed Solicitors to petition for the Company's winding up.

2.2 Action taken since default notice

Winding up order

I instructed my solicitor to issue a winding up petition which was presented to the High Court of Justice on 26 February 2015 and the petition hearing was held on the 11 May 2015 when a winding up order was made and I, William Antony Batty was appointed Liquidator.

2.3 Realisation of assets

My role will now be dealing with all of the Company's assets, the CVA instalments I currently hold in trust for the CVA Creditors will now be distributed minus costs to date.

I instructed asset agents Lambert Smith Hampton to conduct a valuation report to assist with the sale of the Company's assets which were valued between £13,000 and £162,000 dependant upon the sale conditions. Assets that are sold will be on the advice of our agents and at market value the proceeds of which will be held in trust for the creditors of the Liquidation.

3. CREDITORS – CLAIMS AND DISTRIBUTIONS

There are a number of different classes of creditors in insolvency matters. These include:

Secured Creditors are creditors who hold fixed and/or floating charge debenture security, secured creditors are paid in priority to other creditors, subject to preferential creditors and unsecured creditors under the prescribed part.

Preferential creditors comprise employees' claims for holiday pay and some arrears of wages. Preferential creditors are paid in priority to the prescribed part, floating chargeholders and unsecured creditors.

Unsecured creditors rank behind secured and preferential creditors. Unsecured creditors receive the surplus from net realisations after secured and preferential creditors and any payment which is made under the prescribed part.

3.1 Secured Creditors

The Company's secured creditors are excluded from this arrangement and will rely on their security.

3.2 Preferential creditors

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. These claims are subject to maximum limit set by the insolvency legislation.

3.3 Unsecured Creditors

Claims

The Directors' statement of affairs, contained in the proposal, estimated unsecured creditors would total £349,124 from thirty-seven of creditors.

To date I have received claims from unsecured creditors of approximately £613,517, from forty-six of creditors, including a final claim from HM Revenue & Customs in the sum of £68,695 in respect of VAT/ PAYE & NIC.

The RPO has made payment to those former employees who claimed under the voluntary arrangement, however, the RPO have yet to submit their final claim to the Supervisor.

Distributions

I have been unable to pay a distribution to creditors in this matter as all funds have been used to defray the expenses of the voluntary arrangement.

Prescribed Part

There was no payment made to unsecured creditors by application of section 176A of the Insolvency Act 1986 as the provisions of that section did not apply in this matter.

Notice of No Dividend

I hereby give notice that no dividend will be paid to creditors as all funds realised have been already been distributed or used to defray the expenses of the CVA.

4. SUPERVISOR'S RECEIPTS AND PAYMENTS

A summary of my receipts and payments relating to the Voluntary Arrangement for the period is enclosed at Appendix III.

I have made the following significant payments during the period of the report not detailed elsewhere in the report

Neil Davies & Partners Solicitors have been paid £7,993 in respect of issuing the petition and dealing with Court matters relating to the winding up. Neil Davies & Partners are a firm of solicitors experienced in providing advice in insolvency situations. Their fee was based on their time costs.

Lambert Smith Hampton have been paid £3,595 to carry out a valuation report of the chattel assets and stock. Lambert Smith Hampton is a national firm of auctioneers.

The choice of professionals was based on the Supervisor's perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the agreed fee arrangement with them. The fees charged have been reviewed and the Supervisor is satisfied that they are reasonable in the circumstances of this case.

5 SUPERVISOR'S REMUNERATION & EXPENSES

5.1 Approval of Basis of Remuneration & Expenses

My fees as Supervisor were approved as part of the Proposals on a time cost basis, by reference to time properly given by me and my staff in attending to matters arising in the Voluntary Arrangement, together with category 2 expenses.

Category 1 expenses are payable without approval from creditors.

5.2 Supervisor's Time Costs

For the period 21 October 2014 to 20 October 2015, time costs amount to £8,067, representing thirty two hours work, at an average charge out rate of £252. The total time costs for the Voluntary Arrangement amount to £25,153, representing over ninety two hours work, at an average charge out rate of £271.

To date I have drawn £23,705 in respect of my remuneration out of my total time costs of £25,153 and the balance will be written off.

Appendix II contains further information about time spent on the Voluntary Arrangement and has been categorised into the following headings:

- **Administration and Planning** includes case planning, administrative set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions.
- **Realisation of Assets** includes identifying, securing, insuring assets, retention of title issues, debt collection, property, business and asset sales.
- **Investigations** includes reporting on the conduct of directors, investigating antecedent transactions and any other investigations that may be deemed appropriate.
- **Trading** includes planning, strategy, trading accounting, managing operations on site, corresponding with suppliers and customers, and on-going employee matters.
- **Creditors** includes creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted by the Company.

For the period of this report the time spent on this matter has predominantly been spent on agreeing creditors' claims and trying to revive the Company prior to it defaulting on the arrangement.

Further time was spent initiating the Company's winding up following its default

The Proposal anticipated that Supervisor's fees would total £30,000 over the full term of the CVA, at an average of £6,000 per year. In light of the failure of the CVA my costs are higher than anticipated

Due to the complexities raised by the failure of the CVA, work such as preparing the necessary reports to the creditors and case management on this assignment has predominantly been carried out by a manager with the suitable level of experience and authority necessary to progress the Administration. Less complex areas of work such as administrative functions have been carried out by junior grades of staff

A Guide to Supervisor's fees may be found at <http://www.antonybatty.com/resource>. The Joint Administrators would also be pleased to send you a copy by e-mail or post on request. Details of current charge out rates are given at Appendix IV

5.3 Supervisor's Expenses

A summary of my expenses is given at Appendix III. Details of the disbursements policy are given at Appendix IV. These expenses have been paid in full

5.4 Nominee's Fees and Expenses

My nominee's fee was approved as a fixed fee of £7,500 plus disbursements as part of the Proposals

This fee and disbursements have been paid in full

6 THE EFFECT OF THE FAILURE OF THE ARRANGEMENT

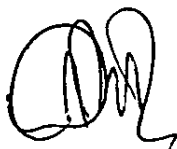
As stated in section 2 the Company went into Liquidation on 11 May 2015 and I was appointed Liquidator

Creditors bound by the Arrangement can claim in the Liquidation for their full claims as no dividend has been paid under the Arrangement. Creditors can also claim in the Liquidation for any debts incurred by the Company since the approval of the Arrangement

My appointment as Supervisor ceases with the sending of copies of this report to the Registrar of Companies and the court

During the autumn of 2011, a decision was handed down in a VAT Tribunal, which related to the charging of VAT by Nominees and Supervisors of Voluntary Arrangements. In accordance with the decision of the Tribunal, which made Voluntary Arrangements VAT exempt, no VAT will be charged on my Supervisor's fees. I have refunded the VAT originally charged on my Nominee's and Supervisor's fees

Should you require any further information please contact John Baalham



W A Batty
Supervisor
Dated 18 December 2015

Diagnosys Systems Ltd
(Under a Voluntary Arrangement)

Summary of Receipts & Payments
21 October 2014 to 20 October 2015

RECEIPTS	Total (£)
Brought Forward	44,029 99
Bank Interest Gross	41 90
	<hr/>
	44,071.89
	<hr/>
PAYMENTS	
Brought Forward	672 00
Petitioner's Costs	7,993 00
	<hr/>
	8,665.00
	<hr/>
Balance In Hand	35,406.89
	<hr/>
	44,071.89
	<hr/>

Diagnosys Systems Ltd
(Under a Voluntary Arrangement)

Summary of Receipts & Payments
21 October 2013 to 18 December 2015

RECEIPTS	Total (£)
Debtor Contributions	44,000 00
Bank Interest Gross	77 99
	<hr/>
	44,077.99
	<hr/>
PAYMENTS	
Agent's/Valuer's Fees	3,594 91
Petitioner's Costs	7,993 00
Specific Bond	672 00
Nominee's Fees	7,500 00
Supervisor's Fees	23,705 43
Supervisor's Expenses	612 65
	<hr/>
	44,077.99
	<hr/>
Balance In Hand	0 00
	<hr/>
	44,077.99
	<hr/>

DTS

Diagnosys Systems Ltd

18 December 2015

SIP 9 - Time & Cost Summary

Period 21/10/14 20/10/15

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	2 90	0 30	13 70	0 00	16 90	4,477 10	264 92
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	0 60	0 00	2 60	0 00	3 20	850 40	265 75
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 60	0 00	10 30	1 00	11 90	2,739 90	230 24
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Jan 2003 Time	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	4 10	0 30	26 60	1 00	32 00	8,067 40	252 11
Total Fees Claimed						0 00	

DTS

Diagnosys Systems Ltd

18 December 2015

SIP 9 - Time & Cost Summary

Period 21/10/13 18/12/15

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	5 20	0 80	37 10	0 00	43 10	11 057 30	256 55
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	5 90	0 30	8 60	0 00	14 80	4,475 60	302 41
Trading	4 30	0 00	0 00	0 00	4 30	1,715 70	399 00
Creditors	5 30	0 00	24 30	1 00	30 60	7,905 20	258 34
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Jan 2003 Time	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	20 70	1 10	70 00	1 00	92 80	25,153 80	271 05
Total Fees Claimed						31,205 43	

APPENDIX VI

RIKOTTE SYSTEMS LIMITED - COMPANY VOLUNTARY ARRANGEMENT

SUMMARY OF NOMINEE'S EXPENSES

	Category 1	Category 2
Photocopying		£23
Court filing	£35	
Room Hire		£75
Companies House search		£20
Postage		£19
Sundry		£60
	<u>£35</u>	<u>£197</u>

SUMMARY OF SUPERVISOR'S EXPENSES

	Category 1	Category 2
Photocopying		£220
Postage		£111
Sundry		£50
	<u>£-</u>	<u>£381</u>

Antony Batty & Company LLP
Time Costs – Charge out rates per hour and disbursements policy
1 April 2013 – 31 March 2015

Hourly charge out rates

2013\15

Office Holder (e.g. Supervisor)	£399
Senior Manager	£335
Case Manager	£295
Senior Administrator	£235
Administrator	£145
Junior Administrator	£80

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Time is recorded in units of six minutes. The minimum unit of time is therefore six minutes.

Members of staff with the appropriate level of experience and authority have been and will be used for the various aspects of work necessary in this assignment.

Disbursement Policy

Please note that the liquidator's disbursements are charged out at the following rates -

Category 1 - represent recovery of necessarily incurred disbursements at the cost incurred

Sundry disbursements, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

Insurance and bonding is recharged at 100% of the relevant charge to the office holder.

Travel costs. Excluding mileage all travel costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.

Category 2

Photocopying	15p per sheet
Postage	Royal Mail postage rates (Non franked mail)
Faxes UK	£1 per sheet
International	£2 per sheet
Internal meeting room hire -	£100 per hour, (minimum 1 hour)
Storage	£35 per box per annum
File set up, stationery & record retention	£50 per folder
Companies House search	£20 per case
Travel where the staff of Antony Batty & Company LLP use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile	
VAT is charged as appropriate	