Rule 2 47

Form 2 24B

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company	Company Number
Arkaga Healthcare & Technology Holdings Limited	03152195

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	8874 of 2008

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

I / We (a) Robert William Birchall and David Christian Chubb
PricewaterhouseCoopers LLP
Plumtree Court
London
EC4A 4HT

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

	from	to
(b) Insert dates	(b) 10 April 2010	(b) 9 October 2010

Signed

Joint / Administrator(s)

Dated 8 November 2010

TUESDAY

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A38 09/11/2010 137
COMPANIES HOUSE

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

Aidan Donaldson	
PricewaterhouseCoopers LLP	
Plumtree Court, London, EC4A 4HT	Tel 020 7804 1402
DX Number	DX Exchange

Companies House receipt date barcode

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**

PRICEWATERHOUSECOOPERS

Arkaga Healthcare & Technology Holdings Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 8874 of 2008

Joint Administrators' progress report for the six months ended 9 October 2010

8 November 2010

Contents

1. Joint Administrators' progress report

Introduction

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Arkaga Healthcare & Technology Holdings Limited ("the Company") for the six months to 9 October 2010

Statutory information

Information relating to the Company as required by Rule 2 47(1) (a to d) IR86 is set out in Section 2

Progress of the Administration

Creditors will recall that the Company operated as an investment entity and has no tangible assets The secured creditor, Bank of Scotland Plc ("the Bank"), continues to fund the Administration

The overall Administration strategy remains that the Company will hold its investments on a long term basis until such time as it is determined that market conditions are sufficiently robust to enable maximum realisations to be achieved

Accordingly, the Administrators continue to liaise with the directors appointed to the Company's primary subsidiary companies and monitor investee business performance and market conditions

During the last six months, the Administrators have successfully negotiated a settlement of the Company's claim to a share of recoveries from legal proceedings that were concluded in 2000 and which formed part of the Factortame litigation This has resulted in a recovery of £102 1K

Other aspects of the Administrators' work since their previous report include -

- Ongoing correspondence with third parties in respect of proceedings against the various group companies, which resulted in freezing orders being made prior to the Administration
- Discussions with the landlord of the former Duke of York premises in response to his request for a surrender of the Company's leasehold interest Creditors may recall that a surrender was offered early in the Administration but rejected
- Corporation tax compliance is up to date with all pre- and post-appointment returns to 30 June 2009 having been filed with HM Revenue & Customs ("HMRC") HMRC has not made any enquiries to date and the 2010 computations are in the course of preparation

Receipts and payments account

A receipts and payments account for the period 10 April to 9 October 2010 is provided in Section 3

The overdraft will be repaid from the Company's asset realisations in due course

Outcome for creditors

The Bank holds a debenture conferring fixed and floating charges over the whole of the Company's assets, together with cross-guarantees in respect of its lending to the wider Arkaga group of companies ("the Group")

As at the date of the Administrators' appointment, the Group owed the Bank approximately £85 5 million Given the extent of the indebtedness, the Administrators remain of the view that there will be no funds available for distribution to the Company's preferential or unsecured creditors

1. Joint Administrators' progress report

Administrators' remuneration

In accordance with the approval of the Bank as secured creditor, the Administrators' fees are fixed by reference to the time properly given by them and the various grades of their staff in attending to matters arising according to the Administrators' usual charge out rates for work of this nature

Extensions to the Administration

The duration of the Administration was extended by six months until 9 April 2010 with the consent of the Bank as secured creditor

A further 12 month extension to 9 April 2011 was granted by the court to enable the Administrators to preserve and monitor the Company's share interests with a view to realising them in due course at optimal value and to resolve the Company's claim under the Factortame litigation

Next report

As required by Rule 2 47 IR86, the Administrators will circulate a further progress report following the next six month anniversary Should you have any queries in the meantime, please contact Aidan Donaldson on 020 7804 1402

R W Birchall
Joint Administrator
Arkaga Healthcare & Technology Holdings Limited

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division Companies Court Case No 8874 of 2008
Full name:	Arkaga Healthcare & Technology Holdings Limited
Trading name:	Arkaga Healthcare & Technology Holdings Limited
Registered number:	03152195
Registered address:	12 Plumtree Court, London EC4A 4HT
Company directors:	Simon Chipperfield, Arthur Matthews, Mark Stuart-Smith
Company secretary:	Mark Stuart-Smith
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	10 October 2008
Administrators' names and addresses:	Robert William Birchall and David Christian Chubb, PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT
Appointor's / applicant's name and address:	Bank of Scotland Plc, The Mound, Edinburgh EH1 1YZ
Objective being pursued by the Administrators:	Realising property in order to make a distribution to one or more secured or preferential creditors
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Schedule B1 to the Insolvency Act 1986 ("IA86"), during the period for which the Administration is in force, the Joint Administrators will act jointly and severally so that all functions may be exercised by any or all of the joint administrators
Extensions to the Administration	1) Six months to 9 April 2010 2) 12 months to 9 April 2011
Proposed end of the Administration:	Dissolution
Estimated dividend for unsecured creditors:	Nil
Estimated values of the prescribed part and the company's net property:	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	The Administrators do not intend to apply to court under Section 176(5) IA86
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments account

	Receipts and payments to 09/04/2010 £	Transactions 10/04/2010 to 09/10/2010 £	Receipts and payments to 09/10/2010 £
Receipts			
Sale of shares	15	-	15
Insurance claims and refunds	2,752	-	2,752
Recovery of costs in legal action	5,952	-	5,952
Factortame settlement	-	102,128	102,128
Receipt of funds from Arkaga Limited*	-	39,783	39,783
Interest received	194	-	194
Total receipts	8,913	141,911	150,824
Payments			
Employee costs	56,178	-	56,178
Consultancy fees	143,682	21,148	164,830
Expenses	459	-	459
Utilities	24	14	38
Rent and licence fee re associated company	59,278	13,076	72,354
Security	164	-	164
Payroll agents	364	-	364
Storage	2,235	130	2,365
Statutory advertising	306	-	306
Mail redirection	177	-	177
Bank charges	65,725	9,556	75,281
Administrators' remuneration**	325,041	173,407	498,448
Administrators' disbursements**	2,912	700	3,612
Legal fees and expenses**	208,667	32,059	240,726
Insurance for subsidiary companies	12,474	17,408	29,882
Insurance**	1,491	-	1,491
Professional costs for subsidiary companies***	214,621	(3,722)	210,899
Net VAT recoverable	26,448	18,627	45,075
Total payments	1,120,245	282,406	1,402,651
Net payments borne by overdraft facility	(1,111,332)	(140,495)	(1,251,827)

* release of available funds on completion of Arkaga Limited's administration by way of a contribution to costs borne by the Company

** in respect of both the Company and Arkaga Limited

*** reflects refund in the current period