Rule 2 118 | Form 2 35B

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of company	Company number
Envirogene Limited	05126015

In the	Court case number
High Court of Justice, Chancery Division Cardiff District Registry (full name of court)	788 of 2010

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

We, Roger Gareth Hale and Robert Nicholas Lewis of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW

(b) Insert name and address of registered office of company

having been appointed administrators of (b) Envirogene Limited

(c) Insert date of appointment

(d) Insert name of applicant / appointor

on (c) 23 December 2010 by (d) the directors of the Company

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed R. G. Hale

Joint Administrator

Dated 14 December 2011

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

Lee Panther	
PricewaterhouseCoopers LLP, Benson House 33 Wellington Street, Leeds, West Yorkshire LS1 4JP	
DX Number 0113 289 4804	DX Number

SATURDAY

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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 pwc

Envirogene Limited - in Administration

High Court of Justice, Chancery Division, Cardiff District Registry

Case No. 788 of 2010

Joint Administrators' final progress report

14 December 2011

Contents

1. The Joint Administrators' final progress report

Introduction

The Joint Administrators ("the Administrators") previously reported on 1 July 2011 and are pleased to provide their final progress report on the Administration of Envirogene Limited ("the Company") pursuant to Rules 2 47 and 2 110 of the Insolvency Rules 1986 ("IR86")

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1) IR86, which is shown in Section 2 of this report The Administrators are also required to provide a summary of their proposals, which is shown at Section 3.

Details of the steps taken during the Administration and the outcome of the Administration are set out below

Steps taken during the Administration

As at the date of the Administrators' appointment on 23 December 2010 the position as regards the Company was as follows -

- The Company was established for the purpose of research and development and provided molecular diagnostic services to the water, contaminated land, oil and gas industries
- The Administrators' appointment arose as a consequence of a failure to secure funding in the autumn of 2010 and the subsequent cessation of trading
- Following an initial review, the Administrators concluded that the most appropriate strategy was for the Company to cease trading
- Immediately following their appointment, the Administrators took steps to protect and preserve the Company's assets. Assets comprised of plant and equipment, book debts and intellectual property rights

Realisation of assets

- **Cash in Hand**

  The Administrators received a total of £89,860 into the administration from the Company's pre-appointment bank account

- **Book debts**

  Total book debts on appointment totalled £4,845 The realisation of book debts is now complete, and a total of £2,987 has been received into the Administration The remaining sums were not recoverable due to insufficient supporting documentation

- **Plant and Equipment**

  Laboratory equipment, soil samples and consumables were sold for £17,199 84 prior to our appointment, the proceeds of which have been received into the Administration estate The remaining office equipment and computers were sold for £1,850, of which £350 has been received into the Administration The balance of £1,500 remains outstanding, however it would not be cost effective to continue the Administration to enable receipt of these funds

- **Intellectual property portfolio**

  The Company's intellectual property included a portfolio of UK and foreign patents and applications pending together with four trademarks The Administrators conducted a sale process which included assistance from a specialist consultant to identify potential interested parties Twelve parties were contacted which were based in the USA, Europe and UK Discussions then took place with all interested parties together with providing additional information to assist in order that offers could be formulated for the patents and trademarks Following the conclusion of this process two offers were received On 23 May 2011 the Company's intellectual property portfolio was sold to DNA Trace Technologies Limited for £15,000

- **Work in Progress**

  There were two projects in progress involving 700 samples at the date of our appointment In order to conclude these projects, third party analysis and interpretation services were required Conwy Valley Consortium Limited agreed to manage these projects to conclusion As far as the administrators are aware, these have yet to be completed and no money has been received by the Administrators However it is would not be cost effective to continue the Administration in the hope of receiving these funds, the prospect of which is uncertain

Final receipts and payments account

An account of the final receipts and payments in the Administration for the period from 23 December 2010 to 14 December 2011 is set out in Section 4 of this report

Receipts in the period include -

- Cash at bank of £89,860,
- Plant and machinery sales of £17,200,
- Computer and office equipments sales of £350,
- Intellectual property sales of £15,000,
- VAT reclaimed of £17,008,
- Book debt realisations of £2,987

Payments include -

- Legal and other professional costs of £14,476,
- The cost of protecting intellectual property rights of £2,098
- Administrators' remuneration and disbursements of £84,866 for the period,
- Pre-appointment fees and expenses of £8,900

Administrators' remuneration

The Administrators' remuneration was approved on a time costs and percentage of realisations basis by the secured and preferential creditors of the Company The Administrators have drawn remuneration totalling £83,880

The time cost charges incurred in the period covered by this report are £159,281 In accordance with the requirements of Statement of Insolvency Practice No 9, a full analysis of the Administrators' time costs and Category 2 disbursements for the period 23 December 2010 to 14 December 2011 is provided in Section 5

Furthermore, it was agreed with the secured creditor that 10% of the realisation of the Company's intellectual property may be taken in fees by the Administrators' Realisations of the intellectual property in the period are £15,000 and therefore the fee accrued in the period covered by this report is £1,500

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 7

1. The Joint Administrators' final progress report

Outcome for creditors

Secured creditor

At the date of appointment the secured creditor, Finance Wales, was owed a total of £782,000 under its fixed and floating charges In the administration, Finance Wales has recovered £4,693 under its fixed charge security over the Company's assets and £9,817 under its floating charge, a total of £14,780 The secured creditors will suffer a significant shortfall on their security

Preferential creditors

The Administrators have distributed £1,061 to preferential creditors, a distribution of 100 p in the £ on all claims received

Unsecured creditors

There are insufficent funds to enable a distribition to non-preferential unsecured creditors of the Company, either directly or by virtue of the prescribed part distribution

Exit route from Administration

In accordance with the proposals approved by creditors, a notice of move to dissolution was sent by the Administrators to the Registrar of Companies on 14 December 2011 When this notice is registered, the administration will come to an end Three months after registration, the Company will be deemed dissolved

As all the Company's property has now been realised and there is no future prospect of any dividend becoming payable to unsecured creditors, the Administrators concluded that the dissolution of the Company was the most appropriate exit route from Administration

Discharge

In accordance with a resolution of the secured creditor and the preferential creditors, the Administrators shall be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as Administrators on 14 December 2011

Yours faithfully
For and on behalf of the Company

R. G. Hale

Roger Hale
Joint Administrator
Envirogene Limited

Roger Gareth Hale and Robert Nicholas Lewis were appointed as Joint Administrators of Envirogene Limited to manage its affairs, business and property as its agents and act without personal liability Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Cardiff District Registry No 788 of 2010
Full name:	Envirogene Limited
Trading name:	Envirogene Limited
Registered number:	05126015
Registered address:	Tredomen Innovation & Technology Centre Tredomen Business Park Ystrad Mynach CF82 7FN
Company directors:	Dr Robert Sleat Mr Alexander Korda Dr Mark Chadwick Mr Richard Hatton
Company secretary:	Esther Shackell
Shareholdings held by the directors and secretary:	Mr Alex Korda – 1,921 ordinary shares and 1,668 "A" ordinary shares Dr Robert Sleat – 1,802 ordinary shares Mr Richard Hatton – 1,154 "A" ordinary shares
Date of the Administration appointment:	23 December 2010
Joint Administrators' names and addresses:	Roger Gareth Hale and Robert Nicholas Lewis, both of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW
Changes in office holder:	N/A
Appointor's / applicant's name and address:	The directors of Envirogene Limited, Tredomen Innovation & Technology Centre, Tredomen Business Park, Ystrad Mynach, CF82 7FQ
Objective being pursued by the Administrators:	Achieving 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) or, failing that, realising the Company's property to enable a distribution to be paid to the Company's secured and preferential creditors
Division of the Administrators' responsibilities:	Pursuant to paragraph 100(2) Sch B1 IA86, any act required or authorised under any enactment to be done by either of the Administrators individually or by both of the Administrators jointly.
Extensions to the period of the Administration:	N/A
End of the Administration:	Notice filed on 14 December 2011
Estimated dividend for unsecured creditors:	N/A

2. Statutory and other information

Estimated values of the prescribed part and the company's net property:	Nil
Whether and why the Administrators intended to apply to court under Section 176A(5) IA86:	N/A
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. Summary of the Joint Administrators' proposals

Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of Administration

i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving 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)

ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals

iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may, at their discretion, establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met out of the Prescribed Part as costs associated with the Prescribed Part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the Prescribed Part but not otherwise)

iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may, at their discretion, make an application to the court for permission to make distributions to unsecured creditors under paragraph 65(3) Sch.B1 IA86

v) If the Administrators conclude that the cost of making a distribution out of the Prescribed Part would be disproportionate to the benefits, the Administrators will make an application to the court under section 176A(5) IA86 for an order not to distribute the Prescribed Part to unsecured creditors.

vi) If the Administrators consider it advantageous to extend the Administration beyond the statutory duration of one year, the Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension

vii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance, the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances -

(a) Once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later, or,

(b) Once asset disposals are complete, the Administrators will place the Company into Creditors' Voluntary Liquidation In these circumstances, it is proposed that Roger Gareth Hale and Robert Nicholas Lewis be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them In accordance with paragraph 83(7) Sch B1 IA86 and Rule 2 117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved

viii) The Administrators shall be discharged from liability pursuant to paragraph 98(1) Sch B1 IA86 with respect to any action of theirs as Administrators at a time resolved by the secured and preferential creditors, or in any case at a time determined by the court

ix) In the circumstances of this case, it will be for the secured and preferential creditors to approve payment of the unpaid pre-Administration costs as expenses of the Administration

x) It is proposed that the Administrators' fees be fixed under Rule 2 106 of IR86 at 10% of the value of the Company's intellectual property and for work other than realising the Company's intellectual property by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as category 2 disbursements in *Statement of Insolvency Practice No 9*) be charged in accordance with the Administrators' firm's policy As the Administrators have previously stated that they think the Company has insufficient property to enable a distribution to non-preferential unsecured creditors other than by virtue of section 176A IA86, it will be for the secured and preferential creditors to determine the Administrators' remuneration and Category 2 disbursements In any event, the basis of these costs is to be fixed no later than 18 months after the date of the Administrators' appointment

xi) The Administrators propose that the Company's books and records be destroyed one year after dissolution.

4. Final receipts and payments account for the period 23 December 2010 to 14 December 2011

Envirogene Limited - in administration

Summary of Financial Information from 23 December 2010 to 14 December 2011

Fixed Charge Receipts	£
Intellectual Property Rights	15,000 00
VAT Receipts	1,326 81
TOTAL	**16,326 81**

Fixed Charge Payments	
	-
Office Holders Fees	1,500 00
Agents Fees	5,000 00
Intellectual Property Rights	2,097 52
Legal Fees	3,036 50
Distribution to Finance Wales	4 692 79
TOTAL	**16,326 81**
Total Fixed Realisations	-

Floating Charge Receipts	
Plant & Machinery	17,199 84
Computers	1,500 00
Office Equipment	350 00
Book debts	2,986 85
Sundry debts	61 34
Cash in Hand	89,860 32
Refunds	21 34
Interest Received	102 38
VAT Receipts	15,681 10
TOTAL	**127,763 17**

Floating Charge Payments	
Agents' Fees	2,172 24
Insurance	159 00
Legal Fees	2,713 50
Legal Disbursements	36 00
Storage Costs	846 08
Professional Fees	1,518 00
Office Holders Fees	82,380 00
Office Holders Expenses	985 62
Statutory Advertising	73 62
Mail Re-Direction	51 97
Prior Appointee Fees & Expenses	8,900 00
Preferential Creditors - Employees	1,060 82
VAT Receivable	17,007 91
Irrecoverable VAT	41 76
Distirbution to Finance Wales	9,816 65
TOTAL	**127,763 17**
Total Floating Realisations	-

Closing Balance at Bank	-

5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 23 December 2010 to 14 December 2011

Narrative of work carried out for the period 23 December 2010 to 14 December 2011

The key areas of work have been,-

- Negotiations for the sale of the intellectual property rights ,
- Negotiations for the sale of the business and its assets
- Statutory and compliance work

Summary of legal and other professional firms instructed in the period 23 December 2010 to 14 December 2011

Service provided	Name of firm / organisation	Reason selected	Basis of fees	Fees Paid to Date (£)
Legal advice	Morgan Cole LLP	Insolvency and Industry Knowledge	Time costs	£5,750 00
Patent advice and renewal fees	Marks and Clerk LLP	Industry Knowledge	Application costs	£3,615 52
Chattels Agents	Hicks Day Jones & Westlake	Industry Knowledge	Time costs	£1,050 00

5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 23 December 2010 to 14 December 2011

Envirogene Limited - in administration

Analysis of time costs from 23 December 2010 to 14 December 2011

Classification of Work	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly Rate (£)
Accounting & Treasury	-	-	1 23	0 30	8 38	20 05	3 15	33 11	5,211 88	157 41
Strategy & Planning	-	35 50	16 15	5 60	1 25	-	-	58 50	23,023 25	393 56
Compliance	0 50	7 00	5 80	33 65	8 60	73 85	0 20	129 60	26,796 30	206 76
Investigations	-	-	-	2 00	-	9.50	-	11 50	1,938 60	168 57
Reporting	0 50	24 50	11 60	6 00	-	0 80	-	43 40	16,984 10	391 34
Closure	-	-	2 75	2 50	-	12 40	-	17 65	3,561 55	201 79
Freehold/Leasehold Property	-	-	-	3 25	1 20	-	-	4 45	1,118 25	251 29
Other Assets	-	-	23 60	105 00	-	0 40	-	129 00	38,943 20	301 89
Book Debts	-	-	-	13 50	-	-	-	13 50	3,847 50	285 00
Sale of Business	-	15 50	22 50	15 50	-	-	-	53 50	19,520 00	364 86
Unsecured Creditors	-	-	-	0 30	0 50	-	2 15	2 95	324 50	110 00
Employees & Pensions	-	-	0 10	-	35 40	0 80	-	36 30	7,698 25	212 07
Distributions	-	-	-	-	-	0 10	-	0 10	13 50	135 00
Tax & VAT	-	-	0 30	7 10	30 90	8 90	-	47 20	8,830 80	187 09
Preferential Creditors	-	-	-	-	6 50	-	-	6 50	1,469 00	226 00
TOTAL	1 00	82 50	84 03	194 70	92 73	126 80	5 50	587.26	159,280.68	271 23

The Joint Liquidators' policy for charging for disbursements is.	Costs to date (£)
Photocopying is charged at 4p per sheet for creditors and bulk copying	490 00
Mileage is charged at a maximum of 67p per mile (up to 2000cc) or 81p per mile (over 2000cc)	299 00
Postage	290 00
Insurance	98 00
Mobile Phones	81 00
Other	47 00
All other disbursements are charged at cost	
Total to 14 December 2011	1,305 00

Maximum charge out rates for Business Recovery Services

Staff Grade	£ per hour
Partner	520
Director	436
Senior Manager	383
Manager	299
Senior Associate (unqualified)	226 (168)
Associate	142
Support	76

Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours should I require their expert advise Their rates do vary, however, the figures given above indicate the maximum rate per hour

Staff Grade	£ per hour
Partner	750
Director	700
Senior Manager	620
Manager	395
Senior Associate	320
Associate	220

6. Statement of creditors' rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses The relevant provisions are as follows -

Rule 2.48A Creditors' request for further information

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2 47—
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,

  giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

6. Statement of creditors' rights

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

(a) the remuneration charged by the administrator,
(b) the basis fixed for the administrator's remuneration under Rule 2 106, or
(c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business]days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,
(b) an order fixing the basis of remuneration at a reduced rate or amount,
(c) an order changing the basis of remuneration,
(d) *an order that some or all of the remuneration or expenses in question* be treated as not being expenses of the administration,
(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration