

# AM03 (Scot)

## Notice of administrator's proposals



Companies House

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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number S C 5 4 9 6 7 6

Company name in full Odx Innovations Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Duncan

Surname Raggett

### 3 Administrator's address

Building name/number Kingshill View

Street Prime Four Business Park

Post town Kingswells

County/Region ABERDEEN

Postcode A B 1 5 8 P U

Country

### 4 Administrator's name ①

Full forename(s) Seamas

Surname Keating

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Dromalane Mill

Street

Post town The Quays

County/Region Newry

Postcode B T 3 5 8 Q S

Country


#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03 (Scot)  
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6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	

7	Qualifying report and administrator's statement	
	<input checked="" type="checkbox"/> I attach a copy of the qualifying report <input type="checkbox"/> I attach a statement of disposal	<b>1</b> As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8	Sign and date																	
Administrator's Signature	Signature 																	
Signature date	<table><tr><td>d</td><td>0</td><td>d</td><td>8</td><td>m</td><td>0</td><td>m</td><td>2</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>2</td><td>y</td><td>3</td></tr></table>	d	0	d	8	m	0	m	2	y	2	y	0	y	2	y	3	
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### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Claire Smith**

Company name **AAB**

Address **Kingshill View**  
**Prime Four Business Park**

Post town **Kingswells**

County/Region **ABERDEEN**

Postcode **A B 1 5 8 P U**

Country

DX

Telephone **01224 625111**



### Checklist

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**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

**All information on this form will appear on the public record.**



### Where to send

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The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh.



### Further information

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# ODX INNOVATIONS LIMITED (IN ADMINISTRATION)

## JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

7 February 2023

**FPM**

Private & Confidential

(This Report is for use by the Members and Creditors of the Company only and must not be published or provided to any other party without the written permission of ODX Innovations Limited)

## NOTICE TO CREDITORS

- This document has been prepared by Duncan Raggett and Seamas Keating, Joint Administrators of ODX Innovations Limited (In Administration) ("the Company").
- This document has been prepared solely to comply with the Joint Administrators' statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 to provide the creditors of the Company with a statement of proposals as to how the purpose of the Administration is to be achieved.
- This document has not been prepared for any other purpose and as such, it is not suitable to be used for any other purpose.
- Any estimated outcomes for creditors included in this document are illustrative only and consequently cannot be relied upon to be guidance as to the actual outcomes that may result.
- Any person who chooses to rely on this document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this statement of proposals.
- Duncan Raggett and Seamas Keating are licenced to act in the United Kingdom as Insolvency Practitioners by the Institute of Chartered Accountants Scotland and Chartered Accountants Ireland accordingly. They are bound by the Insolvency Code of Ethics when carrying out all professional work in relation to this Administration.
- The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company, without personal liability.



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# 1 INTRODUCTION/OVERVIEW

- ODx Innovations Limited traded as a medical technology company based in Inverness. The Company was incorporated in 2016 and focused on the research and development of a point of care diagnostic tool for urinary tract infections.
- As a pre-revenue business, the Company relied upon grants and investment to continue its research and development. In early December 2022, following confirmation from its main investor that no further funding would be provided, the directors sought advice and were referred to Duncan Raggett of AAB, who was engaged to provide a report on the insolvency options available to the Company.
- The directors subsequently resolved to put the Company into Administration and Duncan Raggett, AAB, and Seamas Keating, FPM Accountants Limited, an AAB Group Company, were appointed Joint Administrators of the Company on 19 December 2022.
- As the Company's liabilities are too great to allow for a rescue of the Company as a going concern, the Joint Administrators are pursuing the second objective: 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).
- In order to maintain and preserve the Company's assets, including the pathogen bank and IP, whilst an accelerated marketing period took place, 9 staff were retained post appointment. The remaining 37 were unfortunately made redundant upon the Joint Administrators' appointment.
- The Joint Administrators appointed Hilco Appraisal Limited t/a Hilco Streambank and Hilco Valuation Services ("Hilco") as independent valuation and marketing agents and a full marketing exercise was carried out. As a result of the marketing process an offer of £600,000 for all the Company's assets has been accepted by the Joint Administrators.
- As the sale is a substantial disposal to a connected party, Bio-Rad Laboratories Inc ("Bio-Rad"), an Evaluator's opinion was sought on the transaction in line with Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 ("the Regulations"). The Evaluator confirmed that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances. A copy of the Evaluator's report can be found at Appendix 7.
- Based on the information available, there should be sufficient realisations for all preferential creditors to be paid in full and for a small distribution to unsecured creditors also.
- If there are sufficient realisations to allow for a distribution to unsecured creditors, the Joint Administrators will exit the Administration to Creditors Voluntary Liquidation and it is proposed that the Joint Administrators, Duncan Raggett and Seamas Keating, will act as Joint Liquidators.
- If it emerges that there are insufficient realisations for a distribution to unsecured creditors, then the Joint Administrators will exit the Administration via the dissolution of the Company, however, they reserve the right to use any exit method should circumstances change.
- It is proposed that our remuneration will be calculated on the basis of time properly spent by us and our various grades of staff in accordance with our firm's charge out rates. Disbursements will be charged to the case in accordance with our firm's policy. Further details about this can be found in section 7.



- This document, in its entirety is our statement of proposals. A summary list of the proposals is shown in section 8 and all statutory information can be found in the appendices to this report. Unless stated otherwise all amounts in the document and appendices are stated net of VAT.
- A Notice of Decision Procedure has been issued alongside these proposals seeking their approval by the creditors, alongside the Joint Administrators' remuneration and the pre-appointment costs incurred. The details of the resolutions to be considered can be found in section 9 of this document and the decision date is 23:59 on 27 February 2023.
- Creditors who meet one or more of the statutory thresholds listed in section 9 may request, in writing within 5 days from the date of delivery of the Notice of Decision Procedure, that a physical meeting be held to consider any decisions/resolutions proposed, or other matters.
- The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company, without personal liability.
- Duncan Raggett and Seamas Keating are licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants of Scotland and Chartered Accountants Ireland and are bound by the Insolvency Code of Ethics when carrying out all professional work in relation to this Administration.





## 2 COMPANY BACKGROUND

### 2.1 COMPANY HISTORY AND TRADING POSITION

ODx Innovations Limited is a medical technology company based in Inverness, which was incorporated in 2016 as a spin out from the University of St. Andrews.

The Company was created with the goal of supporting the point-of-care (POC) diagnosis and treatment of Urinary Tract Infections (UTIs). Diagnosis of UTIs still depend on paper dipsticks, inconclusive results, subjective observation of clinical symptoms and laboratory culture and sensitivity testing that requires time to process. The Company's POC technology supports rapid decision making by providing answers to the question "does this patient have a UTI AND what is the most suitable antibiotic to treat this infection?". After a UTI has been diagnosed clinically, the Company's ground-breaking technology detects bacterial growth and provides antibiotic sensitivities of the pathogen. This allows healthcare professionals to prescribe accurate treatment within minutes, rather than days.

The Company's novel Perigee technology provides rapid confirmation of the presence of bacteria in a patient's urine (bacteriuria) and an antibiotic susceptibility profile of the UTI.

The Company is still in the pre-revenue stage and dependent on external funding and investment to continue its research and the development of its UTI diagnostic technology. The Company traded primarily from Inverness but also operated from three smaller laboratories in Cambridge, Glasgow and Newcastle. It additionally had a small, leased, space in the USA for any testing required there.

The research and product developed to date, led to the Company being nominated for the Longitude Prize and significant interest from major medical technology companies in respect of undertaking clinical trials to move the product onto the next stage towards licencing and manufacture.

### 2.2 COMPANY FUNDING

The Company is funded by various grants and loans. The main funder is Bio-Rad via its subsidiary Bio-Rad Luxembourg SARL which has invested £13.2m by way of various loan notes, with significant grants also being provided by Highland and Islands Enterprise.

Like most medical technology companies, massive investment was required for product research and development during the pre-turnover stage. Without continued investor support, the Company would not be able to continue.

### 2.3 EVENTS LEADING UP TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

The Company forecast that additional funding was required in the year to December 2023. Bio-Rad agreed to provide some funding on the condition that additional funding was secured from third party investors.

The Company undertook a large exercise to seek additional funding and held discussions with various potential funders, but despite their best efforts could not secure the funding required.



In the absence of any additional funding, Bio-Rad indicated that they were not inclined to make any further investment in the Company in early December 2022. The directors immediately sought advice from their legal agents and accountants as to the Company's ability to continue as a going concern.

As a result of the advice received, Duncan Raggett of AAB was introduced to the board on 6 December 2022 to provide insolvency advice and the options available to the Company.

A review of the financial position and the insolvency options available to the Company was undertaken and a report issued to the directors on 14 December 2022.

Following final confirmation that no further funding would be made available, the directors, with the consent of the major investor, Bio-Rad, took the decision to put the Company into Administration at a Board meeting held on 16 December 2022, with the documents to be lodged in Court on 19 December 2022.

## 2.4 APPOINTMENT OF JOINT ADMINISTRATORS

Duncan Raggett of AAB and Seamas Keating of FPM Accountants Limited, an AAB Group Company, were appointed Joint Administrators on 19 December 2022 following the filing of a Notice of Appointment of Administrators by the directors at Inverness Sheriff Court.

The Company's centre of main interests (COMI) is in the United Kingdom. These insolvency proceedings are therefore COMI proceedings.

## 2.5 ETHICAL CONSIDERATIONS

There was no prior relationship with the Company, directors or shareholders before 6 December 2022 and all work carried out has been in relation to insolvency advice, options and the Administration appointment.

AAB's involvement with the Company from 6 December 2022 was disclosed to the Court as part of the appointment documentation and we are satisfied that the work carried out by AAB pre-appointment has not resulted in any relationships that create a conflict of interest or threaten our independence.

No post-appointment ethical threats have been identified in respect of the management of the insolvency appointment to date.



### 3 PROGRESS OF ADMINISTRATION

#### 3.1 ACTION TAKEN FOLLOWING APPOINTMENT OF THE JOINT ADMINISTRATORS

##### GENERAL, STATUTORY WORK AND CREDITOR WORK

A day one visit was carried out to the Company's main premises in Inverness. All staff meetings were held that day with those on site and via Teams for all other staff.

Letters advising of our appointment were sent to all creditors, requesting the submission of any claims and any information they may have that would assist us in our investigations into the Company. All creditor queries and correspondence has been answered.

One creditor has intimated a potential Retention of Title and we have issued the necessary questionnaire and reviewed the documentation provided. From initial investigations, it would appear that the item over which the retention of title claim is being made is still with the creditor, but we will continue to look into matters.

We advertised a notice of our appointment as Joint Administrators in the Edinburgh Gazette and the Scottish Daily Mail.

All statutory matters have been dealt with and paperwork lodged with Companies House and the Register of Inhibitions where required. Notification of the appointment was issued to the Information Commissioner's Office.

The Company's accounting and payroll records have been obtained. The Company's records will be reviewed in line with our SIP 2 obligations. Should any creditors have any information that may assist in our investigations then please do not hesitate to contact us.

Regular internal reviews and strategy meetings have been held.

All payments and receipts have been processed as required. We have included a copy of our receipts and payments to date at Appendix 2 for your information.

##### CASH AT BANK

Upon our appointment we wrote to Santander requesting that the Company's bank accounts be frozen and all funds held be transferred to the Administration bank account.

The funds held of £722,715.69 have been ingathered and historic bank statements provided. The bank statements are being reviewed in line with our SIP2 obligations.

##### TRADING

Based on our initial conversations with the directors, key members of staff and our proposed marketing agents, it was apparent that the best result for creditors would likely come from selling the business and assets together as opposed to at break-up value.

Immediate cessation of trade would have meant the likely termination of the Intellectual Property ("IP") licences held with the University of St. Andrews, removed any prospect of the scheduled clinical trials



taking place (which were vital for securing future funding and taking the next steps towards regulation) and ended the Company's chances of winning the Longitude Prize, with accompanying £8 million prize fund.

It was agreed that 9 staff were required to maintain and preserve the Company's assets, including the pathogen bank and IP, whilst an accelerated marketing period took place. In addition, the remaining staff would progress matters so that everything was in place for the clinical trials so they could commence immediately once a sale was completed, thus adding value for any purchaser.

A cash flow was prepared and agreed with the directors and the major creditor, with the main costs being wages, rent, patent renewal costs and utilities in the period. Due to the location and need to store the assets, it was likely that rent would need to have been paid for a period, even if trading had not taken place.

There was one major purchase required to allow the retained staff to complete their preparatory work for the clinical trials, which was £41,000 plus VAT in respect of software testing. All other supplies and equipment orders were kept to a minimum.

With no income, a trading loss was inevitable, and this is estimated at being c.£230,000 of which c.£118,000 has been paid to date. All payments have been monitored and the cash flow regularly updated. All costs have been reduced where possible.

The Company operated from 4 UK sites (Inverness, Newcastle, Cambridge and Glasgow) and 1 site in Santa Barbara in the USA. The only sites required for the post-appointment work were Inverness and Cambridge. All landlords have been written to and informed of the Administration and that the Joint Administrators have not adopted any leases in place.

We continue to correspond with the various landlords, as appropriate, and hope to receive their claims in due course. Rent will be paid for the sites used for the purposes of the Administration only.

The Cambridge landlord has utilised the rental deposit they held to cover the post-appointment rental charges, whilst this is not normal practice, given the amounts involved it is not cost effective for the Joint Administrators to challenge this as rent would need to be paid anyway.

All suppliers have been contacted and the necessary undertakings provided for any suppliers required during the trading period. The majority of the Company's orders were done through the Amici Procurement system. A meeting was held with Amici Procurement and the system updated so that only the Joint Administrators could approve any orders.

The Joint Administrators have worked with the Company's IT suppliers, sfG Software Ltd, and the necessary controls put in place and back-ups of Company data taken.

Whilst trade has now ceased, there will be additional work required to wrap matters up, pay any final invoices and to deal with the various landlords, where required.

## MARKETING OF THE BUSINESS & ASSETS

At the date of appointment, the Company held the following realisable assets:

- Physical assets: laboratory, computer and office equipment and furniture
- Pathogen Bank
- IP as follows:
  - Certain patents pending
  - Organisational knowledge and proprietary know-how



Bespoke proprietary software  
The ODx brand and unregistered trademark  
Domain name "odxinnoations.com" and website content  
Social media accounts

The Company's IP includes two of its own patents that are still in the pending stage and three licences from the University of St Andrews. The licences include a termination clause in the event of insolvency but, following conversations with the Joint Administrators, the University of St Andrews agreed to allow the licences to run whilst a marketing process was undertaken.

The Joint Administrators appointed Hilco Appraisal Limited t/a Hilco Streambank and Hilco Valuation Services ("Hilco") as their independent valuation and marketing agents. Hilco are leaders in their field and were chosen for their UK and global reach, their expertise in dealing with Intellectual Property and their ability to undertake a full marketing campaign very quickly.

Upon their engagement, Hilco went through an information gathering exercise, working with both the Joint Administrators and the remaining staff to produce a marketing pack and a data room for interested parties.

Hilco confirmed that they complied with the requirements of independence and objectivity and that they had no conflict of interest. They confirmed that they were qualified to take on the engagement and acted as external valuers in producing their valuation. A copy of their Professional Indemnity insurance has been reviewed, is adequate and has been saved on file.

An inventory and valuation was produced on 21 December 2022 for the Company's physical assets on an in-situ and ex-situ (break-up) basis. Hilco valued the physical asset on a market value in-situ basis at £202,100. The ex-situ valuations were £91,550 with 90 days marketing and £59,550 with 30 days marketing. The valuations were prior to the costs of realisation. Hilco advised that due to the various locations of the assets and the potential decommissioning costs of the equipment it was likely that, after costs, an ex-situ sale would produce minimal benefit for the creditors.

The IP and licensed IP was reviewed by Hilco and their recommendations and advice provided as to how to best protect it ahead of any sale. Hilco provided informal guidance as to the potential value of the IP assets but due to its nature and the lack of appropriate comparable sales it was difficult for them to place an accurate value on the IP.

A thorough and wide-reaching marketing process was undertaken by Hilco. Hilco advertised the opportunity on its websites, published it across Hilco's social media channels and placed details of the sales process in Insolvency Insider (an established and market-leading restructuring and insolvency online publication). Hilco utilised their own large international database and directly contacted approximately 900 potentially interested parties with details of the opportunity.

In addition, there was national press coverage of the Joint Administrators' appointment, including on the BBC website, which stated that a purchaser was being sought for the business and assets of the Company.

21 parties formally noted their interest in the opportunity with 12 signing Non-Disclosure Agreements ("NDAs") in order to access the data-room and seek further information on the potential purchase.

An initial closing date for offers of 17 January 2023 was set by Hilco and the Joint Administrators. None of the offers received on this deadline were at an acceptable level, either being too low, requiring clarification or had unacceptable terms.

The decision was taken to seek improved offers from all parties and a deadline of 31 January 2023 was set for best and final offers.

Two offers were received by the second deadline, with the other interested parties citing the accelerated timescales, a lack of strategic fit or that the research and development not being sufficiently advanced for their reasons for not submitting an offer. Additionally, some parties were only interested in specific assets.

In conjunction with Hilco, the Joint Administrators reviewed the two offers, which were both for all the assets of the Company.

One offer included the continuing employment of a small number of employees but was at a lower level and included a large amount of deferred consideration. The Bio-Rad offer did not provide for the continuation of employment for any employees but was in excess of the in-situ valuation of the physical assets and was the best offer in terms of price and transactional risk.

In line with Hilco's recommendation, the Joint Administrators concluded that accepting Bio-Rad's offer of £600,000 for all assets produced the best result for the creditors overall.

## SALE TO A CONNECTED PARTY

As the sale represents a substantial disposal to a connected party, Bio-Rad being both a shareholder and the major creditor/investor through their subsidiary, Bio-Rad Luxembourg SARL, an Evaluator's opinion was sought on the transaction in line with Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 ("the Regulations").

Shona Campbell, Insolvency Practitioner and Partner of Henderson Loggie was engaged by Bio-rad to produce the Evaluator's report.

The Evaluator has confirmed that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances. A copy of the Evaluator's report can be found at Appendix 7.

In line with SIP 13, full details of the sale and the sales process have been provided above. The interested parties were independently advised and all discussions regarding potential offers were held with Hilco. Based on the independent marketing process, Hilco's recommendations and the Evaluator's opinion, the Joint Administrators are satisfied the sale to Bio-Rad represents the best outcome to the creditors and accordingly have accepted their offer.

A non-refundable deposit of £120,000 has been paid, with the full balance to be paid upon conclusion of the sales and purchase agreement in due course.

The only alternatives to the offer accepted would have been accepting a lower offer with more transactional risk in the form of deferred consideration or the sale of the assets on ex-situ break up basis, the costs of which were likely to result in minimal recoveries being made. Both of these options would have resulted in substantially reduced outcomes for the general body of creditors.

## EMPLOYEES

As outlined above, there were insufficient funds available to maintain anything other than the minimal level of employees required to maintain the business and preserve the Company's assets during the marketing period.

Upon appointment, we had no option but to make 37 of the Company's employees redundant. A full employee meeting was held to discuss the situation, their rights and explain how they made their claims.



Letters were issued to all employees, confirming their redundancy and giving them the relevant details with which to submit their claims to the Redundancy Payments Service ("RPS").

All claims have been reviewed, employee queries answered and the RP14 and RP14a documents submitted to the RPS. We contacted the Partnership Action for Continuing Employment ("PACE") upon appointment and arranged with PACE for the redundant employees to have access to a webinar to discuss matters and provide any advice as required.

We have written to the Company's pension provider and informed them of the Administration. We understand that all pension contributions have been paid up to date, but we will confirm the situation and, if any arrears emerge, submit the necessary RP15 form to the RPS.

It emerged that one of the employees made redundant was a migrant worker employed under the Company's Sponsor Licence from the Home Office. The Joint Administrators sought advice on this matter from Addleshaw Goddard and the necessary documentation has been submitted to the Home Office in order to take over the Authorising Officer role and thereafter surrender the Company's Sponsor Licence.

The retained staff were all spoken to upon appointment and given notice of potential redundancy as at the date of appointment. Regular staff meetings were held and updates provided when possible.

Unfortunately, as the best final offer received was on an asset only basis, the remaining 9 staff were made redundant on 7 February 2023.

## INVESTIGATIONS

The Joint Administrators have a duty to investigate the reasons for the Company's insolvency and to report to the Insolvency Service pursuant to the Directors' Disqualification Act 1986. Their report, which covers any individual who has been a director or potential shadow director of the Company in the three years prior to the date of insolvency, must be submitted within three months of their appointment date, 19 December 2022. The content of this report once completed is confidential.

The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

## INSTRUCTION OF SPECIALISTS

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken.

The AAB Group Restructuring and Recovery practice reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.



The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting them with all legal matters arising in the Administration.

To advise on appropriate legal matters and prepare required legal documentation and any Sales and Purchase Agreements required, the Joint Administrators have appointed MBM Commercial LLP, a legal firm with the appropriate expertise and experience in such matters and dealing with these types of Administrations. MBM Commercial LLP's fees will be on a time cost basis, incurred at their standard professional charge out rates. Fees of £750 plus VAT have been paid to date, in respect of their review of the validity of the Administration appointment.

To advise on employee issues and matters, the Joint Administrators have appointed Addleshaw Goddard LLP, a legal firm with the appropriate expertise and experience in employment law and insolvency. Addleshaw Goddard LLP's fees will be on a time cost basis, incurred at their standard professional charge out rates. Creditors will be advised of any fees paid in future reports.

As noted previously, the Joint Administrators appointed Hilco to assist with the marketing and sale of the Company's business and assets, advise on the Company's intellectual property and to undertake inventories and valuations of the Company's physical assets. Hilco's fee basis is a mixture of a fixed fee of £10,000 plus VAT was agreed for the inventory and valuation and the initial research and marketing process and commission of 20% of any sale price achieved.





## 4 ESTIMATED OUTCOME FOR CREDITORS

### 4.1 ESTIMATED OUTCOME STATEMENT

The Joint Administrators have prepared an estimated outcome statement, based on the agreed sale, and this can be found at Appendix 3.

The estimated outcome statement is based on the information currently available and best estimates of future costs and claims to be received. The estimated outcome statement is illustrative only and consequently cannot be relied upon to be guidance as to the actual outcomes that may result.

If matters change materially then the Joint Administrators will advise the creditors accordingly.

### 4.2 SECURED CREDITORS

The Company had no secured creditors at the date of appointment.

### 4.3 LANDLORD'S HYPOTHEC

The Company had rent arrears of £14,847 at the date of the appointment in respect of the premises at Solasta House in Inverness.

Payment will be made to Highland and Islands Enterprise ("HIE") in respect of their Hypothec claim from the proceeds of the assets sold that were held on site at the date of appointment.

As Hypothec only applies to rental arrears, any service charge or utility payment arrears due to HIE will rank as an unsecured claim in the Administration.

### 4.4 PREFERENTIAL CREDITORS

The main debts which rank as preferential claims are amounts due to employees for unpaid wages/salary, which was due to be paid within the four months prior to the commencement of the Administration process (capped at £800), accrued but unpaid holiday pay (without limit), and certain pension contributions. There are other categories of preferential claims which apply in limited circumstances, which are not anticipated to apply in this Administration.

Based on the company records and the employee claims received to date, it is estimated that there will be preferential claims of £68,472 relating to outstanding holiday pay due to the employees.

The Redundancy Payments Service are yet to submit their claim and all preferential claims will be reviewed and adjudicated upon in line with our statutory obligations.

It is expected that preferential creditors will be paid in full from the realisations made.

### 4.5 SECONDARY PREFERENTIAL CREDITORS

Secondary preferential status, after employee claims, was restored for certain HM Revenue & Customs liabilities for all insolvencies commencing from 1<sup>st</sup> December 2020 onwards. The tax liabilities that attract secondary preferential status are VAT, PAYE, NIC, Student Loan repayments and CIS deductions.



It is estimated that there will be secondary preferential claims of £32,166 relating to PAYE and NIC arrears. HMRC are yet to submit their claim, and this will be reviewed and adjudicated upon in due course.

It is expected that that secondary preferential creditors will be paid in full from the realisations made.

## 4.6 FLOATING CHARGE CREDITORS

The Company has not granted any floating charges to any creditors.

## 4.7 PRESCRIBED PART

Under the provisions of Section 176A of the Act, the Joint Administrators must state the amount available to the unsecured creditors in respect of the prescribed part.

As there is no floating charge creditor, the prescribed part will not apply in this case.

## 4.8 ORDINARY, UNSECURED CREDITORS

All claims which are not secured or preferential (with the exception of claims from a creditor where the Joint Administrators have had to take legal action to reclaim assets from that creditor for the benefit of all creditors) are classified as ordinary unsecured creditors.

We have received ordinary, unsecured claims of c. £14 million to date. Including the unsecured element of the employee claims, it is anticipated that the total ordinary, unsecured claims will be in the region of £15 million. All unsecured claims received will be subject to formal adjudication at the appropriate time.

Per the estimated outcome statement, it is expected that there will be sufficient realisations to allow for a small distribution to unsecured creditors in due course.

Should, as estimated, there be sufficient realisations for a dividend to unsecured creditors, then the Joint Administrators will require to exit the Administration to Creditors Voluntary Liquidation ("CVL") in order to process the distribution.

## 5 EXIT ROUTE FROM THE ADMINISTRATION

### 5.1 ENDING THE ADMINISTRATION

The Administration is currently scheduled to automatically end on 18 December 2023, unless an extension is granted. An extension can be approved by the consent of the creditors or the Court.

There are a variety of exit routes available for the Company from Administration. Should, as estimated, there be sufficient realisations to allow for a distribution to unsecured creditors then the exit route will be via a CVL and it is proposed that we would act as Joint Liquidators in such a scenario.

Please note that the creditors may, before the proposals are approved, nominate a different person as Liquidator in accordance with paragraph 83(7) (a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules.

If there are no funds for a distribution to unsecured creditors, then the most appropriate exit route will be the dissolution of the Company.

We have; however, reserved the right to use any available exit routes should circumstances change.

### 5.2 JOINT ADMINISTRATORS' DISCHARGE

The timing of our discharge from liability will require to be approved by the creditors via a decision process.

This discharge does not prevent any misfeasance action against us as Joint Administrators of the Company.



## 6 PRE-APPOINTMENT WORK/COSTS

### 6.1 PRE-APPOINTMENT WORK COMPLETED

Following advice from their legal agents and accountants that the Company was insolvent, Duncan Raggett of AAB was introduced to the board on 6 December 2022 to provide insolvency advice and the options available to the Company.

A fixed fee of £5,000 plus VAT was paid up front for AAB's review and insolvency options report. No time in respect of this work is included in the pre-appointment work outlined below.

The report was issued to the directors on 14 December 2022 and it is the work carried out by the Joint Administrators and their teams from then until the appointment on 19 December 2022 that is detailed here:

- We held several meetings with the directors and key members of the leadership team to discuss and determine the most appropriate strategy for the Administration process in order to maximise returns to all creditors.
- We informed the directors as to what was required of them in the Administration process and answered all their queries.
- We reviewed the financial information and interrogated the proposed trading cash-flow, suggesting and implementing further cost cutting measures where appropriate.
- We reviewed the Company's employee list and discussed and agreed with the directors as to the bare minimum staff required to be retained in order to maintain and preserve the value of the business and assets.
- We met and liaised with the Company's legal agents in respect of employment matters and prepared the necessary redundancy and retention letters for issue upon appointment.
- We reviewed the payroll and employee information available and liaised with the directors in respect of any queries, or additional data required. We then imported all employee data onto our systems so there would be no delays upon appointment.
- We corresponded with and held a meeting with representatives of Bio-Rad, the largest creditor, to explain the process, the proposed strategy and costs and why it was necessary to trade on whilst the marketing of the business and assets.
- We held initial meetings with our proposed marketing agents in order to ascertain the best marketing strategy, confirm that a sale of the business and assets would be possible and the best outcome for creditors and due to the time restraints ensure they were available and ready to begin the marketing process immediately upon appointment.
- We held initial meetings with the Company's media agents and our internal media team and prepared draft statements ahead of likely media interest.
- We engaged and liaised with the solicitors and the directors in relation to the drafting and completion of the requisite appointment documentation to be filed at Court. Once drafted, we reviewed, updated and signed the appointment paperwork, as required.



- We held several internal strategy meetings with the wider team, so all team members had their roles allocated and were fully prepared for the appointment.
- We undertook necessary preparation work for the Administration appointment, including required pre-appointment checks and the drafting of the necessary notices, advertisements and documentation so there were no delays upon appointment.

## 6.2 PURPOSE OF THE PRE-APPOINTMENT WORK

The pre-appointment work was undertaken by the proposed Joint Administrators in order to try and ascertain a strategy for the Administration that maximised realisations for creditors.

This work was carried out prior to Administration so that there would be no delay in the Joint Administrators implementing the strategy immediately on appointment. In this way, the business could be maintained as a trading entity on Administration, albeit with significantly reduced costs and a skeleton staff retained to maintain and preserve the value of the assets.

This improved the likelihood that significantly enhanced realisations could be achieved for the business and assets, thus furthering the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up. This work was expected to have a financial benefit for creditors, as the strategy of pursuing the second Administration objective would improve the prospects of recovery, even potentially avoiding some claims arising, such as those of the remaining employees or the landlords if leases could be transferred as part of any deal.

## 6.3 STATEMENT OF UNPAID PRE-APPOINTMENT COSTS

As you will see from the below analysis, we have incurred time costs of £13,028.25 which represents 36.35 hours at an average rate of £358.41, in the completion of the pre-appointment work detailed above.

Classification of work function	Hours				Time Cost £	Average Hourly Rate £
	IP	Managers	Other Seniors / Professionals	Trainees / Assistants		
Pre Appointment work						
Strategy, reviews & meetings	13.20	5.00	1.00		7,557.00	393.59
Appointment Documentation	3.00	1.00			1,675.00	418.75
Day 1 Preparation	1.50		1.60		932.50	300.81
Employee work	4.25		5.80		2,863.75	284.95
Total hours	21.95	6.00	8.40	-	36.35	
Total time costs (£)					13,028.25	
Total disbursements (£)						
Total costs (£)					<u>13,028.25</u>	
Total Average Hourly rate						358.41

None of these time costs have been paid and we are therefore seeking approval of a pre-appointment fee of £13,028.25 plus VAT as an expense of the Administration.



## 6.4 APPROVAL OF UNPAID PRE-APPOINTMENT COSTS

The payment of unpaid pre-administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of our proposals to be approved.

A decision on the approval of the unpaid pre-appointment costs is included in decision procedure being circulated to creditors.



## 7 JOINT ADMINISTRATORS' REMUNERATION & DISBURSEMENTS

### 7.1 APPROVAL OF THE BASIS OF REMUNERATION & DISBURSEMENTS

The Joint Administrators are obliged to fix their remuneration in accordance with Rule 3.97:

3.97.— (1) The basis of the Joint Administrators remuneration must be fixed—

- (a) as a percentage of the value of the company's property with which the Joint Administrators has to deal;
- (b) by reference to the work which was reasonably undertaken by the Joint Administrators and the Joint Administrators' staff in attending to matters arising in the Administration; or
- (c) as a set amount.

(2) The basis of remuneration may be one or a combination of the bases set out in paragraph (1) and different bases or percentages agreed may be fixed in respect of different things done by the Joint Administrators or Joint Administrators' staff.

In this case, the Joint Administrators will seek remuneration by reference to their time costs.

### 7.2 FURTHER INFORMATION

The Joint Administrators are regulated by the Institute of Chartered Accountants of Scotland and Chartered Accountants Ireland. The Institute of Chartered Accountants of Scotland have made available "Creditor Guides to Office Holder Remuneration", which includes a "Creditor's guide to an Administrator's Remuneration".

This guide can be obtained by visiting the following webpage:

<https://www.icas.com/professional-resources/insolvency/support-and-guidance/creditor-guides-to-office-holder-remuneration>

If creditors have any queries regarding the procedure for the determination of the Joint Administrators' remuneration, please contact this office for further information.

Full details of the Joint Administrators' policy on charging time and disbursements can be found at Appendix 4.

### 7.3 CREDITORS' COMMITTEE

A Notice of Invitation to Form a Creditors' Committee has been issued with these proposals. The purpose of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' remuneration and disbursements.



In the absence of a Committee, this responsibility falls to the creditors. Whilst there is no need for a Committee in this case, any creditors that wish to nominate themselves or another party to be on the Committee can do so via the notice provided.

Any nominations must be received by 23:59 on 27 February 2023 and a Committee will only be formed if sufficient, eligible creditors are nominated and thereafter agree to act.

For further information on the role of Creditors' Committees, go to: <https://www.r3.org.uk/technical-library/scotland/technical-guidance/creditor-guides/more/29155/page/1/liquidation-creditors-committees-and-commissioners-a-guide-for-creditors/>

## 7.4 TIME COSTS INCURRED TO DATE

We attach at Appendix 4 an analysis of the time spent to date on this case split by work type and grade of staff involved.

From the date of appointment, 19 December 2022 to date, time costs of £86,943.85 have been incurred. This represents 273.35 hours at an average rate of £318.07 per hour.

## 7.5 APPROVAL OF REMUNERATION

In the event that no creditors' committee is formed, the basis and amount of the Joint Administrators' remuneration will be determined by the creditors via a decision procedure. If no determination is provided by the creditors, then the Joint Administrators will seek the approval of their remuneration from the Court.

In line with Rule 3.95, we are seeking approval of interim remuneration of £86,943.85 plus VAT.

Approval for the balance of our remuneration for the first accounting period will be sought alongside the first progress report to be issued after 6 months.

## 7.6 DISBURSEMENTS INCURRED TO DATE

We have incurred the following disbursements in pursuing the purpose of the Administration to date:

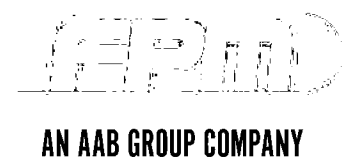
Details	Category 1 (£)	Category 2 (£)	Paid to date (£)	Balance to be paid (£)
Travel, Accommodation & Subsistence	1,662.00			1662.00
Mileage		107.33		107.33
Insolvency Bond	404.00			404.00
Postage	233.62			233.62
FPM Insolvency Bond	1,162.50			1,162.50
FPM Case Management software		300.00		300.00
Trading Costs paid by firm	2,890.68		2,890.68	-
<b>TOTAL</b>	<b>6,352.80</b>	<b>407.33</b>	<b>2,890.68</b>	<b>3,869.45</b>





As Category 1 disbursements do not require specific approval, we will draw these from the funds in hand in due course. The Trading cost was an immediate payment required for the ongoing trade that the firm paid whilst the cash at bank was ingathered. This has been rebilled and paid from the funds in hand.

Approval of any future Category 2 disbursements will be sought from the creditors.



## 8 PROPOSALS

### 8.1 STATUTORY PURPOSE OF THE ADMINISTRATION

Paragraph 3 (1) of Schedule B1 of the Act, detailed below, outlines the three statutory purposes of an Administration:

- 3 (1) The Joint Administrators of a company must perform their functions with the objective of –
- a) rescuing the company as a going concern, or
  - b) 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
  - c) realising property in order to make a distribution to one or more secured or preferential creditors.

### 8.2 CURRENT OBJECTIVE OF THIS ADMINISTRATION

Due to the level of liabilities, the rescue of the Company as a going concern is not possible in this case.

We are currently pursuing the second objective of the Administration process, 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). We believe that the sale agreed of £600,000 plus VAT demonstrates that we will be able to achieve this objective. Had the Company immediately gone into Liquidation then the IP licences with St Andrews would have been terminated, thus reducing any potential value for the creditors, and per Hilco's guidance the costs of realisation would have negated any break-up value of the Company's physical assets and equipment.

Should for any reason the second objective no longer be achievable then we will be able to achieve the third objective, as there are sufficient assets to allow for a distribution to the secured/preferential creditors.

### 8.3 JOINT ADMINISTRATORS' PROPOSALS

To achieve the objective of the Administration, we propose the following:

#### GENERAL

- To continue to manage the Company's business and realise assets in accordance with objective 2 of the statutory purposes of the Administration.
- To investigate, and if appropriate, pursue any claims the Company may have.
- To do all such things that are reasonable and to use our powers appropriately in order to preserve the assets of the Company and maximise the realisations therefrom.
- To seek an extension to the Administration if considered necessary.

#### DISTRIBUTIONS TO CREDITORS

- To make distributions to any secured and preferential creditors as appropriate, and if applicable, distribute funds to ordinary, unsecured creditors under the prescribed part.



## EXITING ADMINISTRATION

- If there are sufficient realisations to allow for a distribution to unsecured creditors, the Joint Administrators may, at any time they feel appropriate, exit the Administration to a Creditors Voluntary Liquidation and that the Joint Administrators, Duncan Raggett and Seamas Keating, will act as Joint Liquidators.
- If there are insufficient realisations for a distribution to unsecured creditors, to exit the Administration via the dissolution of the Company, or, if appropriate, the Joint Administrators may use any or, a combination, of the exit routes available in Schedule B1 of the Insolvency Act to exit the Administration.



## 9 DECISION PROCEDURE FOR APPROVAL OF PROPOSALS

### 9.1 DECISION PROCEDURE

The Joint Administrators are seeking the creditors' approval of the proposed decisions set out below by means of a vote by correspondence.

Creditors are invited to vote on these proposed decisions by completing and returning the voting form together with a claim form, if one has not already been submitted. The voting form is attached to the Notice of Decision Procedure issued with these proposals.

The decisions being sought are:

- (1) To approve the Joint Administrators' Proposals
- (2) For the establishment of a creditors' committee, in the event that sufficient, valid, nominations are received.
- (3) That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken.
- (4) That the Joint Administrators be authorised to recover all Category 2 disbursements as outlined in the proposal document.
- (5) That the Joint Administrators' pre-appointment remuneration of £13,028.25 plus VAT is approved and can be drawn from the funds in hand.
- (6) That the Joint Administrators interim remuneration of £86,943.85 plus VAT is approved and can be drawn from the funds in hand.

### 9.2 DECISION DATE

Creditors should return their voting forms by 23:59 on the decision date of 27 February 2023. They should be returned by email to [restructuring@aab.uk](mailto:restructuring@aab.uk) or via post to:

AAB, Kingshill View, Prime Four Business Park, Kingswells, ABERDEEN, AB15 8PU



### 9.3 MEETING OF CREDITORS

Creditors who meet one or more of the statutory thresholds listed below may request, in writing within 5 days from the date of delivery of the Notice of Decision Procedure, that a physical meeting be held to consider any decisions/resolutions proposed, or other matters. The statutory thresholds to request a meeting are as follows:

- 10% in value of creditors
- 10% in number of creditors
- 10 creditors

If there are sufficient requests for a physical meeting the Decision Procedure will be terminated and a physical meeting convened.



## APPENDIX 1 – STATUTORY INFORMATION

### COMPANY INFORMATION

Company and Trading Name	ODx Innovations Limited
Date of Incorporation	9 November 2016
Company Registration Number	SC549676
Main Trading Address	Solasta House, Inverness Campus, Inverness, IV2 5NA
Previous Registered Office	Solasta House, Inverness Campus, Inverness, IV2 5NA
Present Registered Office	Kingshill View, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU
Company Directors	Dr Ewan Douglas Chirnside Scott Michael Crowder Andrew George Stapleton John Giles Hamilton (resigned 19/12/2022) Giovanni Magni (resigned 19/12/2022) Ashok Keerti Shah (resigned 18/03/21)
Company Secretary	MBM Secretarial Services Limited
Shareholders	Ordinary A Shares of £0.00001 each  University of St Andrews      200,000 Dr Stephen Gillespie          100,000 Dr Robert Hammond          100,000 Giles Hamilton                200,000  Ordinary B Shares of £0.00001 each  Bio-Rad Luxembourg SARL 458,823



## APPENDIX 1 – STATUTORY INFORMATION (cont.)

Accounting information per accounts filed at Companies House and management accounts.

	Management Accounts As at 31 Dec 2021		Stat Accounts As at 31 Dec 2020		Stat Accounts As at 31 Dec 2019	
	£	£	£	£	£	£
<b>Fixed assets</b>		473,304		452,726		267,322
Tangible assets						
<b>Current assets</b>						
Debtors	136,420		1,064,713		435,031	
Cash at bank and in hand	906,331		553,863		648,305	
	<u>1,042,750</u>		<u>1,618,576</u>		<u>1,083,336</u>	
Creditors: amounts falling due within one year	(275,584)		(838,685)		(659,181)	
Net Current Assets		767,166		779,891		650,156
Total assets less current liabilities		1,240,469		1,232,617		691,477
Creditors: amounts falling due after more than one year		<u>(5,826,344)</u>		<u>(36,901)</u>		<u>(41,321)</u>
<b>Net assets</b>		<u>(4,585,875)</u>		<u>1,195,716</u>		<u>650,156</u>
<b>Capital and reserves</b>						
Called up share capital	10,288,582		11		8	
Share premium account	(5,097,377)		10,288,577		3,880,925	
Profit and loss reserves	<u>(9,777,080)</u>		<u>(9,092,872)</u>		<u>(3,230,777)</u>	
<b>Total Equity</b>		<u>(4,585,875)</u>		<u>1,195,716</u>		<u>650,156</u>

The called-up share capital amount would appear to be incorrect in the management accounts to 31 December 2021. This information was taken directly from the Company's Xero software and has not been verified by the Joint Administrators.



## APPENDIX 1 – STATUTORY INFORMATION (cont.)

### ADMINISTRATION INFORMATION

Court	Inverness Sheriff Court
Court reference	INV-L3-22
Appointer	Directors of the Company
Date of appointment	19 December 2022
Joint Administrators	Duncan Raggett and Seamas Keating
Firms	AAB and FPM Accountants Limited (an AAB group Company)
Address for correspondence	Kingshill View, Prime Four Business Park, Kingswells, ABERDEEN, AB15 8PU
Email & Phone number	<a href="mailto:restructuring@aab.uk">restructuring@aab.uk</a> & 01224 625111
Alternative contact	Nicola Rollings – 01224 625111
Purpose of Administration	Objective 2 - 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)
Current Administration expiry date	18 December 2023
Prescribed Part	The Prescribed Part does not apply in this case as there are no floating charge holders.
Jurisdiction of Insolvency Proceedings	The Company's centre of main interests (COMI) is in the United Kingdom. These insolvency proceedings are therefore COMI proceedings.





## APPENDIX 2 – JOINT ADMINISTRATORS' RECEIPTS & PAYMENTS ACCOUNT

### Odx Innovations Limited (In Administration) Joint Administrators' Trading Account

Statement of Affairs £	From 19/12/2022 To 06/02/2023 £	From 19/12/2022 To 06/02/2023 £
TRADING EXPENDITURE		
Wages	50,845.40	50,845.40
Professional Fees	230.00	230.00
Postage	11.15	11.15
Equipment and development	44,394.42	44,394.42
Staff Expenses	3,407.68	3,407.68
Sample payments	60.00	60.00
IT Costs	896.98	896.98
Professional fees- intellectual property	10,840.00	10,840.00
Employer NICs	6,075.23	6,075.23
Employer Pension Contributions	800.82	800.82
	(117,561.68)	(117,561.68)
TRADING SURPLUS/(DEFICIT)	(117,561.68)	(117,561.68)



**Odx Innovations Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 19/12/2022 To 06/02/2023 £	From 19/12/2022 To 06/02/2023 £
	<b>ASSET REALISATIONS</b>		
624,106.00	Cash at Bank	722,715.69	722,715.69
12,852.00	Furniture & Fittings	NIL	NIL
27,391.00	Loans & Advances	NIL	NIL
70,251.00	Other Property	NIL	NIL
443,501.00	Plant, Machinery & Vehicles	NIL	NIL
Uncertain	Property Rights/Patents	NIL	NIL
	Trading Surplus/(Deficit)	(117,561.68)	(117,561.68)
		605,154.01	605,154.01
	<b>COST OF REALISATIONS</b>		
	Bank Charges	6.00	6.00
	Legal Fees (1)	750.00	750.00
	Statutory Advertising	99.30	99.30
		(855.30)	(855.30)
<b>1,178,101.00</b>		<b>604,298.71</b>	<b>604,298.71</b>
	<b>REPRESENTED BY</b>		
	Bank 2 Current		620,836.77
	PAYE & NI Due		(22,983.46)
	Pension Contributions Due		(1,868.59)
	Student Loan Repayments Due		(921.00)
	Vat Receivable		9,234.99
			<b>604,298.71</b>



## APPENDIX 3 – ESTIMATED OUTCOME STATEMENT

	<u>To date</u>	<u>Expected movement</u>	<u>Estimated Outcome</u>
<b>Unencumbered Assets</b>			
Sale of assets and IP	-	£600,000	£600,000
Cash at Bank	£722,716	-	£722,716
	<b>£722,716</b>	<b>£600,000</b>	<b>£1,322,716</b>
<b>Costs and expenses</b>			
Hilco - fixed fee for valuation/marketing	-	(£10,000)	(£10,000)
Hilco - commission on sale	-	(£120,000)	(£120,000)
MBM - General legal fees	(£750)	(£4,250)	(£5,000)
MBM - Legal fees for SPA	-	(£5,000)	(£5,000)
AG - Legal fees for employee work	-	(£5,000)	(£5,000)
Potential IP fees (St. Andrews)	-	(£18,000)	(£18,000)
Provision for additional costs/clearances/storage	-	(£20,000)	(£20,000)
Provision for further month's rent/rates etc	-	(£90,000)	(£90,000)
Stat Advertising	(£99)	(£401)	(£500)
Hypothec	-	(£14,847)	(£14,847)
Insurance	-	(£5,000)	(£5,000)
Trading loss	(£117,562)	(£112,029)	(£229,591)
Administrators' pre-app fee	-	(£13,028)	(£13,028)
Administrators' fees	-	(£175,000)	(£175,000)
Administrators' expenses	-	(£5,000)	(£5,000)
Corporation Tax	-	(£100)	(£100)
<b>Total Costs</b>	<b>(£118,411)</b>	<b>(£597,655)</b>	<b>(£716,066)</b>
<b>Funds available for Preferential creditors</b>			<b>£606,650</b>
Employee Preferential claims			(£68,472)
<b>Funds available for secondary prefs</b>			<b>£538,178</b>
HMRC - 2nd Pref claims			(£32,166)
<b>Net Property/(deficit)</b>			<b>£506,012</b>
<b>Funds available for unsecured creditors</b>			<b>£506,012</b>
<b>Less estimated costs of CVL process</b>			<b>(£17,500)</b>
<b>Estimated distribution in CVL/(Deficit)</b>			<b>£488,512</b>
Unsecured claims received to date			(£13,984,411)
Provision for further claims/leases			(£600,000)
Unsecured employee claims			(£432,939)
Total unsecured creditors			(£15,017,350)
<b>Deficit to unsecured creditors</b>			<b>(£14,528,838)</b>

<b>Estimated Distributions</b>			
	<b>Est. Claims</b>	<b>Est. Distribution</b>	<b>Dividend rate (p in the £)</b>
Preferential Creditors	£68,472	£68,472	1.00
2nd Preferential Creditors	£32,166	£32,166	1.00
Unsecured Creditors	£15,017,350	£488,512	0.03



## APPENDIX 4 – SIP 9 FEE BREAKDOWN ANALYSIS

AAB and FPM Accountants Limited are both part of the AAB Group and work together as the AAB Group's UK & Ireland Restructuring and Recovery service. We are currently utilising separate time recording software and as a result the SIP 9 analysis below is split per entity.

AAB – SIP 9 TO DATE (19 DECEMBER 2022 TO 5 FEBRUARY 2023)

Classification of work function	Hours				Total Hours	Time Cost £	Average Hourly Rate £
	IP	Managers	Other Seniors / Professionals	Trainees / Assistants			
Administration and planning investigations							
Admin-General Admin	-	0.10	0.50	1.00	1.60	187.50	117.19
Admin-Appointment Work	6.25	9.10	6.20	-	21.55	6,387.10	296.39
Admin-Banking and accounts maintenance	-	3.60	-	8.45	12.05	1,632.00	135.44
Admin-Bonding	-	0.30	-	-	0.30	111.00	370.00
Admin-Strategy and planning	8.00	4.30	-	-	12.30	4,819.00	391.79
Admin-Case closure	-	-	-	-	-	-	-
Admin-Statutory meetings	-	-	-	-	-	-	-
Admin-Nominee work	-	-	-	-	-	-	-
Admin-Receipts and Payments and Statement of Affairs	2.00	-	-	-	2.00	870.00	435.00
Admin-Statutory reports	11.00	2.20	-	0.50	13.70	5,510.00	402.19
Admin-Travel	-	-	-	-	-	-	-
Admin-VAT and tax	-	0.45	-	-	0.45	177.75	395.00
Realisation of assets							
Realisation of Assets-Asset realisation	7.00	2.50	0.40	-	9.90	3,900.00	393.94
Realisation of Assets-Debt collection	-	-	-	-	-	-	-
Realisation of assets - fixed charge assets	-	-	-	-	-	-	-
Realisation of assets- trading/sale of business	60.10	17.15	7.30	-	84.55	32,137.00	380.09
Creditors							
Creditors-Shareholders/Distribution work	-	-	-	-	-	-	-
Creditors-Unsecured creditors	6.55	4.90	-	1.00	12.45	4,711.25	378.41
Creditors-Creditor committee work	-	-	-	-	-	-	-
Creditors-Employee matters	14.75	18.55	9.30	-	42.60	13,671.75	320.93
Creditors-Pensions	-	-	-	-	-	-	-
Creditors-ROT claims	-	0.80	-	-	0.80	296.00	370.00
Creditors-Secured creditors	-	-	-	-	-	-	-
Creditors-Third party assets	-	1.00	-	-	1.00	300.00	300.00
Creditors - Pref. creditors/claims/distributions	-	-	-	-	-	-	-
Investigations							
Investigate-Director conduct review	0.50	0.75	-	-	1.25	484.50	387.60
Investigate-Pre-insolvency review	1.50	1.50	-	-	3.00	1,207.50	402.50
Investigate-Litigation	-	-	-	-	-	-	-
Total hours	117.65	67.20	23.70	10.95	219.50		
Total time costs (£)						76,402.35	
Total disbursements (£)						5,297.63	
Total costs (£)						<u>81,699.98</u>	
Total Average Hourly rate							348.07



FPM ACCOUNTANTS LIMITED, AN AAB GROUP COMPANY, SIP 9 TO DATE

209960 ODX Innovations Limited

SIP 9 for period 19/12/2022 to 05/02/2023

SIP9 SubCategory	Director	Snr Manager	Manager/Case Worker	Support Staff	Cashier	Total Hours	Charge	AvgRate
Administration and planning	6.20	5.10	0.00	0.00	0.55	11.85	3,448.00	290.97
Creditors	2.30	0.00	0.00	0.00	0.00	2.30	1,000.50	435.00
Investigations	3.10	1.10	25.60	0.00	0.00	29.80	2,950.50	99.01
Meetings	0.00	2.00	0.00	0.00	0.00	2.00	120.00	60.00
Realisation of assets	5.90	2.00	0.00	0.00	0.00	7.90	3,022.50	382.59
Hours	17.50	10.20	25.60	0.00	0.55	53.85		
Charge	7,395.50	1,587.00	1,536.00	0.00	22.00		10,541.50	
Average totals							195.76	

FPM Disbursements – total £1,462.50

#### SUMMARY OF WORK CARRIED OUT BY THE JOINT ADMINISTRATORS TO DATE

##### General, Administration and Planning

This area has been dealt with by various grades of staff and related primarily to the following: -

- Visit to main Company site, Teams calls to other sites
- Preparing appointment documents
- Liaising with legal advisors re appointment
- Upload/issue/lodge appointment documents
- Advertising appointment
- All company meetings
- Correspondence with Directors regarding the company's statement of affairs and statements of concurrence
- Lodging statement of affairs and statements of concurrence with Companies House
- Correspondence with creditors regarding appointment
- Prepare statement of affairs and estimated outcome statement
- Prepare Joint Administrators' Proposals
- Open Administration bank account
- Issue VAT 769



General, Administration and Planning (cont.)

- Liaise with Company's bank regarding bank statements
- Day to day cashiering and monthly bank reconciliations
- Updating case files and IPS diary
- Preparation of strategy document and discuss with Joint Administrators
- Bond calculation and submitting bordereau
- Regular review of level of bordereau to ensure adequate cover is maintained
- Various internal meetings to discuss case strategy
- Review/ approval & payment of trading expenses as appropriate
- Ad hoc statutory and administrative tasks as and when necessary

Realisation of Assets & Trading

This area has been dealt with by various grades of staff and related primarily to the following: -

- Arranging open cover
- Correspondence with the Company's landlords at various sites
- Arranging valuation of Company's assets and Intellectual property
- Meetings with Hilco valuation services re sales process
- Review marketing documents and gathering information from company records
- Correspondence with Hilco re interested parties and meetings to discuss progress
- Reviewing and clarifying final offers
- Correspondence with the Company's bank and ingathering funds held
- On site meetings with suppliers
- Correspondence with suppliers
- Correspondence with Professional advisors including payroll and IT companies
- Preparation and management of cash flow
- Strategy update meetings re sale of assets
- Retained staff meetings and update onsite
- Correspondence with preferred bidder regarding Evaluator due to connected party potential sale
- Information gathering for Evaluator

#### Creditors and employees

This area has been dealt with by various grades of staff and related primarily to the following: -

- Obtaining and inputting all creditor information onto IPS
- All staff/employee meetings re appointment
- Correspondence with employees being made redundant
- Correspondence with employees being retained
- Correspondence with PACE / arranging online webinar for employees
- Correspondence with creditors as and when necessary
- Correspondence with HM Revenue & Customs
- Review and updating IPS with all claims received
- Acknowledgement of claims, where requested
- Dealing with retention of title matters
- Telephone calls and correspondence with employees
- Setting up case with Redundancy Payments Service
- Dealing with employee claims and liaising with the Redundancy Payments Service
- Preparing and submitting Forms RP14 & RP14A
- Pension Protection Fund S120 notification
- Dealing with pension schemes
- Meetings with Addleshaw Goddard to discuss any legal concerns and the Sponsor Licence
- Correspondence with Home Office regarding Sponsor Licence

#### Investigations

This area has been dealt with by various grades of staff and related primarily to the following: -

- Correspondence with directors regarding S216
- Liaising with directors regarding Directors' questionnaire
- Review of completed Directors' questionnaires
- Collecting Company's books and record and preparing inventory of records received
- Correspondence with Company's accountant
- Review of information provided by accountant
- Review of pre appointment company transactions
- Bank statements review
- Correspondence with pre appointment bankers



Investigations (cont.)

- Ingathering company property & data
- Review of books and records
- Review of management information
- Commenced SIP 2 review





## APPENDIX 5 - JOINT ADMINISTRATORS' POLICY ON CHARGING TIME AND DISBURSEMENTS

### INTRODUCTION

This section sets out our firm's policy on remuneration and disbursements where our licensed insolvency practitioners are acting as Joint Administrators.

In addition, this section applies where approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

Best practice guidance as set out in Statement of Insolvency Practice 9 (Scotland), "Payments to insolvency office holders and their associates" ('SIP9'), requires that such information should be disclosed to those who are responsible for approving the basis of remuneration & disbursements, the amount of remuneration & disbursements payable and when creditors are advised of their rights of appeal against any determination of remuneration and disbursements.

### JOINT ADMINISTRATORS' REMUNERATION

The Joint Administrators have overall responsibility for the Administration process. They will delegate tasks to members of the firm's staff. Such delegation assists the office holder as it allows them to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level, thus achieving a cost-effective progression of the Administration. There are various grades of staff that are employed by the firm and these, together with their average hourly charge out rates, are as follows:

	From 1 November 2022 £
Insolvency Practitioner	435
Senior Managers/Managers	300 - 370
Other Seniors/Professionals	125 - 175
Trainees/Assistants	60 - 125



## APPENDIX 5 – JOINT ADMINISTRATORS' POLICY ON CHARGING TIME AND DISBURSEMENTS (cont.)

Our firm operates a time recording system which allows staff working on the case along with the Joint Administrators to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed above, and is recorded in units of 0.1 of an hour (i.e. a minimum of 6 minutes). Support staff (secretarial support, cashiering, etc.) do not charge time to specific cases, with their costs recovered in the general charge out rates of chargeable staff.

### EXPENSES INCURRED BY THE JOINT ADMINISTRATORS

Best practice guidance classifies expenses into two broad categories:

- Category 1 disbursements (approval not required) – specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- Category 2 disbursements (approval required) – items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.
  - (a) The following items of expenditure are charged to the case (subject to approval):
    - Car mileage is charged at the rate of 45 pence per mile.
  - (b) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:
    - Telephone and facsimile
    - Printing and photocopying
    - Stationery

## APPENDIX 6 – STATEMENT OF AFFAIRS

Rule 3.30  
Insolvency  
(Scotland)  
(Company  
Voluntary  
Arrangement and  
Administration)  
Rules 2018

### Statement of Affairs

**Odx Innovations Limited**  
**Company number: SC549676**

In the Inverness Sheriff Court No. INV-L3-22

Insert name of the  
company

Statement as to the affairs of:  
Odx Innovations Limited  
[the Company]  
as at the 19 December 2022 the date that the company entered administration.

#### Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists marked "A" to "I" annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

**AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.**

Declared at St Andrews

Signed [Signature]

This 9 day of January 2023

Before me [Signature]

A Notary Public or Justice of the Peace or Solicitor



AN AAB GROUP COMPANY

STATEMENT as to the affairs of the Company on the 19 December 2022

		Estimated Realisable Values £
<b>ASSETS</b>		
Assets not specifically secured (as per List "A")		1,178,101
Assets specifically secured (as per List "B")	£	
Estimated realisable value		
Less: Amount due to secured creditors		
Estimated Surplus		
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors		
<b>LIABILITIES</b>		
Preferential creditors (as per List "C")		
Employees or former employees		61,343
Other		32,166
Estimated balance of assets available for holders of floating charges and unsecured creditors		
Estimated prescribed part of net property where applicable (to carry forward)		
Holders of floating charges (as per List "D")		
Estimated surplus/deficiency as regards holders of floating charges		
Estimated prescribed part of net property where applicable (brought down)		
Unsecured Creditors:	£	
Trade & expense (as per List "E")	507,609	
Outstanding Terms & Convertible loans (as per List "E")	13,211,411	
HMRC:		
VAT		
PAYE / NIC		
Other		
Contingent or other liabilities (as per List "F")	TBC	
Employees & former employees (as per List "G")	317,367	
Consumers claiming amounts paid in advance (as per List "H")		
Total unsecured creditors (excluding any shortfall to floating charge holders):	14,036,387	
Estimated Surplus/Deficiency as regards creditors unsecured creditors (excluding any shortfall to floating charge holders)		
Estimated deficiency after floating charge where applicable (brought down)		
Estimated Surplus/Deficiency as regards creditors		
Issued and Called-up Capital (as per List "I")		11
Estimated Surplus/Deficiency as regards members		(12,951,806)

List G & H to be omitted from the document filed with the Registrar of Companies

These figures must be read subject to the following:-

\*delete as appropriate

\*[(a) There is no unpaid capital liable to be called up]

\*[(b) The nominal amount of unpaid capital liable to be called up is £ estimated to produce £ which is/is not charged in favour of the holder of the floating charge(s)]

The estimates are subject to the expenses of the administration and to any surplus or deficiency on trading pending realisation of the Assets.



**Statement of affairs LIST 'A'**

Assets not specifically secured

Particulars of assets	Book value £	Estimated to produce £
Balance at bank .....	829,434	624,106
Cash in hand .....		
Marketable securities (as per Schedule I) .....		
Bills receivable (as per Schedule II) .....		
Trade debtors (as per Schedule III) .....		
Loans and advances (as per Schedule IV) .....	348,469	27,391
Unpaid calls (as per Schedule V) .....		
Stock in trade .....		
Work in progress .....		
Heritable property .....		
Leasehold property .....		
Plant, machinery and vehicles .....	887,004	443,501
Furniture and fittings, etc .....	25,704	12,852
Patents, trade marks, etc .....	lbc	lbc
Investments other than marketable securities .....		
Other property .....	138,582	70,251
<b>Total</b>	<b>1,621,954</b>	<b>1,178,101</b>

Signed:  Date: 9/1/23



Assets specifically secured and creditors fully or partly secured  
(not including debenture holders secured by a floating charge)

[illegible]

(a) an owner of goods in the company's possession under a hire purchase agreement or an agreement for the hire of goods for more than 3 months, or

(b) a seller of goods to the company claiming a retention of title or a seller under a conditional sale agreement.

Signed: Ewan Date: 9/1/23

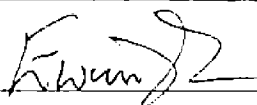
Statement of affairs LIST 'C' (consisting of 1 pages)

Preferential creditors

(Note: List employees or former employees as an aggregate amount)

No	Name of and address of creditor	Nature of claim	Total amount of claim	Amount ranking as preferential	Balance not preferential
1	Aggregate amount for employees and former employees	<b>Holiday Pay</b>	61,343	61,343	0
		PAYE / NIC	32,166	32,166	0

Signed:



Date:

9/1/22



**Statement of affairs LIST 'D'**

List of holders of debentures secured by a floating charge

No	Name and address of Holder	Amount £	Description of assets over which security extends

Signed: Francis Date: 9/1/23



Statement of affairs LIST 'E' (consisting of 3 pages)

Unsecured creditors– trade & expense creditors

(Excluding consumers claiming amounts paid in advance of the supply of goods and services contained in List I)

No	Name of and address of creditor	Amount of the debt
		£
	Trade and expense creditors	507,609
	Bio-Rad - Term Loan Notes (\$7.5M + accrued interest \$48,264)	6,294,769
	and Bio-Rad - Convertible Loan Notes (\$8.0M + accrued interest \$293,973 )	6,916,642
	Bio-Rad SARL, Rue Eugene Ruppert 6, 2453 Luxembourg	
	Note: Foreign Exchange from XE.com on 03/01/2022 - \$1 USD = GBP £0.0833936	

Signed: Ewan D. J. [Signature] Date: 9/1/23



Odx Innovations Limited  
Company Registered Number: SC549676  
Company Creditors

Key	Name	Address	£
CA00	Aberdeen Laundry	Unit 1, Spire Business Units, Mugerness Road, Aberdeen, AB21 9NY	168.56
CA01	Accuplace	1806 NW 89th Ave Plantation, Florida, 33313	18,330.14
CA02	AMICI Procurement Solutions Ltd	3 Nassmyth Place, Glasgow, G52 4PR	2,694.54
CA03	Avva	St Helen's, 1 Underhill, London, EC3P 3DD	1,292.16
CB01	Bauer Media Group	Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA	134.26
CC00	Catechys	2 Sun House, Abenhall Road, Micheldean, GL17 0DY	5,614.44
CE00	Element	Helm Street, Strathaven, ML13 6NR	851.17
CE01	Elcot Office Equipment	20 Abbey Street, Egham, TW20 1DA	71.82
CE02	EDF Energy	MidMarketCustomerContact@edfenergy.com	35,668.65
CF00	Fisher Scientific	Blisph Meadow Road, Loughborough, LE11 5RG	1,116.70
CG00	GA Barney Group Ltd	16 Casagosa Road South, Inverness, IV3 6LL	2,018.52
CG01	Graham & Sibbald	Endeavour House, 1 Greenmarket, Dundee, DD1 4QB	90,184.24
CG02	Graham's The Family Dairy Ltd	Anthony Kense Farm, Henderson Street, Bridgford/Alan, Spring, FK9 4RW	45.96
CH01	Hughes Telecoms	Cradlehill Business Park, Inverness, IV2 5QH	510.47
CH02	In-ha Medical Services	Unit 4-5, Merlands Industrial Estate, Kirkcaldy Road, Coalbridge, ML5 4RP	577.06
CJ00	Johnston Carmichael	Commerce House, South Street, Egham, TW20 1JE	11,580.00
CK00	Keller LLP	1 London Bridge, London, SE1 9BA	19,542.25
CK01	Knight Frank	2 Bond Court, Leeds, LS1 2JZ	2,777.08
CL00	Ady Longmuir	Suzaro Limited, London, Alexandra Terrace, Forres, IV36 1DL	1,673.12
CL01	LA Taxis	166 Portland Road, Sharncliffe, Newcastle upon Tyne, NE2 1DU	466.56
CL02	Lee Spring Limited	Loxmoor Road, Wokingham, RG41 2WA	205.92
CL03	Lochard Pharmacy	Marven Road, Inverness, IV2 4BU	40.00
CL04	Lycroft UK Ltd	Unit 5, Deer Park Court, Unit 5, Telford, TF2 7NR	540.66
CM00	MacDonald Partnership	Corn Lodge, Milburn Road, Inverness, IV2 3TP	4,571.96
CM01	McKay & Co	6 Broughton Business Park, Biddenden Road, IV15 9SL	96.00
CM02	Major Doreen Cleaning	Office 107, 23 King Street, Cambridge, CB1 1AH	187.20
CM03	Melan Zan UK Limited	35 Black Moor Road, Epsom Industrial Estate, BH21 6AT	2,376.56
CM04	Merck Life Science UK Limited	Breckfield Industrial Estate, Gillingham, Dorset, SP8 4XT	6,296.94
CM05	Micro Systems (UK) Limited	101 Golfbane Enterprise Park, Warrington, WA3 3GR	69,445.30

Signature

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Odx Innovations Limited  
Company Registered Number: SC549676  
Company Creditors

Key	Name	Address	£
CN00	The Newcastle upon Tyne Hospitals	NHS Foundation Trust, Regent Point, Regent Farm Road, Gosforth, Newcastle upon Tyne, NE3 3HD	48,552.00
CO00	Optimold Limited	Unit 120, Gosborne Enterprise Park, Warrington, WA3 3GR	3,005.47
CP00	Parcellence Worldwide	185 Faringdon Road, London, EC1A 1AA	313.50
CP01	Prising Labs	Praline House, Dalcross, Inverness, IV2 7JL	1,111.96
CP02	Pro Lab Diagnostics	Unit 3, Sassendale Road, Croft Business Park, Unit 3, Wymal, CH22 3QL	22.50
CR00	RS Components Ltd	PO Box 99, Derby, N417 9RS	4,445.36
CROYALM	Maya Group Ltd	Credit Management Centre, Stone Hill Road, Farnworth, Bolton, BL4 9XX	471.62
CS00	Sansum Diabetes Research Institute	2219 Bach Street, Santa Barbara, California, CA 93105	851.19
CS01	Scientific Laboratory Supplies	Beechy Scotland, Boness Road, Motherwell, ML1 5UH	413.16
CS02	SFG Software Ltd	The Green House, Beechwood Park North, Inverness, IV2 3EL	1,841.66
CS03	Starlab (UK) Ltd	5 Fanners Drive, Blacklands, Milton Keynes, MK14 5BQ	491.57
CS04	Stenicycle	Ingdon House, Sussex Ave, Leeds, LS10 2LF	767.45
CS05	Suzaro Ltd	Office 3b New Winnings Court, Ormonde Drive, Denny, DD5 8LE	1,344.60
CT00	Chris Townshend	2 Sun House, Abenhall Rd, Micheldean, Glos, GL17 0DY	9,515.44
CT01	The Highland Council	Town House, Castle Street, Inverness, IV1 1JJ	23,796.00
CT02	Thermo Fisher Diagnostics Ltd	152 Fountain Crescent, Hitchman, Rethrew, PA4 9RE	4,736.20
CT03	TTP Plc	Melbourn Science Park, Cambridge Road, Rhyllston, SG8 6EE	125,360.90
46 Entries Totalling			507,609.16

Signature

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Statement of affairs LIST 'F' (consisting of 1 pages)

Unsecured creditors – contingent liabilities

(Including hire purchase, conditional sale, hiring agreements and creditors claiming retention of title)

No	Name and address of creditor	Details of any security held/claimed by the creditor	Date when security granted	Value of security	Amount of debt
	Landlords - rent/dilaps				
	Buckles Solicitors Regent House 133 Station Road Impington Cambridge CB24 9NP				TBC
	University of Glasgow University Avenue Glasgow G12 8QQ				TBC
	Highlands and Islands Enterprise C/O Graham & Sibbald 4 Ardross Street Inverness IV3 5NN				TBC
	Newcastle Upon Tyne City Council, Assistant Director Legal Services, Civic Centre Newcastle Upon Tyne NE1 8QH				TBC
	Sansum Diabetes Research Institute 2219 Bath Street, Santa Barbara California US				TBC


Signed: Ewan Date: 9/1/23

Statement of affairs LIST 'G' (consisting of 3 pages)

Employees and former employees

(Note: This schedule must be omitted from the documents filed with the Registrar of Companies.  
In administration, this list is not circulated to creditors with the administrator's proposals but may be requested under Rule 1.52.)

No	Name of and address of employee	Amounts ranking preferentially	Unsecured debt	Total debt
		£	£	£
	Employee holiday pay	61,342		61,342
	Employee redundancy & pay in lieu of notice		317,367	317,367

Signed:  Date: 9/1/23



(Note: This schedule must be omitted from the documents filed with the Registrar of Companies. In administration, this list is not circulated to creditors with the administrator's proposals but may be requested under Rule 1.52.)

No	Name of and address of creditor	Amount of the debt £

Signed: Erwan Date: 9/1/23

Statement of affairs LIST 'I' (consisting of 1 pages)

Company Members

No	Name of and address of Member	Number of shares held	Class of shares held	Nominal value £	Unpaid amount £
1	<p>Ordinary A shares of £0.00001 each</p> <p>University of St Andrews, College Gate, St Andrews KY16 9AJ</p> <p>Dr Stephen Gillespie c/o University of St Andrews</p> <p>Dr Robert Hammond c/o University of St Andrews</p> <p>Giles Hamilton c/o ODx Innovations, Solasta House, 8 Inverness Campus, Inverness IV2 5NA</p> <p>Ordinary B shares of £0.00001 each</p> <p>Bio-Rad SARTL, Rue Rugene Rupert 6, 2453 Luxembourg</p>	<p>200,000</p> <p>100,000</p> <p>100,000</p> <p>200,000</p> <p>458,823</p>	<p>A</p> <p>A</p> <p>A</p> <p>A</p> <p>B</p>	<p>2</p> <p>1</p> <p>1</p> <p>2</p> <p>4.58</p>	

Signed:

*[Signature]*

Date:

9/1/23



AN AAB GROUP COMPANY

## JOINT ADMINISTRATORS' COMMENTS

- The Statement of Affairs was completed and sworn by Ewan Chirnside, a director of the Company on 9 January 2023. Statements of Concurrence have been received from all other directors and these have been lodged at Companies House alongside the Statement of Affairs.
- These figures shown are the Directors' best estimates based on the information available at the date of appointment and are not based on any valuations.
- The figures have not been audited by the Joint Administrators and are provided solely to comply with the requirements of the Insolvency Act 1986 and Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.
- The Statement of Affairs does not include any provision for the cost of the Administration process.



## APPENDIX 7 - EVALUATOR'S REPORT PURSUANT TO THE ADMINISTRATION (RESTRICTION ON DISPOSAL ETC TO CONNECTED PARTIES) REGULATIONS 2021





# ODx Innovations Limited

**Evaluator's Report Pursuant to the Administration  
(Restriction on Disposal etc to Connected Parties)  
Regulations 2021**



6 February 2023

**Henderson  
Loggie**



	Page
Purpose, Parties, Background and Limitations	3
Transaction Details	6
Evaluator's Opinion	7

Appendix A – Evaluator Requirements

Appendix B - Additional Exclusions from Professional Indemnity

Insurance Policy

## 1. Purpose, Parties, Background and Limitations

### 1.1 Purpose

---

This report is a Qualifying Report in accordance with the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 ("the Regulations").

The Regulations state that a Qualifying Report or approval of the company's creditors is required to be obtained in relation to a sale of the business and assets of a company in Administration to a Connected Person within the 8 weeks following the appointment of Administrators.

The report must be prepared by an Evaluator who meets the requirements of the Regulations. The report must be obtained by the Connected Person and made available to the Administrators.

The required content of the report is set out in the Regulations and must include a statement that either:

**The Evaluator is satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.**

OR

**The Evaluator is not satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.**

The Administrators are to consider the contents of the report and must be satisfied that the contents meet the requirements of the Regulations.

When an Administrator makes a sale of the business and assets following receipt of a Qualifying Report the Administrator must send a copy of the report to all creditors of the company at the same time as the statement of their proposals is sent.

### 1.2 Parties

---

The Evaluator	Shona Campbell CA, Henderson Loggie LLP. Appendix A details requirements.
The Company	ODx Innovations Limited
The Proposed Purchaser	Bio-Rad Laboratories, Inc
The Connected Persons	Bio-Rad Laboratories, Inc, connected by virtue of an effective 43.33% controlling shareholding in the Company, via subsidiary Bio-Rad Luxembourg Sarl. Bio-Rad Luxembourg Sarl is the majority unsecured creditor of the Company, owed in the region of £13.2m.

**The Administrators**

Duncan Raggett of Anderson, Anderson & Brown LLP  
and Seamas Keating of FPM Accountants Limited

### 1.3 Background

---

The Company is a medical technology company which was incorporated in 2016 as a spin out from the University of St Andrews. The Company is based in leased premises in Inverness and develops microbiological testing, which is still at the pre-turnover stage. The tests being developed aim to speed up the accurate diagnosis of, and prescription for, urinary tract infections. The Company also operated from three smaller laboratories in Cambridge, Glasgow and Newcastle.

The Company is funded by various grants and loans. The main funder is Bio-Rad Laboratories, Inc. which has invested £13.2m by way of various loan notes. Consistent with other life science businesses, significant investment is required for product research and development during the pre-turnover stage. The Company is reliant on the financial support from investors to continue.

The Company forecast that additional funding was required in the year to December 2023. Bio-Rad Laboratories, Inc agreed to provide some funding on the condition that additional funding was secured from third party investors. The Company held discussions with various potential funders. In early December 2022 it was clear to the Company that it would not be able to secure this additional funding and contacted Duncan Raggett of Anderson, Anderson & Brown LLP to provide insolvency and options advice. Following receipt of this advice, the directors of the Company took steps to place the Company into administration. Duncan Raggett of Anderson Anderson & Brown LLP and Seamas Keating of FPM Accountants Limited were appointed Joint Administrators of the Company on 19 December 2022.

Following the appointment, the Administrators engaged Hilco Appraisal Ltd t/a Hilco Valuation Services ("Hilco") to prepare a valuation of the assets and to market the business and assets for sale. Hilco are a leading UK asset valuation and sales practice. 37 of the 46 employees of the Company were made redundant on 19 December 2022.

A marketing process was undertaken by Hilco. Hilco circulated the opportunity around a database of c.900 potential interested parties internationally. Hilco hosted the opportunity on the Hilco websites, published it across Hilco's social media channels and publicised the opportunity in Insolvency Insider (a leading restructuring and insolvency online publication). In addition, there was national press coverage of the appointment stating that the administrators were seeking a purchaser for the business and assets.

Twenty-one parties noted interest with twelve of these parties signing non-disclosure agreements. These parties were provided with detailed information via a data room and a deadline was set for offers. Offers were received at the deadline but none of the offers were considered acceptable by the Administrators. This is because the offers were too low, required clarification and/or had unacceptable terms. The initial deadline was extended with only two offers being submitted. Feedback provided by the parties who did not offer at the second deadline included a lack of synergies /strategic fit and that the research and development was not sufficiently advanced. Some parties had only been interested in specific assets.

The Administrators assessed the two offers, which were both for all of the assets of the Company. One offer included the continuing employment of a small number of employees. The Bio-Rad Laboratories, Inc offer did not provide for the continuation of employment for any employees. The Administrators concluded that the offer from Bio Rad Laboratories, Inc was the best offer as it was the best sales price with limited transaction risk.

The Administrators further considered that a sale to Bio-Rad Laboratories, Inc is the preferred course of action when compared to the other options available.

This proposed transaction falls within the scope of the Regulations and this report was instructed to comply with the Regulations. It will be made available to the Administrators for their consideration prior to the transaction completing and subsequently provided to all creditors of the Company.

I have been advised by the Connected Persons that there is no other Qualifying Report and therefore the additional requirements set out at Regulation 8 in the Regulations do not apply.

#### 1.4 Limitations

---

I have relied on the information provided to me and I have not audited or verified the information provided. The extent of my work has been specifically limited to that specifically noted in the report.

The factual accuracy of the report has been verified by the Proposed Purchasers and the Administrators.

I report in accordance with the Regulations. This report is provided solely in connection with this matter. It may not be used for any other purpose or disclosed, referred to or quoted in whole or in part without my prior written permission.

## 2. Transaction Details

### 2.1 Relevant Property

---

The assets being purchased are as follows:

- Tangible Assets (being laboratory, computer and office equipment and furniture)
- Pathogen Bank
- Intellectual Property as follows:
  - Certain patents pending
  - Organisational knowledge and proprietary know-how
  - Bespoke proprietary software
  - The ODx brand and unregistered trademark
  - Domain name "odxinnovations.com" and website content
  - Social media accounts

Hilco Valuation Services have valued the Tangible Assets on a Market Value In-Situ basis at £202,100, Market Value Ex- Situ basis (90 days marketing) at £91,550 and Market Value Ex- Situ basis (30 days marketing) £59,550. The valuations are before deduction of the costs of realisation.

There was no formal valuation of the Pathogen Bank carried out. Hilco advised that the Pathogen Bank would have little or no value on Ex-Situ basis after costs.

There was no valuation of the Intellectual Property carried out. Hilco advised that given the nature of the Intellectual Property and lack of appropriate comparable sales it would be difficult to place an accurate value on the Intellectual Property. Hilco commented that three of the patents are on a non-transferrable licence from St Andrews University and as such would have negligible value. The other two patents are at application stage and very difficult to value.

The proposed transaction does not include the transfer of employees.

This represents a substantial disposal in terms of the Regulations.

### 2.2 Consideration and Terms

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The consideration is £600,000. A deposit of £120,000 has been paid. The remaining £480,000 will be paid as cash on completion.

There are no material conditions or terms.

### 3. Evaluator's opinion

#### 3.1 Evaluator's Opinion

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**I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.**

#### 3.2 Reasons Supporting Statement

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The principal reasons for making the statement in 3.1 are as follows:

- The business and assets were widely marketed for sale.
- The proposed transaction provides higher consideration and has less transactional risk than the other offer received.
- The consideration being paid on completion is higher than the In-Situ valuations of the Tangible Assets.
- The only other alternative to the Administrators is Ex-Situ sale of the assets which would result in a lower return than the proposed transaction as follows.
  - Given the valuation of the Tangible Assets on an Ex-Situ basis, there would be a very limited return to the administration after costs.
  - There is no formal valuation of the Pathogen Bank, but Hilco advised that there would be minimal value. This is supported by one offer which was made for the Pathogen Bank in isolation at a minimal level.
  - Although there is no valuation of the Intellectual Property it is noted that no offers were received for Intellectual Property, either for all assets or for specific assets. Therefore, it is very unlikely that a further marketing process would result in a greater return to the administration.

#### 3.3 Evidence Relied Upon

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A summary of the evidence relied upon is below.

- Estimated outcome statement prepared by the Administrators.
- Statutory Accounts for the period to 31 December 2020.
- Valuation Report prepared by Hilco of the Tangible Assets (being laboratory, computer and office equipment and furniture) dated 11 January 2023.
- The two offers submitted.
- Options paper prepared by Anderson, Anderson & Brown LLP dated 13 December 2022.
- Analysis of costs of realisation on Ex-Situ basis prepared by Hilco.
- Control schedule of parties that signed non-disclosure agreements prepared by Hilco.

- Discussions with the Proposed Purchaser.
- Discussions with the Administrators.
- Discussion with Hilco.

### 3.4 Authentication

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6 February 2023

Shona Campbell

Partner

For and on behalf of Henderson Loggie LLP

Chartered Accountants

Edinburgh office

11-15 Thistle Street

Edinburgh EH2 1DF

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## Appendix A - Evaluator Requirements

The Regulations require the Evaluator to meet certain requirements in relation to knowledge and experience, Professional Indemnity Insurance and independence.

### A.1 Knowledge and Experience

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I am a Chartered Accountant and Licenced Insolvency Practitioner with over 20 years' experience in insolvency and restructuring. I am a Partner in Henderson Loggie and head up the firm's Business Recovery and Insolvency department.

Prior to joining Henderson Loggie in 2018 I worked for two Big 4 professional services firms within restructuring service lines. I have experience working within the distressed corporate lending department of a main UK bank.

I hold a Practising Certificate with the Institute of Chartered Accountants of Scotland. I am Convener of the Institute of Chartered Accountants of Scotland Insolvency Committee.

I have previous experience of acting as an Evaluator and preparing Qualifying Reports.

I am satisfied that my relevant knowledge and experience is sufficient for the purposes of making a Qualifying Report.

### A.2 Professional Indemnity Insurance

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Details of the Professional Indemnity Insurance are in the below table and meet the requirements as set out in Regulation 11.

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<b>Name of Insurer</b>	Axa Insurance UK Plc and others
<b>Policy Number</b>	AB CPI 4374495 (12 months from 1 April 2022)
<b>Amount Covered</b>	Limit of £20,000,000
<b>Risks Covered</b>	Provision of professional services including acting as an Evaluator under the Regulations.
<b>Exclusions from cover</b>	Geographical Exclusion USA/Canada and other standard exclusions in Appendix A

### A.3 Independence

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Regulation 12 specifies certain requirements as to independence and I confirm that I meet the requirements.

### A.4 Exclusions from providing a Qualifying Report

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Regulation 13 specifies certain circumstances that exclude an individual from acting as an Evaluator. I confirm that none of these are applicable and, therefore, I am not excluded from providing the report.

## **Appendix B – Additional Exclusions from Professional Indemnity Insurance Policy**

- Dishonesty and fraud exclusion
- Excess exclusion
- Extended liability exclusion
- Failure of investments exclusion
- Fines and penalties exclusion
- Goods supplied exclusion
- Injury exclusion
- Ombudsman awards exclusion
- Pollution exclusion
- Previous claims exclusion
- Property damage exclusion
- Property ownership or use exclusion
- Radioactive contamination exclusion
- Terrorist act exclusion
- Trading losses exclusion

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## APPENDIX 8 - GLOSSARY

### ABBREVIATION

AAB

Bio-Rad

CIS

COMI

CVL

FPM

HIE

Hilco

HMRC

IP

NDA

NIC

ODx

PACE

PAYE

POC

RPS

SIP

St Andrews

The Act

### FULL TERM

Anderson Anderson and Brown LLP

Bio-Rad Laboratories Inc

Construction Industry Scheme

The Company's centre of main interests

Creditors Voluntary Liquidation

FPM Accountants Limited

Highland and Islands Enterprise

Hilco Appraisal Limited

HM Revenue & Customs

Intellectual Property

Non Disclosure Agreement

National Insurance Contributions

ODx Innovations Limited

Partnership Action for Continuing Employment

Pay as You Earn

Point-of-care

Redundancy Payments Service

Statement of Insolvency Practice

The University of St Andrews

The Insolvency Act 1986



ABBREVIATION	FULL TERM
The Rules	The Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
UK	United Kingdom
USA	United States of America
UTI	Urinary Tract Infection
VAT	Value Added Tax





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**SCOTLAND + ENGLAND + IRELAND + INTERNATIONAL**

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