

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company DISENCO LIMITED	Company number 04648583
In the High Court of Justice <small>[full name of court]</small>	Court case number 1232 of 2010

(a) Insert full name(s) and address(es) of administrator(s) I/We (a) N A Bennett & M C Healy of Leonard Curtis
One Great Cumberland Place, Marble Arch, London W1H 7LW

attach a copy of ~~my~~ / our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

* Delete as applicable

(b) Insert date

(b) 31 March 2010

Signed


N A Bennett - Joint Administrator

Dated

31 March 2010

Contact Details

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

Leonard Curtis	
One Great Cumberland Place, Marble Arch, London,	
W1H 7LW	Tel 020 7535 7000
DX Number	DX Exchange

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



Please ask for
Our ref
Your ref

Samuel Wood
L/18/SVW/SDIS04/1040/1010



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

31 March 2010

TO ALL CREDITORS
PRIVATE AND CONFIDENTIAL

Dear Sir(s)/Madam

DISENCO LIMITED (IN ADMINISTRATION) ("The Company")

I wrote to all creditors on 17 February 2010 to advise that M C Healy and I had been appointed Joint Administrators of the Company

Enclosed with this letter is the Report and Statement of Proposals of the Joint Administrators. We do not propose to convene a meeting of creditors, as we think that neither of the objectives specified in paragraph 3(1)(a) and (b) of Schedule B1 to the Insolvency Act 1986 can be achieved, namely

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (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)

The Joint Administrators are obliged to hold an initial creditors meeting if 10% in value of the creditors require it. If you wish for a meeting to be held, you must notify me in writing using the prescribed form provided on or before 12 April 2010. Please supply written details of your debt as at the date of the Joint Administrators' appointment. Security for the costs of holding the meeting must be provided.

Should you have any queries or require any further clarification please contact my office, in writing. Electronic communications should also include a full postal address.

Yours faithfully
for and on behalf of
DISENCO LIMITED

N A BENNETT
Joint Administrator

Licensed in the UK by the Insolvency Practitioners Association

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.

BIRMINGHAM ■ BLACKBURN ■ BURY ■ LONDON
MANCHESTER ■ NEWCASTLE UPON TYNE ■ WOLVERHAMPTON

One Great Cumberland Place
London W1H 7LW

Tel 020 7535 7000
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Leonard Curtis Ltd
Company Number 5639282 (England) Reg Office: DTE House, Hollins Lane, Bury, Lancs BL9 8AT

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The Insolvency Act 1986

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Companies House Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**Disenco Limited
(In Administration)**

Registered Number 4648583

Joint Administrators' Report and Statement of Proposals

31 March 2010

Leonard Curtis
One Great Cumberland Place
Marble Arch
London W1H 7LW
Tel 020 7535 7000 Fax 020 7723 6059
solutions@leonardcurtis.co.uk
Ref L/18/SVW/DIS04/1010

CONTENTS

- 1 Introduction
- 2 Statutory Information
- 3 Historical Background and Events Leading Up To Administration
- 4 Recent Trading Results and Current Financial Position
- 5 Events Following the Joint Administrators' Appointment
- 6 Achieving the Purpose of Administration
- 7 Joint Administrators' Proposals and Exit Route
- 8 Extension of Administration
- 9 Joint Administrators' Remuneration and Disbursements
- 10 Anticipated Outcome and Release of Joint Administrators from Liability
- 11 Conclusion

APPENDICES

- A Joint Administrators' Statement of Proposals
- B Statement of Affairs as at 17 February 2010
- C Summary of Joint Administrators' Receipts and Payments from 17 February 2010 to 31 March 2010
- D Summary of Joint Administrators' Time Costs from 17 February 2010 to 26 March 2010
- E Leonard Curtis Charge Out Rates and Policy regarding Staff Allocation, Support Staff, the use of Subcontractors and the Recharge of Disbursements
- F Summary of Leonard Curtis Pre-Appointment Time Costs from 11 February 2010 to 17 February 2010
- G Form 2 21B - Creditor's request for a meeting

TO THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL SHAREHOLDERS

1 INTRODUCTION

1.1 I refer to the appointment of M C Healy and myself as Joint Administrators ("the Joint Administrators") of Disenco Limited ("the Company") on 17 February 2010 and now write to present our proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act")

1.2 Creditors may approve the Proposals, with or without modifications, subject to the Joint Administrators accepting any modifications. If creditors reject the Proposals, a report will be sent to the Court which may provide for the appointment of the Joint Administrators to cease to have effect, or make any other Order it thinks appropriate.

1.3 We do not propose to convene a meeting of creditors, as we think that neither of the objectives specified in paragraph 3(1)(a) and (b) of Schedule B1 to the Act can be achieved, namely

(a) Rescuing the Company as a going concern, or (if this cannot be achieved)

(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)

Creditors whose debts amount to at least 10% of the total debts of the Company may request a meeting to consider the Proposals and may establish a Committee to assist the Joint Administrators in discharging their duties. The meeting must be held within 28 days of the request being received by the Joint Administrators. Security must be given for the expenses of summoning and holding the meeting.

2 STATUTORY INFORMATION

2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference number 1232 of 2010.

2.2 The Company's registered office was changed from Unit J Sheffield Business Park, Europa Link, Sheffield, Yorkshire S91 XU to One Great Cumberland Place, London W1H 7LW on 24 February 2010. The registered number is 4648583.

2.3 The Company operated from leasehold premises at Unit J Sheffield Business Park, Europa Link, Sheffield, Yorkshire S91 XU.

2.4 The Company's officers are

Name	Role	Date Appointed
Alan Dale	Director	12/05/2008
Gerard Brian Longpre	Director	03/07/2004

2.5 The Company's authorised share capital is 20,000 ordinary shares of £1 each. The issued share capital comprises 3,729 shares and are held as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Disenco Energy Plc	Ordinary	3,729	100%
		<u>3,729</u>	<u>100%</u>

2.6 According to Companies House, the following charges are registered

Chargee	Description	Date Created	Amount Secured and Assets Charged
Monsal Securities Ltd	Rent Deposit Deed	03/12/2004	Initial rent deposit being £13,218.75
Innovation Norway	Fixed Charge	24/03/2005	All machinery, equipment, and tangible assets together with the intellectual property rights
John Gunn	Debenture	04/02/2009	Fixed and Floating charges over the undertaking and all property and assets present and future

2.7 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

3.1 The Company was incorporated on 27 January 2003 and commenced to trade in late 2003.

3.2 The Company traded from leasehold premises at Unit J Sheffield Business Park, Europa Link, Sheffield, Yorkshire S91 1XU. The principal trading activity has also been the development of an m-CHP appliance that generates simultaneously heat for central and hot water heating and electricity for consumption in individual households and small and medium sized enterprise businesses. The m-CHP unit is called the Disenco Home Power Plant ("HPP").

3.3 Prior to September 2006 the development of the HPP had been restricted to development trials with a laboratory or factory environment. It was essential to the business that the units be tested in the environment and under the working conditions that would exist in normal commercial circumstances.

3.4 In June 2006 the Company received GAD (Gas Appliance Directive) approval for its first field trial unit allowing the product to be used in a domestic environment. In September 2006 the Company commissioned its first m-CHP field trial unit. The initial field trial was fully instrumented and under contract with the Carbon Trust to provide data for the analysis of the actual performance of the unit.

3.5 Both the field trials with the Carbon Trust performed to expectation and were decommissioned at the end of the trial in December 2007. In total the Company operated five field trial appliances throughout 2006 and 2007.

3.6 In February 2007 the Company undertook the initial phase of commercialisation. An engineering review was completed by Prodrive, the Company's engine design partner, where it was recommended that the product should proceed to initial production. Initial production designs of the appliance were completed towards the end of 2007 allowing production components and associated tooling to be placed on order.

3.7 The initial production engines were assembled and cold bench tested during December 2007 and early 2008. Following these tests, the Company signed contracts with Sentec Limited to commence the development of the electronic controls unit and to develop grid interface for the Stirling engine generator within the appliance. The Company also announced that it appointed Autocraft Industries UK Limited ("Autocraft") and Malvern Boilers Limited ("Malvern") to manufacture the initial commercial volumes of the completed HPP appliances. Autocraft manufactured the Stirling engine component of the appliance and Malvern manufactured the condensing boiler element, the boiler appliance parts and complete the final assembly.

- 3 8 Management believed that utility companies were the key route to market the HPP appliance. With that in mind, in July 2008, the Company signed a memorandum of understanding with Endesa, one of the leading utility companies in Spain and Latin America. In September 2008 the Company signed a similar memorandum with Centrica, one of the world's leading energy providers. These agreements provided for testing and ongoing research with a view to eventually distributing in the areas covered by Endesa and Centrica.
- 3 9 The Company also announced in January 2009 that it had signed an agreement with National Grid LLC, the international electricity and gas utility company with customers throughout a number of states in the USA. National Grid was to work closely with the Company in defining the product specifications, selecting customer sites and understanding the potential of the appliance in the USA market with a view to a wider production roll out.
- 3 10 During 2008 the Company sought further funding for the development and eventual production of the appliance. Discussions took place with a number of parties who had expressed an interest in investing in the product. However, due to the current worldwide economic downturn the Company found it difficult to convince these parties to invest.
- 3 11 Development continued throughout 2009 whilst further funding was sought. However, it was becoming increasingly difficult throughout 2009 and into 2010 to obtain sufficient funding to allow development of the product. The directors recognised that funding was crucial in order to complete the development and commercialisation of the appliance.
- 3 12 In January 2010 Mr John Gunn ("Mr Gunn"), a secured creditor, sought repayment of monies owed to him under his debenture. The Company was not in a position to make payment without further investment being obtained.
- 3 13 With short term investment unlikely to materialise to not only satisfy the demand of Mr Gunn but deal with other liabilities, the directors accepted the Company's position was critical and agreed to the appointment of Administrators with a view to protecting the business and goodwill whilst new owners or investors were sought. As a result, Notice of Intention to Appoint Administrators was given by Mr Gunn, as holder of a qualifying floating charge, on 11 February 2010 and filed in the High Court of Justice on the same day. Notice of Appointment of Administrators was given by Mr Gunn on 17 February 2010 and filed in the High Court of Justice on the same day.
- 3 14 Mr Healy and I are licensed in the UK by the Insolvency Practitioners Association. The functions of the Joint Administrators may be exercised by either or both, acting jointly or alone.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4 1 The Company's last three years trading results are detailed below

	Mgmt accounts Year ended 30/09/2009 £'000	Signed accounts Year ended 31/12/2008 £'000	Signed accounts Year ended 31/12/2007 £'000
Turnover	0	0	41
Gross Profit/(loss)	(117)	(231)	(127)
Gross Profit %	-	-	-
Administrative expenses	(408)	(587)	(627)

Disenco Limited – In Administration

Operating Profit/(Loss)	(525)	(818)	(754)
Interest and charges	(221)	(41)	(52,443)
Profit/(Loss) before tax	(746)	(859)	(806)
Taxation on loss	135	183	45
Profit/(Loss) for the year	(611)	(676)	(761)
Dividends	-	-	-
Retained profit/(loss)	(5,886)	(3,262)	(2,587)

4.2 No revenues were received during the Company's period of trading. The appliance was in continued development and the Company's working capital has been provided through loans or equity funding. Seeking investment without which development could no longer continue, had become increasingly difficult throughout the end of 2009 and early 2010.

4.3 The Company's last three years balance sheets are detailed below:

	Mgmt 30/09/2009 £'000	Signed 31/12/2008 £'000	Signed 31/12/2007 £'000
Fixed Assets			
Intangible Assets	4,387	4,228	3,533
Tangible Assets	48	66	28
Current Assets			
Debtors	38	52	199
Cash	-	18	124
	4,473	4,364	3,884
Creditors: Amounts Falling due within one year	(2,740)	(717)	(747)
Net Current Assets/(Liabilities)	1,733	3,647	3,137
Creditors: Amounts falling due after more than year	(771)	(5,078)	(3,893)
Total Assets Less Current Liabilities	962	(1,431)	(756)
Represented by			
Called up share capital	8,866	4	4
Share Premium account	891	1,827	1,827
Merger reserve	(3,762)	-	-
Warrant reserve	184	-	-
Share option reserve	598	-	-
Convertible debenture – equity reserve	71	-	-
Profit and loss account	(5,886)	(3,262)	(2,587)
Shareholders' Funds	962	(1,431)	(756)

4.4 Statement of Affairs

4.4.1 A statement of affairs as at 17 February 2010 was submitted to us by Mr Alan Dale, and has been filed with the Registrar of Companies. A copy is enclosed at Appendix B.

4.4.2 Please note that no provision has been made for costs and expenses of realisation, costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures.

4.5 Assets

4.5.1 Goodwill & Intellectual Property Rights

The goodwill includes trading names, customer & trade connections, web domain, key partner agreements etc. The Company also holds 9 registered patents relating to the product technology and innovative design methodologies that have been developed over the last 3 years.

4.5.2 Fixtures, Fittings, Tools & Equipment

These comprised in the main, a small range of testing equipment and machines, test containers, workshop tooling, together with administration desks, tables, chairs and IT equipment.

4.5.3 Stock

The stock relates to 3 dummy CHP display units, CHP spares and armoured and multi-core cables.

4.5.3 Motor Vehicle

The Company owns a Renault Kangoo van which is well used and of very little value.

4.6 Secured Creditors

4.6.1 Innovation Norway holds a fixed charge dated 24 March 2005 over certain machinery, equipment and other tangible assets contained in a schedule and specific intellectual property that was in existence prior to the date of their fixed charge. At the date of appointment they were owed £342,727. None of these assets were subject to the sale agreement (see below) and, we are advised, are of very little or no value. Based on current information, there will be no return to Innovation Norway.

4.6.2 Mr Gunn holds a debenture incorporating fixed and floating charges dated 4 February 2009 over all assets of the Company. At the date of appointment he was owed £315,965. A payment of £270,000, on account, has been made to Mr Gunn under his fixed charge. After providing for the costs of the Administration, it is likely that Mr Gunn will not be repaid in full.

4.7 Preferential Claims

The only claims which are preferential are those of employees in respect of unpaid wages and accrued holiday pay. These are estimated at £5,000 and after providing for the costs of the Administration, it is unlikely that these will be paid in full.

4.8 Prescribed Part

4.8.1 The Act provides that, where a company has created a floating charge after 15 September 2003, we must make a prescribed part of the Company's net property available to the unsecured creditors.

- 4.8.2 Appendix B shows that the Company's net property, before costs, will be £9,035. However, as the Company's net property is less than the prescribed minimum, currently £10,000, we think that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits and therefore the provision will not apply.

4.9 Unsecured Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course, should liquidation be the appropriate exit route from Administration. Unsecured creditors are currently estimated at £798,000 and based on current information it is unlikely that there will be a dividend to unsecured creditors.

4.10 Receipts and Payments

A summary of our receipts and payments account for the period of Administration to date is attached at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

5.1 Sale of Business

- 5.1.1 Prior to and upon appointment, we investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would provide the best outcome for all parties.

- 5.1.2 We instructed independent professional agents, Edward Symmons LLP ("ES"), to value the Company's business and assets. ES advised that the best strategy was for a sale of the business as a going concern. The key assets related to intellectual property rights ("IPR") owned by the Company for a product that is still 12-18 months away from commercial production.

- 5.1.3 Owing to the specialist nature of the business and the need to locate a buyer as soon as possible, ES advised that an extensive marketing strategy would be unhelpful as key parties in the industry were already in discussions with the Joint Administrators regarding the purchase of the business. A sale prospectus was supplied to the interested parties detailing the assets for sale and a deadline for offers was set for 4pm on 5 March 2010, at which point the following offers had been received:

- 1) Qwatee AG offered £1m and required 3 working days to pay
- 2) Warburg Int. Funding Group plc offered £300k with 10 working days from acceptance to completion
- 3) Global Investment Strategy UK Ltd offered £330k with an early completion
- 4) Asheville Richmond Ltd offered no payment up front but a return on future profits generated by sales

- 5.1.4 By the deadline, Qwatee AG did not have funding in place and, in the light of the value of their offer, it was decided to extend the deadline to 5pm on 15 March 2010 to complete. Unfortunately, Qwatee was not in a position to do so once the second deadline had passed and consequently ES recommended that the offer of £330,000 from Global Investment Strategy UK Limited ("Global"), being the next highest offer, should be accepted and was invited to complete.

- 5.1.5 Solicitors were instructed to prepare a contract and a sale of the business and certain assets was concluded on 17 March 2010.

5.14 The assets sold and the consideration agreed to be paid is as follows

Class of Asset	Consideration £
Goodwill & IPR	325,000
Plant & Equipment	4,297
Motor Vehicle	700
Trading Records	1
Stock	1
Contracts	1
	<hr/>
Total	<u>330,000</u>

5.15 The agreement provided that full payment of the consideration would be made on the day of completion and we can confirm that £330,000 has been received

5.16 The purchaser is Somemore Limited ("Somemore"), a company nominated by Global. Mr Gunn is a director of both Global and Somemore and is a former director of the Company. However, for the purposes of the sale, we do not consider he is a connected party as defined by the Act.

5.2 Excluded Assets

These comprised cash at bank, books and records, Innovation Norway charged assets, prepayments, tax refunds and any other assets not expressly sold as part of the agreement.

5.3 Investigations

Our investigations into the affairs of the Company and the events leading up to our appointment are still at an early stage and we will report our conclusions to the appropriate bodies in due course. In the meantime, if creditors have any specific matters regarding the running of the Company and/or the conduct of its directors that they feel warrant investigation, please provide full details in writing.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the objective of

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (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 (if (a) and (b) cannot be achieved)
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors

6.2 We are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.

6.3 In our opinion, it was not possible to achieve the first objective without significant financial investment. The Company's directors and shareholders were unable to provide further funding and no third party

investor could be identified. Trading the business to find a funder was also not a viable option owing to the immediate requirement for funding.

- 6.4 Notwithstanding that the sale of the business and assets of the Company will lead to a better result than would have been the case in a winding-up, in my opinion it will not be possible to achieve the second objective as there is unlikely to be any funds available for distribution to ordinary unsecured creditors after the costs of Administration have been paid and therefore a better result for creditors of the Company as a whole will not be achieved.
- 6.5 The third objective, namely realising property to make a distribution to one or more secured or preferential creditors, will be achieved as Mr Gunn, the secured creditor, has already received partial repayment and is likely to receive a further distribution under his debenture.
- 6.6 The Administration has been, and will continue to be, financed by monies received from asset realisations.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Administrators' Proposals for achieving the purpose of Administration are set out in Appendix A. These will be deemed to have been approved unless creditors whose debts amount to at least 10% of the total debts of the Company request a meeting to consider them by 12 April 2010. Creditors wishing to request a meeting should complete and return form 2.21B attached as Appendix G together with details of your claim, **less any payments that have been made after the date of Administration in respect of your claim and any adjustment by way of set-off**, by this date. As mentioned in paragraph 1.3 above, security must be given for the expenses of summoning and holding the meeting. If no meeting is requisitioned or requests to the required value are not received a report will be sent to all creditors informing them of that fact.
- 7.2 If there are no funds available for distribution to unsecured creditors at the completion of the Administration, which we expect to be the case, or if they are distributed during the course of the Administration, the Proposals provide for us to move the Company from Administration to Dissolution.
- 7.3 In the unlikely event that funds do become available for distribution to unsecured creditors at the completion of the Administration, the Proposals provide for us to place the Company into Creditors' Voluntary Liquidation ("CVL") and appoint myself as Liquidator. Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.
- 7.4 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of the Joint Administrators ceases to have effect at the end of the period of one year beginning with the date on which it takes effect.
- 8.2 It may be desirable to extend the period of the Administration term of office for a specified period not exceeding six months. If this is appropriate we will require the consent of
- (a) each secured creditor of the Company and, if we think that a distribution may be made to preferential creditors,

- (b) preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent for such extension

9 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 9 1 Paragraph 3 of Appendix A states that "The Administrators think that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Insolvency Act 1986 (prescribed part,) if any"
- 9 2 In view of this and unless creditors establish a creditors' committee, or if the committee does not make the requisite determination, our remuneration will be fixed by the approval of
 - (a) each secured creditor of the Company and, if we have made or intend to make a distribution to preferential creditors,
 - (b) preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditors who do not respond to an invitation to give or withhold approval
- 9 3 In accordance with the provisions of Rule 2 106(2) of the Insolvency Rules 1986 our remuneration may be fixed either as a percentage of the assets realised and distributed in the Administration or, alternatively, by reference to the time spent. In this case we will be requesting the above creditors to agree to the latter
- 9 4 Enclosed at Appendix D is a summary of our time costs to date. The summary shows that time costs of £24,757.50 have been incurred which represents 99.1 hours at a rate of £249.82 per hour. Details of our company's charge out rates and policy regarding recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix E. Further details of our company's charge out rates and policy regarding staff allocation, support staff and the use of subcontractors may be found in "A Creditors Guide to Administrators' Fees". This is available from our office free of charge or may be downloaded from www.leonardcurtis.co.uk/downloads
- 9 5 In addition to the above, our company also incurred costs of £3,000, summarised at Appendix F, representing 11 hours at an average hourly rate of £272.73 in connection with the costs and expenses of assessing that Administration was the appropriate route and in filing the appointment documentation. These costs will be payable as an expense of the Administration pursuant to the provisions of Rule 2 67 of the Insolvency Rules 1986
- 9 6 We also require approval of the basis upon which we recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of the calculation of their recharge is also attached at Appendix E. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursement". Category 1 disbursements will generally comprise items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage
- 9 7 In normal circumstances we would seek a resolution from creditors that the basis of recharge of these disbursement be agreed by creditors in accordance with the scale of charges set out in Appendix E although given my comments in paragraph 9 1 a request for a resolution in these terms will be put to those parties mentioned in paragraph 9 2 above

- 9 8 On this assignment we have used the following professional advisors, including subcontractors

Name of Professional Advisor	Service Provided	Basis of Fees
Edward Symmons LLP	Valuation Advice	Time Costs
Taylor Vinters	Legal Advice	Time Costs

- 9 9 Details of our company's policy regarding the choice of professionals, including subcontractors, and the basis for their fees are included in Appendix E

10 ANTICIPATED OUTCOME AND RELEASE OF JOINT ADMINISTRATORS FROM LIABILITY

- 10 1 If there are no funds available for distribution to unsecured creditors at the completion of the Administration, which we expect to be the case, or if they are distributed during the course of the Administration, we propose to move the Company from Administration to Dissolution as soon as all outstanding matters in the Administration have been attended to
- 10 2 Once the Company has been moved into Dissolution, the Administration and the appointment of the Joint Administrators will automatically cease. It will however also be necessary for the creditors to fix the date upon which they are discharged from liability in respect of any action during the Administration. In normal circumstances we would seek a resolution from creditors that they be discharged from such liability immediately upon their appointment ceasing to have effect and a request for a resolution in these terms will be put to those parties mentioned in paragraph 9 2 above
- 10 3 In the unlikely event that funds do become available for distribution to unsecured creditors at the completion of the Administration, the Company will be moved into CVL to enable them to be distributed. In accordance with the Proposals attached at Appendix A, I will become Liquidator

11 CONCLUSION

- 11 1 It is important that you give careful attention to this report and its Appendices
- 11 2 If you wish to avail yourself of the opportunity to request that a meeting of creditors be convened please ensure that you complete form 2 21B attached at Appendix G and lodge it at our office, together with details of your claim as at the date on which the Company entered Administration, **less any payments that have been made after the date of Administration in respect of your claim and any adjustment by way of set-off, no later than 12 April 2010**. Security must be given for the expenses of summoning and holding the meeting
- 11 3 Should you have any queries or require any further clarification please contact our office, in writing. Electronic communications should also include a full postal address

for and on behalf of
DISENCO LIMITED



N A BENNETT
Joint Administrator

Licensed in the UK by the Insolvency Practitioners Association

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

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that


- 1 The Joint Administrators continues to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 In the event that there are no monies remaining to be distributed to creditors the Company be dissolved as soon as all matters relating to the Administration have been completed
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation with a view to distributing the available funds. It is further proposed that N A Bennett be appointed Liquidator of the Company. The Joint Administrators think that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Insolvency Act 1986 (prescribed part), if any
- 4 The Joint Administrators investigate and, if appropriate, pursues any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company

Statement of Affairs as at 17 February 2010

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Intangible Fixed Assets	-	-
Less Innovation Norway	342,727	342,727
	(342,727)	(342,727)
Intangible Fixed Assets	4,386,818	325,000
Less John Gunn	315,965	315,965
Estimated surplus/(shortfall)	4,070,853	9,035
Assets subject to floating charge		
Fixtures Fittings, Tools and Equipment	47,939	4,300
Motor Vehicle	-	700
Uncharged Assets		
Estimated total assets available for preferential creditors	4,118,792	14,035

Signature



Date


16th 3 2010

Statement of Affairs as at 17 February 2010 (cont/d)

A1 – Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		14,035
Liabilities		
Preferential creditors - Employee Wages and Holiday Pay (estimate)		5,000
Estimated surplus/(deficiency) as regards preferential creditors		9,035
Estimated prescribed part of net property where applicable (to carry forward)		0
Estimated total assets available for floating charge holders		9,035
Debts secured by floating charges		
Nil		
Estimated surplus/(shortfall) of assets after floating charges		9,035
Estimated prescribed part of net property where applicable (b/down)		0
Total assets available to unsecured creditors		9 035
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade Creditors (per attached schedule)	402 202	
Innovation Norway	342,727	
HM Revenue & Customs - PAYE/NI	54,000	
		798,929
Estimated deficiency as regards non-preferential creditors		(789,894)
(Floating Charge Shortfall)		0
Estimated total deficiency as regards creditors	£	(789 894)
Issued and called up capital	3 729	
Share Premium Account	£ 0	3,729
Estimated total deficiency as regards members	£	(793 623)

Signature



Date

16.3 2010

Disenco Limited

Note You must include all creditors under hire-purchase, chattel leasing or conditional sale agreements services and creditors claiming retention of title over property in the company's possession

Address	Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security
Adigo As Saelreskogveien AS	62,206 66	1415 Oppegard	Norway	None
Association Francaise Du Gaz	3,087 33			None
e Digital Ltd	2 002 50			None
ro's Engineers Ltd	69 00	Todmorden	Lancashire	OL14 8LD
ic	132 44	Rotherham	South Yorkshire	S60 1LH
ricone Heat Treatment Ltd	943 35	PO Box 12	Worsley	M28 2UT
Einwin	1,000 00	Lincoln Street	South Yorkshire	S60 1QG
Derbridge	580 07	NO-0779 Oslo	USA	
High Safety Council	60 00	Newark		
ish Telecommunications Plc	3 768 36	London		
ly Caplin	8 039 09	Providence Row	DH98 1BT	
Form Communications Ltd	6,269 00	River Gardens	SW6 6NZ	
Computershare	3 906 71	1 Alie Street	E1 8DE	
Connect Water Systems North East Ltd	531 03	100 University Avenue	Toronto	CANADA
Micro Techniques UK	3 068 97	Broken Scar	Oarlington	DL3 8TF
3, D Engineering (Hull) Ltd	74 75	Telford	TF3 3BA	
an Dale	1 932 41	Sutton Fields Industrial Estate	HU7 0XW	
eventon Lyons	12 911 14	Sheffield	S8 8PQ	
ital Exchange	51 75	London		
st Pennine Office Equipment	299 13	President Way	S4 7UR	
ropean City Guide	1,813 14	Sheffield		
erret International Ltd	55,455 22	Planta 4	8E-46002	SPAIN
st Utility	1,661 33	Sutton Fields	HU7 0YF	
ander & Worrall Ltd	4 682 30	Warwick		
ish Cas	52 14	Stanmore Industrial Estate	Shropshire	WV15 5HP
Turnon	563 50	Gleadless		
ghlander Business Solutions	4 543 98	Europa Link	South Yorkshire	S12 3HQ
Tech Fire Engineering Ltd	46 70	2 Ledstone Road	Sheffield	S9 1XU
on Hughes	507 09	Catcliffe	S8 0NS	
estor Relations Group	8 419 50	3rd Floor	Yorkshire	S60 5TD
urnham	270 69	Barnford	NY10004	USA
as News Butterworths	218 00	2 Addiscombe Road	S33 0BD	
an Longpre	10,838 11	Parbrook	CR9 5AF	
Donald Tuskev	17 477 31	777 Hornby Street	Shepton Mallett	BA4 6SA
over	1,904 09	Birchfield House	CANADA	
saunders AS	192 97	5 Regent Street	Oldbury	B69 2RH
			SW1Y 4LR	

Disenco Limited

Note You must include all creditors under hire-purchase chattel leasing or conditional sale agreements services and creditors claiming retention of title over property in the company's possession

Address	Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security
Richmond Store Ltd	71 30	B75 5UD	None	
W & Accountants	21,868 74	S2 3QE	None	
Professional Lifting Services Ltd	231 15	Sheffield S6 2DL	None	
Vehicle Pat Testing	144 90	Sheffield	None	
Levenscote Engineering	5 620 05	BS37 5PB	None	
Levenscote Engineering Group	2 591 95	Tyne & Wear NE11 0SH	None	
Practical Medical Managed Funds	55 372 78	London EC2N 1WQ	None	
Immaris Financial Communications	27,093 91	CANADA	None	
e Fusion Partnership	5,843 75	SW1Y 4AU	None	
De (UK) Ltd	2,155 25	London	None	
Sheffield Business Park Ltd	439 89	Glasgow G2 2LB	None	
Intec Ltd	28 636 42	CB5 8EG	None	
East Materials Handling Ltd	2 136 32	S9 3XU	None	
Personnel Consultants Ltd	5 974 25	S1 2FY	None	
Per Technologies Inc	1 918 39	NY 11560	USA	
Per MacKay	835 31			
Sheffield College	33 35	South Yorkshire S2 2RL		
Inc	5 479 77	Toronto CANADA		
Inc Ltd	7,708 45	CB1 6AL		
Gila Es Onys Ltd	429 99	West Midlands WS8 7BB		
Idafone Ltd	120 21	Sheffield S9 1XU		
Wishire Water	502 72			
Trall Business Supplies	256 41	S3 8PT		
Business Post Ltd	51 46	EC1Y OSB		
Inc Evans	24 95	S25 1YJ		
Sheffield City Council	7,080 00			

402 202 43

Disenco Limited

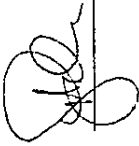
Note You must include all creditors under hire-purchase, chattel leasing or conditional sale agreements services and creditors claiming retention of title over property in the company's possession

Address	Debt Management Enforcement	Barrington Road	Worthing	West Sussex	BN12 4SE	Amount of Debt (£)	Details of Security held by Creditor	Date security given	Value of Security
Revenue & Customs	PAYE & HI					54,000 00	None		
Innovation Norway						342,727 00	Fixed Charge	24/03/2005	
John Gunn	Akersgt 13 33 Aspect Court	Postboks 448 Sentrum Imperial Wharf	0104 Oslo London	NORWAY SW6 2TN		315 965 00	Debenlture	19/02/2009	

Disenco Limited
Company Shareholders

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
Disenco Energy Plc	Unit J Sheffield Business Park Europa Link Sheffield Yorkshire S9 1XU	3 729	3 729 00	Ordinary £1 shares

3,729	3,729
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Signature

Date

16.3.2010

APPENDIX C

**Summary of Joint Administrators' Account of Receipts and Payments
from 17 February 2010 to 31 March 2010**

	Statement of Affairs £	Fixed £	Floating £	Total £
RECEIPTS				
Intangible Fixed Assets	325,000	325,000 00		325,000 00
Fixtures, Fittings, Tools & Equipment	4,300		4,297 00	4,297 00
Motor Vehicle	700		700 00	700 00
	<u>330,000</u>	<u>325,000 00</u>	<u>4,997 00</u>	<u>329,997 00</u>
Stock, Trading Records and Contracts		3 00	-	3 00
		<u>325,003 00</u>	<u>4,997 00</u>	<u>330,000 00</u>
PAYMENTS				
Solicitors' Fees & Expenses		6,010 00		6 010 00
Bordereau Fee		-	90 00	90 00
Statutory Advertising		-	75 60	75 60
IT Licence Fee		-	75 00	75 00
Storage Charges		-	160 00	160 00
Sundry Disbursements			206 00	206 00
VAT Inputs		1 051 75	71 66	1,123 41
		<u>7,061 75</u>	<u>678 26</u>	<u>7 740 01</u>
		<u>317 938 25</u>	<u>4,318 74</u>	<u>322 256 99</u>
PAID TO CREDITORS				
Secured Creditor				
John Gunn		270,000 00		270 000 00
		<u>47,938 25</u>	<u>4,318 74</u>	<u>52 256 99</u>
Balance in Hand		<u>47 938 25</u>	<u>4 318 74</u>	<u>52 256 99</u>

APPENDIX D

Summary of Joint Administrators' Time Costs from 17 February 2010 to 26 March 2010

	Director		Senior Manager		Senior Administrator		Administrator		Total		Average
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Hourly Rate
		£		£		£		£		£	£
Statutory & Review			50	1 625 00			-	-	50	1,625 00	325 00
Receipts & Payments			10	325 00					10	325 00	325 00
Insurance		-	10	325 00	-	-			10	325 00	325 00
Assets	80	3,600 00	238	7,735 00	90	1,350 00	-	-	408	12,685 00	310 91
Liabilities	10	450 00	63	2 047 50	285	4 275 00	-		358	6,772 50	189 18
Landlords			10	325 00					10	325 00	325 00
Debenture Holder	20	900 00	15	487 50				-	35	1 387 50	396 43
General Administration	-				40	600 00		-	40	600 00	150 00
Appointment	10	450 00	30	975 00	25	375 00	10	100 00	75	1,900 00	253 33
Post Appointment Creditor Reporting			5	162 50	30	450 00	-		35	612 50	175 00
Total	120	5 400 00	431	14 007 50	470	7 050 00	10	100 00	1,031	26 557 50	
Average Hourly Rate (£)		<u>450 00</u>		<u>325 00</u>		<u>150 00</u>		<u>100 00</u>		<u>257 59</u>	

All Units are 6 minutes

APPENDIX E

CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant

Charge out Rates

With effect from 1 January 2005 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

Director	£450
Principal Manager	£350
Senior Manager	£325
Manager 1	£250
Manager 2	£200
Manager 3	£175
Senior Administrator	£150
Administrator	£100
Support	£75

Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged. Details of any subcontractor(s) used are given in the attached report.

Professional Advisors

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrators' remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Room Hire	£100
Storage of office files (6 years)	£88.75 per box

APPENDIX F

Summary of Leonard Curtis Pre-Appointment Time Costs for the period

from 11 February 2010 to 17 February 2010

	Director		Senior Manager		Manager 2		Administrator		Total		Average
	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Hourly Rate
		£		£		£		£		£	£
Financial assessment	10	450 00	10	325 00	30	600 00	-	-	50	1 375 00	325 00
Strategy & purpose evaluation	10	450 00	10	325 00	10	200 00	-	-	30	975 00	325 00
Preparation of documents			10	325 00					10	325 00	325 00
Chargeholder	-		10	325 00					10	325 00	325 00
Court related issues	-						10 00	100 00	10	100 00	100 00
Total	20	900 00	40	1 300 00	40	800 00	10 00	100 00	110	3,100 00	
Average Hourly Rate (£)		<u>450 00</u>		<u>325 00</u>		<u>200 00</u>		<u>100 00</u>		<u>281 82</u>	

All Units are 6 minutes

Creditor's request for a meeting

Name of Company

DISENCO LIMITED

Company number

04648583

In the
High Court of Justice

[full name of court]

Court case number
1232 of 2010

(a) Insert full name and
address of the creditor making
the request

I (a)

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

request a meeting of the creditors of (b) DISENCO LIMITED,

One Great Cumberland Place, Marble Arch, London W1H 7LW

(c) Insert amount of claim

my claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the request (if
any) and their claims in the
administration if the
requesting creditor's claim is
below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated