

To all shareholders

Ref: RYS/LMW/LOH

27 August 2010

Dear Sir/Madam

**Albany Capital Plc<sup>1</sup> – in Members' Voluntary Liquidation**

Further to my appointment as joint liquidator on 29 July 2009, I am writing to advise that the liquidation can now be closed.

**Final distribution**

I have today declared and paid a second and final cash distribution to Continuing, Non-Continuing and Small Shareholders of 0.9267 pence per share, based on holdings of 30,083,871.00 Ordinary shares. If you are entitled to a distribution a cheque is enclosed. Further details are contained at Section 6. **Please note that Evolve shareholders have received their full entitlement in the liquidation and are not participating in this final distribution to shareholders. Any payment of less than £5.00 has been paid to Macmillan Cancer Support in accordance with the circular to shareholders dated 15 June 2009.**

**Final report**

I enclose a formal notice of the final meeting of members convened pursuant to section 94 of the Insolvency Act 1986 for 30 September 2010 at 10:30 am at Plumtree Court, London EC4A 4HT. I have detailed my account of receipts and payments for the period of the liquidation in this letter so that, should you not wish to attend the meetings, you will be aware of my administration of the company's affairs.

At the meeting, the following report will be presented: -

**1. Liquidators' Receipts & Payments Account**

I attach the Liquidators' Receipts and Payments Account covering the period from 29 July 2009 to closure, being the period of the liquidation.

**2. Realisation of Assets**

All the assets realised are detailed in the attached Receipts and Payments Account.

**3. Creditors**

All known creditors' claims have been settled.

<sup>1</sup>Laura Waters and Richard Setchim have been appointed joint liquidators. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

**4. Tax Matters**

All pre-liquidation and post liquidation tax computations have been submitted and clearance has been received from HM Revenue and Customs to close the liquidation.

**5. Liquidators' Remuneration**

At the Extraordinary General Meeting held on 29 July 2009 a resolution was passed to enable the Joint Liquidators to draw their remuneration on a time cost basis. Our current charge out rates for 2010/2011 are set out below:

<b>Grade</b>	<b>Hourly Rate</b>
Partner	£695
Director	£610
Senior Manager	£470
Manager	£395
Senior Associate	£245
Associate	£210
Support Staff	£105

The time costs incurred prior to liquidation total £99,655 (exclusive of VAT) representing 249.23 hours. Against these costs we have invoiced £80,500 (inclusive of VAT) to 28 July 2009. The time was spent reviewing and agreeing the scheme documentation and preparing for the liquidation.

The time costs incurred post liquidation total £93,958 (exclusive of VAT) and represent 285.78 hours. Against these costs we have invoiced £81,504.64 (inclusive of VAT) to the closure of the liquidation.

In addition to the above amounts, £5,175 has been invoiced by our Assurance department in respect of time costs incurred in calculating the Terminal Asset Value.

The total time costs analysed by staff grade are as follows:

<b>Grade</b>	<b>Total</b>
Partner	4.20
Director	93.65
Senior Manager	180.50
Manager	4.75
Senior Associate	221.00
Associate	33.24
Secretarial & office support	1.15
<b>Total</b>	<b>538.49</b>

An analysis of the type of work conducted is provided below.

Type of Work	Total
Accounting and treasury	75.18
Administration	17.33
Case acceptance procedures	21.95
Case closure	2.93
Creditors/liabilities	22.55
Distributions	35.48
Engagement letter	4.81
Investments & shareholding	14.32
Job plan	7.48
Lead progression	7.00
Liquidation documents and appointment	26.90
Other assets	3.70
Periodic reviews	11.15
Portfolio realisation	0.33
Pre liquidation review	25.25
Property matters	0.92
Registrar / investor liaison	4.96
Reporting / liaising with client	37.42
Retentions	0.33
Review / monitoring TAV	39.62
S110 mechanics	116.18
Shaping and strategy	8.22
Statutory compliance	6.10
Tax & tax department liaison	47.88
Not assigned	0.50
<b>Total</b>	<b>538.49</b>

During the liquidation we have invoiced disbursements of £1,936.29 (excluding VAT). A breakdown of these disbursements is provided at Note 2 on the attached Receipts and Payments account.

## 6. Distributions to Shareholders

### ***Choices available to shareholders***

Under the Scheme of Reconstruction detailed in the circular to shareholders dated 15 June 2009, Shareholders (other than Small Shareholders) were given the choice of receiving in respect of their entire holding of Ordinary Shares:

- A proportionate number of shares in Albany Capital Group Limited if they chose the Continuation Option; or
- A proportionate distribution of the Company's investments and other assets (other than the Deminimis Assets and the Hermes Receivable) in respect of their holdings if they chose the Non-Continuation Option.

**First distribution**

A first in specie distribution of shares in Albany Capital Group Limited with a value of 28.4 pence per share was declared and paid to Continuing Shareholders on 19 October 2009.

A first in specie distribution of cash and investments with a value of 28.4 pence per share was declared and paid to Non-Continuing Shareholders on 19 October 2009.

Shareholders who failed to make an Election or did not make a valid Election were deemed to have elected for the Continuation Option in respect of their entire holding of Ordinary Shares and as a result received shares in Albany Capital Group Limited.

Small Shareholders who held less than 1,250 Ordinary Shares on both the Small Shareholder Record Date and the General Record Date automatically received a cash only distribution. The first cash distribution of 37.8 pence per share was declared and paid to Small Shareholders on 19 October 2009.

Evolve Shareholders entered into the Evolve Share Exchange and Distribution Agreement and received shares in Evolve Capital Plc. A first and final distribution of shares in Evolve Capital Plc with a value of 14 pence per share was declared and paid on 22 December 2009.

**Final distribution**

A second and final cash distribution of 0.9267 pence per share has been declared and paid today to all Continuing, Non-Continuing and Small Shareholders. Shareholders should note that any payment of less than £5 will be paid instead to Macmillan Cancer Support as detailed in the circular to shareholders dated 15 June 2009.


**7. Final Meeting**

I enclose notice of the final meeting. The meeting to be held is a formal meeting where this report will be presented. No resolutions will be tabled and there is no need for you to attend unless you so wish.

A member entitled to attend and vote at the meeting can appoint another person as his or her proxy holder to attend on his or her behalf. If a member wishes to be represented that member should please contact this office and a form of proxy will be forwarded. A proxy holder need not be a member of the company.

I trust this letter has provided you with sufficient information. If you have any further queries please do not hesitate to contact Lisa Hamilton on 020 7804 3211.

Yours faithfully



Laura Waters  
Joint Liquidator

Enclosures:

1. Notice of meeting
2. Receipts & Payments Account
3. Distribution cheque (where appropriate, refer to Section 6)

**ALBANY CAPITAL PLC**  
**Company number: 03995223**  
**(Formerly known as BIONEX INVESTMENTS PLC)**

Laura Waters and Richard Setchim were appointed liquidators of the above company on 29 July 2009.

Notice is hereby given, as required by Section 94 of the Insolvency Act 1986, that the final meeting of members of the above named Company will be held at the offices of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT on 30 September 2010 commencing at 10.30am for the purpose of having an account laid before the members showing how the winding-up has been conducted and the property of the Company disposed of, and hearing any explanation that may be given by the Liquidator.

A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to attend and vote instead of him/her. Proxies must be lodged with us at the meeting address given above by no later than 4.00pm on 29 September 2010.

**Further information:**

<b>Re Office holders:</b>	
Office holder licence numbers	Laura Waters: 9477 Richard Setchim: 6710
<b>Re company in liquidation:</b>	
Registered office address	17 Hanover Square, London W1S 1HU
Principal business address	
Further information about this case is available from Lisa Hamilton at the above office of PricewaterhouseCoopers LLP on 020 7804 3211 .	

**Albany Capital plc - in Members' Voluntary Liquidation**  
**Joint Liquidators' Summary Receipts and Payments Account (Note 1)**  
**29 July 2009 to Closure**

	29 July 2010 to 30 September 2010	29 July 2009 to 28 July 2010	29 July 2009 to 30 September 2010
	£	£	£
<b>Receipts</b>			
Cash at bank	-	1,300,027.75	1,300,027.75
Investment income	-	255,095.12	255,095.12
Post liquidation VAT refunds	13,021.67	25,451.81	38,473.48
Realisation of investments	-	20,338.56	20,338.56
Pre appointment VAT refund	-	13,045.87	13,045.87
Service charges	-	7,187.47	7,187.47
PAYE refund	-	188.21	188.21
Refunds	-	10.00	10.00
Sale of business	-	1.00	1.00
Interest received net	-	0.04	0.04
	<u>13,021.67</u>	<u>1,621,345.83</u>	<u>1,634,367.50</u>
<b>Payments</b>		£	£
PwC Office Holder's Remuneration	-	81,504.64	81,504.64
PwC Pre liquidation advice fees	-	80,500.00	80,500.00
Professional fees	-	53,733.48	53,733.48
Repayment of intercompany loan to Albany Capital Group Limited	-	50,000.00	50,000.00
General expenses	-	39,859.48	39,859.48
Legal fees	-	32,608.71	32,608.71
Stamp duty	-	32,095.00	32,095.00
Registrars fees	-	17,771.87	17,771.87
Tax advice fees - Grant Thornton LLP	-	10,475.00	10,475.00
Directors' expenses	-	6,057.63	6,057.63
PwC Audit fees	-	5,175.00	5,175.00
Unsecured creditors	-	3,250.00	3,250.00
PwC Office Holder's Category 1 Disbursements (Note 2)	-	1,318.01	1,318.01
London Stock Exchange fees	-	1,072.95	1,072.95
Statutory advertising	-	968.14	968.14
Bank charges	31.00	462.83	493.83
Insolvency Service Account fees	-	47.20	47.20
Storage costs	-	18.57	18.57
Interest on overdraft	-	7.41	7.41
Fee to Insolvency Services Account in respect of unclaimed dividends	25.00	-	25.00
First in specie distribution of cash and securities to Continuing Shareholders (Note 3)	-	418,468.00	418,468.00
First interim cash distribution to Small Shareholders	-	44,505.00	44,505.00
First interim cash and in specie distribution to Non Continuing Shareholders	-	475,611.00	475,611.00
Final cash distribution to Continuing, Non-Continuing and Small Shareholders	278,068.57	-	278,068.57
De minimis distribution payment to Macmillan Cancer Support	733.01	-	733.01
	<u>56.00</u>	<u>1,355,509.92</u>	<u>1,634,367.50</u>
Closing bank balance as at closure			<u>-</u>

Note 1: All payments are shown gross of VAT where they relate to taxable services/supplies.

Note 2: Liquidators' disbursements of £1936.29 were incurred as follows:

Details	£
<b>Category one disbursements</b>	
Statutory advertising	915.48
Liquidators statutory bonding	800.00
Couriers	136.81
Travel expenses	60.00
HM Land Registry	20.00
Company searches	4.00
<b>Total excluding VAT</b>	<u>1,936.29</u>

Note 3: As detailed in the circular to shareholders dated 15 June 2009, shareholders who elected for, or were deemed to have elected for the rollover option, did not receive a cash distribution but received their entitlement in the form of shares in Albany Capital Group Limited.