

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04295590

Name of Company

Abcellute Limited

I / We

Ian J Gould
125 Colmore Row
Birmingham
B3 3SD

Edward T Kerr
New Guild House
45 Great Charles Street
Queensway
Birmingham

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 08/10/2012 to 07/10/2013

Signed

Date

28/11/13

BDO LLP
125 Colmore Row
Birmingham
B3 3SD

Ref 4022828/IJG/ETK/KOR/SS/KER

SATURDAY



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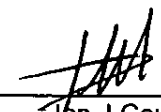
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COMPANIES HOUSE

Abcellute Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 08/10/2012 To 07/10/2013
	GENERAL FIXED CHARGE	
25,000 00	Patent/Trade Mark	NIL
(287,593 00)	Finance Wales Investments (5) Limite	NIL
(499,396 00)	Fusion IP	NIL
		<u>NIL</u>
	ASSET REALISATIONS	
9,000 00	Furniture & Equipment	4,510 00
4,451 00	Book Debts	3,335 40
14,845 00	Cash at Bank	NIL
	Bank Interest Gross	2 51
	Bank Interest Net of Tax	4 89
		<u>7,852 80</u>
	COST OF REALISATIONS	
	Auctioneers Fees	1,120 33
	Agents/Valuers Fees	1,500 00
	Storage Costs	459 81
	Statutory Advertising	201 38
		<u>(3,281 52)</u>
	PREFERENTIAL CREDITORS	
(850 00)	Employees Wage Arrears/Holiday Pay	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(7,031 00)	Trade & Expense Creditors	NIL
(31,696 00)	HSBC Bank Plc	NIL
(3,851 00)	HM Revenue & Customs - PAYE/NI	NIL
(801 00)	HM Revenue & Customs - VAT	NIL
(693,736 00)	Abcellute Tissue Bank	NIL
(11,000 00)	Employee Redundancy and PILON	NIL
(1,685 00)	Accruals	NIL
(8,400 00)	Fusion IP	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(3,677 00)	Ordinary Shareholders	NIL
(1,137,034 00)	Share Premium	NIL
		<u>NIL</u>
(2,633,454.00)		<u>4,571.28</u>
	REPRESENTED BY	
	VAT Receivable	614 91
	Bank 1 - Current	4,858 37
	VAT Payable	(902 00)
		<u>4,571.28</u>



Ian J Gould
Joint Liquidator



TO ALL KNOWN CREDITORS

Our Ref. L/4022828/IJG/ETK/SS/KOR/KER/CVL2404

28 November 2013

Dear Sirs

Abcellute Limited in Liquidation ("the Company")

Report to creditors on the progress of the Liquidation pursuant to Rule 4.49C of the Insolvency Rules 1986

I write to give you a progress report on the conduct of the Liquidation for the period from 08 October 2012 to 07 October 2013 ("the period")

Please note that on 29 March 2013, the business of PKF (UK) LLP was transferred to BDO LLP. There has been no change to the Insolvency Practitioners appointed to deal with the matter but you should note the new address below for correspondence and contact.

The following schedules are attached to this report:

1. Statutory information.
2. An abstract of the Joint Liquidators' receipts and payments account for the period of the report.
3. An analysis of the time charged to the liquidation estate in the period.

General overview

This is the first progress report on the conduct of the Liquidation and details the progress for the period from 08 October 2012 to 07 October 2013.

Progress of the Liquidation

The Company was incorporated in September 2001, its trading activities being research and development.

Direct tel 0121 352 6237 | Direct fax 0121 352 6444

Email kaye.oreilly@bdo.co.uk | www.bdo.co.uk

BDO LLP | 125 Colmore Row | Birmingham | B3 3SD

Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at www.bdo.co.uk/services/advisory/business_restructuring/authorising_bodies_insolvency_appointment_takers

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

Its main business was the development and marketing of applications for 'SureTran' a gel which extends the life of human and other cells for biomedical research

The directors mainly attribute the decline in business as being due to;

- The decline in tissue supply and corresponding fall in tissue sales,
- Failure to secure new contracts for kidney cell services;
- Inconclusive trials with a global leader in cell preservation for the application of SureTran in a number of projects that were subsequently removed from current portfolio requirements.

This is the first progress report sent to members and creditors since the date of my appointment as Joint Liquidator

Asset Realisations

Intellectual Property Patent

The Company was originally incorporated to commercialise a patented 'Cell Preservation' technology, "SureTran", which allowed living cells to be stored and shipped without the need for freezing. Applications for the patent had been made in the UK and internationally, although patent protection ceased shortly after our appointment in December 2012.

The IP has been marketed on the basis that the underlying research to the IP is available and/or that the joint liquidators will reinstate the patent application to facilitate a sale. A full marketing program has been undertaken with the assistance of Mr N Griffiths a director of the Company who prepared a presentation of the IP and patent which was incorporated into an electronic and hard copy sales pack for circulation to potential interested parties in the biomedical research and development community and to suppliers of primary cell lines to the pharmaceutical and biotech industry.

To date, no substantive interest has been received from any party, although discussions are ongoing with one interested party which, it is hoped, will be concluded shortly.

Office furniture and equipment

A specialist agent was instructed to deal with the Company's laboratory equipment and other chattel assets, which were sold at a specialist auction realising £4,510.

Book Debts

Book debt realisations have amounted to £3,335. We do not anticipate any further realisations.

Cash at Bank

Cash of approximately £14,000 held on the Company's bank current account was drawn down by the Company's bankers and offset against the Company's loan account which stood at approximately £31,000 at the date of my appointment.

Bank Interest

A small amount of bank interest has been received amounting to £7.

Costs incurred other than Liquidators' expenses

During the period the following expenses totalling £3,282 were charged to the Liquidation:

	£
Auctioneers Fees	1,120
Agents/Valuer Fees	1,500
Storage Costs	460
Statutory Advertising	202

The following disbursements totalling £179 were incurred during the period but have been paid by BDO LLP. These disbursements will be recharged to the Liquidation estate in due course:

	£
Company Search Fees	9
Specific Bond	30
Advertising	140

Creditor Claims

Secured Creditors

Finance Wales Investments (5) Limited holds full fixed and floating charge Debentures dated 17/12/2008 and 9/11/2009. In total, loans amounting to approximately £287k are outstanding and due from Abcellute Holdings Limited, but secured by way of cross guarantee from the Company.

Fusion IP Cardiff Limited holds full fixed and floating charge Debentures dated 17/12/2008 and 20/08/2009. Fusion IP Cardiff Limited are owed in excess of £499k.

Preferential Creditors

As you are aware the Company's employees were made redundant immediately prior to my appointment. A number of employees had claims for outstanding wages and holiday pay. As a consequence a preferential claim has been received from the Redundancy Payments Office in the sum of £799.

Based on current information, I do not anticipate that there will be a distribution to preferential creditors.

Unsecured Creditors

According to the books and records in our possession the Company's liabilities to non preferential creditors as at the date of appointment totalled £758,200. Claims received to date equate to £37,520.

Based on present information, there is no likelihood of a distribution to unsecured creditors of the Company.

Prescribed Part

Section 176A of the Act requires administrators to set aside a prescribed amount of the Company's "net property" towards the satisfaction of unsecured debts. Net property is the amount of property that would otherwise be available for satisfaction of holders of debentures secured by, or holders of, any floating charge created by the Company on or after 15 September 2003.

Given the limited realisations in this matter a distribution under the Prescribed Part is not anticipated.

Remuneration and disbursements

The time costs incurred in the period from 08 October 2012 to 07 October 2013 amount to £35,464 and represent 127 hours at an average hourly rate of £279 per hour.

A detailed analysis of the time costs incurred are enclosed in two separate schedules, one being from PKF's previous time recording system and the other from BDO's time recording system. The charge out rates for the period are summarised as follows.

Staff grade	Average rate (£ per hour)
Partner / Director	461 - 319
Senior Manager / Manager	295 - 203
Supervisor / Senior Administrator	183 - 155
Administrator / Support Staff	138 - 64

These amounts are derived from BDO LLP's normal rates for time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff have dealt with a specific area of the liquidation due to their specialist skills in that area. BDO LLP's scale rates may increase from time to time over the period of an assignment.

All staff who have worked on this matter, including cashiers and secretarial staff, have charge time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at www.bdo.co.uk/cgtf. Alternatively a copy can be sent upon request.

In accordance with Rule 4.49E of the Insolvency Rules 1986 any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to the liquidators(s) for further information about the remuneration or expenses (other than pre-liquidation costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report.

Additionally, creditors who believe that the liquidators remuneration is, in the circumstances, excessive or inappropriate may apply to the court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court. Any application must, subject to any order of the Court under Rule 4.49E (5), be no later than 8 weeks after receipt by the applicant of the progress report.

Disbursements

Disbursements for the period of the report total £3,282 have already been referred to in the sections "Costs incurred other than Liquidator's expenses". No Category 2 disbursements have been charged for the period.

Concluding Comments

I trust the above provides you with sufficient information, but if you require more or have any questions please contact Stephen Smith on 029 2064 6213.

Lastly, if any creditor has any information regarding the Company or its affairs that they believe would be of assistance to the liquidators, they are invited to provide such information by contacting Stephen Smith as above

Yours faithfully
For and on behalf of
Abcellute Limited

A handwritten signature in black ink, appearing to read 'Ian J Gould', written over a horizontal line.

Ian J Gould
Joint Liquidator



1. STATUTORY INFORMATION

Company name Abcellute Limited
Registration number 04295590
Registered office address c/o BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Liquidator(s) details Ian J Gould
PKF (UK) LLP
125 Colmore Row, Birmingham, B3 3SD
Appointed: 08/10/2012
Resigned:

Edward T Kerr
PKF (UK) LLP
125 Colmore Row, Birmingham, B3 3SD
Appointed: 08/10/2012
Resigned:

Abcellute Limited
(In Liquidation)
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	Bank 1 - Current	4,858 37
	VAT Payable	(902 00)
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SIP9 Analysis of OfficeHolders Timecosts for the Period 8 October 2012 to 7 October 2013

Client: 4022828 Abcellute Limited

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
		Amount (£)	Amount (£)	Amount (£)	Amount (£)	Amount (£)
		Hours	Hours	Hours	Hours	Hours
	Average Cost per hour:	£317.00	£235.00	£181.00	£102.00	£289.00
Partner/Senior Manager Review		126 80	0 00	0 00	41 40	168 20
Planning & Monitoring		1,585 00	0 00	170 90	0 00	1,755 90
Cashiering Function Generally		57 00	223 40	145 80	498 54	924 74
Office Holders Tax Liabilities		46 10	637 10	181 00	0 00	864 20
CDDA 1986 Work		380 40	0 00	126 70	0 00	507 10
Secured Creditors (reporting/accounting for funds, etc)		4,100 25	0 00	36 20	0 00	4,136 45
Partly Secured Creditors (including of lease and HP)		1,109 50	0 00	0 00	0 00	1,109 50
Non Preferential Creditors		0 00	0 00	90 50	0 00	90 50
Employee Claims		62 70	0 00	670 50	204 76	937 96
Fixed Asset Realisation		6,339 75	0 00	36 20	0 00	6,375 95
Book Debt Realisations		0 00	0 00	65 20	0 00	65 20
Other Asset Realisations		6,815 50	0 00	18 10	0 00	6,833 60
Insurance & Bonding		0 00	0 00	199 10	0 00	199 10
General Administration		1,788 00	0 00	1,249 00	0 00	3,037 00
Statutory Compliance (including CRO returns and lodger		3,233 00	0 00	291 80	0 00	3,524 80
Computersation/IPS		0 00	0 00	0 00	99 44	99 44
Liasing with Agents/Solicitors/Other Professionals		4,834 25	0 00	0 00	0 00	4,834 25
		30,478.25	860 50	3,281 00	844 14	35,463 89
		98.30	3.95	15 90	8 37	126 52