

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

+/ We

Ian J Gould, 125 Colemore Row, Birmingham B3 3SD

Edward T Kerr, Pannell House, 159 Charles Street, Leicester LE1 1LD

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 08/10/2013 to 07/10/2014

Signed

Date

21/10/14

BDO LLP
Pannell House
159 Charles Street
Leicester
LE1 1LD

Ref 04022828/IJG/ETK/KO/SS/DC/HD/

WEDNESDAY



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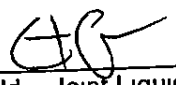
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COMPANIES HOUSE

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

Statement of Affairs		From 08/10/2013 To 07/10/2014	From 08/10/2012 To 07/10/2014
	GENERAL FIXED CHARGE		
25,000 00	Patent/Trade Mark	NIL	NIL
(287,593 00)	Finance Wales Investments (5) Limited	NIL	NIL
(499,396 00)	Fusion IP	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
9,000 00	Furniture & Equipment	NIL	4,510 00
4,451 00	Book Debts	NIL	3,335 40
14,845 00	Cash at Bank	NIL	NIL
	Bank Interest Gross	21 34	29 16
	Bank Interest Net of Tax	NIL	4 89
		<u>21 34</u>	<u>7,879 45</u>
	COST OF REALISATIONS		
	Auctioneers Fees	NIL	1,120 33
	Agents/Valuers Fees	NIL	1,500 00
	Storage Costs	NIL	459 81
	Statutory Advertising	NIL	201 38
		<u>NIL</u>	<u>(3,281 52)</u>
	PREFERENTIAL CREDITORS		
(850 00)	Employees Wage Arrears/Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(7,031 00)	Trade & Expense Creditors	NIL	NIL
(31,696 00)	HSBC Bank Plc	NIL	NIL
(3,851 00)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(801 00)	HM Revenue & Customs - VAT	NIL	NIL
(693,736 00)	Abcellute Tissue Bank	NIL	NIL
(11,000 00)	Employee Redundancy and PILON	NIL	NIL
(1,685 00)	Accruals	NIL	NIL
(8,400 00)	Fusion IP	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(3,677 00)	Ordinary Shareholders	NIL	NIL
(1,137,034 00)	Share Premium	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(2,633,454.00)</u>		<u>21.34</u>	<u>4,597.93</u>
	REPRESENTED BY		
	Bank 1 - Current		4,597 93
			<u>4,597.93</u>


Ian J Gould – Joint Liquidator

TO ALL KNOWN CREDITORS

21 October 2014

Our ref
04022828/IJG/SS/KOR/DCPlease ask for Dr Chapman
Telephone 0116 2504477
Email diane.chapman
@bdo.co.uk

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 8 October 2013 to 7 October 2014 ("the period")

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 second progress report on the conduct of the Liquidation and details the progress for the period from 8 October 2013 to 7 October 2014.

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

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.

Progress of the Liquidation

Since the date of the Liquidation the Joint Liquidators have attempted to maximise realisation of the Company's assets. This is discussed in greater detail below.

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





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, Mr Griffiths prepared a presentation of the IP and patent which was incorporated into an electronic and hard copy sales pack which was circulated to potential interested parties in the biomedical research and development community and to suppliers of primary cell lines to the pharmaceutical and biotech industry

As previously advised only one interested party entered into discussions. Unfortunately this party withdrew its offer of £2k as the Company was unable to provide a future commitment to ongoing development. No further offers have been received despite extensive marketing by our agents. The Joint Liquidators do not anticipate sale of this asset and propose to close the case.

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 £21.

Costs incurred other than Liquidators' expenses

No expenses have been charged during the period.

Creditor Claims

Secured Creditors

Finance Wales Investments (5) Limited holds full fixed and floating charge Debentures dated 17 December 2008 and 9 November 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 December 2008 and 20 August 2009. Fusion IP Cardiff Limited are owed in excess of £499k.

There is no likelihood of a distribution to the secured creditors.



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, there will not 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 basis of the Joint Liquidators' fee approval was agreed at a meeting of creditors held on 8 October 2012 in accordance with Rule 4.127 of the Insolvency Act 1986 when a resolution was passed that their remuneration be fixed by reference to the time properly given in attending to matters arising in the Liquidation at PKF (UK) LLP's (Now BDO LLP) usual charge out rates.

The time costs incurred in the period covered by this report from 8 October 2013 to 7 October 2014 amount to £3,493 and represent 17 hours at an average hourly rate of £204 per hour.

Time costs incurred from the date of appointment on 8 October 2012 to 7 October 2014 amount to £45,209 which represents 162 hours at an average rate of £279. No fees have been drawn to date. However, it is the Joint Liquidators' intention to shortly draw down an amount on account of their time costs incurred to date.

A detailed analysis of the time costs incurred is enclosed. These are shown on separate schedules due to a change in our accounting system on 1 June 2013. The charge out rates for the period are summarised as follows:

Timecosts	Chargeout Rates £
Partner	356 - 461
Director	319
Senior Manager	271 - 295
Manager	203 - 230
Assistant Manager/Supervisor	183
Senior Administrator	172
Administrator	113 - 155
Junior Administrator	99
Cashier	172
Support Staff/Secretary	63 - 78



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

There have been no Category 1 or Category 2 disbursements charged in the period.

Complaints

If you have a complaint you should address it in the first instance to the Senior Partner, BDO LLP, 55 Baker Street, London W1U 7EU. If you are still dis-satisfied, complaints to the office holder's regulatory body should be made via the Insolvency Service Complaints Gateway.

Complaints to the single Complaints Gateway may be made either by:

- calling the Insolvency Service Enquiry Line on 0845 602 9848 (Monday to Friday 8am to 5pm), or
- completing and emailing the online complaints form on the Insolvency Service website <http://www.insolvencydirect.bis.gov.uk/contactus/ipcomplaint/complaintform.htm>, or
- completing the online complaints form and posting it to IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.

For more details, please visit. <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway>.



Concluding Comments

I would advise that the Joint Liquidators will shortly commence closure proceedings as there is no prospect of selling the Company's intellectual property patent.

I trust the above provides you with sufficient information, but if you require more or have any questions please contact Diane Chapman on 0116 250 4477.

Yours faithfully

For and on behalf of
Abcellute Limited

A handwritten signature in black ink, appearing to be 'IJG' with a flourish.

Ian J Gould
Joint Liquidator

A handwritten mark, possibly a stylized '7' or a checkmark, in black ink.



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 BDO LLP 125 Colmore Row, Birmingham, B3 3SD Appointed: 08/10/2012 Resigned: Edward T Kerr BDO LLP 125 Colmore Row, Birmingham, B3 3SD Appointed: 08/10/2012 Resigned

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

Statement of Affairs		From 08/10/2013 To 07/10/2014	From 08/10/2012 To 07/10/2014
	GENERAL FIXED CHARGE		
25,000.00	Patent/Trade Mark	NIL	NIL
(287,593.00)	Finance Wales Investments (5) Limited	NIL	NIL
(499,396.00)	Fusion IP	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
9,000.00	Furniture & Equipment	NIL	4,510.00
4,451.00	Book Debts	NIL	3,335.40
14,845.00	Cash at Bank	NIL	NIL
	Bank Interest Gross	21.34	29.16
	Bank Interest Net of Tax	NIL	4.89
		<u>21.34</u>	<u>7,879.45</u>
	COST OF REALISATIONS		
	Auctioneers Fees	NIL	1,120.33
	Agents/Valuers Fees	NIL	1,500.00
	Storage Costs	NIL	459.81
	Statutory Advertising	NIL	201.38
		<u>NIL</u>	<u>(3,281.52)</u>
	PREFERENTIAL CREDITORS		
(850.00)	Employees Wage Arrears/Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(7,031.00)	Trade & Expense Creditors	NIL	NIL
(31,696.00)	HSBC Bank Plc	NIL	NIL
(3,851.00)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(801.00)	HM Revenue & Customs - VAT	NIL	NIL
(693,736.00)	Abcellute Tissue Bank	NIL	NIL
(11,000.00)	Employee Redundancy and PILON	NIL	NIL
(1,685.00)	Accruals	NIL	NIL
(8,400.00)	Fusion IP	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(3,677.00)	Ordinary Shareholders	NIL	NIL
(1,137,034.00)	Share Premium	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(2,633,454.00)</u>		<u>21.34</u>	<u>4,597.93</u>
	REPRESENTED BY		
	Bank 1 - Current		4,597.93
			<u>4,597.93</u>

Summary of Time Charged and Rates Applicable for the Period From 8 October 2013 to 7 October 2014

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
		£		£		£		£		£		£		£	
C Planning and Strategy	0 10	46 10	1 00	295 00	1 70	311 10	0 30	53 80	1 00	125 00	1 05	60 30	1 00	295 00	295 00
D General Administration			1 15	270 25	0 10	18 30							5 30	866 55	163 50
G Employee Matters			0 35	71 05					3 00	350 20			0 45	89 35	198 56
I Reporting			5 00	1,475 00	0 90	164 70							8 90	1,989 90	223 58
J Distribution and Closure			0 60	177 00									0 60	177 00	295 00
K Work									0 85	75 15			0 85	75 15	88 41
	0 10	46 10	8 10	2,288 30	2 70	494 10	0 30	53 80	4 85	550 35	1 05	60 30	17 10	3,492 95	
										Net Total					
										Secretarial Expense				0 00	
										Other Disbursements				12 20	
										Billed				0 00	
										Grand Total				3,505 15	

SIP9 Analysis of OfficeHolders Timecosts from commencement of liquidation on 8 October 2012 to 31 May 2013

Client: 4022828 Abcellute Limited

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator		Administrator / Assistant		Total
		Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Average Cost per hour		£317.00		£235.00		£181.00		£295.00
Partner/Senior Manager Review		126 80	0 40	0 00	0 00	0 00	0 00	126 80
Planning & Monitoring		1,585 00	5 00	0 00	0 00	0 00	0 00	1,711 70
Cashiering Function Generally		31 70	0 10	101 60	0 40	54 30	0 30	512.04
Office Holders Tax Liabilities		0 00	0 00	51 00	0 25	181 00	1 00	232 00
CDDA 1986 Work		380 40	1 20	0 00	0 00	126 70	0 70	507 10
Secured Creditors (reporting/accounting for funds, etc)		634 00	2 00	0 00	0 00	36 20	0 20	670 20
Partly Secured Creditors (including of lease and HP)		1,109 50	3 50	0 00	0 00	0 00	0 00	1,109 50
Non Preferential Creditors		0 00	0 00	0 00	0 00	90 50	0 50	90.50
Employee Claims		62 70	0 15	0 00	0 00	597 30	3 30	844.96
Fixed Asset Realisation		4,655 50	14 70	0 00	0 00	36 20	0 20	4,691.70
Book Debt Realisations		0 00	0 00	0 00	0 00	18 10	0 10	18.10
Other Asset Realisations		6,815 50	21 50	0 00	0 00	18 10	0 10	6,833 60
Insurance & Bonding		0 00	0 00	0 00	0 00	199 10	1 10	199 10
General Administration		1,109 50	3 50	0 00	0 00	54 30	0 30	1,163 80
Statutory Compliance (including CRO returns and lodges)		2,377 50	7 50	0 00	0 00	90 50	0 50	2,468.00
Pre Appointment Work (including investigation work)		8,083 50	25 50	0 00	0 00	0 00	0 00	8,083 50
Computersation/IPS		0 00	0 00	0 00	0 00	0 00	0 00	99 44
Liasing with Agents/Solicitors/Other Professionals		4,834 25	15 25	0 00	0 00	0 00	0 00	4,834.25
		31,805.85	100 30	152 60	0 65	1,629 00	9 00	34,196 29
								115 92

Abcellute Limited

Grand Total