

Statement of administrator's proposals 2.17B

Name of Company CellTran Limited	Company number 03990521
In the Leeds District Registry	Court case number 788 of 2008

We, Charles William Anthony Escott & William Duncan of PKF (UK) LLP, Pannell House, 6 Queen Street, Leeds, LS1 2TW

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

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

25 July 2008

Signed

Charles William Anthony Escott
Joint Administrator

Dated

28 July 2008

Contact Details

James Kershaw PKF (UK) LLP Pannell House 6 Queen Street Leeds LS1 2TW	
Tel 0113 228 4115	
DX Number	DX Exchange

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX33050 Cardiff



A03 30/07/2008 140
COMPANIES HOUSE

WEDNESDAY



Accountants &
business advisers

CellTran Limited

**Joint Administrators' Report and Proposals for
achieving the purpose of the Administration
pursuant to Schedule B1 paragraph 49 of the
Insolvency Act 1986 and Rule 2.33 of the
Insolvency Rules 1986**

July 2008

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1 Appointment

- 1 1 Charles William Anthony Escott and William Duncan of PKF (UK) LLP, Accountants and business advisers, were appointed Joint Administrators of CellTran Limited ("the company") on 30 May 2008. The appointment was made on application by the directors, under the provisions of Schedule B1, paragraph 22 of the Insolvency Act 1986.
- 1 2 Under paragraph 3, Schedule B1 of the Insolvency Act 1986 the Joint Administrators are required to perform their functions with the objective of
- a) Rescuing the Company as a going concern or,
 - b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration or,
 - c) Realising property in order to make a distribution to one or more secured or preferential creditors
- 1 3 Section 2 of this report sets out how the Joint Administrators have performed and propose to perform their functions.

2 Background and Administration Strategy

- 2.1 The Company was incorporated on 11 May 2000. Its principle activity involved the research, development and production of burn care products. The Company traded from The Innovation Centre, 217 Portobello, Sheffield, S1 4DP.
- 2.2 The company was primarily funded through grants and third party investments.
- 2.3 The company's other main source of income was generated through the sale of its recognised products 'Myskin' and 'Cryoskin', although sales were minimal.
- 2.4 The directors attempted to conclude a sale of the business prior to Administration due to future funding being uncertain. However, despite agreeing to a deal in principle, the prospective purchaser withdrew its offer, leaving the directors with no other option but to seek professional advice, which concluded that the company should be placed into Administration.
- 2.5 The Joint Administrators identified that there was significant interest in the company's assets, particularly in the rights and use of the 'Cryoskin' and 'Myskin' products. To achieve the best possible outcome for the company's creditors, and following the preparation and review of a trading budget, the Administrators took the decision to continue to trade the business in order to preserve its value and goodwill, with a view to selling the business and assets as a going concern.
- 2.6 Following a review of the company's immediate staff requirements and financial position, the Joint Administrators determined it was necessary to make a number of employees redundant to minimise costs but at the same time retain sufficient staff to allow the business to continue to trade on a restricted basis.
- 2.7 The Joint Administrators are currently negotiating with interested parties and are hopeful a sale of the business and assets will complete shortly.
- 2.8 The Joint Administrators do not believe objective a) in section 1.2 can be achieved. However, by selling the business and assets as a going concern the Joint Administrators believe this will generate greater realisations for the benefit of the creditors as a whole and will therefore achieve objective b).

3 Statement of Affairs and Estimated Outcome

- 3.1 In accordance with Rule 2.31 of the Insolvency Rules 1986 and paragraph 4B of Schedule B1 of the Insolvency Act 1986, the Joint Administrators requested the Directors to submit a statement of affairs as at the date of Administration. This is attached appendix II.
- 3.2 The directors' statement of affairs shows the secured creditors to be £1,922,000. On present financial information it is anticipated they will suffer a shortfall on their outstanding debt.
- 3.3 Preferential creditors are estimated to be £13,500. It is uncertain at this stage whether there will be sufficient surplus realisations available to pay a dividend to the preferential creditors.
- 3.4 Unsecured creditors are estimated to total £697,000. This total is subject to verification of final claims. However, the Joint Administrators anticipate that there will be insufficient funds available to enable a distribution to the unsecured creditors. Consequently, the Joint Administrators do not propose to call a meeting of creditors in accordance with Schedule B1, paragraph 52 (1) (b).

4 Prescribed Part

- 4.1 Section 176A of the Insolvency Act 1986 provides that where a qualifying floating charge has been created, the Joint Administrators must make a prescribed part of the Company's net property available for the satisfaction of unsecured debt (including previously preferential Crown debt)
- 4.2 It is uncertain at this stage as to whether net realisations will be sufficient for the prescribed part to apply in this case

5 Proposed Exit Route

- 5.1 It is proposed that in the event that a dividend is payable to unsecured creditors, the Company be placed into Creditors' Voluntary Liquidation. It is proposed that Charles William Anthony Escott and William Duncan be appointed Joint Liquidators for this purpose. In accordance with Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed Liquidator. Any nomination must be made after the receipt of these proposals, but before the proposals are approved, with or without modifications.
- 5.2 In the event that no distribution is payable to unsecured creditors, it is proposed that the Company be dissolved following conclusion of the Administration.
- 5.3 Should the Joint Administrators feel that an alternative exit route become more appropriate, they shall seek authority to the alternative exit route by way of a resolution approved by creditors.

6 EC Regulation on Insolvency Proceedings 2000

- 6.1 The EC Regulation on Insolvency Proceedings 2000 applies to this case. The centre of main interest is Sheffield, England. The proceedings are main proceedings.

7 Joint Administrators' Remuneration

- 7.1 It is proposed that the Joint Administrators be paid by reference to PKF's normal rates for the time spent by them and their staff in attending to matters arising in the Administration
- 7.2 The Joint Administrators' detailed time costs summary up to 21 July 2008 is attached at Appendix IV
- 7.3 Total time costs to 21 July 2008 in the sum of £64,820 represent an average hourly charge out rate of £149
- 7.4 A list of PKF's charge-out rates for partners and staff is attached at Appendix V to this report together with a Creditors' Guide to Insolvency Practitioners fees in Administration
- 7.5 In light of the anticipated outcome for unsecured creditors, it will be the secured and preferential creditors who will determine the basis and level of the Joint Administrators' fees

8 Joint Administrators' Proposals

8 1 The recent changes to the Insolvency Act 1986 require the Joint Administrators to perform their functions with the objectives discussed in Section 1 of this report

8 2 The Joint Administrators' proposals are as follows -

- to continue in their attempt to sell the business and assets as a going concern
- to collect all remaining book debts and realise any chattel assets
- that the Joint Administrators be authorised, if necessary, to compromise debts, for the general benefit of creditors
- that the Joint Administrators are empowered to appoint agents of their choosing to assist them in performing their duties
- if funds realised are sufficient to pay a dividend to the unsecured creditors, the Joint Administrators shall put the Company into Creditors' Voluntary Liquidation
- in the event that the Company proceeds into Creditors' Voluntary Liquidation, Charles William Anthony Escott and William Duncan will be appointed Joint Liquidators
- that the Joint Administrators be enabled to exit through an alternative route following approval of the creditors, if appropriate
- no creditors committee be formed in the Administration
- that pursuant to paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators shall be discharged from their liability in respect of any action of each or both of them as Administrators 14 days after ceasing to act as Joint Administrators. The Joint Administrators shall also be at liberty to apply to court for their discharge from liability

8 3 In accordance with paragraph 52 (1) (b) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators do not intend to call a meeting of creditors. This section provides that holding a meeting of creditors is not required in the event that the Joint Administrators have formed the opinion that the Company has insufficient property to enable a distribution to unsecured creditors. This opinion has been formed and is referred to in Section 3.4 of this report

- 8.4 The Joint Administrators shall only summon a meeting of creditors if creditors whose debts amount to at least 10% of the total debts of the Company request them to do so. This request must be made within 12 days of this report and the expenses of calling any meeting shall be met by the creditors making that request. Should no request be made then the Joint Administrators' proposals will be deemed to have been adopted in accordance with Rule 2.33(5).
- 8.5 Any creditor wishing to report any matters that require investigation should send full details in writing to the Joint Administrators for consideration.

Appendix I – Statutory Information

Court Details	Leeds Combined Court, No 788 of 2008
Trading Name and Address	CellTran Limited The Innovation Centre 217 Portobello Sheffield S1 4DP
Directors	Dr P L Grant Mr D G Baynes Ms M Jarmolowicz Dr D B Haddows Mr D Livesley Mr H Himan
Major Shareholders	Xcellentis Biofusion Trading Limited Partnerships UK Limited South Yorkshire Investment Capital Fund White Rose Technology Limited
Accountants	Grant Thornton
Bankers	The Royal Bank of Scotland Sheffield Branch

Appendix II – Directors’ Statement of Affairs including Creditor Details


Statement of affairs

Name of Company CellTran Limited	Company number 03990521
In the Leeds District Registry	Court case number 788 of 2008

- (a) Insert name and address of registered office of the company Statement as to the affairs of CellTran Limited, Pannell House, 6 Queen Street, Leeds LS1 2TW
- (b) Insert date on the 30 May 2008, the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 30 May 2008 the date that the company entered administration

Full Name HARRY HIMAN
Signed 
Dated 20 JULY 2008

22 JUL 2008

Signature

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Office and Laboratory Equipment	50,238	51,600
Intellectual Property (see note 1)	-	1
Trade Debtors	11,042	8,404
Nat West Bank Account	84,045	84,045
Less amounts due to Fixed Charge Holders		(144,050)
Assets subject to floating charge		
VAT Recoverable	22,806	22,806
Research and Development Tax Credits		
- Y/E 31 July 2007	65,000	65,000
- P/E 30 May 2008	-	25,000
Consumable Stock	-	10,000
GMP Approved Cell Bank (note 2)	-	1
Uncharged assets } Work in Progress	25,478	20,383
Estimated total assets available for preferential creditors	274,384	143,190

Signed



Date 20 July 2008

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)	£ 143,190
Liabilities	
Preferential creditors <i>Holiday Pay</i>	£ 13,500
Estimated deficiency / surplus as regards preferential creditors	£ 129,689
Estimated prescribed part of net property where applicable (to carry forward) <i>10000 x 50% 119,639 x 20%</i>	£ 23,938
Estimated total assets available for floating charge holders	£ 100,752
Debts secured by floating charges <i>Syndicate Investment Wellcome Trust Less fixed charges</i>	£ 1,500,000 278,356 (144,050)
Estimated deficiency / surplus of assets after floating charges	£ 1,533,555 <i>Deficiency</i>
Estimated prescribed part of net property where applicable (brought down)	£ 28,938
Total assets available to unsecured creditors	£ 28,938
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 697,145
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ 668,207
Shortfall to floating charge holders (brought down)	£ 1,533,555
Estimated deficiency / surplus as regards creditors	£ 2,201,762
Issued and called up capital	£ 106,136
Estimated total deficiency / surplus as regards members	£ 2,307,898

Signature *[Signature]* Date 20 July 2008

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Trade Creditors Per Attached List (Schedule A)		235,068	None		
Provision for trade invoices not administered		20,000	..		
UK Steel Ept.	The Innovation Centre, 217 Portobello Sheffield S1 4DP	232,370	..		
Advanced	Nerenhoek 18	22,080	..		
Therapie Consult	B-9080 Zaffelre, Belgium				
Peter de Cupe	Rukens 42	4,400	..		
Qucliny Man	B-9260 Schellebelle, Belgium				
Staff Redundancy/Notice Pay		50,196	..		
University of Sheffield	Western Bank Sheffield S10 2TN	121,331	..		
Keele University	Staffordshire ST5 5BG	11,700	..		
Syndicate Investors	Per Attached List (Schedule B)	130,000	Debenture	15/8/2007	1500,000
The Wellcome Trust Ltd	215 Euston Road, LONDON NW1 2BE	279,356	Debenture	20/4/2006	278,356

Signature Harry Date 20 July 2008

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
See Attached	Schedule (Schedule C)	1061356	106,136	
TOTALS		1061356	106,136	

Signature Henry Date 26/7/2008

PKF (UK) LLP
CellTran Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CA00	Advanced Therapies Consulting Nerenhoek 18 B-9080 Zaffelare Belgium	3,818 89	0 00	3,818 89
CA01	AMS Biotechnology (Europe) Invoice UK-SIN2715 63b Milton Park Abingdon Oxfordshire OX14 4RX	1,077 48	0 00	1,077 48
CA02	Aquaaid (South Yorkshire) Aven Ind Park Tickhill Road Maltby South Yorkshire S66 7QR	67 15	0 00	67 15
CA03	Arkadian Packaging Limited Unit 7 Apollo Park Apollo Lichfield Road Ind Estate Tarnworth Staffs B79 7TA	242 05	0 00	242 05
CB00	bioMerieux UK Limited Grafton Way Busing Stoice Hampshire RG22 6HY	132 60	0 00	132 60
CB01	BOC Limited Prestley Road Worsley Manchester M28 2UT	214 91	0 00	214 91
CC00	Critical Environment Solutions Ltd On twice	471 63	0 00	471 63
CC01	Charpack Limited 30 St Peters Road Huntingdon Cambridgeshire PE29 7DG	208 56	0 00	208 56
CC02	Clasemont Limited Inv 8013 & 8014 42 Aphthorpe Street Fulbourn Cambridge CB21 5EY	1,612 84	0 00	1,612 84
CC03	Peter De Corte Quality & Management Reukens 42 B-9260 Schellebelle Belgium	3,765 67	0 00	3,765 67
CC04	Creative Stream Limited Aizlewood Business Centre Nursey Street Sheffield S3 8GG	88 13	0 00	88 13

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PKF (UK) LLP
CellTran Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CC05	CSMA Queens Road Penkhull Stoke on Trent ST4 7LQ	1,233 75	0 00	1,233 75
CC0C	Critical Environmental Solutions Ltd 2276 Dunbeath Road Elgin Swindon Wiltshire SN2 8EA	471 63	0 00	471 63
CD00	Dennemeyer & Co Sarl Luxembourg (CLAIM IN Inv 239760 & Credit C/GFG/1588 P O Box 1502 L-1015 LUXEMBOURG	11,692 79	0 00	11,692 79
CD01	Dry Ice UK Inv 08-0218, 08-0232, 08-0290 Unit 10 Pegasus Square Innovation Way Gnmsby DN37 9TT	171 55	0 00	171 55
CF00	Fisher Scientific UK Bishop Meadow Road Loughborough Leicestershire LE11 5RG	4,570 60	0 00	4,570 60
CG00	Greiner Bio-One Limited Brunel Way Stroudwater Business Park Stone House Gloucester GL10 3SX	396 21	0 00	396 21
CH03	Hamson Goddard Foote Belgrave Hall Belgrave Street Leeds LS2 8DD	2,033 08	0 00	2,033 08
CI00	Invitrogen Limited 3 Fountain Drive Inchinnan Business Park Paisley PA4 9RF	14,891 07	0 00	14,891 07
CI01	Julia Irving	92 00	0 00	92 00
CI02	Isotron Limited Invoice 040519 Moray Road Elgin Industrial Estate Swindon Wiltshire SN2 8XS	176 25	0 00	176 25
CI04	Ingenium Wound Consultancy The Old Lodge 56 Cromwell Road Stretford Manchester M32 8QJ	354 61	0 00	354 61

PKF (UK) LLP
CellTran Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CJ00	Jenconcs-PLS	294 76	0 00	294 76
CJ03	Jenconcs-PLS	120 53	0 00	120 53
	Forest Row Business Park			
	Station Road			
	Forest Row			
	East Sussex			
	RH18 5DW			
CL00	Lab Tech International	219 73	0 00	219 73
	FAO Lee Tucker			
	1 Acorn House			
	The Broyle			
	Ringmer			
	East Sussex			
	BN8 5NN			
CL01	Lonza Wokingham Limited	810 53	0 00	810 53
	1 Ashville Way			
	Wokingham			
	Berkshire			
	RG41 2PL			
CM00	Medekit com	285 29	0 00	285 29
	A/C 2695 Inv 1030			
	Building 6/1			
	Vantage Point Business Village			
	Mitcheldean			
	Gloucestershire			
	GL17 0DD			
CM01	Mercury Cars	84 40	0 00	84 40
	RBS Invoice Finance			
	Elmwood Avenue			
	Feltham			
	Middlesex			
	TW13 7QD			
CM02	Millipore (UK)	1,789 89	0 00	1,789 89
	Units 3 & 5			
	The Court Yards			
	Hatters Lane			
	Watford			
	WD18 8YH			
CN00	Nitritex Limited	360 73	0 00	360 73
	Invoice 17223			
	Unit 4, Minton Enterprise Park			
	Oaks Drive			
	Newmarket			
	Suffolk			
	CB8 7YY			
CO00	Oxoid Limited	1,455 94	0 00	1,455 94
	Wade Road			
	Basingstoke			
	Hants			
	RG24 8PW			
CP00	P J Taste	111 10	0 00	111 10
CP01	Particle Measunng Technique (GB) Limited	578 69	0 00	578 69
	Willow End Park			
	Malvern			
	WR13 6NN			

PKF (UK) LLP
CellTran Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CP02	Premier Voicemail Limited P O Box 3 Boreham Wood Herts WD6 4HD	11 76	0 00	11 76
CP0E	Polymer Systems Technology Limited Unit 2, Network 4, Cressex Bus Park Lincoln Road High Wycombe Bucks HP12 3RF	4,125 43	0 00	4,125 43
CR00	R & D Systems Europe Limited On twice	88 13	0 00	88 13
CR01	Rubber Engineering Services Unit 4 Gorton Crescent Windermill Lane Ind Estate Denton Manchester M34 3RB	70 50	0 00	70 50
CR03	R & D Systems Europe Limited 19 Barton Lane Abingdon Science Park Abingdon OX14 3NB	88 13	0 00	88 13
CS00	Sarstedt Limited 68 Boston Road Leicester LE4 1AW	157 87	0 00	157 87
CS01	Sci-Tec Services The CWM Casco Prestegne Powys LD8 2NT	267 90	0 00	267 90
CS02	The University of Sheffield Corporate Information and Computing 285 Glossop Road Sheffield S10 2HB	155,375 88	0 00	155,375 88
CS03	Shield Medicare Limited A/C CEL02 Cheyenne House West Street Farnham Surrey GU9 7EQ	1,559 97	0 00	1,559 97
CS04	Sigma-Aldrich Company Limited The Old Brickyard New Road Gillingham Dorset SP8 4XT	415 25	0 00	415 25
CS05	Sheffield University Enterprises Office 3 10 The Innovation Centre 217 Portobello Sheffield S1 4DP	7,456 35	0 00	7,456 35

PKF (UK) LLP
CellTran Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CS06	Swann Morton Services Limited Owlerton Green Sheffield S6 2BJ	2,184 09	0 00	2,184 09
CT00	TNT UK Limited P O Box 4 Ramsbottom Bury BL0 9AR	142 87	0 00	142 87
CT01	Triple Red Limited Unit D4 Drakes Park Long Crendon Industrial Estate Long Crendon HP18 9BA	1,140 24	0 00	1,140 24
CT02	Top Speed Carriers Limited Vernon Court Anson Road Poynton Cheshire SK12 1TD	230 89	0 00	230 89
CU02	UK Steel Enterprise Ltd The Innovation Centre 217 Portobello Sheffield S1 4DP	5,316 67	0 00	5,316 67
CV00	Vernon Carus Limited 1 Western Avenue Matrix Park Buckshaw Village Chorley PR7 7NB	267 05	0 00	267 05
CV01	Validated Hygiene Solutions Aviary Cottage North End Roos HU12 0HX	1 310.85	0 00	1,310 85
CV02	VWR International Limited On twice	141 94	0 00	141 94
CV05	VWR International Ltd Hunter Boulevard Magna Park Lutterworth LE17 4XN	141 94	0 00	141 94
CW00	Worldsway Foods Limited On twice	120 50	0 00	120 50
CW01	Worrall Business Supplies Limited 129 West Bar Sheffield S3 8PT	437 11	0 00	437 11
CW06	Woldsway Foods Ltd Ashby-by-Partney Spilsby PE23 5RG	120 50	0 00	120 50

PKF (UK) LLP
CellTran Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CY00	YFM Venture Finance Limited Saint Martins House 210-212 Chapeltown Road Leeds LS7 4HZ	1.00	0.00	1.00
57 Entries Totalling		235,067.86	0.00	235,067.86

CellTran Limited
Statement of Affairs
Company Creditors - Syndicate Investors

Schedule B

Name of Creditor	Address	Amount of Debt	Details of any Security Held	Date Given	Value of Security £
Yorkshire and Humber Equity Fund no 1 L P	Sant Martins House, 210-212 Chapeltown Road, Leeds, LS7 4HZ	225,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	225,000 00
South Yorkshire Investment Capital Fund L P	Reresby House, Bow Bridge Close, Rotherham, South Yorkshire S60 1BY	225,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	225,000 00
South Yorkshire Investment Fund Limited	Reresby House, Bow Bridge Close, Rotherham, South Yorkshire S60 1BY	225,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	225,000 00
PUK Investment Limited	10 Great George Street, London SW1P 3AE	150,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	150,000 00
Biofusion Trading Limited	The Innovation Centre, 217 Portobello Sheffield S1 4DP	225,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	225,000 00
White Rose Technology Limited	10-12 East Parade Leeds LS1 2AJ	150,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	150,000 00
Genimmune N V	Veldrenbroddstraat 120 Merebeke, Belgium	300,000 00	Debenture in favour of YFM Venture Finance Limited	15 August 2007	300,000 00
		<u>1,500,000 00</u>			

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20/7/2008

Schedule C

CellTran Limited
Statement of Affairs
Company Shareholders

Name of Shareholder	Address	No of shares held	Nominal Value	Details of Shares held
GENimmune NV (Formerly Xcellentis)	Verdrenbrodstraat 120 Merebeke, Belgium	467,482	46,748	Ordinary A
BioFusion Trading Limited	The Sheffield Biocubator 40 Leavygreave Road Sheffield S3 7RD	165,084	16,508	30,000 Ordinary 135,084 Ordinary A
Partnerships UK Limited	10 Great George Street London SW1 3AE	130,726	13,073	Ordinary A
White Rose Technology Limited	3 The Embankment Sovereign Street Leeds LS1 4BJ	110,520	11,052	36,442 Ordinary 74,078 Ordinary A
South Yorkshire Investment Capital Fund	Reresby House, Bow Bridge Close Rotherham S60 1BY	87,151	8,715	Ordinary A
Yorkshire & Humberside Equity Fund NO 1 L P	Saint Martins House 210-212 Chapelton Road Leeds LS7 4HZ	43,575	4,358	Ordinary A
The Wellcome Trust Limited	The Gibbs Building, 215 Euston Road London NW1 2BE	25,764	2,576	Ordinary B
Robert Short	1 Oakholme Mews Sheffield S10 3FX	12,833	1,283	Ordinary
Sheila MacNeil	Meadow Bank Avenue Sheffield S7 1PB	6,467	647	Ordinary
Vernon Carus	1 Western Avenue Matrx Park, Buckshaw Village Chorley, Lancashire, PR7 7NB	9,595	960	Ordinary
Geoffrey Beanland	The old Store Frieth, Henley on Thames Oxfordshire R69 6PR	1,459	146	Ordinary
David Haddow	14 Ranby Road Sheffield S11 7AJ	300	30	Ordinary
Rebecca Dawson	31 Marney Street Chapel Hill Queensland, England 4069	100	10	Ordinary
Alison Beck	1 Lodge Lane, Lodge Moor Sheffield S10 4LF	100	10	Ordinary
Richard France	9 Hungerhill Road Nottingham NG3 4NB	100	10	Ordinary
David Steele	Unit 1 Milton Street Carnegie, Victoria, Australia	100	10	Ordinary
		<u>1,061,356</u>	<u>106,136</u>	

Henry
20/7/2008

Statement of Affairs Notes

Note 1 Intellectual Property

CellTran owns Intellectual Property comprising know-how, patents, trademarks and quality systems associated with the current products and development pipeline. Considerable investment has gone into developing these products, but there is inherent uncertainty surrounding the realisable value of the Intellectual Property.

Given that the products either require additional investment to bring to market, or are have a poor or unproven commercial performance, a nominal value of £1 has been placed on the Intellectual Property.

Note 2 - GMP Approved Cell Bank

CellTran owns a fully screened donor keratinocyte cell bank, which was acquired as part of the merger with Xcellentis in October 2006. The bank is a key component of the CryoSkin and LyphoDerm products.

The cost of setting up such a cell bank is considerable, so it could have significant value of a buyer could be found. However, the market place of potential buyers is very specialised and extremely small. There is a significant risk that no buyer can be found. Therefore a nominal value of £1 has been assumed.

Appendix III – The Joint Administrators' time cost summary as at 21 July 2008

CellTran Limited - In Administration
Detailed Time Cost Summary to 21 July 2008

	Partner/Director	Manager	Supervisor/Senior Administrator	Administrator/Support	Total
	£	£	£	£	£
	Hrs	Hrs	Hrs	Hrs	Hrs
Partner Senior Manager Review	361 00	0 00	0 00	0 00	361 00
Planning & Monitoring	1,173 25	381 00	1,102 00	526 00	3,182 25
Cashiering	108 30	43 20	0 00	1,204 90	1,356 40
Office Holder Tax Liabilities	0 00	0 00	60 80	286 00	346 80
CDDA Work	0 00	0 00	42 00	881 85	923 85
Secured Creditors	0 00	0 00	0 00	21 30	21 30
Partly Secured Creditors	0 00	0 00	0 00	273 00	273 00
Non Preferential Creditors	0 00	0 00	280 00	1 373 75	1,653 75
Employees Claims	216 60	0 00	76 00	2,626 00	2,918 60
Fixed Asset Realisation	8,375 20	127 00	2,439 60	46 15	10,987 95
Stock Realisation	0 00	0 00	167 20	124 25	291 45
Book Debt Realisations	0 00	0 00	0 00	344 50	344 50
Other Asset Realisations	0 00	0 00	288 80	5,036 70	5,325 50
Post Appointment Trading	1,532 50	406 40	17,176 00	11,655 85	30,770 75
Insurance and Bonding	0 00	0 00	53 20	149 50	202 70
General Administration	0 00	0 00	1,976 00	1,724 60	3,700 60
Statutory Compliance	0 00	381 00	53 20	1,725 10	2,159 30
Totals	11,766 85	1,338 60	23,714 80	27,999 45	64,819 70
	32 85	5 30	156 20	239 69	434 04

Note

A further copy of the creditors' guide to fees can be seen on the Corporate Recovery and Insolvency section of the PKF (UK) LLP website at www.pkf.co.uk/PKF/Services/Corporate_Recovery_and_Insolvency/Home

Appendix IV – List of Joint Administrators' Charge-Out Rates and Creditors' Guide to Insolvency Practitioners Fees in Administration

Schedule of Office Holders' Disbursements & Charge-out Rates

The table detailed below sets out the basis on which this office charges disbursements

Disbursements are charged where appropriate by PKF (UK) LLP as follows -

Storage	Charged at cost
Room Hire	Any other venue at cost
Travel	Motor vehicles at 50p per mile
Mobile telephone	Recharged at cost

The table detailed below sets out the current hourly charge-out rates utilised by PKF (UK) LLP in the North Region for charging staff time

Partner	£240 - £361 per hour
Director	£240 - £324 per hour
Senior Manager	£170 - £254 per hour
Manager	£168 - £216 per hour
Assistant Manager	£168 - £173 per hour
Supervisor	£110 - £152 per hour
Administrator/Cashiering	£38 - £140 per hour
Secretarial	£55 - £80 per hour

It should be noted that the above rates increase from time to time over the period of the administration of each insolvency case. These rates apply as from 7 April 2008

A copy of the creditors' guide to fees can be seen on the Corporate recovery and Insolvency section of PKF (UK) LLP website at www.pkf.co.uk

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or, if the administrator thinks neither of these objectives is reasonably practicable
- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,

the value and nature of the property which the administrator has to deal with

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors –
- each secured creditor of the company, and
- 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 approval, having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case.

The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be

seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide

such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes 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, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9. Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,

- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office. The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

Appendix V – The Joint Administrators' receipts and payments account as at 21 July 2008

CellTran Limited
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
To 21 July 2008

RECEIPTS	Total (£)
VAT Refund	22,763 17
Cash at Bank	84,045 00
Sundry Refunds	230 74
	<hr/>
	107,038 91
	<hr/>
PAYMENTS	
Cryoskin Consumables	2,326 60
Gross Wages	16,987 99
Rent & Service Charges	4,312 00
Repairs & Maintenance	1,831 30
Sundry Expenses	60 50
Taxation Computations	1,550 00
Non-Reclaimable VAT	162 75
Statutory Advertising	271 57
Bank Charges	140 00
VAT Receivable	1,555 67
	<hr/>
	29,198 38
Balances in Hand	77,840 53
	<hr/>
	107,038 91
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