

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Biomass Industrial Crops Limited

Company number
03563497

In the
High Court of Justice
(full name of court)

Court case number
No 20682 of 2009

(a) Insert full
name(s) and
address(es) of
administrator(s)

~~I/We~~ (a)
Timothy Alexander Close
Milsted Langdon LLP
Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

administrator(s) of the above company attach a progress report for the period

(b) Insert date


From
(b) 23 NOVEMBER 2010

To
(b) 22 MAY 2011

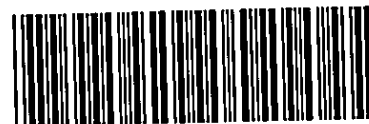
Signed


~~Joint~~ Administrator(s)

Dated


8/7/11

TUESDAY



A44 19/07/2011 256
COMPANIES HOUSE

Our Ref: BIOM/TAC/clo/100P

8 July 2011

**When calling please
ask for:** Adam Faulkner
or e-mail: afaulkner@milsted-langdon.co.uk

PROGRESS REPORT TO CREDITORS

BIOMASS INDUSTRIAL CROPS LIMITED (T/A 'BICAL') - IN ADMINISTRATION

Further to my progress reports dated 23 June 2010 and 21 December 2010 in respect of the above company (the 'Company'), I am now pleased to provide a further progress report on this administration, in accordance with Rule 2.47 of the Insolvency Rules 1986

Summarised below are the principal matters dealt with in the administration since my second progress report

1. ASSETS

- 1.1 As previously reported, included within the assets sold to Renewable Energy Crops ('REC') were a large quantity of wooden storage crates. These were to be paid for by instalments over a five year period. The first two payments and part of the third were made before the company entered into administration. The supplier of these crates, which were approximately three fifths paid for when the Company went into administration, claimed retention of title to the boxes in full.
- 1.2 In the absence of any agreement or settlement between Mr Cole, trading as Abergavenny Saw Mills, the supplier of the boxes, and the joint defendants (being Bical, the administrator, and REC) the matter proceeded to trial.
- 1.3 Whilst the exact number of boxes remaining at the date of administration could not be established, it was around 7,000. Joint Experts had however valued these at £28 per box. The claim was therefore substantial. After the hearing, which took place between 13 and 16 June 2011, judgment was given that Mr Cole had retained title to the goods and that the remaining boxes should be delivered up to Mr Cole. Mr Cole's claim for conversion against me as administrator was not upheld.

Also at BRISTOL and YEOVIL

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- 1 4 The only other possible future realisation outlined in my proposals related to a trust account, where money is held in a Bond Guarantee Indemnity (BGI) with Barclays Bank (Plc) 'Barclays' in respect of Energy Aid Payments from the RPA. These monies were held by Barclays pending the RPA's final audit of deliveries under the scheme.
- 1.5 The RPA completed their audit during February and confirmed that the bond could finally be released. Barclays had originally indicated that once the RPA had confirmed that they were satisfied with their audit, the original transactions could be reversed and the monies repaid direct to the bond providers.
- 1 6 Following release of the bond, Barclays informed me that the feasibility of their suggested solution would be established by the end of April. Despite following up this matter on a regular basis, I have yet to receive confirmation of feasibility, and I will maintain contact with Barclays to resolve this matter.
- 1 7 Whilst it is anticipated that the majority of monies will be returned directly to the growers, funds deposited by Bical (as opposed to deposits made directly by growers) amount to €40,000 and it is anticipated that these monies will be paid to my solicitors' client account. The status of these monies is not clear, and further advice will be required when the funds are received to determine whether they would represent an asset of the company.
- 1 8 Receipts in the period comprise bank interest received and a rebate of business rates received from Lichfield District Council.

2. CREDITORS' CLAIMS

2 1 Secured Creditors

- 2 1 1 There were two secured creditors, Clydesdale Bank Plc ('The Bank') and Clydesdale Bank Asset Finance Limited. The Bank also benefited from personal guarantees, and I understand that negotiations were held between the guarantors and the Bank to agree a settlement figure. Notwithstanding this settlement, the Bank remains a secured creditor of the Company. As previously reported, Clydesdale Asset Finance has security over a miscanthus processing plant which was not part of the equipment sold to Renewable Energy Crops, and which I understand was collected by Clydesdale from the Company's former trading premises.
- 2 1 2 I have not yet been notified of a shortfall in relation to the collection/disposal of the plant, but in the event that a shortfall exists, it will rank as an unsecured creditor.

2 2 Preferential creditors

- 2 2 1 As previously reported, I have received a preferential claim from the Redundancy Payments Office for £27,218.67. There are additional claims from employees in respect of their holiday pay and these amount to £6,165. These claims are significantly greater than anticipated at the time of my appointment. Whilst it was initially thought that preferential creditors would be paid in full, this is now subject to the outcome of the trial, and the level of costs incurred.

2 3 Unsecured creditors

- 2 3 1 Claims from 167 creditors have been received amounting to £12,713,528.48. The statement of affairs disclosed that the company had 318 creditors owed a total of £4,192,055. These figures do not take into account any claims arising from 'multiplication contracts' and similar commitments.
- 2 3 2 There are insufficient funds with which to pay a dividend to non-preferential creditors. I have therefore not pursued or agreed any non-preferential unsecured claims.
- 2 3 3 Whilst the final position regarding costs associated with the litigation has not yet been determined, the costs of pursuing this means that a prescribed part distribution in this case is considered unlikely.

3. DIVIDEND PROSPECTS

- 3 1 Unfortunately, in view of the ongoing legal proceedings in relation to the storage crates, I have not yet been able to determine whether a distribution to any class of creditor will be possible.
- 3 2 It is not anticipated that any dividend will be paid in this case to non-preferential, unsecured creditors.

4. RECEIPTS AND PAYMENTS ACCOUNT

- 4 1 Attached to this report is a receipts and payments summary for the company for the period from 23 November 2010 to date.

5. CORPORATION TAX

- 5 1 As the administration is ongoing I have not yet been able to agree the corporation tax due.

6. STATUTORY REQUIREMENTS

- 6 1 As indicated in my previous progress report, I have submitted my report on the conduct of the directors. This report remains confidential between myself and the Department for Business, Innovation and Skills.

7. EXIT FROM ADMINISTRATION

- 7 1 Typically, administrations automatically end after one year. However, in view of the unresolved RPA bond matter, I applied to Court for an extension of the administration pending litigation in accordance with paragraph 76 of schedule B1 of the Insolvency Act 1986. On 13 May 2011 an order was granted extending the administration until 22 May 2011.
- 7 2 It is anticipated that the exit from administration will be by dissolution.

8. ADMINISTRATOR'S REMUNERATION

- 8 1 In my proposals I set out the proposed basis of my remuneration to be fixed by reference to the time properly spent by my staff and I in managing the administration
- 8 2 As advised in my previous report I received consent from the secured and preferential creditors to draw £40,000 plus VAT and disbursements on account, and these fees have been drawn
- 8 3 Attached is a time analysis which provides details of the activity costs incurred by staff grade during the administration. A summary of these values, together with the approved fee on account, is shown below. My costs have increased substantially as a result of the litigation and trial referred to above

	From 23 November 2009 to date
	£
Time costs	105,524 75
Total hours	940 55
Average rate	112 19
Disbursements	2,383 41
Less time costs paid on account	(40,000 00)
Less disbursements drawn	(1,393 46)
Balance of time costs	65,524 75
Balance of disbursements	989 95

These figures do not include the costs of £18,714 relating to my work prior to my appointment, the majority of which have been written off as the legislation prevailing at the time of my appointment prevents this time from being drawn from the sale proceeds. However, in accordance with Rule 2.67 of the Insolvency Rules 1986, I believe fees of £2,400 plus VAT may be paid against these costs.

- 8 4 Once the final cost position has been established relating to the trial, I shall be seeking authority for further fees and disbursements on account from the secured and preferential creditors
- 8 5 There have also been substantial legal and Counsel's costs of dealing with the litigation. These amount to approximately £60,000. To the extent that these are not recoverable under any costs awarded, they represent an expense in the administration. As a result, given the remaining funds in the estate, there may be insufficient funds to meet my costs.
- 8 6 Also attached is additional information in relation to my policy on staffing, the use of sub-contractors, disbursements and details of current charge-out rates by staff grade. Further information, including a guide to fees, is available on our website at www.milsted-langdon.co.uk. Any creditor may request further information under the provisions of Section 2.48A (as applicable) and may challenge the remuneration under Rule 2.109 of the Insolvency Rules 1986.

8 July 2011

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Should creditors require any further information please do not hesitate to contact either me or my colleague Susannah Adams

Yours faithfully

A handwritten signature in black ink, appearing to read 'T A Close', with a stylized, cursive script.

T A CLOSE
Administrator
Biomass Industrial Crops Limited


Enclosures Statutory Information and Appointment Details
 SIP 9 Report
 SIP 9 Analysis
 Receipts and Payments Account
 Form 2 24B
 Statement of claim form

Biomass Industrial Crops Limited
(In Administration)
Administrator's Abstract of Receipts & Payments

Statement of Affairs		From 23/11/2010 To 22/05/2011	From 23/11/2009 To 22/05/2011
	SECURED ASSETS		
9,995 00	Goodwill	NIL	9,995 00
5,003 00	Intellectual Property	NIL	5,003 00
		NIL	14,998 00
	ASSET REALISATIONS		
50,000 00	Plant & Machinery	NIL	50,001 00
1 00	Furniture & Equipment	NIL	NIL
65,001 00	Stock	NIL	65,001 00
20,000 00	Book Debts	NIL	20,000 00
15,000 00	Investment in Subsidiary	NIL	7,500 00
	Cash at Bank	NIL	67 13
	Bank Interest Gross	67 58	308 88
	Sundry Refunds	8,864 35	8,864 35
		8,931 93	151,742 36
	COST OF REALISATIONS		
	Specific Bond	NIL	260 00
	Office Holder's Fees	NIL	40,000 00
	Office Holder's Expenses	NIL	1,405 21
	Agents/Valuers Fees	NIL	3,900 00
	Legal Fees	NIL	38,316 64
	Corporation Tax	50 61	50 61
	Storage Costs	NIL	727 49
	Re-Direction of Mail	NIL	104 00
	Statutory Advertising	NIL	208 80
	Insurance of Assets	NIL	5,918 10
		(50 61)	(90,890 85)
165,000.00		8,881.32	75,849.51

REPRESENTED BY

Vat Receivable	14,244 62
Bank 1 Current	61,604 89
	75,849 51


 Timothy Alexander Close
 Administrator

Notes

This estate is VAT registered and therefore VAT should be recoverable

No dividends have been paid to creditors

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

STATUTORY INFORMATION

NAME OF COMPANY:	Biomass Industrial Crops Limited		
TRADING NAME:	Bical		
PREVIOUS NAME:	None		
REGISTERED NUMBER:	03563497		
VAT NUMBER:	717 8924 96		
DATE OF INCORPORATION	13 May 1998		
PRINCIPAL OBJECTS:	Development, processing and sale of Biomass		
REGISTERED OFFICE:	Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH		
PREVIOUS REGISTERED OFFICE:	Curdon Mill, Lower Vellow, Williton, Taunton, Somerset, TA4 4LS		
TRADING ADDRESS:	Principal Leased Premises at 2 Alrewas Hayes Burton on Trent Staffordshire DE13 7DL		
DIRECTORS:		Appointed on	Resigned on
	S P Croxton	7 September 2007	
	A L Jeyes	17 March 2008	
	P A Carver	15 May 2001	
	D R Croxton	13 May 1998	
	A E Hunt	7 September 2007	30 June 2008
	R H C Nourse	7 September 2007	28 December 2007
	B N Woodman	7 September 2007	28 December 2007
	J M Ward	25 August 2000	16 July 2008
COMPANY SECRETARY:	M P Bramall	Appointed on 15 May 2005	
AUTHORISED SHARE CAPITAL:	10,000,000 A - £ Ordinary Shares 990,000,000 Deferred Shares		
ISSUED SHARE CAPITAL:	1,764,307 - 1p Ordinary A Shares 117,057,200 1p Deferred Shares		
DIRECTORS' SHAREHOLDINGS	As per attached listing		
BANKERS:	Clydesdale Bank Plc 6th Floor 20 Waterloo Street Glasgow G2 6DB	Barclays Commercial Bank 4th Floor Windsor Court 3 Windsor Place Cardiff CF10 3WP	

CHARGES:

Fixed and Floating Charge held by Clydesdale Bank Plc created on 22 March 2006 and registered on 29 March 2006, supported by the personal guarantee of the directors of the Company

Share Pledge - Robert Loosemore 2,500 shares with a par value of 100 each in Bical France Eurl as well as all rights proceedings from the shares Created 15 October 2008 and registered 30 October 2008

Deed of Charge held by Barclays Bank Plc created on 5 June 2009 and registered on 16 June 2009 over credit balances held by Barclays Bank Plc

DIRECTORS' SHAREHOLDINGS

Name	Deferred 1p	Ordinary A	% Holdings A shares
David Croxton via David Croxton Executive Pension	10,364,791	66,409	3.8%
David Croxton via David Croxton Limited	596,180	3,820	0.2%
Mr D R Croxton	9,398,980	197,720	11.2%
Dr P A Carver	6,340,575	40,625	2.3%
Mr S P Croxton	3,083,146	19,754	1.1%
Total Directors' shareholdings	29,783,672	328,328	18.6%

INFORMATION IN SUPPORT OF OFFICE HOLDERS' REMUNERATION

Case name	Biomass Industrial Crops Limited
Court and number	High Court of Justice No 20682 of 2009
Office Holder	Timothy Alexander Close
Firm	Milsted Langdon LLP
Address	Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH
Telephone	01823 445566
Reference	BIOM
Type of Appointment	Administrator
Date of Appointment	23 November 2009
Wording of fee authority	The remuneration of the administrator shall be fixed by reference to time properly spent by him and his staff in attending to matters arising from the administration
Date authority given	26 May 2010

These notes should be read in conjunction with the forgoing report which sets out details of the conduct of the administration of this case and gives an indication of the anticipated outcome, if known. The report highlights any matters of complexity or exceptional circumstances and those on which a significant proportion of time has been spent and explains the nature, extent and effectiveness of the associated work undertaken.

Statement of Insolvency Practice 9 outlines what information should be provided in support of Office Holder's remuneration. This includes information on disbursements, including the policies for the selection of agents and advisors, and details of the tasks undertaken in respect of each category of activity included in the analysis of time that is provided with this report. The details of these and "Creditors' Guide to Fees" can be found at www.milsted-langdon.co.uk or are available on request.

Current charge out rates for different grades of staff are given below along with our rates for recharging disbursements incurred. These are subject to periodic review and historic details are also provided on the website above.

	£/hr	
Partners	200-220	plus VAT
Managers and Administrators	70-150	plus VAT
Other administrative staff	28-60	plus VAT

Disbursement	Charge
Archive storage	55p per box per week
Faxes	50p per sheet
Internal room hire for creditors' meetings	£70
Mailing fees (including postage) - Large	75p per mailed pack
Mailing fees (including postage) - Small	50p per mailed pack
Mileage	40p per mile
Photocopies	10p per sheet
Record boxes	£1.50 per box

Creditors' attention is also drawn to the accompanying account of receipts and payments. This reflects any payments that may have been made to agents and advisers, and in accordance with the above policy.

The table that follows seeks to set out a summary of the time spent on this case.

Biomass Industrial Crops Limited
Time and disbursement analysis
For the period 23 November 2009 to 8 July 2011

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	13 50	159 55	27 80	160 60	361 45	28,990 75	80 21
Investigations	4 80	15 90	15 40	5 15	41 25	3,712 30	90 00
Realisations	149 30	34 70	0 40	12 85	197 25	35,413 70	179 54
Creditors	72 80	88 00	42 35	87 65	290 80	31,281 20	107 57
VA monitoring and default	0 00	0 00	2 50	0 00	2 50	87 50	35 00
Administration & planning	0 00	36 80	0 00	1 50	38 30	4,794 30	125 18
Fixed charge realisations	1 50	7 50	0 00	0 00	9 00	1,245 00	138 33
Total time	241 90	342 45	88 45	267 75	940 55	105,524 75	112 19
Disbursements							
Faxes						6 00	
Photocopying						99 00	
Mileage						97 19	
Mailing Fee (Insolvency)						1,479 60	
Copy Print Costs						612 62	
Archive Management (Insolvency)						79 00	
Company Searches						10 00	
Total disbursements						2,383 41	
				Grand Total		107,908.16	

N B For a more detailed explanation of the categories above please see the attached analysis

SIP 9 analysis notes – description of work types:

Administration and planning (1)

- Administrative setup
- Case administration
- Appointment notification
- Periodic reviews
- Maintenance of records
- Cashiering
- Secretarial work
- RoT issues pre-litigation

Investigations

- Reviewing financial records for information relevant to the Administration
- Directors conduct reporting

Realisations

- Sale of subsidiaries
- RPA bond situation
- Resolving legacy book debt issues
- RoT issues re box stock

Creditors

- Communication with creditors
- Creditor claims
- Assessment of contingent claims

Administration and planning (2)

- RoT issues post litigation, including attendance at trial

Fixed charge realisations

- Liaison with Clydesdale Asset Finance re miscanthus baling machine