Rule 2.47

Form 2.24B (CH)

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company number
Biomass Industrial Crops Limited	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	To
(b) 11 April 2012	(b) 22 November 2012

Signed _____
~~Joint~~ Administrator~~(s)~~

Dated 19/12/12

FRIDAY
A1O9VPXS
A04 21/12/2012 #555
COMPANIES HOUSE

ADMINISTRATOR'S PROGRESS REPORT
FOR THE PERIOD
11 APRIL 2012 TO 22 NOVEMBER 2012

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

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THE ADMINISTRATOR'S PROGRESS REPORT

1.0 Statutory information

1 1 I was appointed as Administrator of the Company on 23 November 2009 The appointment of an Administrator was made by the directors of the company

1 2 This Administration is being handled by Milsted Langdon LLP at Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH The Administration is registered in the High Court of Justice, under reference number 20682 of 2009

1 3 The principal trading address of the Company was 2 Alrewas Hayes, Burton on Trent, Staffordshire, DE13 7DL The business traded under the name Bical

1.4 The registered office of the Company was Curdon Mill, Lower Vellow, Williton, Taunton Somerset, TA4 4LS but has now been changed to Winchester House, Deane Gate Avenue, Taunton, TA1 2UH, and its registered number is 03563497

2.0 Progress of the Administration

2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 11 April 2012 to 22 November 2012 This also includes a cumulative Receipts and Payments Account for the period from 23 November 2009 to 22 November 2012

2 2 Information on realisations is given in my earlier reports The business and assets were sold under a 'pre pack' sale, the details of which were given in the proposal document dated 24 December 2009. These may be summarised as follows

Date of transaction	Asset involved and nature of transaction	Consideration Paid and Date	Sold to	Relationship
23 November 2011	Sale of all assets and goodwill	£150,000 paid	Renewable Energy Crops Limited	Connected by shareholders

2 3 In my last report I advised of a further possible realisation relating to monies held within an account with Barclays Bank Plc ('Barclays') These monies had previously been held in a Bond Guarantee Indemnity ('BGI') in respect of Energy Aid Payments from the Rural Payments Agency ('RPA')

2 4 These monies had been held by Barclays pending the RPA's final audit of deliveries under the scheme, which was completed during February 2011 and confirmed that the bond could finally be released

2 5 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 directly to the bond providers ('Growers')

2 6 It was therefore anticipated that the majority of monies would be returned directly to the Growers and funds deposited by Bical (as opposed to deposits made directly by growers) amounting to €40,000 would be refunded to me In September 2011 Barclays advised that they were not able to pay the growers directly and further information came to light suggesting that the mechanisms of how the BGI deposit was made were different to those previously advised to me

2 7 As referred to in my previous report, I sought legal advice and then that of a specialist Counsel who confirmed that the monies could not be identified clearly as 'trust monies' and upon their advice the matter was referred to Court for directions in September 2012 The Court ordered that the matter be adjourned to a full hearing on 6 December 2012

2 8 In order to ensure that the Growers, who comprised of some 60 participants, had fair representation, the Grower with the largest sum deposited, Thrupp Farming, was joined as a representative Respondent to give evidence in the matter

2 9 At the hearing the Registrar concluded that the monies were held on trust for the Growers The monies, which are currently being held by my solicitors, DAC Beachcroft, will be transferred into a newly created distribution account shortly, from which they will be returned on a pro-rata basis to the Growers, less costs agreed by the Court, as outlined below

	£
Thrupp Farming legal costs	4,610
Administrator's legal costs	13,500
Administrator's time costs regarding the BGI fund	9,000
	27,110

2 10 The above fees are net of VAT, which will be recovered by the parties independently

2 11 As advised in my previous report, included within the monies were funds deposited by Bical These amount to €36,509 67. The Court ordered that these monies would be paid to me on the same pro-rata basis as applied to the Growers

3.0 Administrator's Remuneration

3 1 The Creditors approved that the basis of the Administrator's remuneration be fixed either by reference to the time properly spent by him and his staff in managing the Administration

3 2 My time costs for the period from 11 April 2012 are £4,333 34 This represents 38 98 hours at an average rate of £111 17 per hour

3 3 Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Administration. To date, £40,000 plus disbursements of £1,405 21 have been drawn on account, these being the limit on fees originally agreed by the chargeholder and preferential creditors £7,500 relates to time spent investigating the status of the RPA bond monies These will be met separately from these monies together with the estimated costs to distribute the funds of £1,500 My total time costs relating to the Administration are £113,193.

3 4 Also attached as Appendix C is a cumulative Time Analysis for the period from 23 November 2009 to 22 November 2012 which provides details of my time costs since appointment, together with explanatory notes

3 5 Attached as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

3 6 I have not drawn further fees despite authorisation to do so as the funds available from which these may be drawn are not known at the present time Legal fees incurred in relation to the ROT trial and Trust issues have not been finalised and, until the final legal costs are known, it is not possible to determine what fees may be drawn

4.0 Estimated outcome for creditors

Secured Creditors

4 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

4 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

4 3 Clydesdale Bank Plc holds a fixed and floating charge over the Company's assets At the date of the Administration the indebtedness to the secured creditor was estimated at £96,171 Since that time a distribution under the Bank's fixed charge of £7,000 has been made and I am advised that the guarantors have discharged an element of the Bank's debt

Preferential Creditors

4 4 A summary of preferential claims is detailed below

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid to date £
Employee claims	6,165 00	36,790	Nil
Department for Business Innovation & Skills (BIS)	27,218 67		Nil

4 5 Whilst it was initially thought that preferential creditors would be paid in full, as a result of the decision in the ROT trial and the hearing relating to RPA bond monies the prospects of the payment of a dividend to the preferential creditors is very low

Unsecured Creditors

4 6 Claims from 360 creditors have been received amounting to £12,714,936 The statement of affairs disclosed that the company had 318 creditors owed a total of £4,192,055 The difference relates principally to a claim in excess of £9 million from EDF for breach of contract These figures do not take into account any claims arising from 'multiplication contracts' and similar commitments

4 7 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

4 8 Whilst the final position regarding costs associated with the litigation has not yet been determined, the costs of defending the litigation means that a prescribed part distribution in this case is considered unlikely

5.0 Ending the Administration

5 1 Typically, administrations automatically end after one year However, in view of the ROT litigation and recent Court hearing relating to RPA bond matter, the Administration was extended for a third time on 4 May 2012 extending the period of the Administration to 22 May 2013

5 2 It is anticipated that the exit from administration will be by dissolution

5 3 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect

6.0 Next report

6 1 The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it

For and on behalf of
Biomass Industrial Crops Limited

Timothy Alexander Close
Administrator

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

Statement of Affairs		From 11/04/2012 To 22/11/2012	From 23/11/2009 To 22/11/2012
	SECURED ASSETS		
9,995 00	Goodwill	NIL	9,995 00
5,003 00	Intellectual Property	NIL	5,003 00
		NIL	14,998 00
	SECURED CREDITORS		
(96,171 00)	Clydesdale Bank	NIL	7,000 00
		NIL	(7,000 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	45 30	436 90
	Sundry Refunds	NIL	8,864 35
		45 30	151,870 38
	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	52,361 64
	Corporation Tax	NIL	75 39
	Storage Costs	NIL	727 49
	Re-Direction of Mail	NIL	104 00
	Statutory Advertising	NIL	208 80
	Insurance of Assets	NIL	12,725 94
		NIL	(111,768 47)
68,829.00		**45.30**	**48,099.91**
	REPRESENTED BY		
	Vat Receivable		17,023 62
	Bank 1 Current		31,076 29
			48,099 91

Timothy Alexander Close
Administrator

Notes

This estate is VAT registered and therefore VAT should be recoverable

No dividends have been paid to preferential or unsecured creditors
No dividends have been paid to creditors

Biomass Industrial Crops Limited
Time and disbursement analysis
For the period 11 April 2012 to 22 November 2012

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg Hourly Rate (£)
Administration & planning	1 15	2 80	1 00	1 05	6 00	697 70	116 28
Investigations	0 00	0 70	0 00	0 10	0 80	93 80	117 25
Realisations	0 00	0 00	0 00	1 60	1 60	100 20	62 63
Creditors	0 25	0 00	6 00	2 48	8 73	430 74	49 34
RoT Trial and RPA Bond	7 75	8 20	5 80	0 10	21 85	3,010 90	137 80
Total time	9 15	11 70	12 80	5 33	38 98	4,333 34	111 17

Disbursements

Photocopying	7 00
Mailing Fee (Insolvency)	73 20
Archive Management (Insolvency	1 12
Total disbursements	81 32
Amount from previous period(s)	118,914 92
Grand Total	**123,329.58**

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

Biomass Industrial Crops Limited
Time and disbursement analysis
For the period 23 November 2009 to 22 November 2012

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg Hourly Rate (£)
Administration & planning	18 41	164 45	31 35	164 25	378 46	30,989 25	81 88
Investigations	4 80	16 60	15 50	5 45	42 35	3,816 20	90 11
Realisations	154 50	35 20	1 85	17 50	209 05	36,891 55	176 47
Creditors	82 70	92 30	55 00	101 98	331 98	35,109 54	105 76
VA monitoring and default	0 00	0 00	2 50	0 00	2 50	87 50	35 00
RoT Trial and RPA Bond	17 85	63 00	5 80	1 60	88 25	12,194 20	138 18
Fixed charge realisations	1 50	8 90	2 90	1 90	15 20	1,605 10	105 60
Total time	279 76	380 45	114 90	292 68	1,067 79	120,693 34	113 03

Disbursements

Faxes	7 00
Photocopying	112 90
Travel Costs	36 60
Mileage	97 19
Mailing Fee (Insolvency)	1,923 40
Copy Print Costs	612 62
Archive Management (Insolvency	81 53
Company Searches	10 00
Total disbursements	2,881 24
Grand Total	**123,329.58**

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

Additional Information in relation to Administrator's fees pursuant to Statement of Insolvency Practice 9 **Appendix E**

Policy

Detailed below is Milsted Langdon LLP's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

Staff Allocation and the use of Sub-contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment The charge out rate schedule below provides details of all grades of staff and their experience level

Professional Advisors

On this assignment we have used the professional advisors listed below We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Beachcroft LLP (legal advice)	Hourly rate and disbursements
Edward Symmons LLP (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

Disbursements

Category 1 disbursements do not require approval by creditors The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage

On this case the following costs have been incurred

Disbursement	Charge
Archive storage	55p per box per week
Faxes	20p per sheet
Internal room hire for creditors' meetings	£70
Mailing Fees (including postage, per item)	
Large	80p
Small	60p
Large - over 20 pages	£1 00
For IVA Proposals	£3 25
Mileage	45p per mile
Photocopies	10p per sheet
Record boxes	£1 50 per box

Charge-out Rates

A schedule of Milsted Langdon LLP charge-out rates for this assignment effective from 1 May 2012 is detailed below

	(Per Hour) £
Partner	220-240
Manager	168
Administrator	84-115
Support Staff	28-63