

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 <small>(full name of court)</small>

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 2012

To
(b) 15 February 2013

Signed


~~Joint~~ Administrator(s)

Dated

15/2/13.

COMPANIES HOUSE

SATURDAY



A07 *A22C1WD4* 16/02/2013 #252

**ADMINISTRATOR'S FINAL PROGRESS
REPORT
FOR THE PERIOD
23 NOVEMBER 2012 TO 15 FEBRUARY
2013**

**BIOMASS INDUSTRIAL CROPS
LIMITED -
IN ADMINISTRATION**

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

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BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

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 23 November 2012 to 15 February 2013 This also includes a cumulative Receipts and Payments Account for the period from 23 November 2009 to 15 February 2013.
- 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:

23 November 2011	Sale of all assets and goodwill	£150,000 paid	Renewable Energy Crops Limited	Connected by shareholders

- 2.3 Included within the receipts and payments account is an amount of £9,750 which represents a contribution to legal costs arising from the RoT trial.

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- 2 4 In my last report I gave details of a further, and final, realisation - of the monies held in a Bond Guarantee Indemnity ('BGI') in respect of Energy Aid Payments from the Rural Payments Agency ('RPA'). The realisation, net of fees as outlined in my last report, amounted to £20,348.88

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 23 November are £5,160 31 This represents 52 22 hours at an average rate of £98.82 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 Total fees of £77,400 plus disbursements of £3,202.69 have been drawn on account, these being the limit on fees agreed by the chargeholder and preferential creditors £9,000 related to time spent investigating the status of the RPA bond monies. These costs were recovered separately from the RPA bond monies My total time costs relating to the Administration are £125,853.65 My remaining time costs will be written off
- 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

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

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 been notified of a shortfall in relation to the collection/disposal of the plant, but in the event that there was a shortfall it would 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.

Employee claims	6,165 00	}	Nil
Department for Business Innovation & Skills (BIS)	27,218 67		Nil
		36,790	

- 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 no payment was made to preferential creditors.

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

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 were insufficient funds with which to pay a dividend to non-preferential creditors. I have therefore not pursued or agreed any non preferential unsecured claims.

5.0 Ending the Administration

- 5.1 As all funds have now been distributed it is now my intention to move the Company straight to dissolution in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986. Notice to the Court and the Registrar of Companies has been provided with this report. Once filed the Administrator's appointment will cease to have effect, and the Company will be dissolved three months from filing.
- 5.2 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.

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 23/11/2009 To 15/02/2013	From 23/11/2009 To 15/02/2013
	SECURED ASSETS		
9,995 00	Goodwill	9,995 00	9,995 00
5,003 00	Intellectual Property	5,003 00	5,003 00
		<u>14,998.00</u>	<u>14,998 00</u>
	SECURED CREDITORS		
(96,171 00)	Clydesdale Bank	7,000 00	7,000 00
		<u>(7,000 00)</u>	<u>(7,000 00)</u>
	ASSET REALISATIONS		
50,000 00	Plant & Machinery	50,001 00	50,001 00
1 00	Furniture & Equipment	NIL	NIL
65,001 00	Stock -	65,001 00	65,001 00
20,000 00	Book Debts	20,000 00	20,000 00
15,000 00	Investment in Subsidiary	7,500 00	7,500 00
	Cash at Bank	67 13	67 13
	Cash held with third parties	9,750 00	9,750 00
	Refund of RPA deposit monies	20,348 88	20,348 88
	Bank Interest Gross	449 88	449 88
	Sundry Refunds	8,864 35	8,864 35
		<u>181,982 24</u>	<u>181,982 24</u>
	COST OF REALISATIONS		
	Specific Bond	312 00	312 00
	Office Holder's Fees	77,400.00	77,400 00
	Office Holder's Expenses	3,465 02	3,465 02
	Agents/Valuers Fees	3,900 00	3,900 00
	Legal Fees	91,061 60	91,061 60
	Corporation Tax	75 39	75 39
	Storage Costs	727 49	727 49
	Re-Direction of Mail	104 00	104 00
	Statutory Advertising	208 80	208 80
	Insurance of Assets	12,725 94	12,725 94
		<u>(189,980 24)</u>	<u>(189,980 24)</u>
<u>68,829.00</u>		<u>0.00</u>	<u>0.00</u>

REPRESENTED BY

NIL



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 23 November 2012 to 15 February 2013

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	3 40	12 50	5 20	5 70	26 80	2,821 00	105 26
Realisations	0 00	0 00	0 00	1 90	1 90	105 70	55 63
Creditors	0 75	0 40	2 20	9 17	12 52	836.91	66 85
RoT Trial and RPA Bond	0 95	8 70	1 35	0 00	11 00	1,396 70	126 97
Total time	5 10	21 60	8 75	16 77	52 22	5,160 31	98 82
Disbursements							
Faxes							
Travel Costs						2 50	
Mailing Fee (Insolvency)						92 00	
Archive Management (Insolvency)						251 69	
Accrued Disbursements						0 67	
						11 19	
Total disbursements						<u>358 05</u>	
Amount from previous period(s)						123,318 39	
						<u>Grand Total</u>	
						<u>128,847.94</u>	

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 15 February 2013

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	21 81	176 95	36 55	169 95	405 26	33,810 25	83 43
Investigations	4 80	16 60	15 50	5 45	42 35	3,816 20	90 11
Realisations	154 50	35 20	1 85	19 40	210 95	36,997 25	175 38
Creditors	83 45	92 70	57 20	111 15	344 50	35,946 45	104 34
VA monitoring and default	0 00	0 00	2 50	0 00	2 50	87 50	35 00
RoT Trial and RPA Bond	18 80	71 70	7 15	1 60	99 25	13,590 90	136 94
Fixed charge realisations	1 50	8 90	2 90	1 90	15 20	1,605 10	105 60
Total time	284 86	402 05	123 65	309 45	1,120 01	125,853 65	112 37

Disbursements

Faxes	9 50
Photocopying	112 90
Travel Costs	128 60
Mileage	97 19
Mailing Fee (Insolvency)	2,175 09
Copy Print Costs	612 62
Archive Management (Insolvency)	82 20
Company Searches	10 00
Accrued Disbursements	11 19
Total disbursements	3,239 29
Grand Total	128,847 94

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

BIOMASS INDUSTRIAL CROPS LIMITED - IN ADMINISTRATION

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

Appendix D

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.

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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