

Rule 1.26/
1.54

The Insolvency Act 1986
Notice to Registrar of
Companies of Supervisor's
Abstract of Receipts and
Payments
Pursuant to Rule 1.26(2)(b) or
Rule 1.54 of the
Insolvency Rules 1986

R.1.26(2)(b)/ R.1.54

For Official Use

To the Registrar of Companies

Company Number

4300824

Name of Company

Biofuels Corporation Trading Ltd

I / We
 Howard Smith
 1 The Embankment
 Neville St
 Leeds
 LS1 4DW

Mark Granville Firmin
 1 The Embankment
 Neville St
 Leeds
 LS1 4DW

supervisor(s) of a voluntary arrangement taking effect on

11 December 2009

present overleaf my/our abstract of receipts and payments for the period from

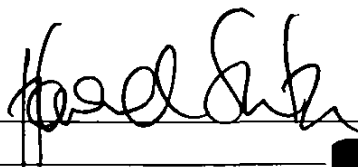
11 December 2010

to

10 December 2011

Number of continuation sheets (if any) attached

Signed



Date

19/1/12

KPMG LLP
 1 The Embankment
 Neville St
 Leeds
 LS1 4DW

Ref B9B27F3053/SPC/SB/SR

THURSDAY



A20 09/02/2012 #300

COMPANIES HOUSE

A42 06/01/2012 #257

COMPANIES HOUSE

Room

RECEIPTS		£
Brought forward from previous Abstract (if any)		2,164,381 55
Bank interest, gross		482 23
Insurance Refund		4,236 43
Floating ch VAT control		14,012 36
Carried forward to * continuation sheet / next abstract		2,183,112 57
PAYMENTS		£
Brought forward from previous Abstract (if any)		1,884,671 11
Non-executive director Settlement		9,000 00
Supervisors' fees		60,000 00
Legal fees - Eversheds		10,000 00
Legal Disbursements - Eversheds		61 79
Statutory advertising		67 50
Bank charges		25 00
Floating ch VAT rec'able		14,025 86
Carried forward to * continuation sheet / next abstract		1,977,851 26

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed

**Biofuels Corporation Trading Limited
under a Company Voluntary
Arrangement (“CVA”) (“the Company”)**

**Report to Creditors pursuant to
Rule 1.26 (2) of the Insolvency
Rules 1986**

KPMG LLP
19 January 2012

© 2012 KPMG LLP, a UK limited liability partnership, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved.

Notice: About this Report

This Report has been prepared by Howard Smith and Mark Firmin, the Joint Supervisors of Biofuels Corporation Trading Limited, solely to comply with their statutory duty to report to members and creditors under Rule 1.26 (2) of the Insolvency Rules 1986, and to provide an account of progress to date of the Company Voluntary Arrangement, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of, or any financial interest in, Biofuels Corporation Trading Limited. Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this Report for any purpose, or in any context other than under Rule 1.26 (2) of the Insolvency Rules 1986, does so at its own risk. To the fullest extent permitted by law, the Joint Supervisors do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. Mark Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. The appointments of the Joint Supervisors are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Company Voluntary Arrangement.

Glossary

CVA	Company Voluntary Arrangement
the Company	Brofuels Corporation Trading Limited – Under a Company Voluntary Arrangement
the Directors	Richard Nickels and Neil McLoughlin
the Joint Supervisors	Howard Smith and Mark Firmin

Contents

1	Introduction	1
2	Asset Realisations	1
3	Costs of realisations	1
4	Estimated Outcome for Creditors	3
5	Variation	4
6	Outstanding Matters	4
	Appendix 1 – Receipts and payments account for the period 11 December 2010 to 10 December 2011	6
	Appendix 2 – Form 1.3 – Joint Supervisors’ statutory account of Receipts and Payments	7
	Appendix 3 – Joint Supervisors’ time costs and expenses as at 10 December 2011	8
	Appendix 4 - Charge out rates	9

In the High Court of Justice

Newcastle Combined Court no. 5683 of 2009

**In the matter of Biofuels Corporation Trading Limited under a
Company Voluntary Arrangement ("CVA") ("the Company")**

and in the matter of the Insolvency Act 1986

**Joint Supervisors' annual report pursuant to Rule 1.26(2) of the
Insolvency Rules 1986**

1 Introduction

We attach at Appendix 1 and 2 a copy of the Joint Supervisors' annual summary of Receipts and Payments in the CVA for the period 11 December 2010 to 10 December 2011. This report provides a summary of the progress of the CVA to 10 December 2011 and should be read in conjunction with Appendix 1 and Appendix 2.

Unless stated otherwise all amounts in this report are stated net of VAT.

2 Asset Realisations

2.1 Bank Interest, Gross

Interest of £482.23 was earned on monies held in the voluntary arrangement account.

2.2 Insurance Refunds

The sum of £4,236.43 was received from Aviva Life & Pensions UK Ltd in respect of overpaid premiums on the cancelled scheme.

3 Costs of realisation

3.1 Non executive director settlement

As previously reported, the Company received claims from former non-executive directors and consultants in relation to the priority and the quantum of their claims in the CVA. The former non-executive directors and consultants were claiming that they are entitled to the enhanced creditor dividend on the same basis as the Company's employees. Following a review of these claims by Eversheds LLP, the Joint Supervisors were advised that they

were not entitled to rank with the Company's enhanced employee claims and they suggested that these claims be treated as unsecured claims in the CVA.

On 26 November 2010 an offer of settlement was received from one of the former non-executive directors and the second non-executive director also agreed to accept settlement on the same basis. The Joint Supervisors wrote to all creditors on the day of receipt of this offer inviting them to form a Creditors' Committee at the proposed meeting of creditors on 6 December 2010 with the sole purpose of dealing with these claims. Unfortunately only one creditor at the meeting and by proxy was willing to sit on a Committee. The Joint Supervisors therefore in accordance with the terms of the CVA Proposal, wrote to the Company's five largest creditors as per the Directors' statement of affairs appended to the CVA proposal to seek their opinion on how best to proceed with this matter. The creditors voted in favour of the settlement.

As a result a total sum of £9,000 was paid to the two former non-executive directors in settlement of their claims.

3.2 Supervisors' remuneration and expenses

In accordance with the terms of the CVA the Joint Supervisors' remuneration is fixed on the basis of time properly spent by them and their staff in dealing with matters arising in the CVA. Attached at Appendix 3 and Appendix 4 is a detailed analysis of the time spent and charge out rates for each grade of staff for work carried out during the period 11 December 2010 to 10 December 2011.

During this period the Joint Supervisors' incurred time costs of £72,721.55 representing 312.98 hours at an average rate of £232.35 per hour. This includes tax and VAT advice from KPMG LLP in-house specialists.

These time costs have exceeded the Joint Supervisors' original estimate due to the following reasons:

- dealing with significant amounts of correspondence from the Company's creditors regarding the agreement of unsecured claims
- dealing with ongoing VAT duties and matters
- seeking a variation to the original terms of the CVA proposal so as to allow the CVA be fully implemented

Please note that all staff who have worked on this assignment including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. However the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

Further information is given in the Association of Business Recovery Professionals Publication A Creditors' Guide to Fees in a Voluntary Arrangement, which can be obtained from

<https://www.13.org.uk/uploads/sip/INTFRIM%20SIP9%20April%202010.pdf>

However, if you are unable to access this guide and would like a copy then please contact Sandila Samee on 0161 246 4099

During the period fees of £60,000 have been drawn by the Joint Supervisors bringing fees to date to £100,000. No disbursements have been drawn by the Joint Supervisors.

Please note that the Joint Supervisors' basis of fees was approved as per Paragraph 14.1 of the CVA Proposal, however there are insufficient funds available to recover all time costs incurred. It is anticipated that a further £40,000 will be drawn as Supervisors' fees.

Any further fees drawn will be detailed in my final report which will be issued on completion of the arrangement.

3.3 Legal fees and disbursements

Eversheds LLP have provided the Joint Supervisors with ongoing advice in relation to the agreement of claims and the implementation of the CVA.

The Joint Supervisors have paid Eversheds LLP legal fees and disbursements of £10,000 and £61.70 respectively during this period.

3.4 Statutory Advertising

The sum of £67.50 was paid to Legal & Public Notices Advertising Agency for advertising the Notice of Intended Dividend in the London Gazette.

3.5 Bank Charges

A transfer fee of £25 was incurred for the payment of the Joint Supervisors' fees by bank transfer.

4 Estimated Outcome for Creditors

4.1 Enhanced creditors

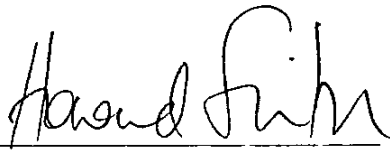
As previously advised, all enhanced claims for holiday pay and arrears of wages have been paid in line with the Compromise Agreements detailed in Paragraphs 8.11-8.16 of the CVA Proposal and as per the Compromise Agreements which had been completed and made available at the creditors meeting held on 11 December 2009.

A first and final distribution of 100p in the £ was made to the enhanced creditors on 24 February 2010. The agreed enhanced claims which have been paid within the CVA total £544,736.

As referred to above, following the payment of the enhanced dividend to the Company's employees the Joint Supervisors were contacted by two former non-executive directors and consultants who were claiming entitlement to the enhanced dividend. A further £9,000 has been paid in settlement of these claims.

I anticipate that the CVA will be closed by the end of this year

Any queries in relation to the above should be directed to Sandila Samee on 0161 246 4099

Signed 

Dated 19 January 2012

H Smith
Joint Supervisor

**Appendix 1 – Receipts and payments account for the
period 11 December 2010 to 10 December 2011**

**Voluntary Arrangement of
Biofuels Corporation Trading Ltd**

Statement of Affairs	From 11/12/2010 To 10/12/2011	From 11/12/2009 To 10/12/2011
ASSET REALISATIONS		
Stock	NIL	1 766 205 39
Non-refundable Deposit	NIL	NIL
Carbon Credits	NIL	97 975 79
	NIL	1 864 181 18
OTHER REALISATIONS		
Bank interest gross	482 23	905 54
Insurance Refund	4 236 43	4 236 43
Sundry refunds	NIL	166 67
	4 718 66	5 308 64
COST OF REALISATIONS		
Non-executive director Settlement	9 000 00	9 000 00
Supervisors' fees	60 000 00	100 000 00
HSBC Equipment Finance Limited	NIL	1 316 25
Legal fees - Eversheds	10 000 00	45 000 00
Legal Disbursements - Eversheds	61 79	178 19
Legal Fees - Jacksons Law	NIL	1 995 00
Legal Fees - Ward Hadaway	NIL	1 944 00
Nominees fees	NIL	2 500 00
PWC Nominees fee	NIL	27 500 00
Nominees Disbursements	NIL	3 402 44
Carbon Credits Commission	NIL	24 492 45
Statutory advertising	67 50	67 50
Bank charges	25 00	201 00
	(79 154 29)	(217 596 83)
DISTRIBUTIONS		
Simon Storage Limited	NIL	883 092 72
Compromise Agreements	NIL	544 736 00
	NIL	(1 427 828 72)
	(74,435 63)	224 064 27
REPRESENTED BY		
Floating ch - VAT reclaimable		13 50
Floating charge current		205 261 31
Floating ch - VAT control		18 789 46
		224 064 27

**Appendix 2 – Form 1.3 – Joint Supervisors’ statutory
account of Receipts and Payments**

RECEIPTS		£
Brought forward from previous Abstract (if any)		2,164,381 55
Bank interest, gross		482 23
Insurance Refund		4,236 43
Floating ch VAT control		14,012 36
Carried forward to * continuation sheet / next abstract		2,183,112 57
PAYMENTS		£
Brought forward from previous Abstract (if any)		1,884,671 11
Non-executive director Settlement		9,000 00
Supervisors' fees		60,000 00
Legal fees - Eversheds		10,000 00
Legal Disbursements - Eversheds		61 79
Statutory advertising		67 50
Bank charges		25 00
Floating ch VAT rec'able		14,025 86
Carried forward to * continuation sheet / next abstract		1,977,851 26

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed

Appendix 3 – Joint Supervisors' time costs and expenses as at 10 December 2011

	Partner / Director	Manager	Administration	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (cashiering)	0 30	0 20	1 70		2 20	£533 50	£242 50
Reconciliations (& IPS accounting reviews)			1 30		1 30	£266 50	£205 00
General							
Books and records			0 50		0 50	£87 50	£175 00
Fees and WIP	0 30	0 50			1 20	£520 50	£433 75
Statutory and compliance							
Appointment and related formalities		0 10			0 10	£34 50	£345 00
Checklist & reviews	3 00	4 60	19 00		26 60	£6 660 00	£250 38
Closure and related formalities		0 40			0 40	£170 00	£425 00
Pre-appointment checks			1 70		1 70	£297 50	£175 00
Statutory advertising			0 20		0 20	£35 00	£175 00
Statutory receipts and payments accounts	1 20	0 30	0 40		1 90	£749 50	£394 47
Statutory documents	0 50	6 70	9 70		16 90	£4 775 00	£282 54
Tax							
Post-appointment corporation tax		1 50	5 40		6 90	£1 595 50	£231 23
Post-appointment VAT		9 00	22 50		31 50	£7 548 50	£239 63
Creditors							
Committees							
Reports			0 70		0 70	£122 50	£175 00
Creditors and claims							
Agreement of preferential claims	2 00				2 00	£920 00	£460 00
Agreement of unsecured claims		20 80	117 70		138 50	£29 437 50	£212 55
General correspondence	0 60	11 40	25 40		37 40	£8 585 00	£232 25
Legal claims			7 50		7 50	£1 312 50	£175 00
Payment of dividends			2 10		2 10	£367 50	£175 00
Statutory reports	1 63	9 00	18 10	0 75	28 98	£7 632 05	£270 26
Investigation							
Directors							
Correspondence with directors			4 40		4 40	£770 00	£175 00
Total in period					312 98	£72 721 55	£232 35
Pre-appointment time (if any irrecoverable)					1 00	£165 00	
Brought forward time (appointment date to SIP2 period start date)					778 05	£202 706 25	
SIP2 period time (SIP2 period start date to SIP2 period end date)					312 98	£72 721 55	
Carry forward time (appointment date to SIP2 period end date)					1 091 03	£275 427 80	

Appendix 4 - Charge out rates

	Restructuring £	Tax £	VAT £	Pensions £
Partner	515	595	865	745
Director	440	535	775	670
Senior Manager	405	375-470	545-680	470-590
Manager	320	255-305	370-435	320-385
Administrator	225	185-220	270-315	235-275
Assistant Administrator	165	85-185	120-235	110-235

	Hourly rate from	
	1 April 2009 to 30 September 2010 £	1 October 2010 £
Partner	515	535
Director	440	460
Senior Manager	405	425
Manager	320	345
Senior Administrator	225	240
Administrator	165	175
Support	105	110