

The Insolvency Act 1986

Administrator's progress report

Name of Company
BrabCo 670 Limited previously V-Fuels Biodiesel Limited

Company number
05402305

In the
HM High Court of Justice, Newcastle upon Tyne District Registry
[full name of court]

Court case number
1136 of 2009

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

I / We (a) **Steven Philip Ross of RSM Tenon Recovery, Tenon House, Ferryboat
 Lane, Sunderland, Tyne and Wear, SR5 3JN and Robert Christopher Keyes of RSM
 Tenon Recovery, Aquarium, 1-7 King Street, Reading, Berkshire, RG1 2AN**

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

(b) Insert dates

from

to

(b) **6 April 2009**

(b) **18 March 2010**

Signed

[Signature]
 Joint / Administrator(s)

Dated **18 March 2010**

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

**RSM Tenon Recovery, Tenon House, Ferryboat Lane, Sunderland, Tyne
 and Wear, SR5 3JN**

Tel **+44 (0)191 511 5000**

DX Number **711918**

DX Exchange **Sunderland 7**

When you have completed and signed this form please send it to the Registrar of Companies at
 Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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PC1

30/03/2010

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COMPANIES HOUSE

TUESDAY

Private and Confidential

To all known creditors and members of
BrabCo 670 Limited previously V-Fuels Biodiesel Limited

RSM Tenon Recovery
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Tyne and Wear SR5 3JN
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Our ref: SPR/SJB/5002281
Your ref
18 March 2010

When telephoning or e-mailing please contact Steven Brown on +44 (0)191 511 5000 or steven.brown@rsmtenon.com

Dear Sirs

BrabCo 670 Limited previously V-Fuels Biodiesel Limited ("the Company") – In Administration

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("the Rules"), I would like to provide creditors with my final report following my appointment as Joint Administrator on 6 April 2009

1. Statutory Information

Statutory information relating the Company and the appointment is attached to this report, as **Appendix I**

2. Joint Administrators' Proposals

The Joint Administrators' proposals were approved by creditors pursuant to Rule 2 33(5) of the Rules

In accordance with Rule 2 110(2)(a) of the Rules, a copy of these proposals is attached to this report, as **Appendix II**

I can confirm that during the course of the Administration there were no material amendments to or deviations from these proposals

3. Administration Strategy

The strategy of the Administration was outlined in detail in my initial and subsequent report to creditors. I would summarise as follows

The objective of the Administration was to realise property in order to make a distribution to one or more secured or preferential creditors

Regrettably, it was concluded that circumstances did not allow the Joint Administrators to consider a period of trading and the Company ceased to trade. An early sale of the Company's business and assets was, however, completed on 6 April 2009, this was considered to be in the best interests of creditors as a whole

TUESDAY

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30/03/2010

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COMPANIES HOUSE

Recovery and Insolvency services are provided through RSM Tenon Limited and our Insolvency Practitioners are authorised to act in this capacity by individual licensing bodies. RSM Tenon Limited is a subsidiary of RSM Tenon Group PLC. Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability.

RSM Tenon Limited is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office: 56 Chiltern Street, London W1U 4GB, England.



Committed to the efficient
use of natural resources

The purpose of the Administration was achieved since as the certain of the proceeds from the realisation of the Company's assets have been set aside to discharge part of the debt of the secured creditors

4. Joint Administrators' Abstract of Receipts and Payments

Attached, as **Appendix III**, is the Joint Administrators' Abstract of Receipts and Payments for the period from 6 April 2009 to 18 March 2010 I would comment specifically as follows

4.1. Assets Subject to Fixed Charge

Assets including goodwill, freehold land and buildings and fixed plant and machinery were sold to BF SPV Limited, Four Rivers Biofuels Limited previously FamenCo Limited and BF IP SPV Limited on 6 April 2009 for total consideration of £10 00

The assets were subject to a fixed charge in favour of Capita Trust Company Limited as Security Trustee on behalf of a number of beneficiaries BF SPV Limited, Four Rivers Biofuels Limited previously FamenCo Limited and BF IP SPV Limited are connected to the certain beneficiaries of the Security Trustee by virtue of common control

4.2. Plant and Machinery, Motor Vehicles and Equipment

Certain of the Company's plant and machinery, motor vehicles and equipment was sold to Four Rivers Biofuels Limited previously FamenCo Limited on 6 April 2009 for consideration of £164,501 00

James Sutherland (Auctioneers) Limited have been instructed to dispose of the remaining assets although I do not anticipate any significant realisations in respect of the same

4.3. Trade Debtors

£1,837 25 was received in respect of the Company's trade debtors

4.4. Cash at Bank

£132,738 61 was received on the closure of the Company's bank account

4.5. Administration Surplus

There is a surplus from the Administration process of £209,802 60

5. Outcome to Creditors

5.1. Fixed Charge Creditors

A debenture was granted in favour of Capita Trust Company Limited (as Security Trustee) on 28 March 2008

The secured creditors' indebtedness has not been fully repaid under the terms of their fixed charge over certain of the Company's assets. The secured creditors are, therefore, relying on their floating charge over the remaining assets of the Company's for the part repayment of the shortfall under their fixed charge

This is subject to a prescribed part fund being set aside specifically for unsecured creditors (see below)

5.2. Preferential Creditors

No distributions were made to preferential creditors during the Administration process as it was considered that a subsequently appointed Liquidator could better deal with this

It is envisaged that preferential creditors will be repaid in full, subject to the final claims received

5.3. Floating Charge Creditors

No distribution was made to floating charge creditors during the Administration process as it was considered that a subsequently appointed Liquidator could better deal with this

It is estimated that there will be a distribution to floating charge creditors in the sum of £116,991 36

5.4. Unsecured Creditors and the Prescribed Part

Since the debenture in favour of Capita Trust Company Limited (as Security Trustee) follows the commencement of the provisions of Section 176A of the Insolvency Act 1986 ("the Act"), the Joint Administrators are required to set aside a "Prescribed Part" fund specifically for unsecured creditors. The prescribed part set aside in accordance with Section 176A of the Act is estimated to be £32,997 84

No distribution was made to unsecured creditors during the Administration process as the Joint Administrators considered it more appropriate to deal with this through a Liquidation process

It is envisaged that there will be a distribution to unsecured creditors of less than 1p in £1 00, subject to final claims received

6. End of Administration

The Joint Administrators' proposals included the provision to end the Administration through a move into Creditors' Voluntary Liquidation. Furthermore, no nominations for the appointment as Liquidator were received and, as such, the current Joint Administrators will become the Joint Liquidators, in accordance with Paragraph 3(7) of Schedule B1 of the Act

The Administration will cease to be effective from the date Form 2 34B "Notice of move from administration to creditors' voluntary liquidation" is filed at Companies House. In accordance with the resolution passed by creditors, the Joint Administrators' release from liability will take effect within 14 days of the filing of Form 2 34B

7. Remuneration

The Joint Administrators' proposals included the provision to be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company. The Joint Administrators have sought agreement for such remuneration from each of the secured creditors and 50% of the preferential creditors pursuant to Rule 2 106(5A) of the Rules

The Joint Administrators' time costs to date amount to £56,256 50 plus disbursements of £309 00. In accordance with Statement of Insolvency Practice 9, I have attached, at **Appendix IV**, a breakdown of these time costs. Of these costs, remuneration of £55,000 00 and disbursements of £309 00 have been drawn to date.

8. Further Information

Should you have any queries or wish to discuss please do not hesitate to contact Steven Brown on the number at the head of this report.

Yours faithfully
For and on behalf of
BrabCo 670 Limited previously V-Fuels Biodiesel Limited



Steven P Ross

Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Company Information

Company Name	BrabCo 670 Limited previously V-Fuels Biodiesel Limited
Company Number	05402305
Registered Office	Tenon House Ferryboat Lane Sunderland Tyne and Wear SR5 3JN
Trading Address	Cambois Bedlington Northumberland NE22 7BA

Appointment Details

Joint Administrators	Steven Philip Ross and Robert Christopher Keyes of RSM Tenon Recovery
Joint Administrators' Address	c/o RSM Tenon Recovery Tenon House Ferryboat Lane Sunderland Tyne and Wear SR5 3JN
Date of Appointment	6 April 2009
Court	HM High Court of Justice, Newcastle upon Tyne District Registry
Court Reference	1136 of 2009
Appointed by	Directors
Functions	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Joint Administrators acting jointly or alone
EC Regulations	The Company's Registered Office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation as
Extensions	The Joint Administrators have not sought an extension to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment

BrabCo 670 Limited previously V-Fuels Biodiesel Limited – In Administration

Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), Steven Philip Ross and Robert Christopher Keyes the Joint Administrators ("Administrators") of BrabCo 670 Limited previously V-Fuels Biodiesel Limited ("the Company"), make the following proposals for achieving the purpose of the Administration

These proposals and the attached report to creditors together set out the information required by and discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules.

An initial meeting of creditors has not been summoned pursuant to Paragraph 52(1)(b) since the Administrators consider that the company has insufficient property to enable a distribution to be made to unsecured creditors.

Proposals

The Administrators propose that

- (a) They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
 - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company.
 - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals, and
- (b) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below. If necessary, the Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.
- (c) If the Administrators consider that there will be no distribution to creditors who are neither secured nor preferential, and if they also consider that an exit from the Administration into compulsory liquidation is not appropriate, then the Administrators be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 to the Act
- (d) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrators be authorised to take steps to place the Company into whichever

liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved.

- (e) Upon the Company either proceeding into Creditors Voluntary Liquidation or dissolution as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution
- (f) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties
- (g) The Administrators shall be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors the Administrators' remuneration will be agreed with the secured creditors and, if appropriate, the preferential creditors
- (h) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators.



Steven Philip Ross
Joint Administrator

28 May 2009

Appendix III

Joint Administrators' Abstract of Receipts and Payments

BrabCo 670 Limited previously V-Fuels Biodiesel Limited
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
To 18 March 2010

	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
Goodwill	1 00		1 00
Other intangible assets	6 00		6 00
Freehold land and buildings	1 00		1 00
Other tangible assets	1 00		1 00
Investments	1 00		1 00
Plant and machinery		145,000 00	145,000 00
Motor vehicles		19,500 00	19,500 00
Equipment		1 00	1 00
Trade debtors		1,837 25	1,837 25
Cash at bank		132,738 61	132,738 61
Bank interest receivable		223 99	223 99
	<u>10 00</u>	<u>299,300 85</u>	<u>299,310 85</u>
PAYMENTS			
Office Holders Fees	10 00		10 00
Specific Penalty Bond		264 00	264 00
Office Holders fees		55,000 00	55,000 00
Agents/Valuers fees		4,542 77	4,542 77
Legal fees Asset sales		24,560 00	24,560 00
Legal advice and costs		4,828 05	4,828 05
Corporation Tax		47 04	47 04
Storage costs		45 00	45 00
Statutory advertising		211 39	211 39
Administrator surplus		209,802 60	209,802 60
	<u>10 00</u>	<u>299,300 85</u>	<u>299,310 85</u>
Balances in Hand	0 00	0 00	0 00
	<u>10 00</u>	<u>299,300 85</u>	<u>299,310 85</u>

Appendix IV

Information Relating to Joint Administrators' Remuneration

Office Holder Remuneration

Case Name	BrabCo 670 Limited previously V-Fuels Biodiesel Limited	
Court	HM High Court of Justice, Newcastle upon Tyne District Registry	
Court Reference	1136 of 2009	
Office Holders	Steven Philip Ross Robert Christopher Keyes	IP Number 9503 IP Number 8841
Firm	RSM Tenon Recovery	
Address	Tenon House Ferryboat Lane Sunderland Tyne and Wear SR5 3JN	
Type of Appointment	Administration	
Date of Appointment	6 April 2009	

1. Overview of Case

1.1 Appointment

We were appointed Joint Administrators on 6 April 2009 following an application by the Directors

1.2 Strategy

See main report

1.3 Outcome to creditors

See main report

2. Explanation of Office Holders Charging and Disbursement Recovery Policies

2.1 Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly charge-out rates are outlined below

	£
Director and licensed Insolvency Practitioners	225-280
Manager	160-215
Other senior professional	110-205
Assistant and support staff	50-140

2.2 Disbursement recovery

Certain costs may be incurred in relation to a case and in the first instance, paid by RSM Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and subsistence, archiving and storage costs.

Other costs which may be charged to the case are room hire for meetings held at the offices of RSM Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

3. Description of work carried out

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

3.1 Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts, and
- > 6 monthly progress review of the case.

Staff of different levels were involved in the above activities depending upon the experience required.

3.2 Investigations

The time spent comprises:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Liaising with the creditors' committee on such matters, and
- > Completion of statutory returns to the Department of Trade and Industry.

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

3 3 Realisation of assets

See main body of report for a summary of assets realised

Staff of different levels were involved in the above activities depending upon the experience required

3 4 Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with reservation of title claims,
- > Recording creditor claims
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries, and
- > Reviewing and evaluating creditor claims

Staff of different levels were involved in the above activities depending upon the experience required

4. Time and charge-out summary

To date a total of 265 90 hours have been spent at an average charge out rate of £200 44 bringing the total cost to date to £53,296 00 No remuneration has been drawn to date

A summary table is shown below

Classification of work function	Director / Insolvency Practitioner	Manager	Hours Other senior professional	Assistant and support staff	Total	Time cost £	Average hourly rate £
Administration and planning	58 50	57 10	3 10	23 40	142 10	26,918 00	189 43
Investigations	8 00	4 00	0 00	0 00	12 00	2,880 00	240 00
Realisation of assets	50 00	7 70	0 00	0 00	57 70	15,239 00	264 11
Creditors	11 00	33 90	21 70	2 90	69 50	11,219 50	161 43
Total	127 50	102 70	24 80	26 30	265 90	56,256 50	211 57

The above costs exclude VAT

5. Disbursements

5.1 Category 1 disbursements

Category 1 disbursements incurred are outlined below

	Incurred £	Paid £
Specific Penalty Bond	264 00	264 00
Storage costs	<u>45 00</u>	<u>0 00</u>
Total	<u>309 00</u>	<u>264 00</u>

The above costs exclude VAT

5.2 Category 2 disbursements

No Category 2 disbursements have been charged to this matter