



VIREOL LIMITED

Abbreviated Financial Statements

Year ended 31 March 2013

Registered number: 06448126

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Directors

D Salkeld*	Chairman
D Knibbs	Chief Executive
A Hartley	Finance Director
G Russell	Technical Director
G Jones	Commercial Director
T Levy *	
P Jones*	
A Ritchie *	
R Harris *	

* Non-Executive

Company Secretary (Joint Holders)

H Elliss
S Parihar

Registered Office

10 Old Burlington Street
London,
W1S 3AG

Registered in England Number 06448126

Visit our website at www.ethanol-ventures.com

Auditors

BDO LLP
1 Bridgewater Place, Water Lane,
Leeds, LS11 5RU

Independent Auditors' Report to Vireol Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of Vireol Limited for the year ended 31 March 2013 prepared under section 396 of the Companies Act 2006

Our report has been prepared pursuant to the requirements of Section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of Section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under this section and to report our opinion to you.

We conducted our audit in accordance with Bulletin 2008/04 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

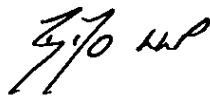
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. There are a number of key milestones which need to be achieved by the Company in particular raising the funds necessary, through investors and long term bank facilities, to finance the construction phase of the UK project. In addition, the Company's forecasts anticipate that the Company will need to closely manage capital requirements and creditor relationships to continue to meet liabilities as and when they fall due up to the date that the project funding is raised, which is expected to be in 2014.

These conditions along with the other matters referred to in note 1 to the financial statements indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.



Ian Beaumont (Senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

12/8/2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

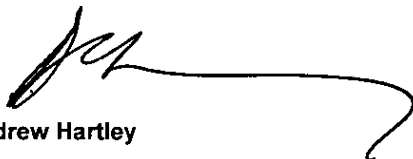
Vireol Limited Abbreviated Balance Sheet

As at 31 March 2013

	Note	31 March 2013 £	31 March 2012 £
FIXED ASSETS			
Intangible assets	2	958	1,724
Investments	3	1,004	2
		<u>1,962</u>	<u>1,726</u>
Current assets			
Stocks		2,121,963	1,030,219
Debtors		16,817,569	8,156,856
Cash at bank and in hand		<u>211,235</u>	<u>65,330</u>
		19,150,767	9,252,405
Creditors amounts falling due within one year		<u>(202,118,368)</u>	<u>(105,141,582)</u>
NET CURRENT LIABILITIES		(182,967,601)	(95,889,177)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(182,965,639)</u>	<u>(95,887,451)</u>
CAPITAL AND RESERVES			
Issued capital	4	7,535	7,535
Profit and loss account		(182,973,174)	(95,894,986)
SHAREHOLDERS' FUNDS		<u>(182,965,639)</u>	<u>(95,887,451)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the board of directors and authorised for issue on 15 July 2013
They were signed on its behalf by


Andrew Hartley
Director

The accompanying notes are an integral part of these financial statements

Registered number 06448126

**Vireol Limited Notes to the Abbreviated Financial Statements
for the year ended 31 March 2013**

1 Accounting policies

Basis of accounting

The financial statements of Vireol Limited are for the year ended 31 March 2013. They have been prepared in accordance with United Kingdom Accounting Standards and in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of the small group exemption which means it is not required to prepare consolidated group accounts.

These financial statements have been prepared on a historical cost basis. The principal accounting policies adopted are set out below.

Going concern

The Company along with Vireol Bio-Industries plc, Ebury Engineering Services Limited (100% subsidiary), Vireol Bio Energy Limited (100% subsidiary) and Future Fuels No. 1 LLP (ultimate parent company) are in the initial stages of a major project to build and operate bioethanol production facilities within the UK and to commercially manage a bioethanol plant in the USA.

In respect of the construction of bioethanol production facilities in the UK there are a number of key milestones which need to be achieved by the Company in particular raising the funds necessary, through investors and long term bank facilities, to finance the construction phase of the project. In addition, the Company's forecasts anticipate that the Company will need to closely manage capital requirements and creditor relationships to continue to meet liabilities as and when they fall due up to the date that the project funding is raised. Raising of project finance has been hindered by the legislative uncertainty caused by EU Commission's draft proposals to amend the 2009 Renewable Energy Directive announced in October 2012. On the basis that the EU satisfactorily concludes this legislative review and returns certainty to the bioethanol project investment market in 2013 then the Company hopes to complete the project funding in 2014.

The Directors are currently in discussions with a number of parties in respect of the project fund-raising. However no binding agreements are yet in place. The Directors are confident that raising the project funding is achievable in the required timescale. The Directors are also currently exploring a number of options available to them to manage working capital requirements or obtain the necessary short term funding until the main project finance is raised.

The Company is also dependent upon continued financial support from its current debt providers who are fully cognisant of the impact of the current EU legislative review. The existing debt as at 31 March 2013 is shown in the financial statements as due within one year in accordance with the contractual arrangements in place. However the Directors have obtained a letter of support from the debt providers confirming that these balances will not be called in for a period of at least twelve months from the date these financial statements are signed. Whilst acknowledging that there is no binding agreement in place, the Directors are satisfied over the continued support of debt providers over current funding and any additional funding that maybe required. Should further funding not be available, or if the support from current debt providers is withdrawn, the company may not be able to realise its assets and discharge its liabilities in the normal course of business.

The Directors are in regular dialogue with funders and stakeholders to keep them fully informed of the status of activities and are confident that all outstanding creditors will be settled.

For the above reasons the Directors have prepared the financial statements on a going concern basis. However, these conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not contain any adjustments which may be required if the Company was unable to continue as a going concern.

Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Foreign currency transactions

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit or loss for the year.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1 Accounting policies (cont)

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and certain overhead costs that contribute in bringing the socks to their present location and condition. Cost is calculated using the average cost basis. Net realisable value is the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Provision is made for items of stock that are damaged, obsolete or slow moving.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**Vireol Limited Notes to the Abbreviated Financial Statements
for the year ended 31 March 2013**

2 Intangible fixed assets

	Software Assets
	£
Cost	
At 1 April 2012	2,299
Additions	-
At 31 March 2013	<u>2,299</u>
Depreciation	
At 1 April 2012	575
Amortisation charge for the year	766
At 31 March 2013	<u>1,341</u>
Net book value	
At 31 March 2013	<u>958</u>
At 1 April 2012	<u>1,724</u>

3 Investments

	31 March 2013 £	31 March 2012 £
Unlisted Investment in Ebury Engineering Services Ltd - 2 ordinary shares of £1 each at cost	2	2
Unlisted Investment in Vireol Mezz Ltd - 2 ordinary shares of £1 each at cost	2	-
Unlisted Investment in Vireol Bio Energy Ltd – 1,000 ordinary shares of £1 each at cost	1,000	-
Unlisted Investment in Ceres Technical Services Ltd – 400,000 ordinary shares of £1 nominal value	16,000	16,000
Provision on Investment in Ceres Technical Services Ltd	<u>(16,000)</u>	<u>(16,000)</u>
	<u>1,004</u>	<u>2</u>

On the 2 February 2010 the Company acquired the 100% share holding of Ebury Engineering Services Limited

On the 1 April 2011 the Company acquired a 5% share holding of Ceres Technical Services Limited for £16,000 (equivalent to 4p per share)

On the 30 April 2012 the Company acquired the 100% share holding of Vireol Mezz Limited

On the 12 March 2013 the Company acquired the 100% share holding of Vireol Bio Energy Limited

Subsidiary undertaking

Ebury Engineering Services Limited is a subsidiary undertaking of the company. The aggregate of the share capital and reserves as at 31 March 2013 is a deficit of £135,738,409 (31 March 2012 a deficit of £63,469,135) and the loss for the year ended on that date is £72,269,274 (year ended 31 March 2012 is a loss of £65,684,377)

**Vireol Limited Notes to the Abbreviated Financial Statements
for the year ended 31 March 2013**

4 Share capital

	31 March 2013		31 March 2012	
	Number	£	Number	£
<i>Allotted and fully paid</i>				
Ordinary 'A' shares of 1p each (2011 £1 each)	626,800	6,268	626,800	6,268
Ordinary 'B' shares of 1p each	76,022	760	76,022	760
Ordinary 'C' shares of 1p each	50,681	507	50,681	507
	753,503	7,535	753,503	7,535

On the 2 December 2011 the Company issued 76,022 ordinary 'B' shares of 1p each and 50,681 ordinary 'C' shares of 1p each

On the 7 December 2011 the ordinary 'A' shares were converted from 1,000 of £1 shares to 100,000 of 1p shares

On the 7 December 2011 the Company issued 476,800 ordinary 'A' shares of 1p each and on 17 February 2012 an additional 50,000 ordinary 'A' shares of 1p each were issued

The Company's Ordinary shares carry no right to fixed income

5 Related party disclosures

During the year of these accounts the directors, D Salkeld, A Hartley, G Jones, G Russell, D Knibbs and P Jones were remunerated for services provided to the Company via the 10 January 2008 management services agreement with Vireol Bio-Industries plc. Management services from Vireol Bio-Industries plc of £1,665,576 were charged in the financial statements to 31 March 2013 (year to 31 March 2012 £1,249,096). Of these management services £1,114,017 (excluding VAT) are unpaid as at the 31 March 2013 (31 March 2012 £1,390,528). Interest is being accrued on any overdue invoices at a rate of 10% per annum and remains unpaid as at the year end.

During the year Vireol Bio-Industries plc incurred on behalf of the Company £54,314 of project related costs that have been recharged at cost and were charged in the financial statements to 31 March 2013 (year to 31 March 2012 £69,151). Of these project recharges £54,314 (excluding VAT) are unpaid as at the 31 March 2013 (31 March 2012 £85,984). Interest is being accrued on any overdue invoices at a rate of 10% per annum and remains unpaid as at the year end.

During the year the directors, A Ritchie and R Harns were remunerated for services provided to the Company. As at the 31 March 2013 A Ritchie had fees of £75,833 unpaid (31 March 2012 £40,833).

The loan of £5,900,944 from Ethanol Ventures Limited plus the accrued interest is still outstanding as at the year end (31 March 2012 £5,900,944). The director, T Levy is also a director of Ethanol Ventures Limited. The interest rate on this loan is 4% per month. As at the 31 March 2013 Ethanol Ventures Limited owes the company £1,175 in unpaid share capital (31 March 2012 £1,175) and £10,991 in relation to recharges (31 March 2012 £10,991).

During the year of these accounts the Company received invoices from Future Capital Partners Limited for £10,238,105 these costs have been included in the income statement to 31 March 2013 (year to 31 March 2012 £4,378,118). Of these costs £754,505 (including VAT) remains unpaid as at 31 March 2013 (31 March 2012 £897,727). In addition during the year the Company received loans totalling £3,485,632 (year to 31 March 2012 £935,000) from Future Capital Partners Limited. The interest rate on these loans are 4% per month and remains unpaid as at the year end. The director, T Levy is also a director of Future Capital Partners Limited.

**Vireol Limited Notes to the Abbreviated Financial Statements
for the year ended 31 March 2013**

5 Related party disclosures (cont)

During the year of these accounts the Company incurred referral fees of £1,027,500 from Elysian Fuels 1 LLP, £872,000 from Elysian Fuels 2 LLP, £865,300 from Elysian Fuels 3 LLP, £1,131,000 from Elysian Fuels 4 LLP, £1,390,000 from Elysian Fuels 5 LLP, £770,072 from Elysian Fuels 6 LLP, £652,353 from Elysian Fuels 7 LLP, £964,902 from Elysian Fuels 8 LLP, £349,650 from Elysian Fuels 9 LLP, £520,050 from Elysian Fuels 10 LLP, £391,046 from Elysian Fuels 11 LLP, £533,595 from Elysian Fuels 14 LLP, £821,914 from Elysian Fuels 15 LLP and £390,373 from Elysian Fuels 17 LLP these costs have been included in the income statement to 31 March 2013 (Year to 31 March 2012 £2,055,000 from Elysian Fuels 1 LLP, £1,744,000 from Elysian Fuels 2 LLP, £865,300 from Elysian Fuels 3 LLP and £1,390,000 from Elysian Fuels 5 LLP) Of these costs £10,676,755 remains unpaid as at 31 March 2013 (31 March 2012 £4,154,800) The director, T Levy is also the director of Future Fuels (Management Services) Limited and Future Fuels (Partnership Services) Limited both of these are corporate members of Elysian Fuels 1 LLP to Elysian Fuels 11 LLP, Elysian Fuels 14 LLP, Elysian Fuels 15 LLP and Elysian Fuels 17 LLP

The Company has taken the exemption available to it, which allows it to exclude from the disclosures in the financial statements its transactions with its subsidiary company, Ebury Engineering Services Limited

6 Parent company

At 31 March 2013 the company's ultimate parent company was Future Fuels No 1 LLP

Copies of the financial statements of Future Fuels No 1 LLP are available from Companies House