

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06448126

Name of Company

Vireol Limited

I / We

Anthony John Wright, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

Alastair Rex Massey, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 23/03/2016 to 22/03/2017

Signed

*Alastair Massey*

Date

15 / 03 / 17

FRP Advisory LLP  
2nd Floor  
110 Cannon Street  
London  
EC4N 6EU

Ref: V0205LON/AJW/ARM/ANS/PD/TE/KL

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COMPANIES HOUSE

# **Vireol Limited (In Liquidation) (“the Company”)**

The Joint Liquidators’ Progress Report for the period from 23 March 2016 to 22 March 2017 pursuant to Section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

15 May 2017

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**The following abbreviations may be used in this report:**

**FRP Advisory**

FRP Advisory LLP

**The Company**

Vireol Limited (In Liquidation)

**The Liquidators**

Anthony John Wright and Alastair Rex Massey of  
FRP Advisory LLP

**The Period**

The reporting period of 23 March 2016 to 22 March  
2017

**CVL**

Creditors' Voluntary Liquidation

**SIP**

Statement of Insolvency Practice

**QFCH**

Qualifying floating charge holder

**HMRC**

HM Revenue & Customs

**FF1**

Future Fuels No. 1 LLP

# 1. Progress of the liquidation

## Work undertaken during the Period and work yet to be completed

I attach at Appendix C a schedule of work undertaken during the Period together with a summary of work still to be completed.

No assets have been realised in the Period. I have commented on each asset disclosed on the director's statement of affairs below:

### "Ebury Engineering Services Ltd", "Vireol Mezz Ltd" and "Vireol Bio Energy Ltd"

These assets relate to the equity held by the Company in these entities. Ebury Engineering Services Limited entered liquidation on 23 March 2016 and as such the Joint Liquidators do not consider this asset to have realisable value. Vireol Mezz Ltd was a dormant company and was struck off via voluntary strike off on 24 May 2016 and as such the equity has no realisable value. Vireol Bio Energy Limited is also a dormant company and the Joint Liquidators do not believe the shares currently have any value.

### "Ceres Technical Services Ltd"

The Company owns a minority shareholding in Ceres Technical Services Limited which had shareholder funds of £35,103 as at 31 March 2016. The Joint Liquidators are investigating whether these shares have any realisable value.

### "Loans to Investors in Ceres & Demeter"

The Joint Liquidators have reviewed the underlying documentation behind these loans and have concluded they are not recoverable.

### "Loans to Ethanol Project Services Ltd"

The Joint Liquidators have sought assurances from Ethanol Project Services Ltd that no event of default (as defined in the loan agreement underpinning this balance) has occurred which would accelerate the repayment terms. Ethanol Project Services Ltd have confirmed the same.

## "Loans to Future Capital Project Finance"

The Joint Liquidators have sought assurances from Future Capital Project Finance Ltd that no event of default (as defined in the loan agreement underpinning this balance) has occurred which would accelerate the repayment terms. Future Capital Project Finance Ltd have confirmed the same.

### "Debtors"

The Joint Liquidators understand that this figure was an accrual for interest due to the Company in respect of the inter-company loans made to Ebury Engineering Services Ltd, Ethanol Ventures Ltd and Future Fuels No. 1 LLP. These loans are not recoverable as they will be offset against larger inter-company creditor balances.

### "Other Debtors & Recharges"

The Joint Liquidators believe this relates to interest due from inter-company debtors (Ethanol Project Services Ltd, Future Capital Project Finance Ltd, Ebury Engineering Services Ltd and FF1). The recoverability of these sums is contingent on the solvency of the inter-company debtors.

### "Bank Account"

The Joint Liquidators wrote to the Company's bankers following their appointment. The bank subsequently confirmed that the credit balance in the account had been used to meet final bank charges and there was no sum available for the estate.

### "Prepayments"

The Joint Liquidators understand that this relates to funds spent by the Company on the Business Premises Renovation Allowance and is not of any realisable value in a liquidation.

### "VAT Receivable"

HMRC have submitted a claim of £749,360 in the liquidation and will offset any pre-appointment refund against this sum.

## 1. Progress of the liquidation



### **"Loans to Future Fuels No. 1 LLP"**

The Joint Liquidators have investigated the circumstances around a loan being made from the Company to FF1. These investigations are ongoing.

Future Fuels No. 1 LLP received an assignment of creditor claims from two related parties and the Joint Liquidators have also commenced investigations into these transactions.

### **"Inter-company with Vireol Bio Energy Ltd"**

This entity is dormant and the Joint Liquidators do not consider this loan to be recoverable.

### **"Inter-company with Ebury Engineering Services Ltd"**

Ebury Engineering Services Limited are a large creditor of the Company and it is likely this debtor balance will be offset against any sum due.

### **"Inter-company with Vireol Bio Energy Holdings Limited"**

This entity had negative shareholders' funds of £4,006,388 as at 31 March 2016 and as such the Joint Liquidators do not believe this loan to be recoverable.

### **Receipts and payments account**

Attached at Appendix B is a receipts and payments account detailing transactions for the Period, which is since my appointment as Liquidator.

As you will see, there have been no transactions during the Period.

### **Investigations**

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims that could be brought by the Company or by me in my capacity as Joint Liquidator against any party which could result in a benefit to the estate. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and

invited creditors to provide information on any concerns they have concerning the way in which the Company's business has been conducted. Further details of the conduct of my investigations are set out in the schedule of work attached. I can confirm that my review is currently ongoing.

## 2. Estimated outcome for the creditors

### Outcome for secured creditors

According to Companies House, the Company has granted the following security over its assets:

Charge over cash deposit and assignment in favour of Ethanol Project Services Limited ("EPS") created on 1 April 2010

It is understood that there are no sums due to EPS and no claim has been received by the Joint Liquidators.

As commented on above, EPS appear as a debtor of the Company on the directors' statement of affairs.

Legal charge in favour of Humber Land (Grimsby) Trustee One Limited and Humber Land (Grimsby) Trustee Two Limited (acting in their capacity as Joint Trustees of Humber Land (Grimsby) Unit Trust) created on 6 March 2009

The Company sold the plant at Grimsby (to which the legal charge relates) to FF1. This charge should appear as satisfied however it would appear the directors did not file the requisite papers prior to the Company entering liquidation.

### Preferential Creditors

There are no preferential creditors in this matter.

### Unsecured creditors

I have received claims totalling £291,525,480 from unsecured creditors who have proved their debts in these proceedings. No claims have been agreed to date as it is not yet clear whether there will be a dividend to unsecured creditors.

Unsecured claims as per the directors' statement of affairs totalled £367,503,122.

### The Prescribed Part

In accordance with the Insolvency Act 1986, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

As there is no floating charge the prescribed part does not apply in this instance.

### 3. Joint Liquidators' remuneration, disbursements and expenses



#### **Joint Liquidators' remuneration**

As advised in previous correspondence the creditors passed resolutions that the Joint Liquidator's remuneration should be calculated on the following basis:

##### Fixed fee

The creditors passed a resolution fixing the basis of the Joint Liquidators remuneration for dealing with all statutory requirements of the liquidation (i.e. excluding any work in respect of asset realisations, investigations, and if it becomes appropriate, agreeing the claims of unsecured creditors and distributing funds) as a fixed fee of £60k.

##### Percentage of realisations

The creditors passed a resolution fixing the basis of the Joint Liquidators remuneration for dealing with asset realisations, investigations, agreeing the claims of unsecured creditors and paying a dividend as a percentage of the value of the assets realised using the following sliding scale:

<b>Realisations</b>	<b>Percentage</b>
0 to £250,000	50%
£250,001 to £1,000,000	20%
£1,000,001 to £5,000,000	10%
£5,000,001 and above	0.5%

A breakdown of my firm's time costs incurred during the Period is attached at Appendix D. Please note I am recording my time costs under two separate time codes and as such there are two schedules enclosed.

#### **Joint Liquidators' disbursements**

The Joint Liquidator's disbursements are a recharge of actual costs incurred by the Joint Liquidators in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate

prevailing at the time the mileage was incurred. Details of disbursements incurred during the Period are set out in Appendix D.

##### **Expenses of the liquidation**

An estimate of the Joint Liquidators' expenses was set out in the information previously circulated to creditors. I attach at Appendix E a statement of expenses that have been incurred during the Period. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details provided prior to the determination of the basis of the Joint Liquidator's remuneration.

Creditors have a right to request further information from the Joint Liquidators and further have a right to challenge the Joint Liquidator's remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules 2016 (for ease of reference these are the expenses incurred in the Period as set out in Appendix E only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://creditors.frpadvisory.com/feesguide.htm> and select the guide for liquidations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

**Appendix A**

**Statutory information about the Company and the liquidation**



**VIREOL LIMITED (IN LIQUIDATION)**

**COMPANY INFORMATION:**

Other trading names:	None
Date of Incorporation:	7 December 2007
Company number:	06448126
Registered office:	2nd Floor 110 Cannon Street London EC4N 6EU
Previous registered office:	10 Old Burlington Street London W1S 3AG
Business address:	10 Old Burlington Street London W1S 3AG

**LIQUIDATION DETAILS:**

Liquidators:	Anthony John Wright & Alastair Rex Massey
Address of Liquidators:	FRP Advisory LLP 2nd Floor 110 Cannon Street London EC4N 6EU
Date of appointment of Liquidators:	23 March 2016
Court in which Liquidation proceedings were brought:	None
Court reference number:	N/A



FRP  
Activity

**Vireol Limited  
(In Liquidation)**

**REPRESENTED BY**

**Appendix C**  
**Schedule of work**



**Vircol Limited (In Liquidation) ("the Company")**  
**Schedule of Work**

	approving creditors to assess and vote on the fee basis proposed.		
	Periodic reviews of the working files to ensure that all compliance matters are attended to.		
2	<b>ASSET REALISATION</b> <b>Work undertaken during the reporting period</b>	<b>ASSET REALISATION</b> <b>Future work to be undertaken</b>	<b>Percentage of realisations</b>
	<p>As disclosed in the directors' statement of affairs, the Company's assets largely consist of various loans made to connected companies.</p> <p>The repayment of these loans are governed by various agreements. On appointment, the Joint Liquidators reviewed these agreements to ascertain the repayment terms and whether the Company had the ability to accelerate the same.</p> <p>The loans become repayable on demand if an event of default occurs and the Joint Liquidators have sought undertakings from the debtors that no such event has occurred.</p> <p>There are also inter-company loans that were outstanding from three related entities. These loans are repayable on demand and demand has been served. One of the inter-company debtors has stated that it has been assigned a creditor balance and is therefore a net creditor of the Company, another of the debtors is in liquidation and two others have stated that they are unable to pay.</p> <p>The remaining assets of the Company detailed on the directors' statement of affairs are a VAT receivable balance and a cash at bank figure. The Company's</p>	<p>The Joint Liquidators will continue to liaise with the debtors to secure repayment of the sums due to the Company, in line with the various loan agreements.</p> <p>The Joint Liquidators will request repayment of the inter-company loans to ascertain whether the entities who remain solvent have liquidity to make repayment.</p>	

**Vircol Limited (In Liquidation) ("the Company")**

**Schedule of Work**

	bankers have confirmed that there is no credit balance available to the liquidation estate and an integrated VAT claim has been received which is greater than the refund due to the Company.		
3	<b>CREDITORS</b> <b>Work undertaken during the reporting period</b>	<b>CREDITORS</b> <b>Future work to be undertaken</b>	<b>Fixed fee - £60k</b>
	Notifying creditors of the appointment of the Joint Liquidators and lodging claims received on the case management system.	Continue to respond to ad-hoc queries and provide progress reports in line with statute.	
4	<b>INVESTIGATIONS</b> <b>Work undertaken during the reporting period</b>	<b>INVESTIGATIONS</b> <b>Future work to be undertaken</b>	<b>Percentage of realisations</b>
	The Joint Liquidators have commenced investigations into a number of transactions entered into by the Company. Further details cannot be disclosed at this stage as it may prejudice any potential recovery. Creditors will be updated in future reports to creditors.	The Joint Liquidators will continue to review the information available to them and liaise with their appointed solicitors to investigate the existence of any possible claims against third parties.	
	The Joint Liquidators have obtained a copy of the Company's email server and hard books and records and have been reviewing the contents in order to assist with their enquiries.		
5	<b>STATUTORY COMPLIANCE AND REPORTING</b> <b>Work undertaken during the reporting period</b>	<b>STATUTORY COMPLIANCE AND REPORTING</b> <b>Future work to be undertaken</b>	<b>Fixed fee - £60k</b>
	The Joint Liquidators have prepared several letters to creditors making the necessary disclosures as required by Statement of Insolvency Practice 9 in order to agree the basis of their remuneration.	The Joint Liquidators will continue to circulate reports following each anniversary of the liquidation until all outstanding matters are dealt with and the Company can be dissolved.	

## Appendix D

### Statement of expenses incurred in the Period

<b>Vircof Limited (In Liquidation)</b>	
<b>Statement of expenses for the period ended</b>	
<b>22 March 2017</b>	
	<b>Period to 22 March 2017 £</b>
<b>Expenses</b>	
Office Holders' remuneration (Fixed Fee)	60,000
Office Holders' disbursements	2,690
Legal Fees	5,285
<b>Total</b>	<b>67,975</b>