



Our Ref E30200528A1/AWA/IDM/DRO/LKG/7

To the creditors and members

Recovery and Reorganisation

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14 June 2017

Dear Sirs

**Elysian Fuels 3 LLP and Elysian Fuels 24 LLP
- All in Liquidation (the LLPs)**

1 Introduction

- 1.1 Following the appointment of Kevin Hellard and I as joint liquidators of the LLPs on 20 April 2016, and in accordance with Rule 4.49B of the Insolvency Act 1986, I now report on the progress of the liquidation for the year ended 19 April 2017 and enclose:
 - Appendix A, an account of our receipts and payments for the year ended 19 April 2017 for each of the LLPs
 - Appendix B, a statement of the remuneration charged by the joint liquidators in the period from 20 April 2016 to 19 April 2017 and a statement of expenses incurred in the period
 - Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
 - Appendix D, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the liquidator
 - Appendix E, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive.
- 1.2 The LLPs were incorporated between 2010 and 2013 together with another 34 Elysian Fuels LLPs. Kevin Hellard and I have also been appointed joint liquidators in relation to 31 of these LLPs (the Other LLPs) on other dates in April and May 2016, however, separate reports are required to be sent to the creditors and members of the Other LLPs due to the appointment dates being different.
- 1.3 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

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2 Statutory information

The LLPs' statutory details are as follows:

	Elysian Fuels 3 LLP	Elysian Fuels 24 LLP
Court reference number	High Court of Justice No. 6634 of 2015	High Court of Justice No. 008636 of 2015
Registered number	OC351411	OC380807
Registered office	30 Pinsbury Square, London EC2P 2YU	30 Pinsbury Square, London EC2P 2YU

3 Progress report

Background

- 3.1 The principal object of the LLPs as stated in certain accounts of the LLPs was broadly similar, namely the provision of consultancy services in the production and exploitation of bio fuels. The LLPs received investment funds and were administered by Future Capital Partners Limited.
- 3.2 HM Revenue & Customs (HMRC) petitioned for the winding up of the LLPs and the Other LLPs in relation to unpaid Value Added Tax, totalling £5,194,843.29.

Assets

- 3.3 There are no known assets available to be realised for the benefit of creditors.

Investigations

- 3.4 Investigations have been conducted in relation to the LLPs' affairs and have included information gathering and gaining an understanding of the agreements and transactions entered into by the LLPs.
- 3.5 Our investigations have noted that the LLPs and the Other LLPs received a total of approximately £241million investment funds and the majority of funds received by the LLPs were paid to a related company (now in liquidation) for the provision of advance services. This company in turn loaned funds to a connected company also now in liquidation.
- 3.6 Our investigations are focused on investigating the genuine and commercial nature of the transactions involving the LLPs. Due to the confidential nature of the investigations, it is not possible to disclose further detail in this report.

Creditors

- 3.7 There are no preferential creditors in this matter.
- 3.8 HMRC is the only unsecured creditor and has claims of £113,185.47 and £120,804.99 against Elysian Fuels 3 LLP and Elysian Fuels 24 LLP respectively. Unfortunately, there are no funds available for a distribution to be made at this time.

4 Joint liquidators' remuneration and expenses

- 4.1 HMRC has resolved that the joint liquidators' remuneration be drawn by reference to time costs plus an uplift of 25% (plus VAT) for the LLPs and the Other LLPs. Also, given a significant amount of work will be indistinguishable between the LLPs and to save costs, HMRC has agreed the joint liquidators' costs for both the LLPs and the Other LLPs to be charged to one client number, as opposed to 33 different numbers.
- 4.2 I regularly report to HMRC on the joint liquidators' time costs and to date HMRC has approved our incurred time costs and estimated future time costs totalling £465,885.00 (plus VAT). However, there are no assets or funds available to meet the time costs and as such no remuneration has been drawn.
- 4.3 You will note from the Statement of Insolvency Practice (SIP) 9 table attached at Appendix C that the joint liquidators' time costs for the period from 20 April 2016 to 19 April 2017 are £398,053.25 representing 1,323.40 hours at an average hourly rate of £300.78. Time costs incurred in the same period but not drawn as remuneration to date are also disclosed in Appendix B.
- 4.4 Time is charged in units of 6 minutes. Background information regarding the fees of Liquidators can be found at:

https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_-_April_2017.pdf. Alternatively, I will supply this information by post on request.
- 4.5 The hourly charge out rates used in calculating time costs for the current and prior period are as follows:

	£
Partner / Directors	470 - 615
Managers	290 - 470
Other senior professional	240 - 305
Administrators	160 - 230
Assistants and support staff	150 - 175

- 4.6 In addition, the joint liquidators have incurred expenses of £2,866.39 in the period from 20 April 2016 to 19 April 2017 as detailed in Appendix B, which remain outstanding. A loan has been provided by Grant Thornton UK LLP to pay the costs of Counsel, general searches, transcription costs and land registry costs in the sum of £19,700.51 and this is reflected in the receipts and payments account for the Liquidation of Elysian Fuels 1 LLP.

- 4.7 Finally, Memery Crystal LLP have been engaged as the joint liquidators' solicitors on a conditional fee basis with an uplift of 100% and as such will only be paid if realisations are achieved. My solicitors have incurred base time costs in the period from 20 April 2016 to 19 April 2017 totalling £100,999.50 (plus VAT) in relation to providing advice and assisting with gathering information in relation the LLPs and the Other LLPs, as also detailed at Appendix B.
- 4.8 If you have any queries, please contact Daniel Ott or Simon Fear on the details below.

Yours faithfully
for and on behalf of the LLPs



Amanda Wade
Joint Liquidator

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Elysian Fuels 3 LLP - in liquidation
 Receipts and payments account
 from 20 April 2016 to 19 April 2017

	Statement of affairs Per OR £	Total £
Receipts		
		<u>0.00</u>
Payments		
O.R. Remuneration		1,270.00
ISA Account Fees		88.00
		<u>1,358.00</u>
Balance - 19 April 2017		<u><u>(1,358.00)</u></u>
Made up as follows		
ISA		(1,358.00)
		<u><u>(1,358.00)</u></u>

Elysian Fuels 24 LLP - in liquidation
 Receipts and payments account
 from 20 April 2016 to 19 April 2017

	Statement of affairs Per OR £	Total £
Receipts		
		<u>0.00</u>
Payments		
O.R. Remuneration		1,270.00
ISA Account Fees		88.00
		<u>1,358.00</u>
Balance - 19 April 2017		<u><u>(1,358.00)</u></u>
Made up as follows		
ISA		(1,358.00)
		<u><u>(1,358.00)</u></u>

B Remuneration charged and expenses incurred by the joint liquidators in the period from 20 April 2016 to 19 April 2017

	Charged/incurred in period 20/04/2016 to 19/04/2017	Of which paid to 19/04/2017
	£	£
Joint liquidators' fees:		-
Time costs	398,053.25	-
Joint liquidators' Expenses:		-
Travel	525.70	-
Joint liquidators' bonds	660.00	-
Statutory Advertising	1,218.24	-
Land Registry fees	277.00	-
Company & registry searches	185.45	-
	<hr/> 2,866.39	
Legal costs - Memery Crystal LLP	<hr/> 100,999.50	-
Legal costs - Counsel	15,945.00	-

NB. As detailed in Section 4.6 of this Report, the costs of Counsel, general searches, transcription and land registry costs were settled by funds advanced by Grant Thornton UK LLP and are yet to be paid by the Liquidation Estate. These payments are disclosed in the Receipts and payments of Elysian Fuels 1 LLP.

C SIP 9 information

Elysian Fuels 3 LLP and Elysian Fuels 24 LLP - SIP 9 TIME COST ANALYSIS

Transaction period : 20/04/2016 to : 19/04/2017

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	97.95	51,829.25	109.90	50,207.50	149.85	38,925.75	147.25	23,895.00	504.95	165,957.50
Creditors			6.35	2,984.50	26.20	7,336.00	21.25	3,524.25	53.80	13,844.75
Investigations			124.95	57,319.50	250.45	71,916.00	127.05	20,865.75	502.45	150,001.25
Realisation of Assets	2.30	1,794.00	1.25	573.50	27.80	7,784.00	81.70	13,480.50	113.05	23,632.00
Taxation	1.05	758.00	49.85	24,228.50	41.00	11,274.00	57.25	8,358.25	149.15	44,617.75
Total	101.30	54,382.25	292.30	135,311.50	495.30	138,135.75	434.50	70,223.75	1,323.40	398,053.25
										Avg. Hdy Rate
										328.68
										257.34
										298.54
										208.04
										289.15
										300.78

Administration & Planning	Includes: case planning; statutory obligations (e.g. statutory returns); maintenance of cash and estate records; general correspondence; liaising with solicitors in relation to engagement; telephone conferences and other communications; and attending to legal documentation.
Investigations	Includes: investigation into the LLPs' affairs and assets that may have been held prior to Liquidation; analysis of legal documentation and agreements; forensic analysis of bank accounts; liaising with entities involved in the management of the LLPs' affairs and their solicitors; further communications with investors; research regarding the ownership of land; analysis of bank accounts and transactions with connected entities.
Realisation of Assets	Includes: realisation of property; dealing with solicitors in relation to assets.
Creditors	Includes: correspondence with unsecured creditors.
Taxation	Includes: dealing with tax correspondence; liaising with IFAs and members in relation to tax queries; liaising with HMRC; obtaining tax advice; analysis of the LLPs' tax position; consideration and actions relating to pension funds.

D An extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the liquidator

Rule 18.9

- 1 The following may make a written request to the office-holder for further information about remuneration (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14 –
 - a a secured creditor;
 - b an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - c members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - d any unsecured creditor with the permission of the court; or
 - e any member of the company in a members' voluntary winding up with the permission of the court.
- 2 A request, or application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.
- 3 The office holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by–
 - a providing all of the information requested;
 - b providing some of the information requested;
 - c declining to provide the information requested.
- 4 The office-holder may respond by providing only some of the information requested or decline to provide the information if–
 - a The time or cost of preparation of the information would be excessive; or
 - b disclosure of the information would be prejudicial to the conduct of the proceedings;
 - c disclosure of the information might reasonably be expected to lead to violence against any person; or
 - d the office-holder is subject to an obligation of confidentiality in relation to the information.
- 5 An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- 6 A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of –
 - a the office holder giving reasons for not providing all of the information requested; or
 - b the expiry of the 14 days within which an office-holder must respond to the request.
- 7 The court may make such order as it thinks just on an application under paragraph (6).

E An extract from the Insolvency (England and Wales) Rules 2016 to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 18.34

- 8 This rule applies to an application in an administration, a winding up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that-
 - a the remuneration charged by the office-holder is in all the circumstances excessive;
 - b the basis fixed for the office-holders remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - c the expenses incurred by the office-holder are in all the circumstances excessive.
- 9 The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable-
 - a a secured creditor
 - b an unsecured creditor with either-
 - i the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - ii the permission of the court, or
 - c in a members' voluntary winding up-
 - i members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - ii a member of the company with the permission of the court.
- 10 The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3 or final report or account under rule 18.14 which first reports the charging of remuneration or the incurring of the expenses in question ("the relevant report").