

Press release: Courts shut down renewable energy investment company

UK Renewable Investments (AD) plc was wound up on 3 April 2019 by District Judge Khan in the Business and Property Courts in Manchester. The Official Receiver has been appointed as liquidator.

In considering the petitions to wind-up the company, the court heard that between July 2015 and September 2016 UKRI sold corporate bonds to 208 people. £2.5 million was raised and investors were told their funds would go towards developing anaerobic digestion plants that generated renewable energy.

The bonds had a five-year term and were to generate an interest rate of 11% per annum. Interest payments were to be paid every six months after the first year and the bonds were to be redeemed in full at the end of the five-year term.

The majority of the £2.5 million raised was loaned to a separate company, Bio Green Energy Ltd, to pay for the construction of 15 anaerobic digestion plants in Northern Ireland. Each plant was to be held in a separate special purpose vehicle (SPV) company owned by Bio Green.

However, the anaerobic digestion plants were never completed and all 15 of the SPVs have since been dissolved. Bio Green itself was placed into Administration in May 2017 and as a result, the company could not repay the capital and interest rates due on its loan from UKRI. This in-turn meant UKRI was unable to meet the loan principal and interest payments due to the bondholders.

Investigators also found that Bio Green has only paid loan interest to UKRI totalling around £15,000, while UKRI has only made interest payments to its bond holders of just over £14,000.

The court found that UKRI's bond scheme had failed and because the company was insolvent, it was unable to meet its liabilities, including what was owed to investors.

It was also accepted by the court that UKRI had traded with a lack of commercial probity. For example, the company had exercised borrowing powers without having obtained a trading certificate from the Registrar of Companies and failed to maintain, preserve or deliver up to the investigators adequate books and records.

David Hope, Chief Investigator for the Insolvency Service, said:

Despite accepting millions of pounds of investments from members of the public, the company failed to exercise appropriate governance and control over how those monies were spent.

Unfortunately it is the investors who will suffer and this should serve as a warning that there are strict obligations companies need to adhere to when they raise money from members of the public.

All public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, 2nd Floor, 3 Piccadilly Place, London Road, Manchester, M1 3BN. Tel: 0161 234 8531 Email: piu.north@insolvency.gov.uk.

UK Renewable Investments (AD) plc – company registration number 08718386 – was incorporated on 4 October 2018. The company's registered office is at 1st Floor Suite, 6 Pioneer Court, Darlington, DL1 4WD

The petition was presented under s124A of the Insolvency Act 1986 on 16 January 2019. The company was wound up on 03 April 2019 by District Judge Khan, a Judge of the Business and Property Courts in Manchester, and the Official Receiver has been appointed as liquidator.

Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS). Further information about live company investigations is available [here](#).

The Insolvency Service, an executive agency sponsored by BEIS, administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities, both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

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