

# AM03

## Notice of administrator's proposals



Companies House

WEDNESDAY



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18/09/2019

#102

COMPANIES HOUSE

### 1 Company details

Company number 09144715

Company name in full ASSET LIFE PLC

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) ASHER DAVID

Surname MILLER

### 3 Administrator's address

Building name/number PEARL ASSURANCE HOUSE

Street 319 BALLARDS LANE

Post town LONDON

County/Region

Postcode N12 8LY

Country UK

### 4 Administrator's name ①

Full forename(s) HENRY

Surname LAN

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number PEARL ASSURANCE HOUSE

Street 319 BALLARDS LANE

Post town LONDON

County/Region

Postcode N12 8LY

Country UK

② Other administrator  
Use this section to tell us about  
another administrator.

AM03

## Notice of Administrator's Proposals

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### Statement of proposals



I attach a copy of the statement of proposals

7

### Sign and date

Administrator's  
Signature

Signature

x



x

Signature date

d

d

3

m

m

9

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y

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y

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9

## AM03 Notice of Administrator's Proposals



### Presenter information

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

Contact name	CHARLOTTE JOBLING									
Company name	DAVID RABIN & PARTNERS									
Address	PEARL ASSURANCE HOUSE									
	319 BALLARDS LANE									
Post town	LONDON									
County/Region										
Postcode	N	1	2		8	L	Y			
Country	UK									
DX										
Telephone	0208 343 5900									



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Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

All information on this form will appear on the public record.



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The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



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**IN THE HIGH COURT OF JUSTICE**

**CR-2019-004956**

**IN THE MATTER OF**

**ASSET LIFE PLC – IN ADMINISTRATION**

**AND**

**THE INSOLVENCY ACT 1986**

**THE JOINT ADMINISTRATORS' REPORT AND  
STATEMENT OF FORMAL PROPOSALS AS REQUIRED BY  
PARAGRAPH 49 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986  
AND RULE 3.35 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

## **ASSET LIFE PLC - IN ADMINISTRATION**

### **JOINT ADMINISTRATORS' REPORT AND PROPOSALS - PARA 49**

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**ASSET LIFE PLC - IN ADMINISTRATION**

**STATEMENT OF FORMAL PROPOSALS AND REPORT  
OF THE JOINT ADMINISTRATORS AS REQUIRED BY  
PARAGRAPH 49 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986**

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**1. INTRODUCTION**

- 1.1 Asher Miller and Henry Lan, both of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London N12 8LY, were appointed Joint Administrators of Asset Life plc ("the Company") on 25 July 2019. The appointment was made by the qualifying floating charge holder, Frankland Business Consulting Limited ("Frankland"), pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("the Act").
- 1.2 The Joint Administrators act jointly and severally in the exercising of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 to the Act.

**2. STATUTORY INFORMATION**

The Company's statutory information is set out in Appendix 1 of this report.

**3. BRIEF TRADING HISTORY AND RESULTS**

- 3.1 The Company was incorporated on 23 July 2014 and started trading shortly after incorporation from serviced offices at 4 Devonshire Street, London W1W 5DT. The Company's principal activity was security dealing on its own account. In practical terms, the Company's trading activity entailed raising funds from investors, through the issue of corporate debentures or 'mini-bonds', in order to invest in early stage companies with growth potential and a stated intention to list publicly on a recognised exchange.
- 3.2 The Joint Administrators are advised that the Company's overdue statutory accounts for the year ended 31 July 2018 have not been prepared due to lack of funds, and the Joint Administrators have not yet been provided with access to the Company's accounting records to be able to review more recent management accounts. Accordingly, extracts from the Company's audited Financial Statements are as detailed below:

	Y/E 31/07/2017 (Statutory) £	Y/E 31/07/2016 (Statutory) £	Y/E 31/07/2015 (Statutory) £
Turnover	150,000	-	-
Gross profit	150,000	-	-
Operating loss	(746,610)	(1,692,597)	(837,795)
Directors' emoluments	132,894	160,504	170,378
Loss for the year	(1,065,984)	(1,889,310)	(699,335)
Dividends paid	Nil	Nil	Nil
Accumulated loss	(3,654,629)	(2,588,645)	(699,335)
Revaluation reserve	3,897,000	2,695,888	1,173,872
Share capital	124,275	32,894	32,894
Shareholders' funds	366,646	140,137	507,431

- 3.3 The shareholders' equity position stated in the accounts is a function of the directors' valuation of the Company's unlisted investments. This valuation is not substantiated, and the statutory accounts have been qualified by the Company's auditors in this regard as follows:

*"The evidence available to us was limited in support of the value that fixed asset investments have been included in the financial statements... the value included in the financial statements is an assessment by the directors, based on evidence from their advisors, and is dependent on external events that have not yet happened. As a result, we were unable to obtain sufficient appropriate evidence regarding the value of fixed asset investments."*

- 3.4 As detailed above, the Company's investment activities were financed through issuing fixed term debenture certificates, or mini-bonds. A mini-bond is an unregulated financial instrument where an investor loans monies to the Company at an agreed coupon rate, usually for a defined period of time. A bond is not equivalent to a deposit, and is a high-risk product where capital is at risk if the Company's business activities fail to generate sufficient returns to repay the loans with interest at maturity.
- 3.5 The Company was not regulated by the Financial Conduct Authority ("FCA"), and its products were introduced to the market through a number of regulated and unregulated introducers. Under UK financial services legislation, the Company's products cannot be marketed to ordinary retail investors. Accordingly, we understand that investors were required to self-certify either that they were high net worth individuals, 'sophisticated investors' (investors with prior experience of investing in similar high risk schemes), or 'restricted investors' (ordinary investors with more than £250,000 of capital, excluding the equity in their home, who will invest no more than 10% of their net worth). Investors who do not meet these criteria are not eligible to participate, according to UK financial services rules.
- 3.6 The Company raised a total of £7.9m from investors in three separate bond issues: Series A, Series B and Series C. According to the Information Memorandum ("IM") for each series, the funds raised would be invested in companies selected and recognised by the experienced management team for their significant growth potential. Whilst the Series A IM indicates that the Company also intended to invest in Senior Life Settlement policies, the Joint Administrators understand that no such investments were made.

#### **4. BACKGROUND TO THE APPOINTMENT OF ADMINISTRATORS**

- 4.1 The Company's financial results, as summarised above, show that the Company has made substantial losses for the last three years, and that these losses have been offset by the revaluation of fixed asset investments (i.e. the Company's shareholdings in the various companies in which it has invested). As detailed above, the Company's auditors have qualified the accounts for each of the last three years in respect of their inability to obtain sufficient evidence regarding the value of fixed asset investments.
- 4.2 The Joint Administrators are advised that the Company invested in various projects and companies, including a gold exploration company operating in Kyrgyzstan, and an iron ore company operating in Armenia. These two investments, according to the directors, are performing well, but require additional funding in order for any value to be generated for existing shareholders. This is not the view of the Joint Administrators.
- 4.3 The performance of the Company's remaining investments has not lived up to the directors' stated expectations and we understand that all of the other investments made by the Company have resulted in a total loss, leaving the Company unable to meet its obligations to bondholders.

- 4.4 Investors in Series A and B were not repaid their capital at maturity, and no interest payments have been made to investors in any series since November 2018. Series A and B investors were requested to authorise the reinvestment of their monies, on new terms, for a further 12 months. Whilst the Joint Administrators understand that a number of investors agreed to the further loan of their capital, a substantial number did not and requested the return of their funds. The Company was unable to fulfil these redemption requests.
- 4.5 The directors explained to bondholders that there were various reasons for the delay in repayment of the loans, including poor market conditions as a result of the UK's current political situation, and the uncertainty of Brexit hampering investment decisions. In addition, bondholders were advised that the directors remained hopeful of a positive, albeit delayed, outcome, and envisaged the return of investors' capital and interest in full.
- 4.6 However, in May 2019, the FCA issued a warning in respect of the Company, stating that it believed the Company was conducting regulated activities without authorisation.
- 4.7 The Joint Administrators would clarify that at this stage we have not confirmed that the Company was conducting regulated activities. However, the effect of the FCA warning in May 2019 was that the Company was unable to raise additional funds from investors, leaving it with insufficient working capital to meet its existing obligations. At this time, Series C remained open for participation, but incoming funds dried up.
- 4.8 During this period, a number of creditors obtained judgment against the Company and attempted recovery of their debts.
- 4.9 The Company made attempts to restructure outside of a formal insolvency process. Whilst we have not seen the underlying accounts, we are advised that a substantial cost-cutting programme was implemented to reduce the Company's operational costs. In addition, the directors sought external finance in order to realise the underlying assets.
- 4.10 Ultimately, however, it became clear that the Company would not be able to meet its obligations within a reasonable period of time, and my firm was approached by the Company and its Security Trustee, Frankland, in order to carry out a review of the Company's financial affairs and the options available.
- 4.11 Following that review, it was evident that the Company was insolvent on both a balance sheet and cash flow basis and had no realistic prospect of generating sufficient returns from its investments to meet its obligations to creditors within a reasonable timeframe. Consequently, and in order to protect the interests of bondholders secured by the fixed and floating charge, the Security Trustee exercised its right to appoint Administrators to the Company under Paragraph 14 of Schedule B1 to the Insolvency Act 1986.

## **5. PURPOSE OF THE ADMINISTRATION**

- 5.1 Paragraph 3(1) of Schedule B1 to the Act states that Administrators must perform their functions with the objective of:
- (a) rescuing the company as a going concern; or
  - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or



- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

- 5.2 It was clear from the outset that purpose (a) would not be achievable as the Company was insolvent, continuing to trade at a loss, and attempts at raising fresh capital had failed.
- 5.3 The assets of the Company are subject to a fixed and floating charge by way of debenture held on trust by Frankland on behalf of the Series C bondholders. The amount owed in this regard is £1,546,000 plus accrued interest to date. Consequently, it was apparent that realisations would be insufficient to enable the payment of a dividend to unsecured creditors, other than from funds set aside for the prescribed part.
- 5.4 As Joint Administrators, we have therefore conducted our strategy both prior to and following our appointment with a view to achieving statutory objective (c) above.

## **6. SALE OF BUSINESS AND ASSETS**

- 6.1 The Company's business involved making investments on its own account, financed by monies raised through the issue of mini-bonds, with a view to achieving substantial returns. We understand that the Company's only assets capable of realisation at the date of our appointment are its shareholdings in two investee companies involved in exploration and mining activities: Aprelskoe Limited, a gold explorer with activities in Kyrgyzstan, and Lori Iron and Steel Limited, an iron ore extraction company with operations in Armenia.
- 6.2 We do not have a clear understanding of the underlying assets or how the director's assessment of their value has been calculated. We are told that Aprelskoe Limited ("Aprelskoe"), in which the Company is a 25% shareholder, has a contractual agreement with a local Kyrgyz company with two valuable gold exploration licenses, but we have not had sight of this agreement or indeed any other meaningful information. In addition, the ownership structure of Aprelskoe and its subsidiaries is unclear.
- 6.3 Lori Iron and Steel Limited, in which the Company owns approximately 50% of the issued shares, has no trading history. It is understood to have acquired the entirety of the assets of Bazum Steel Limited ("Bazum") by way of a share swap, and Bazum or its subsidiaries are understood to hold licences to conduct exploration in Armenia. Again, we do not have details of the full ownership structure of Lori and Bazum or the underlying assets.
- 6.4 With the limited information provided to us, we are unable to assess how value may be returned to shareholders in Aprelskoe or Lori, although we are advised by the individuals involved in managing Asset Life plc that neither asset is capable of realising value without substantial further investment.
- 6.5 Aprelskoe shares are available for trading at JP Jenkins, a trading platform for unlisted securities which allows existing shareholders to trade their shares on a matched bargain basis with prospective investors. The Aprelskoe shares are listed for trading at £0.15, but the records indicate that only 6,700 shares have been traded at this value. There are 107,600,000 shares in issue.
- 6.6 We approached a corporate finance broker with a view to seeking a buyer for the Company's shares in Aprelskoe and Lori. The advice of the broker was that whilst it may be possible to find a buyer at a nominal speculative value for small tranches of the Company's shares, it would be highly unlikely that the entire holdings could be liquidated, and in the case of Aprelskoe, it would be highly unlikely that the price per share listed on the JP Jenkins platform would be achievable.

- 6.7 The management of the Company have indicated that a reasonable value to attribute to the Aprelskoe shares would be a 30% discount on the JP Jenkins indicative trading price. However, there is no evidence to support this view and accordingly we must assume that there is no outside market for these securities.
- 6.8 We have been advised that the only realistic prospect of liquidating these assets would be to sell the shares to the companies themselves, or to a connected party.
- 6.9 The management advise us that both Aprelskoe and Lori are intending to list on the London Stock Exchange and that there is the potential to make significant gains on the Company's investments if the shares can be listed. We are informed that both companies are seeking a standard listing, but that additional finance needs to be raised in order for this to happen. We are also informed that the Company has been the primary funder to both Aprelskoe and Lori, and that cutting off their only source of funding will leave both investee companies unable to continue their activities.
- 6.10 The Company does not have a majority shareholding in either Aprelskoe or Lori, although we understand that it is the largest single shareholder in each. We are also conscious that the Company has already raised substantial sums from investors with a view to listing these companies, and this has still not happened.
- 6.11 We are continuing to explore all potential strategies for realisation. However, in view of the lack of information provided to date, our current strategy is to hold these investments whilst we continue discussions with other shareholders to consider how best to maximise value in the portfolio.

## **7. CONDUCT OF THE ADMINISTRATION**

- 7.1 As required by Schedule B1 to the Insolvency Act 1986, we have filed notice of our appointment with the Registrar of Companies, served formal notice on the Company, and advertised our appointment in the London Gazette.
- 7.2 We were required as soon as reasonably practicable after our appointment to write to all creditors of the Company, notifying them of our appointment. We obtained details of the Company's creditors from the Company's management, and on 5 August 2019 we sent formal notice to all known creditors notifying them of our appointment as Administrators.
- 7.3 In addition to the work of developing the strategy for the Administration, including liaising with the directors, evaluating the assets and progressing the strategy for realisation as detailed above, the tasks undertaken by the Joint Administrators and their staff to date include the following:-
- a) Identifying the Company's creditors and creating a database of contacts to enable the circulation of notices and documents to creditors;
  - b) Opening a designated bank account to handle the movement of funds in the administration;
  - c) Corresponding with the Company's known bankers and numerous payment services providers to obtain the relevant statements and transaction reports and identify and protect any remaining funds;
  - d) Applying for the Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005;

- e) Publishing the necessary statutory advertisement in respect of the Administration proceedings in the London Gazette;
- f) Completing various searches at Companies House to obtain statutory information on the Company;
- g) Notifying HM Revenue & Customs of the administration of the Company;
- h) Acknowledging creditors' claims, answering telephone enquiries and dealing with substantial volumes of related correspondence;
- i) Liaising with the directors and management of the Company in respect of the impact of the administration proceedings on them and the Company;
- j) Taking steps to secure the Company's books and records, and conducting enquiries with the Company's auditors in respect of the accounting and financial records, including the recovery of electronic records;
- k) Seeking information from various third parties in relation to the location of and access to Company records, including electronic data;
- l) Seeking advice on the strategy for realising the Company's remaining assets, and opening discussions with various parties regarding the valuation of the assets and the potential avenues for recovery;
- m) Corresponding with insurers regarding the extent and nature of insurance cover in respect of the Series A, B and C debentures;
- n) Preparing the estimated statement of financial position as at the date of administration;
- o) Preparing this formal proposal document to be circulated to all known members and creditors, and filing the same at Companies House; and
- p) Carrying out the general functions and duties of an Administrator as set out in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016.

## **8. RECEIPTS AND PAYMENTS ACCOUNT**

- 8.1 There have been no receipts or payments in the Administration to date and accordingly a receipts and payments account is not provided.
- 8.2 Expenses incurred or likely to be incurred by the estate are detailed at Appendix 2.

## **9. STATEMENT OF AFFAIRS**

- 9.1 The Directors were requested to prepare a Statement of Affairs pursuant to Paragraph 47 of Schedule B1 to the Act. Whilst one of the directors, Martin Binks, responded and provided a signed Statement of Affairs, the document did not include any of the required information such as a statement of assets and liabilities and a list of creditors. The signed statement referred only to information already supplied by way of the Company's statutory accounts and the schedule of bondholders, along with various items of loose paperwork.

- 9.2 Accordingly, we have prepared a summary of the estimated financial position of the Company as at the date of Administration, together with a list of known creditors and details of their debts (including details of any security held by them), and this statement is enclosed at Appendix 4.
- 9.3 Creditors should note that this statement has been prepared on the basis of the last known financial position according to the Company's available accounting records. Whilst we have repeatedly requested access to the Company's current accounting records, this has not been provided, and the last filed accounts reflect a position more than two years prior to the date of Administration. Amounts shown as owed to creditors are taken from the schedule of bondholders which we understand was maintained up to date on the Company's proprietary software, or from claims submitted by creditors in the Administration, which have not been verified. If they have not already done so, creditors are requested to submit a formal proof of debt in order that the position may be ascertained, although it is not the responsibility of the Joint Administrators to agree claims.
- 9.4 Creditors should also note that an amount showing as owed to them in the estimated financial position statement, or their omission from that statement, does not preclude them from submitting claims in respect of any sums they believe to be owed to them by the Company, and does not in any way prejudice their position in these proceedings.

## **10. CREDITORS, PRESCRIBED PART AND DIVIDEND PROSPECTS**

### **10.1 Secured creditors**

- 10.1.1 There is a fixed and floating charge by way of debenture over the Company's assets, created on 21 December 2017 and registered at Companies House on 9 January 2018. The debenture is held by the Security Trustee, Frankland, on trust for the Series C bondholders who are therefore secured creditors in these proceedings.
- 10.1.2 I am advised by Frankland that the amount outstanding is £1,546,000 plus interest, which is in accordance with the Company's records, and interest continues to accrue on the amounts outstanding.
- 10.1.3 It is not presently possible for us to give an indication of the potential dividend to the Security Trustee under the security, as the valuation of the Company's assets and their potential for realisation is uncertain.
- 10.1.4 Creditors may be aware of some uncertainty surrounding the extent and nature of the security position. The Company's records indicate that a different security trustee was appointed in respect of the Series A debentures, but that trustee company, CPM Service Bureau Limited, was dissolved on 28 April 2015, not long after the Series A bond was opened. There was no security trustee in place for the Series B bond. The documentation in respect of the security held by Frankland makes clear that only Series C is secured, and this is also reflected in the Company's audited accounts.

### **10.2 Preferential creditors**

The Company has no known preferential creditors.

### **10.3 Prescribed part**

- 10.3.1 Pursuant to Section 176A of the Act, where a floating charge is created on or after 15 September 2003, a prescribed part of the Company's net property shall be set aside and made

available to the Company's unsecured non-preferential creditors. Net property means the property that would otherwise, were it not for this provision, be available to the holder of a qualifying floating charge.

- 10.3.2 The debenture in favour of Frankland was created after the relevant date, and so the provisions of Section 176A will apply in this Administration. However, the only assets owned by the Company are subject to Frankland's fixed charge, and it is therefore unlikely that the prescribed part provisions will have any practical application in this instance.

#### **10.4 Non-preferential unsecured creditors**

- 10.4.1 In addition to the Company's liabilities to the Series C bondholders, which are subject to the security held by Frankland, the Company's unsecured liabilities include the principal and interest owed to the Series A and B bondholders, as well as various amounts owed to trade and expense creditors. We understand that there are no Crown debts, but we have given notice of our appointment to HM Revenue & Customs in order to establish the Company's current tax position.
- 10.4.2 There is no prospect of a dividend to this class of creditor, unless realisations in the Administration exceed the amounts owed to the secured creditor. If realisations are achieved at this level, the Company will be moved from administration to liquidation in order to enable claims to be agreed and a dividend to be paid.

### **11. INVESTIGATION BY THE JOINT ADMINISTRATORS**

- 11.1 The Joint Administrators are investigating and, if appropriate, will pursue any claims that the Company may have under the Insolvency Act 1986 or the Companies Acts 1985 and 2006 or any other relevant legislation. The Joint Administrators are required, within three months of their appointment, to submit a return on the conduct of all persons who have acted as either directors or shadow directors of the Company during the period of three years ending on the date of the Joint Administrators' appointment. To facilitate the preparation of that return and our enquiries into the Company's affairs, the Joint Administrators have already invited creditors to provide information on any matters of concern.
- 11.2 Whilst the Administration is still at an early stage, we have already identified a number of areas of specific concern. In particular, we are aware that certain individuals previously involved in managing Asset Life plc were disqualified from acting in the promotion, formation and management of any company following criminal proceedings relating to a predecessor company, Anglo Wealth Limited ("AWL"). The Company's audited accounts show that Asset Life plc acquired a number of its holdings from AWL in consideration for writing off an intercompany debt. We are therefore investigating the relationship between AWL and Asset Life plc, and the nature and extent of the intercompany transactions.
- 11.3 We have also identified that the majority of the Company's investments appear to have been made in connected or associated companies (those under common ownership or control, or associated by virtue of common directors). However, it is not clear where the funds raised from investors were ultimately deployed. Many of the investee companies are now either dissolved or subject to insolvency proceedings, and the lack of accounting records and the involvement of numerous third party payment agents has made the task of reconciling the Company's financial affairs extremely challenging.
- 11.4 Due to the lack of transparent information on the trading transactions of this Company, we anticipate that these investigations may take some time. In addition, our investigations are

likely to require the use of Insolvency Act 1986 powers to compel the provision of information from third parties.

## **12. CREDITORS' DECISIONS**

12.1 Under Paragraph 51(1) of Schedule B1 to the Act, the Administrators are required to seek a decision of creditors on the approval of the Administrators' proposals. However, Paragraph 52(1) of Schedule B1 to the Act states that where Administrators are working solely to achieve objective (c) of the statutory purposes referred to above (i.e. the realisation of assets for the benefit of one or more secured creditors), Paragraph 51(1) shall not apply.

12.2 Creditors of the Company whose debts amount to at least 10% of the total debts of the Company may request for a decision to be sought under Paragraph 52(2) of Schedule B1 to the Act. This request must be delivered within 8 business days of the date on which this report is delivered to creditors. If the request is by a group of creditors whose debts collectively amount to more than 10% of the total, the following information must be provided along with the request, as set out under Rule 15.18(3) of the Rules:

- A statement of the purpose of the proposed meeting and either:
  - (a) a statement of the requesting creditor's claim or contributory's value, together with:
    - (i) a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
    - (ii) confirmation of concurrence from each creditor or contributory concurring; or
  - (b) a statement of the requesting creditor's debt or contributory's value and that that alone is sufficient without the concurrence of other creditors or contributories.

12.3 Creditors should note that the costs of a requisitioned meeting are to be paid by those creditors requesting it and the Administrators are not empowered to call a meeting until the creditors have lodged sufficient funds with the Administrators as a deposit for the costs of the meeting. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

## **13. ENDING OF ADMINISTRATION**

13.1 The options available to the Joint Administrators for the exit from the Administration are as follows:

- Compulsory Winding Up
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the director(s)
- Dissolution of Company (i.e. striking off the Companies House register)

13.2 As it is unlikely that there will be sufficient realisations to permit a distribution to the unsecured creditors, the Joint Administrators recommend that the Company should be dissolved once all outstanding matters have been satisfactorily completed. Dissolution shall be achieved by giving notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to the Act, to the effect that the Company has no further property to realise which might permit a distribution to the unsecured creditors, at which time the Administration will cease.

- 13.3 In the event that sufficient funds do become available for distribution to the Company's unsecured creditors, the Joint Administrators recommend that the Company should move from Administration to Creditors' Voluntary Liquidation in accordance with the provisions of Paragraph 83 of Schedule B1 to the Act, so that the Liquidators may adjudicate claims and pay a dividend to unsecured creditors.

#### **14. JOINT ADMINISTRATORS' REMUNERATION**

- 14.1 Under the provisions of Rule 18.16 of the Rules, the Joint Administrators are required to provide creditors with details of the work they propose to undertake in the administration and the expenses they consider will be or are likely to be incurred in dealing with the Company's affairs, prior to determining the basis upon which their remuneration is to be fixed.
- 14.2 In addition to this, where an Administrator seeks to pass a resolution to agree the basis of his remuneration by reference to the time properly spent by him and his staff in attending to matters arising in the Administration, a fee estimate outlining the time and estimated cost of the work to be done must also be provided to creditors.
- 14.3 In this case, the Joint Administrators are seeking to agree that their remuneration be based on the time properly spent by the Administrators and their staff in dealing with the affairs of the Company. The Joint Administrators' fee estimate and details of the work they propose to undertake can be found in Appendix 2 of this report. Please note that where appropriate, the fees estimate may relate to a particular stage of the case only, and if the Joint Administrators consider the estimate will be exceeded during the Administration, they are obliged to seek further approval for any increase in their remuneration.
- 14.4 Regular updates on the expenses we consider will be or are likely to be incurred during this case will be provided with our six monthly progress reports in due course.
- 14.5 We have now reviewed our time costs both for the period prior to our appointment and for the period in Administration from 25 July 2019 to 13 September 2019. A detailed report of these time costs is enclosed at Appendix 3.
- 14.6 As the Company has insufficient property to enable a distribution to be made to unsecured creditors, and in the absence of a Creditors' Committee, the Joint Administrators shall be seeking the consent of secured creditor for fixing the basis of their remuneration as stipulated in Rule 18.18(4) of the Rules.

#### **15. PRE-APPOINTMENT COSTS**

As stated in Appendix 3, any unpaid pre-Administration costs are not part of the Joint Administrators' proposals subject to approval under Paragraph 53 of Schedule B1 to the Act. However, in accordance with Rule 3.52 of the Rules, the Joint Administrators will seek approval from the secured creditors for any unpaid pre-Administration costs detailed in this report and appendices to be paid as an expense of the Administration.

#### **16. EC REGULATION ON INSOLVENCY PROCEEDINGS**

It is considered that the EC regulation applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation, as the Company was incorporated in England and its centre of main interests is in England and Wales, within the United Kingdom.

## **17. JOINT ADMINISTRATORS' FORMAL PROPOSALS**

The Joint Administrators hereby make the following proposals, in accordance with Paragraph 49 of Schedule B1 to the Act, for the achievement of the purpose of the Administration:

- i) The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose until such time as the Administration ceases to have effect.
- ii) A Creditors' Committee may be formed if creditors make a decision to that effect, provided that at least three and no more than five creditors are willing to serve on the Committee. If the Administration moves to Creditors' Voluntary Liquidation, any Creditors' Committee which is in existence immediately before the Company ceases to be in Administration shall continue in existence after that time as if appointed as a Liquidation Committee under Section 101 of the Insolvency Act 1986. If a Creditors' Committee is formed, the Administrators and the Joint Liquidators (if appointed), will consult with it from time to time, as agreed, on the conduct of the Administration and Liquidation proceedings. Where it is considered appropriate, the sanction of the Committee will be sought to any proposed action, instead of seeking a decision from creditors, and the Committee will serve to represent the interests of all the creditors.
- iii) Should a Creditors' Committee be formed and the Joint Administrators consider that an extension beyond the Administration's statutory duration of one year would be advantageous, the Joint Administrators will consult with the Committee prior to taking the necessary steps. If a Creditors' Committee is not appointed, the Joint Administrators shall either apply to the court or seek a decision of the appropriate classes of creditors for consent to an extension.
- iv) That the basis of the Joint Administrators' fees will be fixed and their Category 2 disbursements will be agreed by the Creditors' Committee. If no Creditors' Committee is formed, it is proposed that under Rule 18.16 (2)(b) of the Rules, the remuneration of the Joint Administrators shall be fixed by reference to the time given by the Joint Administrators and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the administration and that the Joint Administrators be authorised to draw category 2 disbursements in accordance with their firm's published tariff and they be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.
- v) That without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 to the Act, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the Administration.
- vi) The Joint Administrators take whatever other actions they deem appropriate in the interest of creditors. This includes placing the Company into liquidation if it appears that this would be in the best interests of the general body of creditors. In these circumstances it is proposed that the Joint Administrators shall become the Joint Liquidators and any act required or authorised under any enactment to be done by the Joint Liquidators may be done by either or both persons from time to time holding office. Creditors are advised that pursuant to Paragraph 83(7)(a) and Rule 3.60(6), they may appoint different persons as the proposed Joint Liquidators, provided the nomination is made after the receipt of these proposals and before these proposals are approved.



- vii) That the Joint Administrators' liability, in respect of any action of theirs as Joint Administrators, shall be discharged in accordance with Paragraph 98 of Schedule B1 to the Act, immediately upon the appointment ceasing to have effect.

A handwritten signature in black ink, appearing to read 'Asher D Miller', with a long horizontal flourish extending to the right.

**ASHER D MILLER FCA - JOINT ADMINISTRATOR**  
**DATE: 13 SEPTEMBER 2019**

## APPENDIX 1

### STATUTORY INFORMATION

**Date of incorporation:** 23 July 2014

**Registered number:** 09144715

**Registered office:** Pearl Assurance House  
319 Ballards Lane  
London  
N12 8LY

**Trading address:** 4 Devonshire Street  
London  
W1W 5DT

**Issued share capital:** 131,577 ordinary shares of £1 each, paid up to £0.25 each

<b>Shareholders:</b>	<b>Name</b>	<b>£1 ordinary</b>	
	Martin Binks	13,158	
	Terence David Mitchell	13,158	
	Leonard John Russell	13,158	
	Juan Carlos Rodriguez Martinez	12,500	
	Dragon Wave Holdings	12,500	
	International Energy	12,500	
	Alan McMahon	10,657	
	Mal Fittler	10,526	
	Oliver Seaforth Cox	10,526	
	Enayet Rasul	6,579	
	Andrew Derrick John Farmiloe	6,579	
	John Frankland	3,947	
	Bernard Philip Zissman	3,289	Forfeiture
	John Graham Woodroffe-Stacey	2,500	Forfeiture
	<b>Total</b>	<u><u>131,577</u></u>	

**Directors (last 3 years):** Martin John Binks  
Felix Engstrom  
Leonard John Russell  
Terence David Mitchell (resigned 8 November 2018)

**Secretary:** Andrew Farmiloe (resigned 3 May 2019)

## APPENDIX 2

### **ASSET LIFE PLC - IN ADMINISTRATION**

#### **JOINT ADMINISTRATORS' ESTIMATE OF COSTS FOR THE ADMINISTRATION**

Creditors should be aware that all Insolvency Practitioners in the UK have to comply with Statutory Regulations and best practice directives issued by the Joint Insolvency Committee and they are monitored by the Office Holders' relevant regulatory body. The best practice directives are mostly set out in a series of *Statements of Insolvency Practice*, better known as SIPs, and also in the Insolvency Code of Ethics which is available at [www.icaew.com/membershandbook](http://www.icaew.com/membershandbook). You will find copies of all the SIPs on R3's website at:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also like to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

#### **Proposed Fee Basis**

As Joint Administrators, we are seeking to agree the basis of our remuneration in respect of this case on the time properly spent by us and our staff in dealing with the affairs of the Company. I have set out in Appendix 3 my firm's time costs in respect of pre-appointment work and also the work carried out from appointment to 13 September 2019. I attach at Appendix 2A estimates of the further work which we consider will be necessary in the conduct of the Administration. These estimates are provided to creditors in accordance with the requirements set out in Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016. However, please note that the Administrators' actual fees will be charged by reference to time properly spent by the Administrators and their staff in managing the Administration. If the actual time taken is less than the estimates, then only the time actually incurred will be billed and drawn.

In Appendix 2A, I have set out against each task the further time I estimate to be necessary to complete each particular task properly, analysed by different grades of staff. The estimate is intended to be viewed on a total basis and not on the basis of the individual tasks, which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated, and therefore the guide should be taken as a whole. In addition, the estimate, together with the time already spent of £61,792.50 as shown in Appendix 3A, is a ceiling that is initially binding on us as Joint Administrators, but we have the right to refer back to creditors in circumstances where we consider that the time cost fees estimate will be exceeded.

If I consider that the estimate of £101,185 plus VAT is likely to be exceeded and doing so would result in better prospects of recovery for the creditors, I will seek sanction from creditors for a revised estimate and explain why I perceive there to be a benefit to the creditors of approving any increase in fees.

My firm's general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

My firm's current hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes, are as follows (exclusive of VAT):

£

Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Supports	120 - 150

Charge-out rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

### **Explanations of the Estimates**

The majority of the tasks listed in Appendix 2A are self-explanatory and I do not therefore propose to elaborate on these. Creditors who require further details should feel free to contact my office. However, creditors may get a better understanding of the work and costs involved if I list out, in broad terms, the various tasks which the Administrators are required to complete in order to comply with statutory requirements and best practice protocols as set out in the SIPs issued by the Joint Insolvency Committee, as follows:-

#### ***Administration (including statutory compliance & reporting)***

Under insolvency legislation an Administrator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. These tasks, as applicable, include the following:

- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)
- IPS set-up - Creation and update of case files on the firm's insolvency software which include company information, creditors', debtors' and employees' details
- Securing the Company's books and records
- Complying with statutory duties in respect of the Administrator's specific penalty bond
- Matters relating to trading, as appropriate
- Instructing valuers and agents and overseeing the sale of the business and assets
- Redirection of the Company's mail to the Administrator's office
- Pension regulatory reporting, auto-enrolling whilst trading and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and from the Company itself
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaising with secured creditors, obtaining charge documents and validating the security as appropriate
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA), including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration or any subsequent liquidation
- Filing a statutory return to the Department for Business, Energy & Industrial Strategy under CDDA
- Preparing the Paragraph 49 Report and formulating the Joint Administrators' Proposals
- Preparing and issuing half yearly progress reports to members and creditors

- Lodging periodic returns with the Registrar of Companies in respect of the Administration
- Establishing and holding periodic meetings of the Creditors' Committee and associated filing formalities (if a Committee is appointed)
- Periodic case progression reviews (typically at the end of month 1 and every 6 months thereafter). Although these reviews are not a legal requirement, the regulatory bodies who monitor the work of the Administrators see this task as a best practice requirement with which the Office Holders are required to comply.

## **Investigations**

As Administrators, we are required by the Company Directors Disqualification Act 1986 to consider the conduct of the director(s) of the Company (all directors and officers who have held office within the last 3 years) and to review transactions entered into prior to the Company's insolvency. The time estimated for this work is the minimum that is considered necessary in order to carry out any meaningful investigation in the circumstances of this case.

SIP2 also requires that we review the Company's financial affairs in order to make an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate in this regard. This assessment takes into account information provided by creditors and other stakeholders, either in response to the questionnaire issued to them at the outset of these proceedings or in telephone or written correspondence, and creditors are invited to make any submissions they consider appropriate in this regard.

This work may not necessarily lead to any financial benefit to creditors, yet is work the Joint Administrators are required to undertake in order to be satisfied that all assets belonging to the Company have been accounted for. Our initial investigations may reveal that further recoveries could be available for the insolvent estate, and if this proves to be the case and we consider that further work will be required to pursue these assets, we will refer back to the relevant body of creditors about the likely costs involved in pursuing such recoveries.

## **Realisation of assets**

The Joint Administrators will seek to realise all of the Company's assets. We are advised that the Company's only remaining assets capable of realisation are its shareholdings in two unquoted companies in the mining sector, further details of which are given in the main body of our report. However, the Company has made various other investments and loans during its trading history and we will seek to identify and recover any sums that may be due to the Company in this regard.

Creditors are advised that at present, there is limited information available to us regarding these shareholdings and the valuations which have been reported in the Company's audited accounts.

## **Book debts**

The Company's last accounts showed prepayments and other debtors totalling £1,359,255. The majority of these sums relate to loans made to associated companies, some of which have since been dissolved. We have not seen the full supporting documentation, and the accounts are now two years out of date. No further management information has been provided to us and we have not been granted access to the Company's accounting software package, despite our repeated requests.

We will seek to recover any outstanding sums owed to the Company, and appropriate provision has been made for the time likely to be incurred in this regard. Creditors will appreciate the difficulty in assessing the time required for this task when we have not been supplied with the Company's financial and accounting records.

The task of realising these assets is also complicated by the fact that the Company did not operate a bank account in its own name, and instead utilised a series of receiving agents and payment service providers to facilitate money transactions. It is therefore likely that considerable time will be incurred in reconstructing the accounts in order to establish the flow of funds and the prospects for recovery.

#### **Creditors (claims and distributions)**

The Administrators have been dealing with a vast amount of claims and correspondence from the Company's bondholders, many of whom have expressed concern about the Company's activities for some time. There are some 500 individual bondholders and over 700 debentures and consequently a considerable amount of time is necessarily being spent in handling their claims and queries, and reviewing the documentation they have supplied to us.

Based on current information, it appears unlikely that there will be a dividend payable to unsecured creditors. Accordingly, we have provided an estimate for dealing with creditors' queries and acknowledging claims, and correspondence with creditors generally, but not for the adjudication of claims for dividend purposes.

#### **EXPENSES AND DISBURSEMENTS**

##### **Direct expenses ("Category 1 disbursements")**

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that we consider at this stage will be or are likely to be incurred in dealing with the Company's affairs. We will provide creditors with updates on the expenses incurred in our future progress reports.

<b>Expense</b>	<b>Provider</b>	<b>Basis of fee arrangement</b>	<b>Cost to date</b>
Administrators' specific penalty bond	AXA Insurance UK plc	Recharged at cost	£45.00
Staff travel expenses	Direct cost of Administrators and their staff	Recharged at cost	-
Statutory advertising	Courts Advertising Limited	Recharged at cost	£84.60

##### **Indirect expenses ("Category 2 disbursements")**

It is normal practice also to charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

### **Storage and archiving charges**

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records, for which we charge £60 per hour.

### **Travel**

Mileage incurred as a result of any necessary travelling in connection with the case is charged to the estate at the current HM Revenue & Customs approved rate of 45p per mile.

**ASSET LIFE PLC - IN ADMINISTRATION**  
**JOINT ADMINISTRATORS' ESTIMATE OF FUTURE TIME COSTS**

<b>FOR THE PERIOD FROM 14 SEPTEMBER 2019 ONWARDS</b>							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
IPS set up & maintenance	00:00	00:30	08:00	00:00	08:30	1,677.50	197.35
Statutory filings, circulars, notices, etc.	01:00	01:00	05:00	00:00	07:00	1,985.00	283.57
Case planning, strategy & control	06:00	12:00	00:00	00:00	18:00	7,710.00	428.33
Taxation: PAYE, C/Tax & VAT	01:00	01:00	03:30	00:00	05:30	1,685.00	306.36
Accounting & Cashiering	00:00	00:00	00:00	02:30	02:30	737.50	295.00
Case reviews & Diary maintenance	01:30	02:00	06:00	00:00	09:30	3,017.50	317.63
Statutory reporting and compliance	02:00	08:00	12:00	00:00	22:00	7,310.00	332.27
<b>Investigations</b>							
CDDA preparation & reporting	01:00	02:00	04:00	00:00	07:00	2,275.00	325.00
SIP2 assessment and financial review	03:00	12:00	24:00	00:00	39:00	12,165.00	311.92
Interview/information gathering	15:00	15:00	00:00	00:00	30:00	13,350.00	445.00
Requisition of documents/info & further investigations	05:00	20:00	24:00	00:00	49:00	16,315.00	332.96
Antecedent transactions & wrongful trading	03:00	12:00	00:00	00:00	15:00	6,225.00	415.00
<b>Realisation of assets</b>							
Shares & Investments	10:00	20:00	00:00	00:00	30:00	12,850.00	428.33
Book debts collection	00:30	02:00	05:00	00:00	07:30	2,037.50	271.67
<b>Creditors &amp; distributions</b>							
Secured creditors	02:00	02:00	00:00	00:00	04:00	1,780.00	445.00
Unsec'd Creditors: correspondence & claims	01:00	06:00	36:00	00:00	43:00	10,065.00	234.07
<b>Total hours and costs</b>	<b>52:00</b>	<b>115:30</b>	<b>127:30</b>	<b>02:30</b>	<b>297:30</b>	<b>101,185.00</b>	<b>340.12</b>



## **APPENDIX 3**

### **JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES**

#### **PRE-APPOINTMENT COSTS:**

##### **Statement under Rule 3.35(10) of the Insolvency (England and Wales) Rules 2016 (“the Rules”)**

Unpaid pre-appointment costs as an expense of the Administration are:-

- (i) Subject to approval under Rule 3.52 of the Rules; and
- (ii) Not part of the Proposals subject to approval under Paragraph 53(a) of Schedule B1 to the Insolvency Act 1986.

##### **Statement of Pre-Appointment Time Costs – Rule 3.36**

By a letter of engagement between David Rubin & Partners and the qualifying floating charge holder, Frankland Business Consulting Limited (“Frankland”) agreed to pay our time costs for assistance and advice on the options available to it as qualifying floating charge holder in respect of a prospective Administration of the Company.

The time costs we incurred between our being engaged and the date of our appointment as Administrators were £13,523 plus VAT for a total of 34.2 hours. This represents an average hourly charge out rate of £389.71. Prior to our appointment, we were advanced a sum of £8,000 on account of these costs. We therefore have outstanding pre-Administration time costs of £6,856.33 plus VAT. An analysis of the time spent is provided at Appendix 3A.

#### **Overview**

Our firm, David Rubin & Partners, was first consulted in July 2019. A number of face to face and telephone meetings took place with Frankland, as Security Trustee, as well as with representatives of the Company, to determine as far as possible the financial position of the Company and to consider what options might be available to Frankland as a secured creditor, and given its obligations to protect the interests of the Company’s Series C bondholders.

Our initial work involved reviewing the security documents and establishing that the charge was enforceable, and that demand had been made for repayment. We further established that Frankland was entitled to appoint an Administrator under the terms of its security, and we advised on the appropriate process for the appointment of Administrators by a qualifying floating charge holder, and the procedure involved.

It was clear from the information available to us that the Company should be placed into administration at the earliest opportunity, in order to benefit from the statutory moratorium protecting the Company from any further enforcement action by creditors pending an orderly realisation of its assets. At the time of these initial meetings, we understood that the Company held a number of diverse investments which would be readily capable of realisation. A number of creditors had already obtained judgment against the Company and the secured creditor was anxious to protect the assets subject to the security from any enforcement action.

Once we were satisfied that Frankland had the necessary power to appoint, we proceeded to deal with all formalities relating to the appointment of Administrators, including filing the relevant documents with the High Court.

### **Issues impacting on the level of costs**

We were instructed to advise the secured creditor on short notice, with ongoing pressures against the Company having reached a critical stage. The complexities of the particular circumstances of this case required a high level of partner and senior manager involvement from the outset, which has had an impact on costs during the brief period between the date of our instruction and the date of our appointment as Administrators.

### **Pre-appointment expenses**

The sum of £50 was paid to HM Courts and Tribunals in respect of the fee payable on lodging the statutory appointment documentation at the High Court.

### **Seeking approval for payments**

In accordance with Rule 3.52 of the Rules, the Joint Administrators will seek approval from the secured creditor for any unpaid pre-Administration costs and expenses, as detailed in this report, to be paid as an expense of the Administration.

## **POST-APPOINTMENT**

The time costs we have incurred from the date of our appointment to 13 September 2019 amount to £61,792.50 plus VAT for a total of 192.9 hours, representing an average hourly charge out rate of £320.33. We have not drawn any fees on account and this entire sum is outstanding. An analysis of the time spent is also provided at Appendix 3A.

### **Case overview**

As we were appointed by the qualifying floating charge holder, we took steps immediately on our appointment to confirm the validity of the debenture and the extent and nature of the security. Whilst we have not been in a position to instruct solicitors to advise in this regard due to lack of funds in the estate, our review indicated that the security was in good order and that the right to appoint Administrators had been appropriately exercised.

We initiated contact with the directors of the Company and sought to obtain detailed information on the Company's financial position. We also requested that the directors provide a Statement of Affairs under Paragraph 47 of Schedule B1 to the Act. The directors supplied a limited amount of information in response to these enquiries, and we have subsequently sought to obtain further information on the Company's trading activities and financial position from third parties including the bookkeeper, auditors and payment services providers.

We have held a number of face to face meetings and telephone conferences with the directors and management of the Company, as well as with parties known to have an interest in acquiring the Company's assets. We have also made contact with finance brokers regarding the proposed realisation strategy, as well as with the finance directors of the investee companies with a view to establishing whether a share buyback may result in enhanced realisations. As discussions are ongoing in this regard it is not appropriate for us to provide additional details at this stage, but we will provide creditors with further information in due course.

The main difficulty for the Joint Administrators is that the investments made by the Company are highly illiquid. The shares owned by the Company are in unlisted entities and will have limited value (if any) to unconnected parties, not least because of the paucity of information regarding the activities and financial position of the investee companies. In addition, we understand from our initial inquiries that further investment is required in order for these investee companies to proceed to an Initial Public Offering on a recognised exchange. Unless the shares are publicly traded, we are advised that the only viable interest in purchasing the Company's assets is therefore likely to be from connected parties, although we are continuing to explore alternative realisation strategies.

### **Issues affecting costs**

There is a complex background to this Administration, and dealing with the various stakeholders and interested parties and building a coherent picture of the Company's investment activities generally has required a high level of partner and senior manager involvement throughout. We have also spent a considerable amount of time dealing with the queries and concerns of investors, many of whom clearly do not meet the criteria of investors eligible to participate in these types of investments or to have the schemes promoted to them.

There is considerable public interest in this case, given the recent collapse of similar firms, and we have dealt with enquiries from third parties with an interest in the case as well as with various regulators.

Finally, the lack of up to date financial records and management information, and the fact that we have not been given access to the Company's accounting records, has considerably increased the amount of time we have had to spend in reconstructing the Company's affairs and understanding how the sums raised from investors have been deployed.

To view an explanatory note concerning Administrators' remuneration approved by the Joint Insolvency Committee, please visit the Publications folder on our website [www.drpartners.com/cases](http://www.drpartners.com/cases), using the following log-on details:

USERNAME: A467@drco.co.uk

PASSWORD: 764Acj\*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

### **Provision of further information**

Within 21 days of receipt of this progress report, creditors may request the Administrators to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. Further details are set out at paragraphs 9.2 and 9.3 of the *Creditors' Guide to Administrators' Fees* which can be viewed at the web address provided above.

## ASSET LIFE PLC - IN ADMINISTRATION

JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COSTS FOR THE PERIOD TO 25 JULY 2019							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Administration, Strategy and Planning</b>							
Case planning, strategy & control	01:36	31:36	01:00	00:00	34:12	13,434.00	392.81
Accounting & Cashiering	00:00	00:00	00:00	00:30	00:30	89.00	178.00
<b>Total hours and costs</b>	<b>01:36</b>	<b>31:36</b>	<b>01:00</b>	<b>00:30</b>	<b>34:42</b>	<b>13,523.00</b>	<b>389.71</b>

JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 25 JULY 2019 TO 13 SEPTEMBER 2019							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
IPS set up & maintenance	00:00	01:18	03:06	00:00	04:24	1,009.50	229.43
Statutory filings, circulars, notices, etc.	00:48	12:12	25:06	00:00	38:06	9,231.00	242.28
Case planning, strategy & control	04:00	11:00	00:36	00:00	15:36	6,421.00	411.60
Accounting & Cashiering	00:00	00:00	00:00	00:24	00:24	60.00	150.00
Case reviews & Diary maintenance	00:00	00:54	00:12	00:00	01:06	387.50	352.27
Statutory reporting and compliance	00:48	19:36	00:00	00:00	20:24	8,368.00	410.20
<b>Investigations</b>							
CDDA preparation & reporting	00:00	08:36	00:00	00:00	08:36	3,397.00	395.00
SIP2 assessment and financial review	01:48	42:30	14:30	00:00	58:48	19,998.50	340.11
<b>Realisation of assets</b>							
Shares & investments	00:00	10:06	00:00	00:00	10:06	3,989.50	395.00
<b>Creditors</b>							
Secured creditors	00:00	00:36	00:00	00:00	00:36	237.00	395.00
Unsec'd Creditors: correspondence & claims	00:00	13:18	21:30	00:00	34:48	8,693.50	249.81
<b>Total hours and costs</b>	<b>07:24</b>	<b>120:06</b>	<b>65:00</b>	<b>00:24</b>	<b>192:54</b>	<b>61,792.50</b>	<b>320.33</b>

ASSET LIFE PLCESTIMATED STATEMENT OF FINANCIAL POSITION AS AT 25 JULY 2019

	<u>Notes</u>	<u>Book Value £</u>	<u>Estimated to Realise £</u>
<b><u>ASSETS SUBJECT TO FIXED CHARGE</u></b>			
Investment in subsidiary	1	303,750	nil
Investment in unlisted companies	1	<u>4,525,682</u>	uncertain
<i>Less: amounts owed to fixed charge holder</i>			<u>(2,082,547)</u>
<b><u>DEFICIENCY AS REGARDS FIXED CHARGE HOLDER</u></b>			<u>(2,082,547)</u>
<b><u>ASSETS SUBJECT TO FLOATING CHARGE</u></b>			
Debtors	2	1,359,255	uncertain
Cash held on appointment	3	<u>8,000</u>	8,000
<i>Less: amounts owed to floating charge holder</i>			<u>(2,082,547)</u>
<b><u>DEFICIENCY AS REGARDS FLOATING CHARGE HOLDER</u></b>			<u>(2,074,547)</u>
<b><u>UNSECURED CREDITORS - as per list B attached</u></b>			
Trade and expense creditors		19,929	
Series A and B bondholders	4	<u>6,948,759</u>	
			<u>(6,968,688)</u>
<b><u>DEFICIENCY AS REGARDS CREDITORS</u></b>			<u>(9,043,235)</u>
<b><u>SHARE CAPITAL</u></b>			
Ordinary shares of £1 each			<u>(131,577)</u>
<b><u>DEFICIENCY AS REGARDS CONTRIBUTORIES</u></b>			<u>(9,174,812)</u>

**NOTES**

1. Book values are taken from the last statutory accounts for the year ended 31 July 2017. These accounts are substantially out of date and no more recent management information has been supplied. In addition, the last accounts were qualified by the auditors in respect of the valuations attributed to the unlisted assets, and any such value is highly speculative and dependent on events which have not yet happened. Accordingly, the estimated to realise value of the unlisted investments is uncertain. The investment in the subsidiary is restimated to realise nil, as the subsidiary is subject to compulsory liquidation proceedings.
2. The last accounts show book debts of £1,359,255, of which £558,148 is owed by connected companies. The current financial position is unknown as the Joint Administrators have not been given access to the Company's accounting records, and accordingly the recoverability of the debts is uncertain.
3. David Rubin & Partners (DR&P) were engaged to advise the secured creditor and the Company on the Company's financial position and the options available, with a view to a possible administration of the Company. We were advanced the sum of £8,000 on account of these costs. The fee on account has not been drawn and is represented on the Statement of Affairs as 'cash held on appointment'.
4. According to the Company's audited statutory accounts filed at Companies House, and according to the trust deed between Frankland Business Consulting Limited ("Frankland") and the Company, only Series C debentures are subject to the security held on trust by Frankland.
5. The costs of the Administration have not been taken into account in the preparation of the Statement of Affairs.

ASSET LIFE PLCESTIMATED STATEMENT OF FINANCIAL POSITION AS AT 25 JULY 2019**A - SECURED CREDITORS**

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u> £
Frankland Business Consulting Limited (Security Trustee for Series C bondholders)	62 Larch Drive, Stanwix, Carlisle CA3 9FL <i>Charge created on 21/12/2017 and registered at Companies House on 9/1/2018</i>	<u>2,082,547.07</u>

**B - UNSECURED CREDITORS**

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u> £
<b><u>Trade &amp; expense creditors</u></b>		
Clarkson Hyde LLP	Chancery House, St. Nicholas Way, Sutton, Surrey SM1 1JB	99.00
GoResponse Limited	IPPLUS, 2 The Havens, Ransomes Europark, Ipswich, Suffolk IP3 9SJ	407.22
IMRE Hosting Limited	9 Sycamore Way, Hazlemere, Buckinghamshire HP15 7UD	626.40
Link Market Services Limited	The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU	2,362.09
McFaddens LLP	City Tower, 40 Basinghall Street, London EC2V 5DE	6,213.00
Pantheon International Advisors Limited	6 Porter Street, London W1U 6DD	6,000.00
Regional Contract Services Limited	1 Bethwin Road, London SE5 0SN	1,880.65
Sapphire Blue Consultants	190 Doverhouse Road, Putney, London SW15 5AR	<u>2,340.41</u>
<b>Total</b>		<u>19,928.77</u>

**Crown**

HM Revenue & Customs (VAT)	ICHU, BP 3202, Benton Park View, Longbenton, Newcastle NE98 1ZZ	uncertain
<b>Total</b>		<u>0.00</u>

**Bondholders/investors (Series A and B)**

<b>407 bondholders with claims totalling</b>	<u>6,948,759.45</u>
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**Total unsecured non-preferential claims**6,968,688.22**C - SHAREHOLDERS**

<u>NAME</u>	<u>ADDRESS</u>	<u>No of ordinary</u> <u>£1 shares</u>
Martin Binks	23 Wickford Close, Romford, Essex RM3 9SD	13,158
Terence David Mitchell	8 Palace Court, London W2 4HR	13,158
Leonard John Russell	6 Orrmo Road, Canvey Island, Essex SS8 8NQ	13,158
Juan Carlos Rodriguez Martinez	C/o Anfora, 811 Orihuela Costa, Alicante 3189, SPAIN	12,500
Dragon Wave Holdings	7/F Ngan House, 210 Des Voeux Road, Hong Kong Central, HONG KONG	12,500
International Energy Investment	Al Khobar/Qurnish, PO Box 478, Prince Turki Street, SAUDI ARABIA	12,500
Alan McMahon	5B Chesham Flats, London W1K 6WP	10,657
Mal Fittler	111A Bruxner Park Road, Coffs Harbour, New South Wales, AUSTRALIA	10,526
Oliver Seaforth Cox	115 Denzil Road, London NW10 2XB	10,526
Enayet Rasul	603 Navigation Court, 1 Gallions Road, London E16 2QL	6,579
Andrew Derrick John Familoe	22 Private Road, Enfield, Middlesex EN1 2EH	6,579
John Frankland	62 Larch Drive, Stanwix, Carlisle, Cumbria CA3 9FL	3,947
Bernard Philip Zissman (forfeiture)	14 Walled Garden Court, Hampton Road, Stanmore, Middlesex HA7 3GE	3,289
John Graham Woodroffe-Stacey (forfeiture)	25 College Gardens, Worthing, Sussex BN11 4QE	<u>2,500</u>
<b>Total</b>		<u>131,577</u>

All shares are fully paid up according to the most recent accounts.