

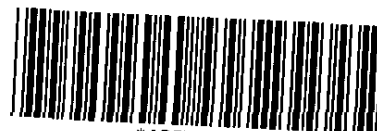
WU07

Notice of progress report in a winding-up by the court



Companies House

TUESDAY



A95WB781

A15

26/05/2020

#323

COMPANIES HOUSE

1 Company details

Company number	0	9	4	8	7	6	8	9
Company name in full	Colarb Capital Plc							

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

2 Liquidator's name

Full forename(s)	Asher
Surname	Miller

3 Liquidator's address

Building name/number	26 - 28 Bedford Row
Street	
Post town	London
County/Region	
Postcode	W C 1 R 4 H E
Country	

4 Liquidator's name [ⓐ]

Full forename(s)	
Surname	

ⓐ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address [ⓐ]

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

ⓐ **Other liquidator**
Use this section to tell us about another liquidator.

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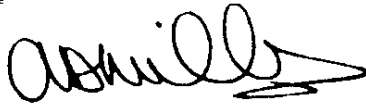
6 Period of progress report

From date	^d 1	^d 8	^m 0	^m 4	^y 2	^y 0	^y 1	^y 9	
To date	^d 1	^d 7	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0	

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
---	--

8 Sign and date

Liquidator's signature	Signature X  X								
Signature date	^d 2	^d 2	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0	

WU07

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 **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 **Robert Cook**

Company name **David Rubin & Partners**

Address

26 - 28 Bedford Row

Post town **London**

County/Region

Postcode **W C 1 R 4 H E**

Country

DX **London/Chancery Lane**

Telephone **020 7400 7900**

 **Checklist**

We may return forms completed incorrectly or with information missing.

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 the form.

 **Important information**

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

 **Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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

 **Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

IN THE HIGH COURT OF JUSTICE

NO: CR-2018-008911

IN THE MATTER OF

COLARB CAPITAL PLC - IN LIQUIDATION

AND

THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S FIRST ANNUAL PROGRESS REPORT
PURSUANT TO
PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
FOR THE YEAR ENDED 17 APRIL 2020**

COLARB CAPITAL PLC - IN LIQUIDATION
Annual Progress Report pursuant to Part 18 of the Insolvency (England and Wales) Rules 2016

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- c. Liquidator's name and address
- d. Any Change in the Office Holder
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- f. Liquidator's remuneration and expenses
- g. Creditors and distributions
- h. Details of what remains to be done
- i. Other information of relevance to creditors
- j. Next report

APPENDICES

- A. Receipts and Payments Account from 18 April 2019 to 17 April 2020
- B. Time Analysis for the period 18 April 2019 to 17 April 2020

COLARB CAPITAL PLC - IN LIQUIDATION
Annual Progress Report pursuant to Part 18 of the Insolvency (England and Wales) Rules 2016

(a) Introduction

I was appointed as Liquidator of the Company on 18 April 2019 by a Decision of Creditors following a Winding up Order made by the High Court of Justice on 20 February 2019. This report provides an update on the progress in the liquidation for the year ended 17 April 2020.

Executive Summary:

At the onset of this Liquidation, I was aware of statements made reporting potential assets of circa £35million. Unfortunately, our investigations have indicated that the asset position is much lower and the Company in fact entered into two Settlement Agreements prior to Liquidation reducing the potential asset value to nearer £7million. This is explained in further detail in section (e) below.

The Company's liabilities currently stand at £36million, which is subject to verification and may increase further. Unfortunately this clearly shows that there will be a very significant shortfall to creditors.

Creditors should note that the Company's assets are not immediately or easily realisable, and together with my instructed solicitors we have been corresponding with the two parties subject to each of the Settlement Agreements to recover the payments due. However, negotiations have been protracted and we have been told that one party, owing £5.3million is subject to insolvency proceedings in Dubai, which we are looking into further.

Clearly this has a significant impact on the potential return to creditors and I feel that I need to manage the expectations of creditors, as it is highly probable that creditors will need to prepare themselves for a very significant loss on their investments.

In respect of the Insurance Policy held by the Company, the insurers have not confirmed their position on any claims or indeed on the insurance policy itself and have expressly reserved their rights to avoid the Company's interest in the insurance policy, pending completion of their own investigations. Creditors are encouraged to seek their own legal advice in relation to the Insurance Policy.

Other avenues of investigations have been thoroughly explored and I am now considering, in conjunction with our lawyers what claims may be brought against a number of third parties, which if successful may lead to potential recoveries to the estate.

However, creditors will appreciate the need for confidentiality at this stage. Any legal action will require sufficient funding available to the Liquidation estate and this will therefore be reviewed with the creditors committee on a case by case basis.

I am required to issue the next statutory progress report within two months of the anniversary of my appointment as Liquidator, being 17 April 2021, although, as I have done so far, I will continue to update creditors periodically on matters of significant importance.

COLARB CAPITAL PLC - IN LIQUIDATION
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Rule 18.3: Progress Report

(b) Statutory information

Court: HIGH COURT OF JUSTICE
Reference Number: CR-2018-008911
Company name: Colarb Capital Plc
Former name: MJS Capital Plc
Registered office: 39 St. James's Street, London, SW1A 1JD
Company number: 09487689
Trading address: 39 St. James's Street, London, SW1A 1JD

(c) Liquidator's name and address:

Asher Miller, Office Holder Number: 9251, of David Rubin & Partners, and he may be contacted in writing at 26 - 28 Bedford Row, London, WC1R 4HE.

(d) Any changes in the Office Holder

I was appointed Liquidator of the Company on 18 April 2019. There has not been a change in the Office Holder since the original appointment date.

(e) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively:

Asset recovery

The Statement of Affairs issued by the Official Receiver ("OR") as preliminary liquidator was based on information provided at an interview with the Director. This is summarised in the table below:

Asset Type	Amount as per balance sheet	Estimated to realise (by director)
Amounts held by payment agents	£602,054	£602,054
Angel World Family office	£26,000,000	£15,000,000
Business Loans	£1,300,000	£300,000
Fortitude Capital	£11,773,788	£11,773,788
Total assets	£39,675,842	£27,675,842

Following my enquiries and investigations, I can report that the realisable value of assets reported to the OR by the Director (as set out in the above table) was very significantly overstated. My conclusion is based on the documented amounts owed to the Company that I have thoroughly reviewed.

My team and I, together with our lawyers, Taylor Wessing ("TW"), have been engaged extensively over the last year investigating the Company's affairs including how the amounts

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in the table above were calculated. Our work is complicated by the fact that the Company did not have its own bank account during its operation, using instead numerous payment agents, associated companies and other money handling entities, some of which included offshore banking.

Significant time has been spent seeking to recover bank statements and writing to numerous parties including loan creditors, payment service providers, former directors, officers and employees of the Company, Legal/Corporate Finance advisers, investment managers, several recipients of business loans and insurers compelling them to provide information to us. We have also attended meetings and conducted formal interviews with a large number of these parties. These investigations remain ongoing.

We have also received positive responses from creditors with information relating to the Company in response to my request via a creditors' questionnaire, including information identifying accounts into which funds were initially paid.

The information obtained is continuing to be reviewed and together with TW we are considering other avenues of recoveries.

Our duty is to maximise the recovery of assets for the benefit of creditors and this requires our efforts to be focused on recovery of the class of asset that will provide the quickest and greatest return as a first priority. Should sufficient funds be available in the Liquidation estate to fund further investigations and pursuit of assets, together with TW we will consider the costs and potential benefit to the general body of creditors as a whole before undertaking this work. Furthermore, I will seek the input of the creditors committee prior to taking any action in this regard.

I set out below an update on my progress in recovering each class of asset:

Fortitude Capital ("Fortitude")

From my investigations I have discovered that the Company raised approximately £6 million from investors which was lodged into the Fortitude trading platform. Some of these funds were received by Fortitude in its capacity as payment agent, others were invested in trades.

Prior to the Liquidation, the Company entered into a settlement agreement with Fortitude for £1,630,960 in full and final settlement of the amounts due to the Company. This was in the context of increasing liabilities and creditor pressure on the Company and the Directors maintained they had little alternative other than to enter into this agreement with Fortitude to release funds.

Following our investigation into this settlement, we have concluded that terms of the agreement would be difficult to challenge and accordingly we have been seeking to recover the balance of the settlement sum as the best overall outcome to creditors rather than seeking to challenge it.

The settlement agreement was entered into by the Company in September 2018 and on Liquidation, the balance due to the Company was £815,960 and accordingly, together with TW, I have pursued payment of the balance.

After a number of interviews, further meetings and correspondence, including serving a statutory demand on Fortitude, I have thus far recovered the sum of £140,960. In addition to this, Fortitude have delivered up into my possession a Porsche motor vehicle which will be

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disposed of by my instructed agents, when it is appropriate to do so. We are currently in the process of agreeing a payment schedule for the balance and agreed to apply a credit of £70,000 in this respect against the balance due to the Company, which currently is £605,000.

Angel World Family Office LLC FZS ("AWFO")

From my investigations I have discovered that the Company raised circa £7 million from Investors that was invested with AWFO, an entity based in Dubai.

Prior to Liquidation, the Company entered into a settlement agreement with AWFO for £5.3million in full and final settlement of all amounts due to the Company. Again, this was in the context of increasing liabilities and creditor pressure on the Company and the Directors maintained they had little alternative other than to enter into this agreement with AWFO to release funds.

The settlement agreement was entered into in January 2019 and provided for an initial payment of £250k, which was received by the Company after the winding up petition was presented against the Company, but prior to the Winding Up Order being made by the Court. This fact has a material impact on the remedies available to the Liquidator to recover these funds as they were used by the Director to pay certain liabilities prior to the Liquidation and this will be explained further below in the section of this report entitled "S127 Disposition Payments".

Together with TW we entered into communications with AWFO and subsequently their instructed solicitors to seek information and obtain payment on account of the settlement agreement. Before any further payments were to be made, AWFO insisted that the Liquidators acknowledge the terms of the settlement agreement were in full and final settlement of all claims against AWFO.

The Director informed the OR at the commencement of the Liquidation that between £15 million to £26 million was due to the Company and he confirmed this in other correspondence.. However, the settlement agreement of £5.3 million was reached on 18 January 2019, prior to making these statements. Clearly, there was a large discrepancy and further investigations were required.

Accordingly, we investigated the background to the settlement agreement and obtained a copy of the Company's email server which had approximately 60,000 emails stored. Together with TW we carried out some high level searches in relation to the background to the settlement agreement to assess whether this was an 'arm's length' transaction and that the terms of agreement are valid and enforceable.

The findings of this exercise were that we have not identified anything which would suggest that the agreement was not at arm's length and therefore we have been focusing on recovering the balance of £5,050,000 from AWFO.

TW's Dubai office made contact with AWFO via their solicitors and efforts were being made to engage with AWFO to recover the balance due in order to avoid cross-jurisdictional litigation being commenced in Dubai.

In March 2020, the Liquidator received a documentary extract of an AWFO liquidator's report dated 20 February 2020 which records that AWFO entered liquidation pursuant to a shareholders resolution dated 15 December 2019.

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The Liquidator and TW are naturally concerned about the apparent appointment of liquidators of AWFO and especially that it is claimed to have happened when AWFO was instructing lawyers in Dubai to respond to TW and further investigations are being undertaken.

Business Loans / Other Investments

According to the information provided by the Director, the loans issued by the Company to various companies totalled £1.3million and £300k was recoverable.

Our investigations have identified five loans / investments of circa £900,000 to date and initial requests for information and repayment have been made. However, two of the loans are not collectable due to the Insolvency / dissolution of recipients, which include Tempus Media (London) Ltd which received approximately £400k.

The remaining parties have robustly defended the assertion that the monies are repayable and in some instances claimed that their agreements were with the Director, Shaun Prince personally and not the Company. It is likely that further pursuit of these monies will require further legal action.

The Liquidators rights remain reserved, and together with TW we will assess each potential claim on its merit and once sufficient asset realisations have been made to fund the legal costs, recovery action may be instigated.

Amounts held by Payment Agents

Together with TW, we have been in correspondence with eight payment agents, which have been identified during investigations and from creditor feedback.

Currently we have identified £190,000 of Company funds held by a payment agent and a statutory demand was served on the payment agent. However, they are claiming an offset against outstanding fees, which we do not accept. The Liquidator's rights remain reserved and together with TW we will assess the merits of the potential claim and potential costs, prior to instigating recovery proceedings.

Our investigations did uncover funds held by the payment agent CFS Zipp of circa £450,000. shortly before the Liquidation, which included the first payment from AWFO of £250,000. However these funds were dispersed prior to Liquidation and together with TW we have sought to recover these funds as detailed below.

Section 127 Disposition Payments

In accordance with Section 127 of the Insolvency Act 1986 any disposition of a Company's property made after the commencement of the winding up, (being the date of presentation of the winding up petition on 23 October 2018), is void.

Following a review of payments made from Company funds held in a payment agent account with CFS Zipp, 25 parties were identified who had received total payment in excess of £450,000.

TW have written to all of the recipients of those monies in excess of £1,500 and to date the sum of £31,000 has been recovered from three parties.

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There has been significant resistance to our claims and responses largely fall into three categories: (i) that monies were received in payment of services that have already been provided to the Company and therefore do not need to be repaid; (ii) monies were received from a third party and were not the Company's property and need not be repaid; and (iii) do not have the money to repay. In some instances the parties have not responded to any of our correspondence.

The next step will be to consider issuing a formal s127 application against the recipients who have yet to repay the funds and these cases will be reviewed on a cost / benefit basis.

Insurance

My legal advisors and I have been dealing with the insurance brokers, the insurers and their solicitors. At the insurers' request, we have provided additional information regarding the Company's affairs. We have also provided copies of correspondence received from creditors and their legal advisors in relation to the insurance policy in order to notify the insurers of the current potential claims being made under the insurance policy. We have also been advised that the insurers are in direct correspondence with one group of creditors who are legally represented.

Through their solicitors, the insurers have emphasised that they have "very serious concerns" as to whether the Company complied with its duties under the insurance policy. The insurers have *not confirmed their position on any claims or the insurance policy itself and have expressly reserved their rights to avoid the Company's interest in the insurance policy pending completion of their own investigations.*

I will continue to engage with the insurers and their solicitors and provide the creditors with further updates as this matter progresses.

Fraudulent communications

I am aware that a number investors of the Company have been approached by organisations claiming that they can assist by offering some mechanism, sale or other process whereby creditors can either recover their losses or sell their investment for profit. Alternatively, creditors are offered the opportunity to purchase further investments to make their portfolio more attractive or informed that they have a shareholding in an entity recorded in their name.

These third parties may have information concerning creditors and the investments they have made, and may even purport to be the Official Receiver, a solicitor, the Court, the Liquidator, the police or another entity to lend credence to their claims.

Regardless of whom the third party states they are, please exercise great caution when approached by anyone asking that money is paid up front to market and sell investments. Genuine agents would ordinarily be expected to recover their fees and charges from the proceeds of the successful sale of the investment, rather than requiring costs etc. paid up front.

These parties have been located in the USA, Malaysia, and UK. They have also fraudulently sent a letter on fake David Rubin & Partners letterhead in the name of Asher Miller, which was not genuine and have made calls from a telephone number appearing to be from our office.

To reiterate, under no circumstance has the Liquidator disclosed personal information of the investors to third parties.

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We have sent a number of circularised emails to creditors warning of this correspondence and to exercise caution and we have tried to limit the exposure to investors by warning them of this contact, but ultimately we have no powers to stop these parties from contacting you.

Should creditors receive any correspondence or contact from third parties promising recoveries of investments, please do not provide them with any personal details, nor make any payment and report this immediately to:

Action Fraud on Telephone: **0300 123 2040**

or via their website <https://www.actionfraud.police.uk/>

This information will be collated by Action Fraud and forwarded to the police as part of their investigations into this fraudulent activity.

Police Investigations

A number of meetings have been held with Thames Valley Police (“TVP”) and the Liquidator and his staff continue to assist with their investigations into the Company affairs.

The case had been transferred from TVP to a specialist unit within Hertfordshire Police but we understand this has now returned to TVP.

We are unable to provide any further information in this regard as this may prejudice any potential criminal investigation.

Liquidation Committee

On 27 June 2019, a Notice of a Decision Procedure was circulated to all creditors with the Decision Date being 17 July 2019. Included within this Decision Procedure was the option for creditors to form a Liquidation Committee, also known as a Creditors Committee (“the Committee”).

We received 41 Committee nominations in total and 11 individual representatives were nominated to sit on the committee. However, in accordance with Insolvency Legislation, the Committee must have a minimum of three members and a maximum of five members. As we have received 11 nominations, we invited creditors to vote on which five individuals should represent the general body of creditors.

After receiving the requisite consents to act as a member, the Committee was duly constituted on 17 September 2019.

The Committee has a number of responsibilities but the principal function is to assist the Liquidator in discharging its own functions, including his investigations into the affairs of the Company. The Committee is also responsible for approving the basis of the Liquidators remuneration, and is to represent creditors’ interests in this matter.

The first meeting of the Committee was held on 25 September 2019 and a further meeting was held on 10 March 2020. The next meeting is due to be held in early September 2020.

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Conclusion

Many of the above matters are at a sensitive stage and we are unable to provide further specific details as I do not want to prejudice my ongoing enquiries and rights of action. I am considering in depth what claims may be brought against a number of third parties, but creditors will appreciate the need for confidentiality at this stage. I will provide further information to creditors as soon as it is appropriate to do so, but creditors may be assured that further detail has been considered by and approved in the confidential discussions we have had with the members of the Creditors Committee as appointed to represent all creditors.

Based on current information, I feel that I need to manage the expectations of creditors. As set out above, I do not believe the Company's assets will be immediately or easily realisable, and it may be necessary to take legal action in order to try to recover assets, which will increase costs.

I am therefore unable at this stage to provide any indication as to the quantum and timing of any future recovery of the Company's assets and ultimately the % of the return to investors on their capital invested. It is uncertain if there will be sufficient funds in the Liquidation to enable any return to creditors, and so, regrettably, creditors should prepare themselves for a very significant write off of the funds invested.

A Receipts and Payments Account is attached at Appendix A, which is further explained below.

1. Receipts

1.1 Investments – Fortitude Capital

As detailed above, prior to Liquidation the Company entered into a settlement agreement with Fortitude. During this reporting period I have recovered the sum of £140,960 and the balance of £605,000 is due to be recovered from Fortitude together with the proceeds from the sale of the Porsche motor vehicle.

1.2 s127 Disposition Payments

As detailed above, the sum of £31,714 has been recovered from three parties.

1.3 Petitioner's Deposit

The petitioning creditor deposited £1,600 with the OR.

2. Payments

2.1 OR's disbursements

The OR's disbursements totalled £16.33 and these expenses were deducted from the designated Insolvency Service Account ("ISA") before my appointment, which have now been repaid from asset realisations.

2.2 OR's Remuneration

This is the sum accrued to the OR for services rendered in dealing with the initial stages of the Liquidation before my appointment as Liquidator and carrying out their

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investigations into the Company's affairs. This sum was repaid out of asset realisations.

2.3 ISA Cheque fees

This represents the total fees charged by the Insolvency Service for processing payments from the designated ISA Account. To date, £0.15 has been paid for one payment.

2.4 ISA Banking Fees

The sum of £88 has been charged, which represents four quarterly charges of £22 for maintaining the ISA account.

2.5 Petitioner's Costs

As required by the Insolvency Act 1986, a sum of £14,200.46 was repaid to the petitioning creditor from first realisations on account of the court fees, legal fees, expert fees and other recoverable costs incurred by that creditor.

2.6 Expenses incurred but not yet recharged to the case

2.6.1 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005. An initial premium of £1,920 has been incurred and will be recharged to the case soon.

2.6.2 Statutory advertising

This represents the costs for the publishing of statutory advertising in the London Gazette and The Times the notice of the appointment of the Liquidator. An amount of £87.48 plus VAT has been incurred and will be drawn from the case shortly.

2.6.3 Stationery and postage

An amount of £1,594.54 has been incurred circulating correspondence.

2.6.4 Telephone and Conference Call Charges

The sum of £30.80 has been spent hosting two conference calls.

2.6.5 Travel and Subsistence

A total of £69.91 has been spent on travel costs for taxi fares to and from meetings at TW's office and also agents offices.

2.6.6 IT Equipment Charges

The amount of £37.49 was spent on IT equipment which was necessary for the transfer of data.

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2.6.7 Storage Costs

I am also required to keep my working papers for 6 years from the conclusion of the Liquidation. These costs will be calculated on closure.

2.6.8 Insurance of Assets

As detailed above in Section (e), we recovered a motor vehicle from Fortitude Capital in part payment of its debt. Open insurance cover with AON was arranged and the three month period from 11 December 2019 to 10 March 2020 has incurred costs in the sum of £163.46 (inc VAT).

The next three month period for 11 March 2020 to 10 June 2020 will incur fees of £122.30 (inc VAT).

2.6.9 Legal Fees

The amount of £354,297 is due to Taylor Wessing ("TW") in respect of their legal services and advice in relation to the ongoing investigations and asset realisations, which is detailed extensively above.

TW have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues. TW charge their fees on a time costs basis and they have provided me with details of the time they have spent.

(f) Liquidator's Remuneration and Expenses

1. Basis of remuneration

The Liquidation Committee approved that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There has not been any material increase in the rates during this appointment. Our current hourly chargeout rates exclusive of VAT, which are charged in units of 6 minutes, are as follows:-

	£
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

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Chargeout 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.

2. *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Senior Manager, Assistant Manager, Senior Administrator and Junior 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.

3. *Liquidator's remuneration*

My time costs for the year under review are £525,326. This represents 1,584.30 hours at an average rate of £331.54 per hour. I attach at Appendix B, a Time Analysis which provides details of the activity during the year, analysed by staff grade.

I initially provided the creditors committee a fee estimate of £805,539 for the liquidation. The time costs incurred to-date are within the budget provided and I do not currently expect the estimate to be exceeded.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME: C673@drco.co.uk PASSWORD: 376Cyl*!

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

Included in the work undertaken by me and my staff is the following:-

- a) Corresponding with the OR in relation to the delivery of documentation and providing them with updates in relation to our investigations;
- b) Dealing with extensive creditors' enquiries in writing and by telephone and noting their claims;
- c) Applying for the Liquidator's bond, as required by the Insolvency Practitioners Regulations 2005;
- d) Filing the appropriate documents relating to the Liquidation at Companies House;
- e) Meeting with Insurance Brokers to discuss insurance issues and obtaining legal advice;
- f) Reviewing Insurance Policies which were held by the Company;
- g) Notifying Insurers of the circumstances that could give rise to claims under the potentially relevant insurance policies;

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- h) Receiving claims from the legal representatives of a group of creditors making a claim against the company and notifying the Insurers accordingly. Corresponding with the parties and our lawyers;
- i) Attending meetings and calls with instructed lawyers and agents in relation to the on-going investigations and assets recovery procedures as detailed extensively in this report;
- j) Initial investigations and correspondence with third parties who might hold relevant information including insurers, investors, advisers and financial intermediaries;
- k) Communications with key members of the Company's personnel to produce critical financial information for the Liquidator;
- l) Writing to various Banks to ascertain if they hold any funds on behalf of the Company and obtaining statements of transactions;
- m) Seeking to recover the Company's books and records and restoration of email server, including conducting multiple forensic searches to aide our enquiries;
- n) Analysing bank statements obtained so far for third party accounts used by the Company;
- o) Corresponding with payment agents engaged by the Company in relation to information relating to the payments received from the investors;
- p) Analysing information from payment agents to identify the money flow at that time;
- q) Conducting interviews with various parties involved in the Company, including the Director, Members of the Board, Payment Agents, Investment Managers, key creditors and others;
- r) Communicating with some 700 creditors and engaging with them to complete a creditors' questionnaire to provide additional information regarding their investment to aid our investigations;
- s) Analysing the creditors' questionnaires received to date and recording our findings to identify key areas which require further investigation;
- t) Preparing an initial report to creditors shortly following my appointment as Liquidator, together with circulating a decision procedure for the approval of creditors, including subsequent queries and monitoring of responses received.
- u) Collating a large number of responses and nominations for a creditors committee, conducting a secondary vote with creditors to choose the 5 permitted members of the committee and communication of the result of the vote.
- v) Formal constitution of the creditors committee and filing the appropriate form with Companies House;

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- w) Holding meetings with the creditors committee in September 2019 and March 2020 and preparing associated documents, briefing notes and formal minutes of the meetings.
- x) Pursuit of Section 127 Disposition payments as detailed in section e) of this report.
- y) Review of Settlement agreement reached with Fortitude and investigating circumstances surrounding agreement and pursuit of funds due, as detailed in section e) of this report.
- z) Review of Settlement agreement reached with AWFO and investigating circumstances surrounding agreement and pursuit of funds due, as detailed in section e) of this report.
- aa) Review of Company's debtors / loans and demands for repayment, as detailed in section e) of this report.
- bb) Receiving substantial correspondence from creditors regarding fraudulent communications received. Investigating the nature of the contact and issuing multiple circulars to creditors to warn of fraudulent contact and report to Action Fraud and the Police.
- cc) Meetings with the Police to assist in their investigations and ongoing assistance and communications.

The following administrative matters will continue to be dealt with going forward:

Statutory matters

- Complying with the requirements of the Insolvency Act and Insolvency Rules.
- Preparing information for Annual Progress Reports to creditors including detailed costs and expenses review and analysis.
- Completion of case checklists.
- Final progress report to creditors.
- Final Corporation Tax computations and submissions.

Case review and diary management

- Preparation of internal case reviews and file notes.
- Review of the Liquidators' bond.
- Maintenance of case on the Liquidators' computer systems.
- Administrative tasks.

Strategy

- Case management and planning.
- Internal case meetings.
- Extensive Investigations into the affairs of the Company and pursuit of lines of enquiry that may lead to recoveries for the estate.
- Liaising with insurers.

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- Pursue claims in order to maximise recoveries.
- Costs and expenses management and review.

4. Liquidator's expenses

Expenses incurred in the liquidation are explained at (e) above in my comments on the Receipts and Payments Accounts.

5. Statutory and Compliance Work

- 5.1 Information on the anticipated outcome for creditors in this case can be found at section (g) of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 5.2 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

6. Creditors' rights – Rule 18.9 and Rule 18.34

- Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report.
- Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

(g) Creditors and Distributions

(i) (a) Secured creditors

The Company does not have any Secured Creditors.

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

Accordingly this regulation does not apply as there are no secured creditors.

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(ii) Preferential creditors

We are not aware of any preferential creditors in this Liquidation.

(iii) Unsecured creditors

At the onset of the Liquidation I was provided with details of approximately 700 creditors with claims totalling circa £35.5million.

I have written to all known creditors requesting that they submit a proof of their debts and complete a creditors' questionnaire in order to gain further information.

As at the date of this report, the claims of 561 creditors with a total value of £36,035,477.75, have been received. The claims of potentially 133 creditors with an estimated total value of £6,054,427 have yet to be received.

Due to the limited records available at present, the true value and number of creditors has yet to be fully established. The Liquidator will endeavour, with all means available to him, to obtain this information as the case progresses and we would invite all creditors who have not yet done so, to complete and return their proof of debt forms.

Should there be sufficient funds in the Liquidation estate to enable a distribution to creditors, the Liquidator and his staff will undertake a full claim adjudication process in order to finalise the claims position. However, I am unable to provide creditors with any details as to if or when this will be conducted.

(h) Details of what remains to be done

As detailed extensively in section (e) above, there remains a number of assets to recover into the Liquidation estate, such as settlement agreements from Fortitude and AWFO. Also detailed above, there remains a number of lines of enquiry that the Liquidator may pursue as and when funds permit. Further details will be provided in my subsequent progress reports.

(i) Other information of relevance to creditors:

Investigations

1. As you may be aware, in a Compulsory Liquidation the duty to investigate the Company's affairs is the responsibility of the OR. There is no requirement on the Liquidator to submit a report or return on the directors' conduct to the Department for Business, Energy & Industrial Strategy.
2. However, where matters are brought to the Liquidator's attention these are reported as appropriate to the OR for further consideration.
3. I would confirm that I have identified various matters of concern during my initial assessment of the Company affairs, together with my solicitors TW. This assessment took into account information provided by creditors as a response to my request to complete an investigation questionnaire.

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4. My staff and I are assisting the OR with their investigations. However, I am unable to report on their findings at this juncture as this is an ongoing investigation and must remain confidential so as not to prejudice any actions taken by the OR.

(J) Next report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my Final Account which will conclude my administration of the Liquidation.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact my team at mjscaptial@drpartners.com.



ASHER D MILLER FCA - LIQUIDATOR

DATE: 22 MAY 2020

**Colarb Capital Plc
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 18/04/2019 To 17/04/2020 £
	ASSET REALISATIONS	
11,773,788.00	Investments - Fortitude Capital	140,960.00
300,000.00	Business Loans	NIL
602,054.00	Cash held with Payment Agents	NIL
15,000,000.00	Investments - Angel World Family Office	NIL
	s127 Disposition Payments	31,714.00
	Petitioners Deposit	1,600.00
	Bank Interest Gross	236.07
		<u>174,510.07</u>
	COST OF REALISATIONS	
	OR's Disbursements	16.33
	OR's Remuneration	11,000.00
	ISA Cheque Fees	0.15
	ISA Banking Fees	88.00
	Petitioners Costs	14,200.46
		<u>25,304.94</u>
	UNSECURED CREDITORS	
(31,752,964.00)	Investors	NIL
		<u>NIL</u>
<u>(4,077,122.00)</u>		<u>149,205.13</u>
	REPRESENTED BY	
	ISA A/C	149,205.13
		<u>149,205.13</u>

COLARB CAPITAL PLC - IN COMPULSORY LIQUIDATION

LIQUIDATOR'S TIME COSTS							
FOR THE PERIOD 18 APRIL 2019 TO 17 APRIL 2020							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:00	01:36	00:00	01:36	328.00	205.00
Statutory filings, circulars, notices, etc.	06:24	77:24	29:30	00:00	113:18	38,535.00	340.11
Case planning, strategy & control	13:36	58:48	00:36	00:00	73:00	28,825.50	394.87
Accounting & Cashiering	00:00	00:00	01:30	03:18	04:48	1,009.00	210.21
Case reviews & Diary maintenance	00:30	30:36	01:36	00:00	32:42	12,679.00	387.74
Statutory reporting and compliance	00:00	08:24	05:00	00:00	13:24	4,118.00	307.31
Investigations							
OR: CDDA matters & correspondence	00:00	00:00	00:18	00:00	00:18	66.00	220.00
Antecedant transactions & wrongful trading	20:30	115:00	51:42	00:00	187:12	62,122.50	331.85
Proceedings & recoveries	47:48	261:12	15:06	00:00	324:06	125,782.50	388.10
Realisation of assets							
Shares & investments	01:48	16:18	00:00	00:00	18:06	6,596.00	364.42
Book debts collection	07:00	02:00	00:00	00:00	09:00	4,219.00	468.78
Tangible assets	04:42	16:54	00:48	00:00	22:24	8,743.00	390.31
Creditors							
Unsec'd Creditors: correspondence & claims	25:36	227:48	323:36	00:00	577:00	163,596.50	283.53
Preferential creditors & employees	00:00	00:00	00:36	00:00	00:36	132.00	220.00
Creditors' Committee	11:30	127:00	68:30	00:00	207:00	68,574.00	331.28
Total hours and costs	139:24	941:24	500:24	03:18	1584:30	525,326.00	331.54