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***Addison Global Limited  
(in compulsory liquidation  
by Order of the Supreme Court)***

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**Liquidator's Preliminary Report**

15 April 2020

Preliminary Report pursuant to s218 of the Insolvency Act 2011

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# ***1. Brief History***

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## ***1.1 Liquidator's appointment***

I, Edgar Lavarello of PricewaterhouseCoopers, 327 Main Street Gibraltar was appointed Provisional Liquidator of Addison Global Limited (the "Company") on 25 February 2020 and on Thursday 12 March 2020 I was appointed Liquidator.

My appointment was advertised, together with an invitation for all creditors to send their claims to the Liquidator on 19 March 2020.

## ***1.2 Statutory information***

The Company was incorporated on 22 December 2016 with company number 115212 and had its registered office at 57/63 Line Wall Road, Gibraltar.

It is a private company limited by shares with an authorised share capital of 10,000 ordinary shares of £1.00 each of which all 10,000 shares had been issued.

The immediate sole shareholder is Addison Global Holdings Limited, with a registered office at 57/63 Line Wall Road, Gibraltar which was ultimately controlled by Roderick Allen Aycox.

The Company's directors were Mr Juergen Reutter and Mrs Nyreen Llamas. Mrs Llamas resigned on 6 February 2020 and Mr Aycox was appointed on that same day. Mr Reutter resigned on 19 February 2020.

The Company's registered secretary was Line Secretaries Limited with a registered office also at 57/63 Line Wall Road, Gibraltar. Line Secretaries Limited resigned on 24 February 2020.

# ***1. Brief History***

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## ***1.3 Statement of affairs***

I have attempted to contact Roderick Aycox at his last known email and home address but have yet to receive any communication from him.

I have met with both Juergen Reutter and Nyreen Llamas and they have both assisted me with my investigations.

I have also met with the Company staff and I have obtained all the books and records of the company, including accounting records, emails, correspondence, customer records and all other information that was available at the office of the Company.

Accordingly I will not be requiring the directors present or past to submit a statement of affairs form in accordance with Rule 131.

I have also received all of the statutory books from the Company's registered secretary, Line Secretaries Limited.

## ***1.4 Causes of failure***

The Company was licensed under the Gambling Act 2005 and operated under the name MoPlay with license numbers 100 and 101 .

There exists a sister company Addison Global 2 Limited which owns the name MoPlay Asia with license numbers 102 and 103. Addison Global 2 Limited does not form part of this liquidation and we understand that this company has never traded.

The business plan which was approved by the shareholder, was submitted to the Gibraltar and UK regulators and showed a commitment of a shareholders loan agreement totalling \$135m. I am informed that updates to the business plan provided to the Gambling Commissioner in October 2019 and January 2020 showed that the business projections were close to those forecasts.

I am informed that had the business been fully funded as per its business plan and the shareholders commitment that the business would have continued as a going concern and was expected to break even by the end of 2020.

I am informed that shareholder funding was stopped at \$60m and accordingly there was a shortfall of \$75m from the commitment originally made.

## 2. Financial information

### 2.1 Assets and liabilities as at 31 December 2019

The assets and liabilities of the Company as at 31 December 2019, being the date of the latest management accounts of the Company before my appointment as provisional liquidator were as follows:

Assets	£	Liabilities and equity	£
<b>Non-current assets</b>		<b>Current liabilities</b>	
Leasehold improvements	283,549	Trade payables	10,388,495
Computer equipment	259,055	Client balances	1,305,913
Furniture and fixtures	121,792	Accruals and other liabilities	6,746,039
<b>Total non-current assets</b>	<b>664,396</b>	Payables in relation to PAYE and SI	2,131,929
Cash and cash equivalents	1,102,517	Bonus and other employee payables	2,852,774
Funds held in payment service providers	604,157	<b>Total current liabilities</b>	<b>23,425,150</b>
Prepayments	792,551	Loans and borrowings (see note 2)	54,668,903
Deposits	213,849	<b>Total liabilities</b>	<b>78,094,053</b>
Related party receivables (see note 1)	6,330,294	Share capital	10,000
Other receivables	109,201	Accumulated losses	(68,287,088)
<b>Total current assets</b>	<b>9,125,569</b>	<b>Total deficit</b>	<b>(68,277,088)</b>
<b>Total assets</b>	<b>9,816,965</b>	<b>Total equity and liabilities</b>	<b>9,816,965</b>

## 2. Financial information

### 2.1 Assets and liabilities as at 31 December 2019 - continued

**Note 1**

Related party receivables consist of the below interest free receivables from related parties:

Related party	Country of incorporation	Relationship	Outstanding balance (£)
Addison Global Holdings Limited	Gibraltar	Parent company	18,879
Marielle Global Limited	British Virgin Islands	Common control	3,351,327
Boysdel Limited	Gibraltar	Common control	(143,590)
Calden Limited	Gibraltar	Common control	154,108
Addison Global 2 Limited	Gibraltar	Sister company	2,732,466
Addison Global (Malta) Limited	Malta	Sister company	19,962
Addison Global US Limited	Gibraltar	Sister company	1,003
Beast Marketing Limited	Gibraltar	Common control	196,139
<b>Total</b>			<b>6,330,294</b>

## 2. Financial information

### 2.1 Assets and liabilities as at 31 December 2019 - continued

**Note 2**

Loans and borrowings consist of the following loans payable to related parties:

<b>Related party</b>	<b>Relationship</b>	<b>Outstanding balance (£)</b>
Gateway Global Management Limited	Parent company	35,917,575
Select Management Resources Limited	Common control	14,369,629
Rod Aycox director's loan	Director	2,737,785
Payables to Gateway and SMR	Common control	1,643,914
<b>Total</b>		<b>54,668,903</b>

## 2. Financial information

### 2.2 Receipts and payments for the period from the date of appointment as provisional liquidator on 25 February 2020 to 12 March 2020

Statement showing the receipts and payments of the provisional liquidation of the Company for the period from the date of appointment on 25 February 2020 to the date of my appointment as liquidator on 12 March 2020.

<b>Receipts in the period</b>	<b>£</b>	<b>Payments in the period</b>	<b>£</b>
Cash held in Gibraltar International Bank Limited	391,478.99	Salaries	(425,876.40)
Cash held in Jyske Bank Limited	678,686.11	Bank charges	(216.38)
Cash held in Payroll Client Account	1,093.00	Provisional liquidator's fees and expenses	(38,033.00)
Recoveries from payment service providers	111,607.69	Legal fees	(33,784.12)
Proceeds from the sale of physical assets	26,829.78	Telephone and internet	(7,500.00)
Returned funds relating to December 2019 payroll	2,380.29	Debit interest	(17.63)
Credit Interest	0.01		
<b>Total receipts</b>	<b>1,212,075.87</b>	<b>Total payments</b>	<b>(505,427.83)</b>
<b>Net assets of the liquidation at 12 March 2020</b>	<b>706,648.04</b>		



## 2. Financial information

### 2.3 Recovery of assets

The following sections detail my work and progress on the recovery of assets of the Company.

#### **Non-current assets**

As at 31 December 2019, the Company reported non-current assets of £664,396, which was made up of leasehold improvements, computer equipment and furniture and fittings.

As at the date of this report, the landlord has taken ownership of the leased units and as a result, no funds were realised from the leasehold improvements.

In the time period before losing access to the Company's leased office space my team worked to recover and dispose of as much of the furniture and fixtures and computer equipment that we were able to. We realised £26,829.78 in the period to 12 March 2012 (as presented in section 2.2) and have realised an additional £40,000 up to the date of issuing this report.

The total realised non-current assets are £66,829.78 and I do not expect any further recoveries from this asset category.

#### **Cash and cash equivalents**

I recovered the cash held in Gibraltar based bank accounts as illustrated in section 2.2. I am not aware of any additional cash held in bank accounts.

#### **Funds held in payment service providers ('PSPs')**

I recovered funds totalling £111,607.69 from payment service providers. There are still further recoveries to be made but as there are time delays and conditions to be met before the balance of the funds can be recovered it is still too early to predict the level of any possible further recovery.

#### **Prepayments and other receivables**

Prepayments consist of prepaid services none of which I believe are recoverable.

#### **Deposits**

The Company had paid deposits for their leased office units and repatriation deposits.

The deposits on the leased office units and staff accommodation amounting to £150,265 have been retained by the various landlords in lieu of the outstanding lease / rent payments due, accordingly no recoveries are expected.

The repatriation deposits held by the Department of Employment amounting to £63,584 are held to cover the cost of repatriation of non-EU employees. As the Government of Gibraltar is the largest preferential creditor (see section 3.2), these deposits will be partially offset against the Government's preferential claim.

## 2. Financial information

### 2.3 Recovery of assets - continued

#### **Related party receivables**

The related party receivables are illustrated in detail in section 2.1 note 1. I have written to all of these related parties demanding immediate repayment of the loans and borrowings. However I am informed that many of the related parties are not trading and their only source of income was from this Company. Accordingly I do not expect to realise any recoveries from these balances.

My current understanding is that the majority of these group companies were incorporated for specific purposes related to the Company's main operating business, therefore each related party does not have separate recoverable and valuable assets that can be realised to settle these receivables.

The two largest related party receivables relate to Marielle Global Limited and Addison Global 2 Limited. We have considered these companies in more detail.

#### *Marielle Global Limited*

This company was established to hold the group's software, brand and domain names and is beneficially owned by Leslie Vail Aycox. The receivable largely related to the development of software which was paid by Addison Global Limited and capitalised into the accounts of Marielle Global Limited.

I was able to recover both the software code and the domain names in the event that I could potentially sell these to realise assets for the liquidation. Unfortunately, I have not been able to sell these intangible assets and therefore believe that I will not be able to recover any funds from this receivable.

#### *Addison Global 2 Limited ('AG2')*

The Company's Asian business was conducted by AG2 and it was also a service company that incurred costs and charged the Company a recharge fee utilising a cost-plus basis. From the review of AG2's balance sheet at 31 December 2019, it does not have any recoverable assets and is in a net liability position of £1,707,007.

As a result, I do not believe that I will be able to recover this receivable.

#### **Summary**

Based on my current best estimates, total expected recoveries available for distribution to the creditors will be in the region of £1.3million to £1.6million.

## ***3. Outcome for creditors***

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### ***3.1 Secured creditors***

The Company has no secured creditors.

### ***3.2 Preferential creditors***

Preferential creditors are those creditors that are paid in priority to the unsecured creditors.

These include the salaries of present and past employees up to a maximum of £10,000 per employee plus taxes due, including those for PAYE and Social Insurance which have been deducted from employee salaries but not paid over to the tax authorities.

In addition to ranking as preferential creditors, employees may file a claim with the Gibraltar Government Insolvency Fund for the balance of any salary owed to them over £10,000 and any redundancy and termination payments which may be due to them but which remain unpaid. All enquiries should be directed to the Department of Employment, Unit 75/77, Harbours Walk, New Harbours, Gibraltar GX11 1AA, or email [employment.service@gibraltar.gov.gi](mailto:employment.service@gibraltar.gov.gi). The Gibraltar Government Insolvency Fund will stand as a creditor in lieu of any employee claims it has paid.

The total value of preferential claims we have received total £3,110,010 and they will be paid in priority to the unsecured creditors. The recoveries we expect to realise will not be sufficient to cover all of the preferential creditors claims.

### ***3.3 unsecured creditors***

We have yet to receive all of the expected creditor claims but according to the Company's records the total unsecured creditors are £70,862,817.

According to the information available to us there will be no recovery for unsecured creditors after the preferential creditors have been paid off.

## ***4. Further enquiries***

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### ***4.1 Matters relating to the insolvency of the Company***

One of my duties is to look at the actions of anybody who has been a director or shadow director of the Company in the period before my appointment.

I also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets.

If you think that there is something that I should know about please attach an explanation to the Statement of Claim Form which can be found on [https://www.pwc.gi/services/assets/agl\\_claim\\_form.pdf](https://www.pwc.gi/services/assets/agl_claim_form.pdf) and send it by email to [gi\\_insolvency.addison@pwc.com](mailto:gi_insolvency.addison@pwc.com) with the email title CLAIM FORM.

Please note that I will not be able to publish my findings and work in this area but this will be filed with the Official Receiver in Gibraltar.

## 5. Creditors meeting

### 5.1 Dispensation of creditors meeting

In accordance with S174 of the Insolvency Act 2011 I will dispense with the creditors meeting as having regard to the assets and liabilities of the Company, the likely result of the liquidation is that no unsecured creditors will receive a distribution from the liquidation and therefore it is not necessary for a meeting to be held. Accordingly a meeting will not be called unless 10% in value of the creditors give written notice to me that you require a meeting to be held.

The notice under S174 was published on 19 March 2020. Any creditor requesting a meeting to be held should write to [gi\\_insolvency.addison@pwc.com](mailto:gi_insolvency.addison@pwc.com) with the email title CREDITORS MEETING. Such a request should be received by me before 7 May 2020.

### 5.2 Future communications

Any future communications will be posted on our website at <https://www.pwc.gi/services/addison.html>

If you have any questions please email [gi\\_insolvency.addison@pwc.com](mailto:gi_insolvency.addison@pwc.com). We may not be able to answer every email as we are dealing with a very large number of enquiries but we will ensure that any questions raised are addressed in our subsequent report.

Yours faithfully



Edgar Lavarello  
Liquidator

*Edgar Lavarello of PriceWaterhouseCoopers Limited, Gibraltar has been appointed Liquidator by the Supreme Court in Gibraltar to manage the affairs and property of Addison Global Limited (the "Company"). The Liquidator acts as agent of the Company only and without personal liability. Edgar Lavarello is authorised to act as an insolvency practitioner by the Gibraltar Financial Services Commission (IP Licence Number FSC 0001 IPA).*

*The Liquidator may act as Data Controller of personal data as defined by the Data Protection Act, depending upon the specific processing activities undertaken. PwC may act as a data processor on the instructions of the Liquidator. Personal data will be kept secure and processed only for matters relating to the Liquidator's appointment.*

*Registered office: c/o PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar.*

*For further information on the liquidation of Addison Global please go to <https://www.pwc.gi/services/addison.html>*