

# Property investment companies wound up

Rationale Asset Management PLC, Value Asset Management PLC and Merydion Corporation Limited were wound up in the public interest on 12 January before ICC Judge Prentis. The Official Receiver has been appointed liquidator of the companies.

During the proceedings, the court heard that Rationale Asset Management and Value Asset Management acted as property investment companies based in London and came to the attention of the Insolvency Service after concerns were reported about their business practices.

Confidential inquiries found that Rational Asset Management claimed to prospective clients that they purchased and developed businesses such as care homes, hotels and pubs to sell on for a profit

Investigators uncovered that Rational Asset Management received more than £2 million from investors but only a fraction of this money was used for property investment activities. Instead, most of the money was used to pay the directors of Rational Asset Management and used for other companies in which the directors had a controlling interest.

Rational Asset Management also obtained £1 million of funding from a pension scheme called the Optimum Retirement Benefits Plan which had previously been investigated by both the Insolvency Service and the Pensions Regulator following allegations that the pension scheme was linked to pension liberation activity.

The second property company, Value Asset Management, was closely linked to Rational Asset Management and was subject to a parallel investigation by the Insolvency Service. Inquiries found that the company sold bonds to investors, which Value Asset Management claimed were secured against property assets.

Value Asset Management also sold shares with the promise that the capital raised would be used to invest in new properties.

Investigators, however, found Value Asset Management's marketing materials were misleading and the company's accounts showed that Value Asset Management was insolvent, owning no property. Value Asset Management also received £200,000 from Rational Asset Management, which did not benefit Rational Asset Management's investors.

The third company involved in the court proceedings, Merydion Corporation Limited, was based in Cheshire and was closely connected to Rational Asset Management.

Confidential inquiries revealed that £300,000 of investments received by the company was from the same pension scheme that Rational Asset Management had obtained funds from. Funds were then used by Merydion Corporation to invest in hotel properties the director of the company owns under separate companies.

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

These companies were entirely misleading to their investors, taking millions of pounds without making any genuine investments. There is no evidence that Value Asset Management ever commenced any property development projects and all of Rational Asset Management's investors have been left with worthless shares.

The courts recognised the severity of their misconduct and these companies have been wound up, putting a stop to this ongoing pattern of harmful business practices. We also urge anyone considering investments of this type that they should always take independent financial advice before doing so.

Any investors, creditors or shareholders of these companies should contact the Official Receiver – via [piu.or@insolvency.gov.uk](mailto:piu.or@insolvency.gov.uk) – with the relevant unique reference, providing details of their investment, shareholding or debt including the date, amount and their contact details.

### **Company information**

Rationale Asset Management PLC – company registration number 10278737 – was incorporated on 14 July 2016. The company's registered office is at Silverstream House, 4th Floor, 45 Fitzroy Street, London, W1T 6EB. Reference number: LQD6038639

Value Asset Management PLC – company registration number 10706398 – was incorporated on 4 April 2017. The company's registered office is at 23 King Street, London, SW1Y 6QY. Reference number: LQD6038651

Merydion Corporation Limited – company registration number 09755209 – was incorporated on 1 September 2015. The company's registered office is at Beck House, 77a King Street, Knutsford, Cheshire, WA16 6DX. Reference number: LQD6038635

The Official Receiver was appointed as provisional liquidator of the companies on 27/08/2020 by Mr Edwin Johnson QC sitting as a Deputy High Court Judge of the High Court in London.

### **About Insolvency Service**

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

[Information about the work of the Insolvency Service.](#)

You can also follow the Insolvency Service on: