

Press release: Australian wheat 'investment' scam directors reap lengthy disqualifications

The High Court of Justice has made an order for the disqualification of Robert Ross White for 8 years from 15 February 2017. The allegations made out in Court were that he had failed to keep, preserve, or deliver up Agri Firma's records and that he had evaded his responsibilities as a director.

The Secretary of State previously accepted a Disqualification Undertaking from Richard John Lyon Henstock for 9 years, from 19 July 2016. Mr Henstock had not disputed both the above allegations. His avoidance of his duty as a director allowed the company to mislead its investors to believe a legitimate and valuable lease had been purchased for them for farmland in either Lithuania or Australia, when there is no evidence that any land was purchased in respect of Lithuanian investment and the land purchase in Australia was never completed.

Assurances regarding the Australian wheat investment of 9% farming income and 11-15% capital gain were given, despite professional advice being received that this was unachievable and investor capital being reduced by undisclosed 65% up-front marketing and other fees.

The company was incorporated on 4 July 2011, traded from Bond St, London and went into liquidation on 9 July 2014 with an estimated deficiency of at least £538,667 and AUD\$661,500.

Proceedings are being contested by a third alleged director, with a trial expected in February 2018.

The disqualification prevents Mr White and Mr Henstock from directly or indirectly becoming involved (without the permission of the Court) in the promotion, formation or management of a company for the duration of their disqualification terms.

Commenting on the disqualification, Mark Bruce, Chief Investigator at the Insolvency Service, said:

In this case, the pooling of investors' funds with that from other associated investment vehicles has prevented any ability to trace most of Agri Firma's investment capital through various offshore accounts. Regarding Mr Henstock, even without records it has been possible to shed light on a number of claims made to investors and evidence that these were materially misleading.

Both registered directors have abrogated their duties, facilitating

the scam which this investment became. These disqualifications should give a clear message regarding such behaviour.

Notes to editors

Agri Firma Capital Ltd (CR0 No. 07692576) was incorporated on 4 July 2011 and traded from Mayfair House, 124 Bond St, London W1S 1DX.

The Company went into liquidation on 9 July 2014 with an estimated deficiency of at least £538,667 and AUD\$661,500.

Robert Ross White's date of birth is in October 1957 and he resides in Worcester.

The High Court of Justice ordered the disqualification of Robert Ross White for 8 years from 15 February 2017. The allegations made out in Court were that Robert Ross White (Mr White) failed to keep, preserve, or deliver up Agri Firma Capital Ltd's (Agri Firma's) records. As a consequence, it is not possible to:

- identify all company assets. For example; a loan of AUD\$94,318 was made from Agri Firma to an offshore company on 15 July 2013. Without any company records, it is not possible to test whether the loan was ever repaid
- ascertain the full scale of its liabilities, identify all investors, or trace the disposal of unidentified investor monies
- trace the disposal of estimated investor monies, put aside for product purchase, of at least £126,582.23 and AUD\$93,471.08
- ascertain the causes of its failure

In addition Mr White abrogated his responsibilities as director of Agri Firma Capital Ltd from 2 August 2013 to 9 July 2014, with the result that it was controlled by his co-director, who was not appointed as a director. His co-director was subject to a disqualification under The Company Directors Disqualification Act 1986 and did not have leave of the court to act.

Richard John Lyon Henstock's date of birth is in November 1937 and he resides in South Northamptonshire. The Secretary of State accepted a Disqualification Undertaking from Mr Henstock, effective from 19 July 2016, for 9 years. The matters of unfitness, which Mr Henstock did not dispute in the Disqualification Undertaking, were that Richard John Lyon Henstock failed to keep, preserve, or deliver up Agri Firma's records. As a consequence, it is not possible to

- identify all company assets. For example; a loan of AUD\$94,318 was made from Agri Firma to an offshore company on 15 July 2013. Without any company records, it is not possible to test whether the loan was ever repaid
- ascertain the full scale of its liabilities, identify all investors, or trace the disposal of unidentified investor monies
- trace the disposal of estimated investor monies, put aside for product purchase, of at least £126,582.23 and AUD\$93,471.08

- ascertain the causes of its failure

In addition Mr Henstock abrogated his responsibilities as director of Agri Firma Capital Limited from 4 July 2011 to 9 July 2014, in this period it:

- was controlled, without the leave of the Court, by an individual subject to a ban, under The Company Directors Disqualification Act 1986, from acting directly or indirectly in its management
- misled investors, contributing to their losses estimated at £508,667 and AUD\$661,500. Marketing material, as well as a lease document issued to investors, led them to believe that a legitimate and valuable lease had been purchased for them for farmland in either Lithuania or Australia. However, there is no evidence that any land was purchased in respect of Lithuanian investment and the land purchase in Australia was never completed. The company brochures made assurances of Agri Firma's extensive farming experience and 16% returns received by customer in the previous quarter, when there is no evidence from available records that it ever purchased any land, upon which it could carry out farming. Regarding the Australian investment, assurances of 9% farming income and 11-15% capital gain were misleading, when investor capital was reduced by 65% up-front marketing and other fees. The proposed agents for the Australian investment had advised the company that the 8-10% envisaged return to investors was achievable. A direct association between investors and a service provider was implied, misleading investors regarding their level of involvement in the investment. Follow-up communications in June 2014 indicated that the project had value and the plantation was progressing. However this was not the case and the land purchase had fallen through.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings. Persons subject to a disqualification order are bound by a [range of other restrictions](#).

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