

Press release: Company conned small businesses to sponsor sham drug campaigns

Data (Northern) Limited was wound up in the public interest on 18 February 2019 in the High Court in Manchester by District Judge Obodai. The Official Receiver has been appointed as liquidator of the company.

Stockport-based Data Northern was incorporated in February 2010 and the company was concerned with producing drug awareness booklets for schools.

The colour booklets, 'Are You on Drugs', were 40 pages long and provided information around dealing with the effects of a variety of drugs and alcohol. However, the booklets were authored by the director of the company, Ashley Thorley, who had no formal training.

Complaints were received about the operation of the company, which resulted in confidential investigations conducted by the Insolvency Service, on behalf of the Secretary of State.

Following a successful application to have Data Northern placed into provisional liquidation in November 2018, the court while considering the petition heard that the company would target small businesses before persuading them to sponsor drug awareness 'campaigns' that were carried out in conjunction with schools.

The campaigns were supposed to see schools receive the drug awareness booklets as an additional resource and in return, the benefactors would receive a 'certificate of sponsorship'.

The most common sponsorship rate offered was £179 but amounts varied from client to client, anywhere between £50 and in one case, all the way up £13,000.

However, the majority of schools contacted by investigators did not receive the booklets, while those that had been sent the materials felt they were of poor quality and did not use them.

Investigators were also able to demonstrate to the courts that Data Northern falsely implied to the sponsors that the company was running a charitable campaign in conjunction with schools and incorrectly claimed that sponsors had agreed to a rolling programme of sponsorship by issuing multiple invoices.

Approximately 80% of total sponsorship received by Data Northern was based on this type of bogus consent and between April 2015 and April 2018, Data Northern secured more than £880,000 from small businesses

Additionally, Data Northern employed aggressive and misleading debt

collection techniques, such as falsely threatening court action or claiming that bailiffs had been instructed. The company also failed to keep adequate accounting records.

Scott Crighton, Chief Investigator for the Insolvency Service, said:

Data Northern targeted small businesses and exploited their generous and benevolent nature, misleading them into believing they were contributing towards a worthy charitable cause. This couldn't have been further from the truth as our investigations showed that the company was only generating revenue for itself.

The strong actions of the court has prevented further loss to the business community and is a warning to other companies solicited in this way to exercise discretion before agreeing to purchase advertising space.

All public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, 2 Floor, 3 Piccadilly Place, London Road, Manchester, M1 3BN or email: piu.north@insolvency.gsi.gov.uk

Data (Northern) Limited – company registration number 07159588– was incorporated on 16 February 2010. The company's registered office is at: Unit 1 The Business Park, Chichester Road Romiley, Stockport, Cheshire, SK6 4BL.

The petition was presented under s124A of the Insolvency Act 1986 on 13 November 2018. The Official Receiver was appointed as provisional liquidator of the company on 30 November 2018 by HHJ Halliwell, a Judge of the High Court.

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). Further information about live company investigations is available [here](#).

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is available [here](#).

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