

Press release: Director banned for reclaiming tax on costs for own wedding reception

Following an investigation by the Insolvency Service, the court ordered that Paul Edward Jessup be disqualified from being directly or indirectly involved in the promotion, formation or management of a company for 12 years from 10 January 2018.

Mr Jessup was the sole director of Paragon Production Limited, an event management and production company. Mr Jessup caused Paragon to reclaim unentitled VAT totalling £19,356 for services provided to him personally, including his own wedding reception and work on his private residence.

He also provided HMRC with eight false invoices in support of the VAT reclaims which showed materially different details to the originals and suggested that the invoices were for legitimate company expenditure. Mr Jessup also provided the liquidator with a further three invoices, which again materially differed from the originals.

Mr Jessup also failed to provide records that adequately explained whether Paragon was entitled to a further £121,427 in VAT refunds which it had received. In the absence of any identifiable sales income, he was unable to prove that Paragon had held any events at all, other than Mr Jessup's own wedding reception.

Mr Jessup was also a director of The Intelligent Merchandise Company Limited, which was set up for the purpose of placing products in and producing merchandising for movies. Mr Jessup failed to deliver up sufficient records to show whether or not £269,972 spent by Intelligent between June and September 2013 had been expended on legitimate company business, which represented almost the entirety of a £270,000 loan advanced by an investor and co-director.

Commenting on the disqualification, Sue Macleod, Chief Investigator at the Insolvency Service said:

Directors must ensure that any monies they are reclaiming from HMRC is for legitimate, company expenditure and not for personal expenditure. By submitting invoices to HMRC which were for his own benefit rather than the company's benefit, the company obtained money from HMRC which it was not entitled to.

Directors also have a duty to ensure that proper accounting records are maintained, preserved and, following insolvency, delivered up to insolvency practitioner so that the public can be sure that all

funds spent by the company are for legitimate company expenditure.

Paul Edward Jessup (date of birth March 1968) resides in Stroud.

Paragon Production Limited (Company Registration No. 08566341) was incorporated on 12 June 2013 and traded from Turnberry House, 1404-1410 High Road, Whetstone, London, N20 9BH. Paul Edward Jessup was the sole registered director from 12 June 2013, until Liquidation.

The Intelligent Merchandise Company Limited (Company Registration No. 08489762) was incorporated on 16 April 2013 and traded from Chargrove House, Shurdington, Cheltenham, GL51 4GA. Paul Edward Jessup was a registered director from 16 April 2013, until Liquidation.

Both companies went into Liquidation on 14 July 2015.

On 20 December 2017, the Royal Courts of Justice, Business and Property Court, issued a Disqualification Order against Mr Jessup, effective from 10 January 2018, for a period of 12 years.

The matters of unfit conduct in respect of Paragon being that Mr Jessup caused Paragon to submit false VAT returns to HMRC in respect of the quarters ending July 2014 and October 2014 as a result of which Paragon has received at least £19,356 to which it was not entitled.

Further, Mr Jessup failed to deliver up adequate accounting records for Paragon to explain the trade conducted by Paragon and has provided false documentation to HMRC and/or the liquidator which Mr Jessup should have known was false.

The details are:

- Paragon received total VAT rebates from HMRC of £140,783.
- Paragon submitted VAT returns for quarters ending July 2014 and October 2014, which claimed rebates of £81,382 and £18,915 were due to Paragon, such sums being paid by HMRC.
- On 2 and 3 December 2014, Paragon provided HMRC with copies of purchase invoices in support of the VAT reclaims.
- Of the purchase invoices supplied to HMRC at least 8 were materially different to the invoices originally raised by the suppliers.
- Paragon received VAT rebates of at least £19,356 in respect of these invoices.

- Mr Jessup provided the liquidator with at least 3 purchase invoices which were materially different to the invoices originally raised by the suppliers and Mr Jessup has given inconsistent explanations for the differences.
- In the absence of adequate accounting records or explanations from Mr Jessup, it has not been possible to verify whether Paragon was entitled to reclaim VAT of £121,427 in excess of the £19,356 supported by false invoices.
- An analysis of Paragon's bank statements by the Insolvency Service cannot confirm that any of the monies expended by Paragon were in respect of legitimate company expenditure and has not identified any sales income for any events said to have been hosted by Paragon.
- The matters of unfit conduct in respect of Intelligent being that: Mr Jessup failed to ensure that Intelligent maintained and/or preserved adequate accounting records, or, in the alternative, failed to deliver up to the liquidator, such records as were maintained and/or preserved.

As a result, it has not been possible to:

- Establish whether loan monies in the sum of £269,972.43 expended by Intelligent between 17 June 2013 and 10 September 2013 represented legitimate company expenditure.
- Establish the extent of the debtors of Intelligent and as such make recoveries for the benefit of the loan creditor who is the only creditor at liquidation.
- Verify the cause of insolvency of The Intelligent Merchandise Company Limited.

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](#).

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies.

The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

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