Press release: Investigation shuts down 'emergency services' book publisher

MP (NW) Limited (MPNW) was incorporated in September 2015. Its business was listed as 'other publishing activities', with a registered office in Chester. The Insolvency Service launched an investigation following complaints about the company's activities.

On 28 August 2018, the High Court sitting in Manchester heard the petition presented on behalf of the Secretary of State for Business, Energy and Industrial Strategy.

The investigation established, and in winding up the company on that day, the Court accepted that MPNW cold-called other small businesses to sell them advertising space in three very similar quarterly magazines — Insight, Inside Story and Reaction — claiming to offer an alternative look at the way the emergency services operate. MPNW also claimed that around 2,000 copies would be printed and distributed for each issue.

However, investigators found that commission-based sales staff misled advertisers into believing that MPNW was a not-for-profit organisation or was directly affiliated with one or other branch of the emergency services, and the numbers of magazines distributed was far lower than indicated.

Additionally, the company failed to keep adequate accounting records with the result that it was not possible to ascertain how many magazines had actually been printed and distributed. Nor has it been possible to know whether all receipts from advertisers were accounted for and what remuneration/commission was paid to directors/staff.

Scott Crighton, a Chief Investigator at the Insolvency Service, said:

MPNW attracted customers by exploiting their generous and benevolent nature and by misleading them into believing that income generated from advertisements would benefit the emergency services whereas, in reality, just 0.3% of revenue was paid out by way of charitable donation.

The actions of the court in winding up this company has prevented further loss to the businesses community and demonstrates that the Insolvency Service can and will use its powers to take action against those who would seek to profit from the charity and goodwill of others.

Any business owner who is solicited in this way should exercise discretion before agreeing to purchase advertising space.

On the winding-up of the company, the Official Receiver was appointed liquidator.

MP (NW) Limited (Company number 09781619) was incorporated on 17 September 2015. Its registered office is at Unit 20, Evans Business Centre, Minerva Avenue, Chester, CH1 4QL.

The petition to wind up the company was presented in the High Court Manchester on 26 June 2018, under the provisions of section 124A of the Insolvency Act 1986 following confidential enquiries by Company Investigations under section 447 of the Companies Act 1985, as amended. MPNW was wound up on 28 August 2018 and the Official Receiver was appointed as liquidator.

The petition was heard by District Judge McNall and the Secretary of State was represented by Richard Tetlow of counsel and Gowling WLG (UK) LLP solicitors. The company was not present or represented. 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.

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, 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 <u>available</u>.

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

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