

Press release: Property scam companies wound up after taking in £7.8 million

Thirteen companies have been wound up by the High Court in the public interest following investigations by Company Investigations of the Insolvency Service.

The companies all traded from an address in Stroud and were all set up by husband and wife team Matthew and Charlotte Roberts, who are both bankrupt. They had targeted high net worth individuals and 'sophisticated investors' for two projects and succeeded in raising at least £7.8 million. Insolvency Service investigators are now seeking to track down funds and assets but have warned a significant amount of the money may not be recoverable.

David Hill, chief investigator with the Insolvency Service, said,

I am very pleased to see that the Court has called a halt to the unscrupulous activities of these companies. The Insolvency Service will continue to investigate and bring to a halt the activities of companies harming or about to harm the public by operating in this way.

The companies have shown no regard for the law.

The 13 companies purported to be involved in two projects. 11 were concerned with a project to acquire and convert a former convent in Woodchester, near Stroud in Gloucester, into a hotel and music venue. The remaining two companies were involved in a second project to acquire and develop a property in Norway to create an 'eco resort'.

The Matthews raised at least £7.8 million from private investors who were told their investments would be fully asset backed with the companies in which they purchased shares acquiring ownership of various land and buildings at the two sites. In fact none of the land, or buildings was found to be owned by the companies in which investors had invested.

Investors were invited to buy preference shares in a number of companies with a particular purpose in defined project on the promise of annual returns from 10% and guaranteed buybacks up to 150% depending on the length of the investment term which could be between one, three or five years. They were then told that their investment was high risk and having certified themselves as either 'high net worth individuals' or 'sophisticated investors', they would have no access to the Financial Services Compensation Scheme.

Notes to editors

Both Matthew Roberts and Charlotte Roberts are bankrupt. The former has been bankrupt since 3 September 2014 and his discharge has been suspended. The latter was made bankrupt on 25 August 2016 and her discharge is also currently suspended

In respect of the UK project ("The Convent Hotel & Spa"):

- the Court heard that the site of the former convent had been acquired by the Roberts and/or HH Property 4 Limited, a company under their control, in May and June 2013, through the use of bridging loans secured against the properties.
- In the first phase of fund raising investors were encouraged to buy shares in Special Purpose Vehicle ("SPV") companies, again controlled by the Roberts and which each owned a single share in BBH Property 1 Limited. In subsequent fund raising phases investors purchased shares directly in BBH Property 2 Limited, Crowdseed3 Limited and Crowdseed4 Limited. In total some £5.8 million was raised from investors in the UK project.
- Investors were told their funds would be used to enable the purchase by those four companies of various buildings at the Convent site thus providing security for investors by shared ownership of the companies that owned the buildings free from debt. The investment companies would then lease the buildings to hotel operating companies and receive a dividend based on the rent received by the companies plus a guaranteed buy back of their shares at 125% of investment after 3 years or 150% after five years.
- Investors were given comfort that their monies would be paid into solicitor client accounts and held in escrow and only released when adequate security was in place. This did not happen and funds were released by solicitors on the directions of the Roberts and large sums were applied for other purposes, or purposes that the investigators could not identify.
- The Court saw evidence that, save for one set of buildings known as The Barns, none of the properties were ever transferred to the investment companies as purported would happen in the brochures and other documents provided to investors. The Barns, which the investigators found to be derelict outbuildings, were subsequently transferred by BBH Property 1 Limited to Thornley Property Stroud Limited without the investors' knowledge leaving the investors without any security at all. Thornley Property Stroud, which was used by Mrs Roberts as a personal management company and latterly as the hotel operating company, is recorded as having paid £300,000 for the purchase of the Barns from BBH Property 1. However; the investigators found no evidence that any such consideration was ever paid by Thornley Property Stroud for The Barns.
- The Court also found that investors monies were not used for the purposes for which investors had been led to believe they would be and that significant sums were paid to the Roberts, Frazer Fearnhead (a former director of BBH Property 1 and BBH Property 2), or companies which they controlled.

BBH Property 1 Limited was incorporated on 11 December 2014, registration number 08675992. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

BBH Property 1 Limited was incorporated on 11 December 2014, registration number 09012571. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Crowdseed3 Limited was incorporated on 15 September 2014, registration number 09217756. The registered office of the company is at 54 Mallorie Park Drive, Ripon, N Yorkshire, HG4 2QF.

Crowdseed4 Limited was incorporated on 30 January 2015, registration number 09415203. The registered office of the company is at 54 Mallorie Park Drive, Ripon, N Yorkshire, HG4 2QF.

HH Property 4 Limited was incorporated on 02 April 2012, registration number 08016267. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Convent (Stroud) Limited was incorporated on 15 September 2015, registration number 09778052. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Roomco Limited was incorporated on 03 September 2014, registration number 09200891. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Convent Live Limited was incorporated on 15 September 2014, registration number 09218722. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Thornley Property (Stroud) Limited was incorporated on 25 April 2014, registration number 09011046. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Netgiglive Limited was incorporated on 20 November 2012, registration number 08300688. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

Music Show Limited was incorporated on 21 November 2016, registration number 10489610. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

In respect of the Norway Project (“The Convent in the Hills Investment”):

- Convent in the Hills Limited and Covent in the Hills 2 Limited were companies used to raise investment to purchase and develop land in Norway to create an eco resort.
- There were two elements to the development the first was a proposal to build a central hotel and 224 houses on a plot of land. Funds were raised by The Convent in the Hills Limited and were used to purchase five plots of land in Mr and Mrs Roberts’s names, only one of which had

planning permission and was subsequently transferred into the ownership of a subsidiary company of The Convent in the Hills being Convent in the Hills AS

- Convent in the Hills AS is a Norwegian company and is currently subject to an insolvency process in that country.
- The plot was purchased from Mr and Mrs Roberts for NOK 5 million (Norwegian Krona), being the same price that they had paid for all five plots in the previous year. The Court accepted the evidence that a significant proportion of the monies raised was paid to Mrs Roberts, or to companies, or individuals with whom she was connected, including paying expenditure apparently unconnected with the Norwegian Project.

The Convent In The Hills Limited was incorporated on 3 June 2014, registration number 09068955. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

The Convent In The Hills² Limited was incorporated on 23 July 2014, registration number 09144068. The registered office of the company is at The Convent, Convent Lane, South Woodchester, Stroud, Gloucestershire, GL5 5HS.

The winding-up petitions were presented under s124A of the Insolvency Act 1986. The Official Receiver was appointed as provisional liquidator of the companies on 10 August 2017 by Mr Justice Roth, a Judge of the Chancery Division 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 and Industrial Strategy.

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.

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

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