

Property investment companies shut down after misappropriating £2.85m

Minerva Development Group Limited and Cohesion Business Development Ltd were wound up in the public interest on 29 September 2020 after the High Court found that the investment-raising activities of the companies were entirely without substance, with at least £2.85 million of investors' funds – raised through issuing of bonds – had disappeared.

The orders were made before Insolvency and Companies Court Judge Prentis and the Official Receiver has been appointed as liquidator.

During the proceedings, the court heard that Minerva Development Group was incorporated in January 2016 but actively traded from 2018 until late 2019, principally through two websites, offering prospective clients a variety of residential property and student accommodation bonds.

Clients were offered investment returns between 7% and 16.9% per annum – above the typical return rates for regulated investment products– and told their investments would be made secure through a 'Security Trustee' which would oversee the application and banking of funds.

Investors started to complain, however, about Minerva Development Group before the Insolvency Service carried out confidential enquiries. Investigators uncovered that Minerva Development Group received £2.85 million from 70 investors after they paid their funds into a wide range of non-company bank accounts, escrow accounts or onto pre-paid cards.

But these accounts were not secure, and the alleged security trustee – first via a company called Glaxicon Limited followed by Cohesion Business Development – provided no protection.

On their website, Cohesion Business Development promoted itself as an experienced financial services provider, and a tax and accounting firm, with over 30 employees located across the world. Investigators, however, found that Cohesion Business Development never had any official presence at its registered office in Mayfair, London.

Investigators also uncovered investors complained to the police after claiming they didn't receive any investment returns and the company failed to correspond with them.

This led to Minerva Development Group's website being shut down, which prevented further bonds being sold. But this triggered several 'recovery' agents approaching investors promising to recover their investments for an advanced fee.

These recovery agents fabricated their legitimacy and one firm falsely told investors that they had been instructed by the Insolvency Service, misleading clients into believing Minerva Development Group was in the process of going

through a liquidation.

Both Minerva Development Group and Cohesion Business Development were not authorised by the financial regulators and failed to cooperate with investigators, who were concerned that the appointed directors in the two companies were likely to be fictitious or hijacked names used to hide their true identities.

David Hill, Chief Investigator for the Insolvency Service, said:

Minerva Development Group persuaded clients to part with substantial sums of money to invest in property bonds with the promise of extremely generous returns. In reality, this was nothing but a scheme and our investigations found that no funds were invested into bonds but instead used to benefit those running Minerva Development Group and a connected company, Cohesion Business Development.

The courts recognised the severity of the companies' misconduct and closed them down to protect any further investors coming to harm. We urge potential investors to carry out rigorous due diligence to ensure they use their funds on legitimate investments.

All enquiries concerning the affairs of the company should be made to the Official Receiver of the Public Interest Unit:

Minerva Development Group Limited (company number 09944685), was incorporated on 11 January 2016. Its registered address has reverted to a Companies House default address and on the basis that it has no valid registered address. The current appointed directors of Minerva are Simon Phipps and Paul Edwards.

Cohesion Business Development Ltd (company number 10385105), was incorporated on 20 September 2016. The company's registered office address is at 11 Bruton Street, Mayfair, London, W1J 6PY. The company has never had an authorised presence at that address. The company's current appointed director is a Paul Redford.

The 3 current directors across both companies all give 11 Bruton Street as their correspondence address, an address at which none of them are known to have had any authorised use of.

The petitions were presented by The Secretary of State for Business, Energy and Industrial Strategy on 27 August 2020 in the High Court of Justice, Business and Property Courts in England and Wales (CR-2020-003575 of 2020), 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.

About the Insolvency Service

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). [Information about how to complain about a live company.](#)

[Information about the work of the Insolvency Service.](#)

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