

Magna Group mini-bond companies shut down

The High Court has wound up seven companies run from an office in Mayfair, London, after an Insolvency Service investigation found that their marketing of high-risk mini-bonds, used to fund property development projects, was misleading and the directors continued to take investors' money even after the companies were insolvent.

The principal directors of all the companies were Christopher John Madelin and Oliver James Mason and the companies involved were:

- 4 unregulated mini-bond investment vehicles (Magna Investments X Ltd, MIX2 Ltd, MIX3 Ltd and MIXG Ltd), raising over £20m from members of the public
- An associated group and brand holding company (Magna Asset Management Ltd)
- An operational company (Magna Project Management Ltd)
- A consultancy/administration company (MIX Ops Ltd)

All were incorporated between December 2014 and March 2019, and were registered at the same address in Berkeley Square in Mayfair, London.

The Financial Conduct Authority (FCA) recently banned the mass-marketing of mini-bonds to retail investors, following serious concerns that they were being promoted to investors who neither understood the risks involved, nor could afford the potential financial losses.

The Insolvency Service investigation into the Magna group of companies discovered that marketing of the mini bonds was misleading, with marketing material overstating both the levels of security being offered and the true protections offered to them from the appointment of a 'Security Trustee'.

Madelin and Mason, having secured deposits from investors, are believed to have been the beneficiaries of £2.5 million through director loan accounts.

MIX3 and MIXG took over £2 million in deposits from loan note creditors between 1 December 2019 and 25 February 2020, a period when the directors ought to have known that all of the companies were insolvent.

MIX2 had, by then, failed to pay its loan note holders when due, leading to a Default Event in all 4 MIX to MIXG Loan Note Instruments.

During this period, however, the directors paid themselves £425,021 with a further £370,471 lent to a non-UK company of which they were shareholders.

The companies were all wound up on 10 August and the Official Receiver was appointed liquidator.

Edna Okhiria, Chief Investigator at The Insolvency Service, stated:

Investors in the MIX companies were systematically given false comfort that their investments were to be “asset-backed” by tangible “bricks and mortar” security when in reality this was not the case and highly misleading.

Marketing and publicity material circulated to investors presented a false picture of the Group’s strong financial health and the companies induced investors to invest over £2 million after December 2019 at substantial risk, with the knowledge it had stopped repaying existing investors and therefore there was no reasonable prospects of repaying these sums.

Investments in speculative mini-bonds are inherently high risk and the FCA has banned their mass-marketing to retail investors.

The Insolvency Service has acted, applying to Court for the group of companies to wound up in the public interest to protect others from becoming victims and to send a strong message to like-minded perpetrators that behaviour of this nature will not be tolerated.

Notes to editors

MAGNA INVESTMENTS X LTD (Reg. No. 11426239, Incorporation 21 June 2018)

MIX2 LTD (Reg. No. 11489757, Incorporation 30 July 2018)

MIX3 LTD (Reg. No. 11601821, Incorporation 3 October 2018)

MIXG LTD (Reg. No. 11602211, Incorporation 3 October 2018)

MAGNA ASSET MANAGEMENT LTD (Reg. No. 09440715, Incorporation 16 February 2015)

M PROJECT MANAGEMENT LTD (Reg. No. 09344461, Incorporation 8 December 2014)

MIX OPS LTD (Reg. No. 11872553, Incorporation 9 March 2019)

The principal latest directors of these companies were Christopher John Madelin (Date of birth October 1984) and Oliver James Mason (Date of birth March 1987).

The Official Receiver was appointed as liquidator of the companies on 10 August 2021 by ICC Judge Jones.

All enquiries concerning the affairs of the company should be made to:

- The Official Receiver, Public Interest Unit, 16th Floor, 1 Westfield Avenue, Stratford, London, E20 1HZ
- Telephone 0300 678 0015

- Email: piu.or@insolvency.gov.uk

- Please note that the companies' records have not yet been transferred to the Official Receiver. In the meantime, any Subject Access Requests for personal data should be directed to the third-party companies responsible for the marketing of loan notes

The current registered office for each of the companies is located at Berkeley Square House, Berkeley Square, London, England, W1J 6BD, where virtual office facilities had been provided to those companies. However at the time of the issue of the winding up petitions the companies appear to have vacated their common registered office.

There is no legal definition of a 'mini-bond', but the term usually refers to illiquid debt securities marketed to retail investors. It is essentially an IOU issued by a company (the issuer) to an investor, in exchange for a fixed rate of interest over a set period. At the end of this period, the investor's money is due to be repaid. The return on investors' money depends on the success and proper running of the issuer's business. If the business fails, investors may get nothing back.

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. [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.](#)

HMRC reveals absurd excuses for not paying National Minimum Wage

While the vast majority of employers pay their employees at least the National Minimum Wage, HM Revenue and Customs (HMRC) has today released some of the most absurd excuses used for not paying the legal minimum.

In the 2020 to 2021 tax year, HMRC helped more than 155,000 workers across the UK recover more than £16 million in pay which was due to them, and also issued more than £14 million in penalties.

Some of the most ridiculous excuses for flouting the law included:

1. "She does not deserve the National Minimum Wage because she only makes the teas and sweeps the floors."

2. "The employee was not a good worker, so I did not think they deserved to be paid the National Minimum Wage."
3. "My accountant and I speak a different language – he does not understand me, and that is why he does not pay my workers the correct wages."
4. "My employee is still learning so they are not entitled to the National Minimum Wage."
5. "It is part of UK culture not to pay young workers for the first three months as they have to prove their 'worth' first."
6. "The National Minimum Wage does not apply to my business."
7. "I have got an agreement with my workers that I will not pay them the National Minimum Wage; they understand, and they even signed a contract to this effect."
8. "I thought it was okay to pay young workers below the National Minimum Wage as they are not British and therefore do not have the right to be paid it."
9. "My workers like to think of themselves as being self-employed and the National Minimum Wage does not apply to people who work for themselves."
10. "My workers are often just on standby when there are no customers in the shop; I only pay them for when they are actually serving someone."

Steve Timewell, Director Individuals and Small Business Compliance, HMRC, said:

The majority of UK employers pay their workers at least the National Minimum Wage, but this list shows some of the excuses provided to our enforcement officers by less scrupulous businesses. Being underpaid is no joke for workers, so we always apply the law and take action. Workers cannot be asked or told to sign-away their rights.

We are making sure that workers are being paid what they are entitled to and, as the economy reopens, reminding employers of the rules and the help that is available to them.

HMRC reviews every complaint made about the minimum wage, so if you think you are being short-changed, or are a business that is unsure of the rules or needs help to get things right, get in touch and we will help you. But any employer deliberately or unapologetically underpaying their staff will face hefty fines and other enforcement action.

The National Minimum Wage hourly rates are currently:

- £8.91 – Age 23 or over (National Living Wage)
- £8.36 – Age 21 to 22
- £6.56 – Age 18 to 20
- £4.62 – Age under 18
- £4.30 – Apprentice

HMRC is reminding workers to check the hourly rate of pay they are actually

getting, and to also check any deductions or unpaid working time, as part of the government's commitment to build back fairer from the pandemic.

If they want to speak with someone, in confidence, they should phone the Acas Pay and Work Rights Helpline on 0300 123 1100, who can transfer the call to HMRC.

Employers can also contact the Acas Helpline for free help and advice or visit [the National Minimum Wage guidance on GOV.UK](#) to find out more.

[PM call with Chancellor Merkel: 17 August 2021](#)

Press release

Prime Minister Boris Johnson spoke with German Chancellor Merkel this morning.



The Prime Minister spoke to German Chancellor Merkel this morning about the situation in Afghanistan.

They agreed that global cooperation was crucial, both on the urgent need to evacuate foreign nationals and others from Afghanistan, and the longer-term importance of preventing a humanitarian crisis in the country and region.

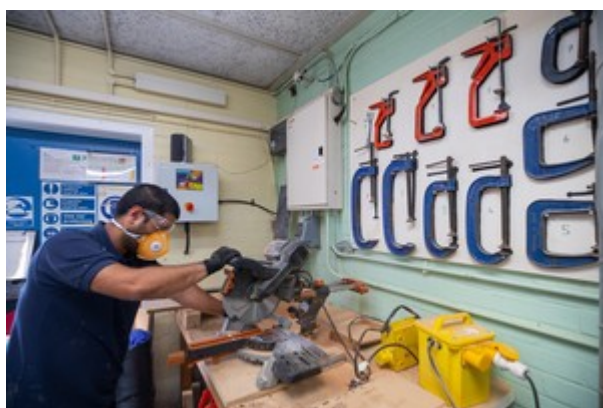
Both leaders resolved to use their bilateral and multilateral influence to encourage international partners to adopt a joined-up approach to the challenges ahead. The Prime Minister also stressed the need to agree shared international standards on human rights that any future Taliban government in Afghanistan will be held to by the international community.

The Prime Minister outlined his intention to convene G7 leaders for a virtual meeting to discuss this at the earliest opportunity.

Relaunch of GFSL apprenticeship programme

Press release

The first group of 11 apprentices are welcomed into their new workplaces this week across 9 HMP sites in the south of England.



Gov Facility Services Ltd (GFSL) is proud to announce the restart of our apprenticeship programme, helping people to develop their skills and careers at the Ministry of Justice-owned company that supplies prison maintenance services.

Up to 24 apprenticeships will be on offer as Level 3 Electrical Engineering Apprentices or Mechanical Maintenance Engineering Apprentices in the company that works across 48 prisons in the South of England .

The start of our programme was delayed from the spring, due to COVID. However, we're delighted that we've overcome all obstacles and resumed the programme before the start of the academic year.

Recommencing in August 2021, we're running the programme with multiple training providers at locations close to the apprentices' place of work.

GFSL Chief Executive, Paul Ryder, said:

I'm thrilled to be announcing the launch of our apprentice programme today (16 August 2021). Our first cohort of eleven are joining GFSL to gain technical skills and qualifications that are relevant to our organisation and the FM industry. On completing the 3-4 year programme, the apprentices will qualify with a Level 3

Certified in Electrical Engineering or Building Services Mechanical.

Finally, I wish them every success in their journey and applaud the resilience they have all shown in staying loyal to their commitment throughout the pandemic.

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[Competition winners to deliver UK's first hydrogen transport trials in Tees Valley](#)

- winners of a £2.5 million research and development (R&D) competition to accelerate the use of hydrogen transport in the Tees Valley area unveiled
- successful projects will see diesel buses retrofitted with hydrogen fuel cells, supermarket chains benefitting from hydrogen delivery vans and the police and NHS using hydrogen vehicles for rapid response services
- trials will show how hydrogen-fuelled vehicles can be quick and easy to drive and refuel, cleaning up the air in our local areas as we aim to meet our net zero ambitions

Hydrogen transport pilots in the Tees Valley area will establish the UK as a leader in the technology and propel us towards our net zero goals, Transport Secretary Grant Shapps has said today (17 August 2021), as he unveiled the winners of a £2.5 million R&D competition.

The successful trials will lead to supermarkets, emergency services and delivery companies using hydrogen-powered transport to move goods and carry out local services.

The trials will also help us to understand the role hydrogen has in meeting our 2050 net zero ambitions, which will inform our future investment decisions and prime export opportunities.

In collaboration with Stagecoach, Ricardo PLC will retrofit a double-decker diesel bus with a hybrid fuel cell system. The bus will be driven on local routes and learnings from this project will support fuel cell retrofit technologies in public transport across the UK.

One of the most wide-ranging projects sees Toyota delivering a number of hydrogen vehicles, including a forklift truck for warehouse operations, a

passenger bus and 10 fuel cell passenger cars. These will be deployed across the town's rapid response services, such as emergency response units for the Cleveland Police and NHS patient support.

HV Systems plans to demonstrate the use of hydrogen in delivery vans in the Tees Valley area. The vans will be operated in collaboration with a leading supermarket chain, running between 19 superstores and their main distribution centre.

The project aims to show how delivery vans fitted with fuel cells can have increased range, faster refuelling times than battery-electric versions and speed parity with conventional diesel vehicles.

In collaboration with Sainsbury's, Element Energy will also be trialling a hydrogen-powered heavy goods vehicle (HGV) in the Tees Valley area. The vehicle will be operated from a local distribution centre and will be carrying out goods deliveries in the area.

Transport Secretary Grant Shapps said:

With less than 100 days to go until COP26, I'm committed to supporting industry to develop innovative new technologies that will decarbonise transport, helping us to build back greener and level up the country.

By harnessing the power of hydrogen technology, we can pave the way for its use across all transport modes, creating cleaner, greener more efficient transport systems across the UK.

This announcement comes weeks after the launch of government's [Transport decarbonisation plan](#), a world-leading 'greenprint' that sets out a credible path for the UK to achieve net zero emissions by 2050 and lead the world in tackling climate change.

The funding follows the unveiling of an [official masterplan for the UK's first-ever hydrogen transport hub](#), which could be fully operational by 2025 – helping to create up to 5,000 new jobs in the North East over the long-term as we continue to level up the economy.

Tees Valley Mayor Ben Houchen said:

Through trialling the use of hydrogen in transport across Teesside, Darlington and Hartlepool, we are spearheading the path to a greener future by developing the knowledge and expertise needed to roll hydrogen out as a fuel source across the country.

In Teesside, we already produce 50% of the UK's hydrogen, so there is no better place for this research to take place.

This new investment shows how Teesside is leading the way in the

drive for the UK to be net zero by 2050, creating good-quality, well-paid, clean energy jobs in the process.

David Tozer, Head of Land and Maritime Transport, Innovate UK, said:

Innovate UK is pleased to support these innovative projects across the Tees Valley in partnership with the Department of Transport.

Deploying hydrogen vehicles and vessels at scale and showcasing the UK's long-term aspirations in this space, is essential in delivering UK commitments to decarbonisation.