

Press release: Bubble bursts for wholesaler who failed to keep proper records

Javid Mogra, aged 32 of Bolton, Lancashire, admitted that he had failed to keep sufficient company records and gave an undertaking to the Secretary of State for Business, Energy and Industrial Strategy not to be a director of a limited company, for 9 years, from 7 August.

Mr Mogra was the sole director of Middleborough Ltd (Middleborough) which was wound up by the Court in the public interest on 14 November 2016.

The company owed creditors at least £2,119,589 despite filing accounts showing turnover of £2,321,657 for the period ended 31 August 2015.

In giving his undertaking, Mr Mogra did not dispute that he failed to ensure Middleborough Ltd kept adequate accounting records, and that as a consequence, it has not been possible to:

- verify his explanation for the shortfall of £54,229 paid to Middleborough by a customer in respect of beverages supplied between 29 June 2015 and 27 August 2015
- verify his explanation for an underpayment of £1,435,954 to the supplier, a shortfall of £1,235,302 received from the customer and an overall loss of £348,390 incurred on sales of car parts between 02 January 2015 and 16 September 2015
- verify his explanation regarding the sale of 6,136 sets of accident data and a debt due to a supplier of at least £624,929 incurred between 01 July 2015 and 16 September 2015
- determine the accuracy of financial statements filed at Companies House for the periods ending 28 February 2014, 10 February 2015 and 31 August 2015
- determine the accuracy of Middleborough's VAT returns submitted to HMRC in relation to the 03/2015 to the 03/2016 VAT periods
- determine the nature and extent of Middleborough's assets and liabilities
- verify the legitimacy of Middleborough's trading or show that all transactions have been carried out in the usual course of business and to the benefit of the company

Commenting on the disqualification, Ken Beasley, Official Receiver of the Insolvency Service's Public Interest Unit, said:

The Insolvency Service will not tolerate Directors who cannot show that their Companies are being run for legitimate purposes.

The director of this company has fallen far short of the standard of record keeping that can be reasonably expected and as a result, there were serious concerns over the true nature of this business.

Notes to editors

Middleborough Ltd (Company number 08384563) was incorporated on 1 February 2013. The registered office of Middleborough Ltd is currently situated at 2nd Floor, 3 Piccadilly Place, Manchester, M1 3BN. The registered office and trading address of Middleborough prior to the liquidation was situated 9 Maplewood Gardens, BOLTON, BL1 3NR.

Javid Mogra gave an undertaking to the Secretary of State not to be a director for 9 years in respect of his conduct in Middleborough on 23 June 2017. The undertaking has been accepted and the period of disqualification commenced on 07 August 2017.

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

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.

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