

Press release: Cleveland director banned for seven years

The Secretary of State for Business, Energy and Industrial Strategy accepted a seven year disqualification undertaking from Mr Banaras which bans him, from 12 June 2017, from acting as a company director or from managing, or in any way controlling, a limited company until 2024.

North East Meats Limited (NEM) which traded from Boosbeck, Cleveland, went into liquidation on 20 August 2015 owing £1,128,393. An Insolvency Service investigation into NEM found that from at least 12 March 2014 Mr Banaras failed to maintain, preserve and deliver up records that were adequate to explain the financial position of NEM.

In the absence of complete records, it was not possible to determine the legitimacy of at least £195,476 of credit stated to have been granted to a connected company for the destruction of purchased livestock. Furthermore, NEM's books and records had no evidence to verify the destruction of at least 2,827 such animals. It was also not possible to determine the legitimacy of management charges paid by NEM to a connected company totalling £450,000.

Aldona O'Hara, Chief Investigator of Insolvent Investigations Midlands & West at the Insolvency Service, said:

Company Directors have a duty to ensure that their companies maintain proper accounting records and following insolvency, deliver them to the office-holder in the interests of fairness and transparency.

Without a full account of transactions it is impossible to determine whether a director has discharged their duties properly, or is using a lack of documentation as a cloak for impropriety.

This director has paid the price for failing to do that, as he cannot now carry on in business other than at his own risk.

Notes to editors

Mr Banaras' date of birth is 8 October 1973 and he resides in Middlesbrough.

North East Meats Limited (CR0 No. 08610295) was incorporated on 15 July 2013 and traded from The Abattoir, High Street, Boosbeck, Saltburn-by-the-Sea, Cleveland, TS12 3AG.

Mr Banaras was the sole director from 15 July 2013 to 20 August 2015 (the

date of liquidation).

The matter of unfitness, which Mr Banaras did not dispute in the Disqualification Undertaking, was that from at least 12 March 2014, the date upon which NEM first granted a credit note to a connected company, Mr Banaras failed to ensure that NEM maintained and/ or preserved adequate accounting records. Or in the alternative Mr Banaras failed to deliver up to the liquidator such records as were maintained.

As a consequence of the inadequate books and records it was not possible to:

- verify the legitimacy of at least £195,476 of credit granted by NEM to a connected company.
- verify the legitimacy of management charges paid by NEM to a connected company totalling £450,000.

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.

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