

Press release: Six year ban for failing to keep company records

David Simpson Duffy was the sole director of Annick Structures Ltd (ASL), which traded as a construction and civil engineering company.

ASL was incorporated in 2012 and was ordered into compulsory liquidation in February 2016, following a petition by HMRC.

At liquidation, the company had an estimated deficiency to its creditors of over £900,000.

The investigation by the Insolvency Service, following the conclusion of the liquidation, found that from March 2014 to February 2016, Mr Duffy failed in his duty as a director to preserve or deliver up to the liquidator adequate accounting records for ASL, as he was required to do by law.

The result of which was that it was not possible to verify the true level of income and expenditure to and from the company bank account and specifically:

- whether outstanding loans totalling £308,725 were collected for the benefit of the company or remained outstanding at liquidation
- whether debtor sums totalling almost £35,000 and stock/Work in Progress sums totalling over £582,000 were collected for the benefit of the company
- what the purposes were of transfers totalling £1.8 million and payments totalling £2.5 million related to

This was aggravated further by Mr Duffy's failure to ensure that ASL prepared and filed annual accounts with Companies House, for the period to 28 February 2015.

Following the Insolvency Service investigation, Mr Duffy signed a six year undertaking, which was accepted on 11 May 2018.

The disqualification commenced on 1 June 2018 and is effective until 1 June 2024 and prevents Mr Duffy from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company or limited liability partnership for the duration of his ban.

Robert Clarke, Head of Company Investigation at the Insolvency Service said:

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 his duties properly, or is using a lack of documentation as a cloak for impropriety.

Notes to editors

Mr Duffy's date of birth is June 1974. He was appointed as sole director of ASL on 13 June 2012 and remained in office until the date of liquidation.

Mr Duffy signed a 6 year Undertaking, which was accepted on 11 May 2018. The disqualification commences on 1 June 2018 and is effective until 1 June 2024.

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 administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, 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.

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

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