

## **News story: Letter from International Development Secretary to NGOs**

[unable to retrieve full-text content] Penny Mordaunt has written to UK charities who work overseas about tackling sexual exploitation and abuse in the aid sector.

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## **News story: CIC Survey on Filing Annual Reports & Accounts**

[unable to retrieve full-text content] We are currently developing a new service to allow Community Interest Companies (CICs) to file their annual reports and accounts online.

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## **Press release: Newcastle father and son banned from running companies for 18 years**

The disqualification means that Alan Bertram (70) and his son, Mark Bertram (36), both from Newcastle, cannot control or manage a limited company without leave of the court.

Bespoke Orangeries Limited was incorporated on 8 June 2012 and Mark Bertram was appointed as a director.

But the company, which supplied and built orangeries, went into liquidation on 25 November 2014 owing at least £101,422 to its creditors.

Following the liquidation, the Insolvency Service conducted an investigation and found that Mark Bertram had allowed his father to act as a director of Bespoke Orangeries between October 2013 and November 2014.

However, this breached the restrictions of Alan Bertram's three and a half-year disqualification, which began in March 2013 following the failure of Orangeries.com Ltd.

Further investigations found that between 22 April 2013 and 25 November 2014, Alan and Mark Bertram failed to pay around £43,000 worth of tax to HM Revenue and Customs, despite paying more than £56,000 to other creditors.

And Mark Bertram had also failed to maintain, preserve and deliver adequate accounting records for Bespoke Orangeries.

Robert Clarke, Head of Insolvent Investigations North at the Insolvency Service, said:

While Mark Bertram was the only registered director of Bespoke Orangeries, our investigation clearly showed that his father was also acting as a director and this was in direct breach of an earlier disqualification.

These lengthy bans for father and son send a clear message that if you breach disqualification orders or allow others to do so – even if it's a family member – then we will investigate you and you could lose the protection of limited liability.

Alan Bertram signed a disqualification undertaking preventing him from acting as a company director for a period of 11 years with effect from 9 February 2018.

Mark Bertram signed a disqualification undertaking preventing him from acting as a company director for a period of 7 years with effect from 11 April 2017.

Mr Alan Bertram's date of birth is February 1947 and he resides in Newcastle Upon Tyne.

Mr Mark Bertram's date of birth is June 1981 and he resides in Newcastle Upon Tyne.

Bespoke Orangeries Limited (CRO No. 08097875) was incorporated on 8 June 2012 and traded from Algernon Industrial Estate, New York Road, Shiremoor, Newcastle upon Tyne, NE27 0NB

Alan Bertram was not appointed as a director but was found to have acted as a director from at least 10 October 2013 to 25 November 2014 when the company went into liquidation. The estimated deficiency at the date of Liquidation was £101,422.

Mark Bertram was appointed as a director from 8 June 2012 to 25 November 2014 when the company went into liquidation. The estimated deficiency at the date of Liquidation was £101,422.

#### **Mr Alan Bertram – specifics of disqualification undertaking**

On 19 January 2018, the Secretary of State accepted a disqualification undertaking from Alan Bertram, effective from 9 February 2018, for a period

of 11 years. The matters of unfitness, which Alan Bertram did not dispute in the disqualification undertaking, were that:

Alan Bertram (Mr A Bertram) contravened Section 13 of the Company Directors Disqualification Act 1986 by acting as a director of Bespoke Orangeries Limited (Bespoke) from 18 March 2013 to 25 November 2014, the date of liquidation, while he remained subject to a disqualification undertaking.

### **Discriminatory treatment of crown creditors**

That Mr A Bertram caused or allowed Bespoke to operate a policy of discriminatory treatment of HMRC in respect of PAYE and NIC from 22 April 2013 at the latest and the date of liquidation on 25 November 2014 in that Bespoke made no payments towards HMRC liabilities totalling £43,088 whilst paying at least £56,915 to trade and expense creditors. HMRC liabilities remained outstanding in full at liquidation, while trade creditors had increased from £136 in the accounts to 31 June 2013 to £2,300 at liquidation. There is no liability recorded in the Statement of Affairs at liquidation in relation to an intercompany creditor recorded as being owed £19,193 in the accounts to 31 June 2013.

HMRC has submitted an integrated claim in Bespoke's liquidation for £48,642 comprising £43,088 PAYE/NIC; £4,310 VAT; £600 PAYE penalties and £644 accrued interest.

Bespoke submitted a P35 return for the tax year 2012/13. For tax years 2013/14 and 2014/15 information was submitted monthly via the Real Time Information system by Bespoke. During the period from incorporation on 08 June 2012 to cessation of trade on 25 November 2014 HMRC's records show that PAYE/NIC liabilities were incurred of £43,088 (exclusive of penalties and interest totalling £1,244), although no returns were submitted for 2 months of each of the tax years 2013/14 and 2014/15.

No payments were made to HMRC in respect of PAYE/ NIC by Bespoke from incorporation on 8 June 2012 to cessation of trade on 25 November 2014.

### **Discriminatory treatment**

The professionally prepared, unaudited accounts for year ended 30 June 2013 show that PAYE/NIC increased by £25,765 from £18,567 to £44,332 at liquidation while trade and expense creditors increased by £5,342 from £436 to £5,778 at liquidation. In the same period amounts owing to an intercompany loan decreased by £19,193 to nil at liquidation, and amounts listed to a connected creditor reduced from £2,121 to nil at liquidation.

The director, Mr M Bertram was listed in the accounts to 31 June 2013 for £10,000 and was listed on the Statement of Affairs for £25,000; an increase of £15,000. Neil Bertram, the registered director's brother, was also listed on the Statement of Affairs for £25,000. Despite requests for confirmation by The Insolvency Service these creditors have not proved their claims in the liquidation, nor offered an explanation for how these debts were incurred by the company and the absence of records delivered to the Liquidator means that

these debts have not been verified.

The available bank statements for Bespoke's current account show that between 22 April 2013 and closure of the account on 7 April 2014 payments totalling £199,292 were paid into the account and £200,880 paid out. Of this amount, £56,915 was paid out in trade expenses and suppliers; £32,629 was paid to unknown recipients via cheque; £53,880 was withdrawn in cash; £11,870 was paid to a connected company; £40,032 was paid out in unexplained expenditure (including mortgage and finance payments) and £846 was paid in respect of bank charges and interest. No bank statements have been provided for the period of time between the closure of the account on 7 April 2014 and Liquidation.

Bank analysis shows no payments made to HMRC in the period.

### **Mr Mark Bertram – specifics of disqualification undertaking**

On 23 March 2017, the Secretary of State accepted a disqualification undertaking from Mark Bertram, effective from 11 April 2017, for a period of 7 years. The matters of unfitness, which Mark Bertram did not dispute in the disqualification undertaking, were that:

#### **Allowing contravention of Section 13 CDDA**

Mr Mark Bertram (Mr M Bertram) allowed Mr A Bertram to act as a director of Bespoke during the period 18 March 2013 to 25 November 2014 whilst Mr A Bertram was subject to a Disqualification Undertaking for a period of three years and 6 months commencing on 18 March 2013, in contravention of section 13 CDDA.

#### **Failure to deliver up company records**

Mr M Bertram failed to ensure that Bespoke maintained adequate accounting records, or in the alternative, he failed to preserve and/ or deliver up to the liquidator such records as were maintained. As a result it has not been possible to verify: The total extent of sales made by Bespoke between 1 July 2013 and the date of liquidation on 25 November 2014 and whether all income has been realised and utilised for the benefit of Bespoke.

Unexplained payments from the bank account between 1 July 2013 and the date of liquidation on 25 November 2014 amounting to £87,601, notably cash withdrawals totalling £42,900; 51 cheque payments to unidentified payees totalling £19,398; payments to Cheshire Mortgages totalling £17,927; payments to Premium Credit Limited totalling £1,419 and unexplained expenditure totalling £6,590. No bank statements are available thereafter; therefore no explanations or records are available for the period from closure of the account on 7 April 2014 to Liquidation.

The movement of the director's loan account (DLA) of Mr M Bertram and a third party loan from 1 July 2013 onwards, when professionally prepared draft accounts record Mr M Bertram as a creditor of Bespoke in the amount of £10,000, to the date of liquidation, when Mr M Bertram and the third party were listed on the signed Statement of Affairs as creditors of Bespoke in the

amount of £25,000 each, and as a result verify the balance of any DLA or third party loan outstanding at that date.

The movement of monies to and from connected company Orangeries & Conservatories Limited between 1 July 2013, when professionally prepared draft accounts record the company as a creditor for £19,193 and the date of liquidation.

Bespoke's full liability for PAYE and NIC due for years 2013/2014 and 2014/2015 inclusive. Given the absence of payroll records and the failure to make returns to HMRC, it is not possible to verify the extent to which Bespoke was indebted to HMRC at liquidation in respect of unpaid PAYE/NIC liabilities.

Bespoke's liability for VAT in respect of quarters ending May 2014 to November 2014 inclusive. Given the absence of sales or purchase invoices, and the failure to submit returns to HMRC, it is not possible to verify the extent to which Bespoke was indebted to HMRC in respect of VAT for the period from 1 March 2014 to liquidation on 25 November 2014.

### **Discriminatory treatment of crown creditors**

Mr M Bertram also caused discriminatory treatment of crown creditors in the same specifics as Mr A Bertram.

### **Additional information**

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.

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.

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

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

You can also follow the Insolvency Service on:

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## **Press release: Hammer falls on Wirral based director of sports auction company**

Following an investigation by the Insolvency Service, Andrew John Lane gave a disqualification undertaking to the Secretary of State for Business, Energy and Industrial Strategy, preventing him from being involved, directly or indirectly, in the promotion, formation or management of a company for ten years from 26 January 2018.

FSA was incorporated in 2010 and acted as an operator of auctions of sports memorabilia.

A client would enter into an agreement with FSA to sell goods at auction on their behalf. FSA would deduct a commission, before forwarding the sale proceeds to the client.

The company went into liquidation in April 2016, owing over £214,000 to creditors.

Between 1 April 2015, when the company was already in default to clients for auction sale proceeds, and the date of liquidation, Mr Lane failed to ensure that FSA forwarded the auction sale proceeds of further goods to clients.

In auctions which took place between June 2015 and March 2016, FSA incurred further liabilities totalling at least £67,536 to at least 39 clients. At liquidation Mr Lane disclosed that FSA owed at least £104,063 to at least 45

separate clients. Relevant claims submitted by clients to the liquidator indicated that they related to failures by FSA to forward auction sale proceeds or failed to return unsold goods.

Despite escalating liabilities to clients after April 2015, Mr Lane continued to enjoy substantial earnings from FSA and items of personal expenditure paid for by FSA.

Robert Clarke, Group Leader of Insolvent Investigations North at The Insolvency Service, said:

Directors who put their own personal financial interests above those of customers and creditors damage confidence in doing business and are corrosive to the health of the local economy.

This ban should serve as a warning to other directors tempted to help themselves first; you have a duty to your creditors and if you neglect this duty you could be investigated by The Insolvency Service and lose the privilege of limited liability trading.

Mr Lane's date of birth is February 1973 and he resides in Prenton, Wirral.

Football Sport Auctions Ltd (CRO No. 07464963) was incorporated on 9 December 2010 and traded from the director's home address in Prenton, Wirral, organising auctions which took place in various locations in England.

Mr Lane became a director on 9 December 2010 and was the sole director when FSA entered into liquidation on 29 April 2016 with an estimated deficiency of £213,892.

The Disqualification Undertaking was accepted by the Secretary of State on 5 January 2018 and came into force on 26 January 2018.

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

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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.

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.

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

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## **Press release: 15 year disqualification for Australian wheat investment scam boss**

The High Court of Justice ordered Mr Haddow's disqualification for the maximum period of 15 years, effective from 2 March 2018.

Deputy Registrar Baister stated in his judgment of 9 February 2018, that:

Misleading marketing material was disseminated to investors which seriously misrepresented to lay people the value of the investments,...duping lay people into parting with their money

This is fraudulent conduct of the nastiest kind



I regret that Parliament has restricted me to 15 years

The allegations made out in court were that he:

- had acted as a director of the company, in breach of a previous director ban
- had failed to keep, preserve, or deliver up Agri Firma's records and that
- he had caused the company to mislead its investors

This follows [disqualifications](#) for the company's two registered directors, Robert Ross White (8 years) and Richard John Lyon Henstock (9 years) in 2016 to 2017.

Agri Firma Capital Ltd offered investment in wheat-producing agricultural land in Western Australia and Lithuania.

The company misled its investors, to believe that a legitimate and valuable lease had been purchased for them for farmland in either Lithuania or Australia. However, there is no evidence that any land was purchased in Lithuania and the land purchase in Australia was never completed.

Assurances regarding the Australian wheat investment of 9% farming income and 11-15% capital gain were given, despite both professional advice being received that such was unachievable and investor capital being reduced by undisclosed 65% up-front marketing and other fees.

The disqualifications prevent all three from directly or indirectly becoming involved (without the permission of the court) in the promotion, formation or management of a company for the duration of their bans.

Deputy Registrar Baister added that:

- Mr Hadow pulled the strings, and was ultimately in charge, of the company
- Mr Henstock and Mr White had limited knowledge of and involvement in Agri Firma's affairs; and, to the extent that they did have any involvement, only did so under Mr Hadow's direction and instruction
- Mr Hadow was the ultimate beneficial owner of the Capital Alternatives group of companies associated with Agri Firma and he, his family, and companies under his ownership and control, were the principal beneficiaries of Agri Firma's activities

Commenting on the disqualification, Mark Bruce, Chief Investigator at The Insolvency Service, said:

I can only echo the words of the Deputy Registrar in this case, the evidence showed both that this entire investment was a fraud and that it was controlled by Mr Haddow.

This case particularly illustrates, not only the excellent day-to-day relationship the Insolvency Service has with the Financial Conduct Authority, but also the vital assistance of The Malta Financial Services Authority and Australian Securities and Investments Commission. With such International co-operation, the tracing of investor monies across the world, in cases such as this, is made possible.

Renwick Robert Haddow's date of birth is in July 1968 and he has resided in recent years in Morocco, New York, Hong Kong, London and Suffolk.

Agri Firma Capital Ltd (CR0 No. 07692576) was incorporated on 4 July 2011 and traded from Mayfair House, 124 Bond St, London W1S 1DX.

The Company went into liquidation on 9 July 2014 with an estimated deficiency of at least £538,667 and AUD\$661,500.

Mr Haddow was subject to a bankruptcy order on 27 July 2016 and his discharge from bankruptcy was suspended indefinitely on 14 July 2017.

On 9 February 2018, The High Court of Justice ordered the disqualification of Renwick Robert Haddow for 15 years from 2 March 2018. The disqualification order was pronounced by Deputy Registrar Baister, with the Nicholas Trompeter appearing on behalf of the Secretary of State.

The allegations made out in court were:

- Renwick Haddow acted as a director of Agri Firma Capital Limited (Agri Firma) from 4 July 2011 to 9 July 2014, without the leave of the court, whilst subject to a disqualification undertaking, contrary to section 13 of the Company Directors Disqualification Act 1986
- he failed to keep, preserve, or deliver up Agri Firma's records. As a consequence, it is not possible to:
  - identify all company assets. For example; a loan of AUD\$94,318 was made from Agri Firma to an offshore company on 15 July 2013. Without any company records, it is not possible to test whether the loan was ever repaid

- ascertain the full scale of its liabilities, identify all investors, or trace the disposal of unidentified investor monies.
  - trace the disposal of estimated investor monies, put aside for product purchase, of at least £126,582.23 and AUD\$93,471.08
  - ascertain the causes of its failure
- he caused Agri Firma to mislead investors from 4 July 2011 to 9 July 2014, contributing to their losses estimated at £508,667 and AUD\$661,500:
    - marketing material, as well as a lease document issued to investors, led them to believe that a legitimate and valuable lease had been purchased for them for farmland in either Lithuania or Australia. However, there is no evidence that any land was purchased in respect of Lithuanian investment and the land purchase in Australia was never completed
    - the company brochures made assurances of Agri Firma's extensive farming experience and 16% returns received by customer in the previous quarter, when there is no evidence from available records that it ever purchased any land, upon which it could carry out farming
    - regarding the Australian investment, assurances of 9% farming income and 11-15% capital gain were misleading, when investor capital was reduced by 65% up-front marketing and other fees. The proposed agents for the Australian investment had advised the company that the 8-10% envisaged return to investors was unachievable
    - a direct association between investors and a service provider was implied, misleading investors regarding their level of involvement in the investment
    - follow-up communications in June 2014 indicated that the project had value and the plantation was progressing. However this was not the case and the land purchase had fallen through

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

In addition that person cannot act as an insolvency practitioner and there are many other restrictions are placed on disqualified directors by other regulations.

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Further information on director disqualifications and restrictions can be found [here](#)

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 authorises and regulates the insolvency profession, 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.

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