

Bankrupt jailed for running company illegally

Michael Christopher McVey (49), from Altrincham, appeared at Manchester Crown Court on Friday 14 February 2020 after he was charged with one count of managing a company while bankrupt.

The court also handed down a director disqualification order, which prohibits Michael McVey from managing any company for a period of 4 years, unless he is granted permission by a court.

During the proceedings, the court heard that in February 2015, Michael McVey had set-up a company called One Design & Build Ltd. With offices registered in Manchester, the company provided interior design, manufacture and project management services.

However, in June 2015, Michael McVey was made bankrupt after he had made himself financially liable for a debt he owed to a creditor of a separate business he was a director of that had failed.

Being a bankrupt meant that Michael McVey was prohibited from managing companies. He officially resigned as a director of One Design & Build two days after being made bankrupt, but this did not stop him from running the company as if he was still the official director.

This offence came to light after One Design & Build entered into voluntary liquidation in April 2016 and the Insolvency Service was made aware that Michael McVey had been acting as a shadow director.

Evidence submitted to the court provided details of Michael McVey dealing with third parties around issues of payment for services carried out on behalf of One Design & Build. The court also considered salary payments within the company. Michael McVey's was the highest salary, which saw him being paid more than the sole official director.

In court, Michael McVey claimed he had acted under the direction of the sole director of One Design & Build. He also stated he did not believe that what he was doing breached the terms of his prohibition.

The court, however, agreed with the prosecution that Michael McVey was fully aware of his actions and had deliberately breached the terms of his disqualification.

Michael McVey has since made an application for permission to appeal his sentence.

John Fitzsimmons, Chief Investigator for the Insolvency Service, said:

Throughout the proceedings, Michael McVey laid the blame at someone

else's door but thankfully the courts recognised that he was fully aware that he was running the company contrary to his bankruptcy restrictions.

Running a company while banned is a criminal offence and this prosecution demonstrates that we will investigate those who think they can circumvent the law for their own purposes.

Michael Christopher McVey is from Altrincham and his date of birth is December 1970.

One Design & Build Limited (company registration number 09425233).

[Restrictions placed upon people made bankrupt](#), include telling the lender about your status if you attempt to borrow more than £500 and you cannot act as a director of a company without the court's permission.

Persons subject to a disqualification order are bound by a [range of restrictions](#).

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