

Press release: Ban for payroll company boss who failed to keep proper records

On 4 January 2016 John Thomas Hanbury was appointed a director of Crownsbury Limited, before the company operated a payroll processing bureau, which it had not done prior to his appointment.

However, the company entered into Administration on 18 July 2016 and the Insolvency Service's subsequent investigation found that between 4 January and 18 July 2016, John Hanbury failed to ensure Crownsbury maintained and/or preserved adequate accounting records.

He also failed to deliver adequate accounting records to the Joint Administrators when required to do so. As a result, it has not been possible to verify what the company's income and expenditure was after 3 May 2016 – the date its bank account was closed.

Further investigations found that it was not possible to determine the reason for receipts totalling £7,849 received between 24 March 2016 and 8 April 2016 into Crownsbury's bank account from a connected company, of which John Hanbury is a director, as well as determining the reason for a receipt of £520,000 into Crownsbury's bank account on 15 April 2016.

There were numerous other payments out of the company's bank account for which no proper explanation or verification could be found.

As a result, on 7 August 2018, the Secretary of State accepted a disqualification undertaking from John Hanbury, after he did not dispute that he failed to ensure the company maintained and/or preserved, or alternatively following administration, deliver up adequate accounting records to the Joint Administrators.

His ban is effective from 28 August 2018 and lasts for 7 years.

Anthea Simpson, Chief Investigator for the Insolvency Service, said:

Directors have a duty to ensure 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.

John Thomas Hanbury is of Shipley, West Yorkshire and his date of birth is June 1958.

Crownsbury Limited was incorporated on 30 March 2001 (Company Reg no. 04191092).

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.

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