

Press release: Construction boss banned for moving £1m out of business to avoid paying debts

Paul Winskill (54) started Premier Asphalt Limited in 1985 and provided construction services for commercial buildings and roadworks across the country.

But the company ran into trading difficulties and after more than 30 years, Premier Asphalt entered into administration on 19 February 2016.

The administrators appointed to close the company reported to the Insolvency Service that the directors of Premier Asphalt had not fully co-operated with them and failed to explain why the company had paid out more than £1m in the two weeks prior to their appointment.

The Insolvency Service's investigation found that prior to entering into administration, a winding up petition was served on Premier Asphalt on 3 February 2016 as a trade creditor was owed more than £300,000.

But to avoid paying his debts, Winskill immediately transferred £1,044,794 to three other businesses, which were later discovered to be operated by Winskill although he wasn't the appointed director.

On 8 February 2018, the Secretary of State accepted a disqualification undertaking from Winskill, after he admitted transferring more than £1 million to the detriment of the company's general body of creditors. His ban is effective from 1 March 2018 and lasts for eight years.

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

Following extensive enquiries, we discovered not only had Winskill transferred more than a million pounds out of the company to avoid paying his creditors what they were owed, but the money was moved to other companies which we found that he was also running.

Directors who put their own personal financial interests above those of 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.

Premier Asphalt Limited (CR0 No. 01922245) was incorporated on 13 June 1985 and latterly traded from Hanson Road Business Park, Hanson Trading Estate, Aintree, Liverpool, L9 7JN.

Mr Winskill had been a director of the company before 13 October 1991 and remained appointed until the company went into Administration on 19 February 2016 with an estimated deficiency of £6,102,275.

On 8 February 2018, the Secretary of State accepted a Disqualification Undertaking from Mr Winskill, effective from 1 March 2018, for a period of 8 years. The matters of unfitness, which Mr Winskill did not dispute in the Disqualification Undertaking, were that:

On 04 and 05 February 2016, at a time when Premier Asphalt Ltd was insolvent, I caused the company to make payments to three associated parties totalling £1,044,794 which were to the detriment of the company's general body of creditors.

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 is available.

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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