

Press release: Court bans Irvine contractor for dereliction of director duties

Brian Anderson Snr (61), from Irvine, was appointed a joint director of Anderson Builders Limited in August 2014 before becoming the sole appointed director in June 2015.

Anderson Builders was involved in the construction of commercial buildings but the company's performance struggled before it had to cease trading in February 2017.

Independent insolvency practitioners were appointed to wind-up the company but were hampered as Anderson Builders had failed to maintain or preserve adequate company records.

Further investigations by the Insolvency Service into the company and the conduct of Brian Anderson while a director confirmed that between August 2014 and February 2017 the company failed to maintain or preserve adequate company records.

This meant that it was impossible for investigators to verify more than £930,000 worth of expenditure from the company's bank account.

This included receipts worth £286,000 and if they were a true representation of all sales made by the company, details of fixed assets totalling close to £16,000 in the last set of accounts and what was the position of more than £50,000 withdrawn from the Directors Loan Account.

Of the £930,000 worth of expenditure, more than £592,000 remains unexplained, including 36 cheques totalling £26,660 and cash withdrawals worth just under £22,000.

Investigators were also unable to confirm the accuracy of tax assessments submitted by Anderson builders between April 2015 and January 2017, resulting in the tax authorities being owed more than £120,000 in the liquidation of the company.

On 9 January 2019 at Kilmarnock Sheriff Court, Sheriff McFarlane granted a disqualification order against Brian Anderson for a period of seven years. Effective from 30 January 2019, Brian Anderson is banned from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Robert Clarke, Chief Investigator for the Insolvency Service, said:

"Maintaining proper accounting records is non-negotiable when you are a director of a limited company. But Brian Anderson clearly failed to do this and as a result, we cannot explain the exact nature of thousands of pounds

that went through the company or whether a lack of documentation was a cloak for other misconduct.

“Being banned from running companies for seven years is a significant amount of time and Brian Anderson risks a substantial fine or even prison time if he breaches his disqualification.”

Brian Anderson is of Irvine and his date of birth is August 1958

Anderson Builders Limited (Company number SC362713).

The order was pronounced by Sheriff McFarlane in Kilmarnock Sheriff Court. Laura McMillan appeared for the Insolvency Service and a Mr Lynch appeared on behalf of the defendant.

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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