

Press release: Director disqualified for selling company assets for own benefit

The disqualification order was granted at Perth Sheriff Court following an investigation by the Insolvency Service. The disqualification commenced on 20 December 2017 and is effective until 20 December 2024.

Mr McFarlane's ban relates to his selling off company assets for his own benefit whilst creditors were left unpaid. Gilmour McFarlane (29) was the sole director of Garden Haulage Limited. From 2009 the company hired out plant and machinery in addition to labour and carried out contractual work, primarily for farms. The company went into liquidation on 28 August 2015 with an estimated deficiency to its creditors of £38,670.

The investigation by the Insolvency Service found that at a time when the company was insolvent, Gilmour McFarlane caused it to dispose of plant and machinery to a third party for a sum of £55,000 plus VAT while on the same day Gilmour McFarlane settled a personally guaranteed loan to that party. This transaction was to the detriment of HMRC and other creditors of the company.

The investigation also found that for the period from at least 1 September 2014 to 28 August 2015, Gilmour McFarlane failed to preserve or deliver up adequate accounting records for Garden Haulage Limited as a consequence of which it has not been possible to establish the true financial position of the company, how other assets were dealt with and whether all sums due to the company were collected in.

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

The period of this disqualification reflects the fact that when a company fails to keep adequate financial records it is simply not possible to determine whether there has been other, more serious, impropriety in relation to the management of its affairs.

Furthermore, 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.

Gilmour McFarlane's date of birth is April 1988.

Gilmour McFarlane was appointed as director of Garden Haulage Limited

(company number SC364384) on 21 August 2009 and remained a director throughout the company's trading. Garden Haulage Limited had a registered office of 66 Tay Street, Perth, PH2 8RP.

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](#).

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