## Press release: Disqualification extended for director who breached ban

Mr Brown, 68, of Cirencester in Gloucestershire provided a disqualification undertaking for 6 years from 3 March 2011, to the Secretary of State for Business, Innovation and Skills regarding a previous company, Richard Brown Homes Limited (RBH). RBH, which built new homes for residential purposes, entered liquidation on 10 June 2009.

Despite knowledge of the restrictions he was subject to, Mr. Brown continued to act as a director of Door Stores (Swindon) Limited (Door Stores), a retailer of doors and related fixtures, without leave of the Court, in breach of the restrictions.

An investigation by the Insolvency Service also found that Door Stores traded to the detriment of HMRC, who were owed £198,942 at liquidation.

Mr Brown has now given a director disqualification undertaking to the Secretary of State for Business, Energy and Industrial Strategy for 11 years, which prevents him from managing or controlling a company without leave of the court until 2027.

Mr Brown's co directors Richard Edward Brown (33) and Alan Roche (52) the de jure directors, have each given disqualification undertakings for 3 years and 6 months for causing Door Stores to trade to the detriment of HMRC.

Commenting on the disqualification, Sue Macleod, Chief Investigator at The Insolvency Service, said:

This result should make it very clear to disqualified directors who ignore their disqualification undertakings and continue to act as directors that they will be vigorously pursued by the Insolvency Service.

The length of the undertaking in this case, sends a clear message to the business community that such actions will not be tolerated.

The Insolvency Service will also take action against directors who cause or allow a company to trade to the detriment of HMRC.

## Notes to editors

Door Stores (Swindon) Limited (CRO No. 05887116) was incorporated on 26 July 2006. The company traded from its registered office, Unit 5, Headlands Trading Estate, Headlands Grove, Swindon, SN2 7JG.

Richard David Brown was a formally appointed director between 26 July 2006 and 1 December 2008. He is of Cirencester and his date of birth is December 1948.

Richard Edward Brown was appointed as a director on 1 December 2008. He is of Swindon and his date of birth is October 1983.

Alan Roche was appointed as a director on 27 June 2014. He is of Swindon and his date of birth is September 1964.

The company went into liquidation on 7 August 2015. On 12 December 2016 the Secretary of State accepted an undertaking from Mr Brown, effective from 2 January 2017, for a period of 11 years. On 7 March 2017 the Secretary of State accepted an undertaking from Richard Edward Brown, effective from 28 March 2017 for a period of 3 years and 6 months. On 2 December 2016 the Secretary of State accepted an undertaking from Alan Roche, effective from 23 December 2016, for a period of 3 years and 6 months.

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.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is <u>available</u>.

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