

Press release: Newcastle father and son banned from running companies for 18 years

The disqualification means that Alan Bertram (70) and his son, Mark Bertram (36), both from Newcastle, cannot control or manage a limited company without leave of the court.

Bespoke Orangeries Limited was incorporated on 8 June 2012 and Mark Bertram was appointed as a director.

But the company, which supplied and built orangeries, went into liquidation on 25 November 2014 owing at least £101,422 to its creditors.

Following the liquidation, the Insolvency Service conducted an investigation and found that Mark Bertram had allowed his father to act as a director of Bespoke Orangeries between October 2013 and November 2014.

However, this breached the restrictions of Alan Bertram's three and a half-year disqualification, which began in March 2013 following the failure of Orangeries.com Ltd.

Further investigations found that between 22 April 2013 and 25 November 2014, Alan and Mark Bertram failed to pay around £43,000 worth of tax to HM Revenue and Customs, despite paying more than £56,000 to other creditors.

And Mark Bertram had also failed to maintain, preserve and deliver adequate accounting records for Bespoke Orangeries.

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

While Mark Bertram was the only registered director of Bespoke Orangeries, our investigation clearly showed that his father was also acting as a director and this was in direct breach of an earlier disqualification.

These lengthy bans for father and son send a clear message that if you breach disqualification orders or allow others to do so – even if it's a family member – then we will investigate you and you could lose the protection of limited liability.

Alan Bertram signed a disqualification undertaking preventing him from acting as a company director for a period of 11 years with effect from 9 February 2018.

Mark Bertram signed a disqualification undertaking preventing him from acting as a company director for a period of 7 years with effect from 11 April 2017.

Mr Alan Bertram's date of birth is February 1947 and he resides in Newcastle Upon Tyne.

Mr Mark Bertram's date of birth is June 1981 and he resides in Newcastle Upon Tyne.

Bespoke Orangeries Limited (CRO No. 08097875) was incorporated on 8 June 2012 and traded from Algernon Industrial Estate, New York Road, Shiremoor, Newcastle upon Tyne, NE27 0NB

Alan Bertram was not appointed as a director but was found to have acted as a director from at least 10 October 2013 to 25 November 2014 when the company went into liquidation. The estimated deficiency at the date of Liquidation was £101,422.

Mark Bertram was appointed as a director from 8 June 2012 to 25 November 2014 when the company went into liquidation. The estimated deficiency at the date of Liquidation was £101,422.

Mr Alan Bertram – specifics of disqualification undertaking

On 19 January 2018, the Secretary of State accepted a disqualification undertaking from Alan Bertram, effective from 9 February 2018, for a period of 11 years. The matters of unfitness, which Alan Bertram did not dispute in the disqualification undertaking, were that:

Alan Bertram (Mr A Bertram) contravened Section 13 of the Company Directors Disqualification Act 1986 by acting as a director of Bespoke Orangeries Limited (Bespoke) from 18 March 2013 to 25 November 2014, the date of liquidation, while he remained subject to a disqualification undertaking.

Discriminatory treatment of crown creditors

That Mr A Bertram caused or allowed Bespoke to operate a policy of discriminatory treatment of HMRC in respect of PAYE and NIC from 22 April 2013 at the latest and the date of liquidation on 25 November 2014 in that Bespoke made no payments towards HMRC liabilities totalling £43,088 whilst paying at least £56,915 to trade and expense creditors. HMRC liabilities remained outstanding in full at liquidation, while trade creditors had increased from £136 in the accounts to 31 June 2013 to £2,300 at liquidation. There is no liability recorded in the Statement of Affairs at liquidation in relation to an intercompany creditor recorded as being owed £19,193 in the accounts to 31 June 2013.

HMRC has submitted an integrated claim in Bespoke's liquidation for £48,642 comprising £43,088 PAYE/NIC; £4,310 VAT; £600 PAYE penalties and £644 accrued interest.

Bespoke submitted a P35 return for the tax year 2012/13. For tax years 2013/14 and 2014/15 information was submitted monthly via the Real Time

Information system by Bespoke. During the period from incorporation on 08 June 2012 to cessation of trade on 25 November 2014 HMRC's records show that PAYE/NIC liabilities were incurred of £43,088 (exclusive of penalties and interest totalling £1,244), although no returns were submitted for 2 months of each of the tax years 2013/14 and 2014/15.

No payments were made to HMRC in respect of PAYE/ NIC by Bespoke from incorporation on 8 June 2012 to cessation of trade on 25 November 2014.

Discriminatory treatment

The professionally prepared, unaudited accounts for year ended 30 June 2013 show that PAYE/NIC increased by £25,765 from £18,567 to £44,332 at liquidation while trade and expense creditors increased by £5,342 from £436 to £5,778 at liquidation. In the same period amounts owing to an intercompany loan decreased by £19,193 to nil at liquidation, and amounts listed to a connected creditor reduced from £2,121 to nil at liquidation.

The director, Mr M Bertram was listed in the accounts to 31 June 2013 for £10,000 and was listed on the Statement of Affairs for £25,000; an increase of £15,000. Neil Bertram, the registered director's brother, was also listed on the Statement of Affairs for £25,000. Despite requests for confirmation by The Insolvency Service these creditors have not proved their claims in the liquidation, nor offered an explanation for how these debts were incurred by the company and the absence of records delivered to the Liquidator means that these debts have not been verified.

The available bank statements for Bespoke's current account show that between 22 April 2013 and closure of the account on 7 April 2014 payments totalling £199,292 were paid into the account and £200,880 paid out. Of this amount, £56,915 was paid out in trade expenses and suppliers; £32,629 was paid to unknown recipients via cheque; £53,880 was withdrawn in cash; £11,870 was paid to a connected company; £40,032 was paid out in unexplained expenditure (including mortgage and finance payments) and £846 was paid in respect of bank charges and interest. No bank statements have been provided for the period of time between the closure of the account on 7 April 2014 and Liquidation.

Bank analysis shows no payments made to HMRC in the period.

Mr Mark Bertram – specifics of disqualification undertaking

On 23 March 2017, the Secretary of State accepted a disqualification undertaking from Mark Bertram, effective from 11 April 2017, for a period of 7 years. The matters of unfitness, which Mark Bertram did not dispute in the disqualification undertaking, were that:

Allowing contravention of Section 13 CDDA

Mr Mark Bertram (Mr M Bertram) allowed Mr A Bertram to act as a director of Bespoke during the period 18 March 2013 to 25 November 2014 whilst Mr A Bertram was subject to a Disqualification Undertaking for a period of three years and 6 months commencing on 18 March 2013, in contravention of section

13 CDDA.

Failure to deliver up company records

Mr M Bertram failed to ensure that Bespoke maintained adequate accounting records, or in the alternative, he failed to preserve and/ or deliver up to the liquidator such records as were maintained. As a result it has not been possible to verify: The total extent of sales made by Bespoke between 1 July 2013 and the date of liquidation on 25 November 2014 and whether all income has been realised and utilised for the benefit of Bespoke.

Unexplained payments from the bank account between 1 July 2013 and the date of liquidation on 25 November 2014 amounting to £87,601, notably cash withdrawals totalling £42,900; 51 cheque payments to unidentified payees totalling £19,398; payments to Cheshire Mortgages totalling £17,927; payments to Premium Credit Limited totalling £1,419 and unexplained expenditure totalling £6,590. No bank statements are available thereafter; therefore no explanations or records are available for the period from closure of the account on 7 April 2014 to Liquidation.

The movement of the director's loan account (DLA) of Mr M Bertram and a third party loan from 1 July 2013 onwards, when professionally prepared draft accounts record Mr M Bertram as a creditor of Bespoke in the amount of £10,000, to the date of liquidation, when Mr M Bertram and the third party were listed on the signed Statement of Affairs as creditors of Bespoke in the amount of £25,000 each, and as a result verify the balance of any DLA or third party loan outstanding at that date.

The movement of monies to and from connected company Orangeries & Conservatories Limited between 1 July 2013, when professionally prepared draft accounts record the company as a creditor for £19,193 and the date of liquidation.

Bespoke's full liability for PAYE and NIC due for years 2013/2014 and 2014/2015 inclusive. Given the absence of payroll records and the failure to make returns to HMRC, it is not possible to verify the extent to which Bespoke was indebted to HMRC at liquidation in respect of unpaid PAYE/NIC liabilities.

Bespoke's liability for VAT in respect of quarters ending May 2014 to November 2014 inclusive. Given the absence of sales or purchase invoices, and the failure to submit returns to HMRC, it is not possible to verify the extent to which Bespoke was indebted to HMRC in respect of VAT for the period from 1 March 2014 to liquidation on 25 November 2014.

Discriminatory treatment of crown creditors

Mr M Bertram also caused discriminatory treatment of crown creditors in the same specifics as Mr A Bertram.

Additional information

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](#).

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

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