

Recycling boss misleads investors to fund new equipment

Glass Tech Recycling Limited was incorporated in December 2010 and the company operated as a glass recycling facility.

Karen John (56) was appointed a director of the company in September 2011 and dealt with day-to-day running of the company, having had prior experience of the glass recycling industry.

Over the next few years Glass Tech Recycling invested circa £1.5 million into new machinery intended to produce higher quality recycled glass which would sell at a premium. Some of the investors were also directors of the company.

But in 2019, the investors discovered that Swansea-based Karen John had been misleading them about the output of the machinery and prospective orders in order to secure the funds.

Investors learnt that Karen John had also misled them by inventing a customer and fabricating attempts to recover debts from that customer to the extent that she claimed that Glass Tech Recycling had pursued the fictitious customer through the courts.

Shortly after the investors discovered Karen John's activities, Glass Tech Recycling went into Creditors Voluntary Liquidation in April 2019, with total liabilities of more than £4.1 million.

The liquidation brought Karen John's conduct to the attention of the Insolvency Service, who later pursued director disqualification proceedings following investigations into the Swansea director's activities.

The Secretary of State has since accepted a 5-year disqualification undertaking from Karen John and from 12 March 2020, she is banned from acting as a director or directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

In her undertaking, Karen John did not dispute that she presented inaccurate and misleading financial information to the board of Glass Tech Recycling, which resulted in further investment and loans to the company of at least £695,000.

David Elliott, Chief Investigator for the Insolvency Service, said:

Investing funds to purchase new equipment should have been a legitimate business activity. But Karen John specifically misled investors, including some of her fellow directors, into investing hundreds of thousands of pounds to purchase machinery at much greater risk than she had promised and which was ultimately of no

benefit to the company.

Directors have a responsibility to present an accurate picture to investors to secure funds and Karen John's actions demonstrate that if you choose to ignore this, then you could be investigated and possibly lose the privilege of limited liability trading.

Karen John is from Swansea and her date of birth is December 1965.

GLASS TECH RECYCLING LTD (Company number 07479819)

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 restrictions](#).

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