

# 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](#).

[Further information about the work of the Insolvency Service, and how to complain about financial misconduct.](#)

You can also follow the Insolvency Service on:

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## [Changes to the delivery of our services during the coronavirus pandemic](#)

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## **I have been made redundant and I need to make a claim for redundancy payments or find out more about my claim**

### **Help for claiming redundancy payments**

We are processing redundancy claims as normal. We will write to you once your application has been processed.

Our [redundancy guidance](#) contains information about the redundancy claims process. Please check our guidance for answers to your questions.

If you need to [apply for redundancy payments](#), please complete the online claim. You cannot start the application without a CN reference number. This will be provided by the insolvency practitioner dealing with your employer's insolvency.

If you need help submitting a claim please [email the Redundancy Payments Service](#).

If you do not have access to the internet, and need help completing your claim, you can call 0330 3310020 and leave your contact details. Please be aware that we are currently unable to answer any other queries by telephone.

We expect to make all payments (redundancy pay, holiday pay and arrears of pay) within 6 weeks of receiving your completed claim and information from the insolvency practitioner. We will contact you if we need any further information from you to pay your claim.

To allow us to deal with everyone's claim as quickly as possible, please do not email us to check the status of your claim until after the 6 weeks have passed.

### **Receiving your redundancy payment**

The fastest and most efficient way for us to pay you is by bank transfer (BACS). When completing your claim, please make sure that you have your bank details with you.

Please be aware that if you opt to be paid by cheque it will take longer for us to process your payment. If you would like to be paid by bank transfer but you did not provide your bank details on your claim, please email us at [redundancypaymentsonline@insolvency.gov.uk](mailto:redundancypaymentsonline@insolvency.gov.uk).

When you email us, please use the subject line "Bank details" and include the following details:

- bank name

- sort code
- account number/roll number
- account holder name

Please make sure you email us from the address you provided when submitting your claim.

## **I am an employer and need help paying redundancy or need to notify the government of potential redundancies**

The government has provided [guidance for businesses](#) and [announced a package of measures](#) to provide support to ensure the impact of COVID-19 is minimised.

### **Financial assistance for employers unable to pay statutory redundancy payments**

If you cannot afford to pay your employees redundancy pay you can [apply to the Redundancy Payments Service \(RPS\) for financial assistance](#). If approved, the RPS will make statutory redundancy payments directly to redundant employees on an employer's behalf.

### **Advanced notification of redundancies**

The government must help employees facing redundancy. If you are an employer who may be making 20 or more people redundant, [you need to complete an advanced notification of redundancies form](#).

## **I need to declare bankruptcy or get a debt relief order**

You can [apply online to make yourself bankrupt](#) if you are unable to pay your debts. The adjudicator is continuing to review applications.

Our [guidance](#) contains information about the bankruptcy process and also provides information about [other ways you can deal with your debts](#) before you apply for bankruptcy.

### **Debt Relief Orders**

To apply for a Debt Relief Order (DRO), [you will need to go through an 'approved intermediary'](#), an authorised debt adviser who will make the application on your behalf.

Our [guidance on DROs](#) explains the process and the Official Receiver is continuing to consider applications.

If you have a DRO and need to contact us, please email us at [DRO.Unit@insolvency.gov.uk](mailto:DRO.Unit@insolvency.gov.uk).

## **I need guidance around my company going insolvent**

A company is insolvent when it cannot pay its debts. Our [guidance](#) provides information about options [when a company is insolvent](#) and [information on liquidation for directors](#).

If this guidance does not answer your question you can contact the Insolvency Service helpline by phoning 0300 678 0015 or [completing our online form](#).

While Official Receiver offices are reopening we continue to expect to deal with most enquiries remotely.

If you have a reference number beginning BKT or LQD, or a query regarding a specific bankruptcy or compulsory liquidation, [contact the local Official Receiver](#).

General guidance on [insolvencies](#) and [bankruptcies](#) is available. If this guidance does not answer your question you can contact the Insolvency Service helpline by phoning 0300 678 0015 or [completing our online form](#).

If you need to contact one of our [Long Term Asset Distribution teams](#) you can find the right email address in our guidance.

## **I need to find out about bankruptcy, debt relief orders, PPI or company liquidations**

Our Insolvency Service helpline provides information processes administered or regulated by the Insolvency Service. This includes bankruptcy, debt relief orders and company liquidations.

You can contact the helpline by phoning 0300 678 0015 or [completing our online form](#).

You can [read our guidance about processes administered or regulated by the Insolvency Service](#).

## **I want to submit a freedom of information or subject access request**

While all our offices are closed we cannot receive requests for information by post. We are continuing to process Freedom of Information (FOI) and Subject Access requests. To request information please email [FOI@insolvency.gov.uk](mailto:FOI@insolvency.gov.uk).

## **I want to submit a complaint about the Insolvency Service**

While all our offices are closed we cannot receive complaints by post.

During this time, you can make a complaint by:

Before submitting a complaint, [please read our online complaints procedures](#). It explains what information you need to include in your complaint and how we will process it.

## **I want to submit copies of paper documents and forms to the Insolvency Service**

The Insolvency Service is following the [latest government advice](#) on the coronavirus outbreak, so most of our staff are working away from the office.

We have limited access to paper documents and forms sent in to our offices. To make it easier for you to correspond with us, we now allow copies of paper documents and forms to be submitted by email.

Read our guidance on [how to send copies of paper documents and forms](#) to us during the current pandemic.

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## **[Government agrees measures with energy industry to support vulnerable people through COVID-19](#)**

- Measures include ensuring prepayment and pay-as-you go customers remain supplied with energy through challenging times and supporting all customers in financial distress
- industry agreement signed by all UK domestic suppliers and will come into force immediately

New emergency measures with the energy industry have been agreed by the government to protect the domestic energy supply of those most in need during the disruption caused by COVID-19.

From today customers with pre-payment meters who may not be able to add credit can speak to their supplier about options to keep them supplied. This will benefit over 4 million customers.

This could include nominating a third party for credit top ups, having a discretionary fund added to their credit, or being sent a pre-loaded top up card so that their supply is not interrupted.

More broadly, any energy customer in financial distress will also be supported by their supplier, which could include debt repayments and bill payments being reassessed, reduced or paused where necessary, while disconnection of credit meters will be completely suspended.

Secretary of State for Business and Energy, Alok Sharma, said:

While friends and family will play a role in helping people impacted by the Coronavirus, we recognise there will be many customers who will need additional support and reassurance, particularly those who are financially impacted or in vulnerable circumstances.

The government has committed to do whatever it takes to get our nation through the impacts of this coronavirus pandemic. Today those most in need can rest assured that a secure supply of energy will continue to flow into their homes during this difficult time.

The government and energy industry have agreed to prioritise those existing customers most in need, while identifying customers whose circumstances may have changed as a direct or indirect result of COVID-19.

Chief Executive of Citizens Advice, Dame Gillian Guy, said:

This is an uncertain time for many people. Energy suppliers need to play their part by communicating clearly and supporting their customers as much as possible. Keeping people on supply, making sure they have warm homes and don't face additional financial or other stresses about their energy supply will be essential.

Suppliers will need to put in place support measures for people on prepayment meters, people and families who need to self-isolate or take steps to reduce social contact, and people who may otherwise be in vulnerable situations.

The measures set out and agreed will be implemented immediately by energy suppliers to alleviate pressure on energy customers.

Chief executive of Energy UK, Audrey Gallacher, said:

As providers of essential services and critical infrastructure, the energy industry has well-practised contingency plans in order to ensure the delivery of services and is working closely with the Government on a daily basis to ensure there is no disruption to the generation and supply of energy to customers during these extraordinary circumstances.

The sector is very conscious of the potential consequences for customers confined to their homes for prolonged periods and in particular those customers in vulnerable circumstances or on prepayment meters who may need additional help. Suppliers will be doing all they can to identify such customers and provide

additional support wherever possible.

Ofgem will continue to ensure suppliers meet their regulatory obligations. However the government also recognises this will be a challenging time for many supply businesses.

The Chancellor has this week set out a package of targeted measures to support businesses through this period of disruption caused by COVID-19. This includes £330 billion for companies to access loans, a business rates holiday, and help for small firms without insurance. In addition, a new temporary Coronavirus Business Interruption Loan Scheme is to be launched in days to support businesses access £1 billion of additional bank lending.

Chief Executive of Energy Networks Association, David Smith, said:

These are unprecedented times but the energy industry is working hard to keep gas and electricity flowing, look after our vulnerable customers and keep customers and staff safe. The UK's electricity and gas network is one of the most reliable in the world and over 36,000 employees are working flat out to continue to provide a safe and reliable supply of energy during this time.

Customers that are unable to top up their pre-payment meter are advised to contact their supplier immediately to discuss how they can be kept on supply. Ofgem recommends consumers leave the meter box unlocked if they need someone else to top up the meter. Smart meter customers should be able to top-up remotely, such as by phone, mobile application or online.

The UK government is working in lock step with the Devolved Administrations, World Health Organization, and international partners to keep the whole of the UK safe. Its approach is clinically led, based on the expert advice of the UK's Chief Medical Officer for England, the NHS and Public Health England.

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## **[ANL Wyong and King Arthur report published](#)**

Our report on the investigation of the collision between the UK registered container vessel ANL Wyong and the Italian registered gas carrier King Arthur in the approaches to Algeciras on 4th August 2018, is now published.

The report contains details of what happened, the subsequent actions taken and recommendations made: [read more](#).



## Press enquiries

Press enquiries during office hours 01932 440015

Press enquiries out of hours 020 7944 4292

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## [Government and airlines working to get British passengers affected by Coronavirus back to the UK](#)

- government is working with industry to ensure they can continue to get British nationals abroad back to the UK, in light of border restrictions in place across the world
- Transport Secretary today chaired a call with airlines and airports, following the additional financial support for businesses announced yesterday by the Chancellor
- DfT and Treasury working to agree series of measures in coming days which will help the aviation sector get through the coronavirus pandemic

The government and UK airlines are continuing to work closely together to ensure British passengers overseas are able to return home through commercial means in light of the impact on overseas travel.

Many countries have introduced border restrictions and closed hotels since the pandemic began and during a call today (18 March 2020), both the airline industry and Transport Secretary Grant Shapps underlined their commitment to helping those currently overseas to return to the UK.

The Transport Secretary, Grant Shapps, chaired the calls with major airlines and airports earlier today, where he confirmed that the Department for Transport and the Treasury will work together to develop a range of measures to support the industry in the coming days to help the aviation sector manage the impacts of coronavirus. Grant Shapps, Transport Secretary, said:

Coronavirus is having a crippling impact on the aviation industry and we cannot allow it to force world-leading, well-run, profitable firms out of business.

We are extremely grateful to airport and airline teams who are continuing to help passengers get home safely. We stand firmly behind the sector and expect to announce a series of support measures shortly.

But we also need to send a message to any British passengers overseas who are planning to return to the UK soon – it's important to take account of the fast-moving situation and plan accordingly while flights remain available in many places.

Tim Alderslade, chief executive Airlines UK, said:

Coronavirus has had a devastating impact on the airline sector, leading to an unprecedented fall in demand and a world-class UK industry facing a truly uncertain future. The promise from government to step in with a bespoke package of support for aviation to get us through the coming months is therefore very welcome, and we are currently working with ministers to go through the detail of what this might entail and hope an announcement will be made in the coming days.

In the meantime, we are working round the clock to bring home passengers stranded overseas, and will continue with these efforts, and we do urge passengers to check their airline's website and where there are options to come home take them as soon as they can.

The Transport Secretary and the Aviation Minister have been in constant communication with the aviation industry since the Coronavirus outbreak, to ensure the government is fully informed about the challenges facing the sector. British tourists abroad should check the website of their travel provider and [Foreign Office travel advice](#) for the latest information.