

# Press release: Financial adviser handed 15 year bankruptcy restriction order

On 15 December 2016 Registrar Christine Derrett ordered that Mr Todd, a financial adviser, be subject to the bankruptcy restrictions order as a result of him acting in the management of limited company, despite having previously agreed to a disqualification undertaking for ten years, and for breaching a bankruptcy order.

In handing down the maximum period of bankruptcy restriction allowed by the court, Registrar Derrett stated that Mr Todd's affairs was one of the worst examples of someone having disregard for the insolvency and directors disqualification regime which exists to protect the public.

The misconduct was during the period 8 February 2013 to 14 April 2014 and from 21 January 2015 to 2 February 2015 whilst subject to a company directors disqualification undertaking and from 29 April 2013 whilst an undischarged bankrupt.

Previously, on 8 October 2012 Mr Todd had offered a disqualification undertaking not to act as a director, act as a receiver of a company's property or in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company for a period of ten years as a consequence of his conduct as a director of an earlier company in liquidation.

A bankruptcy order was subsequently made against Mr Todd on 29 April 2013 and on 16 December 2013 his discharge from bankruptcy was suspended indefinitely.

Without leave of the court Mr Todd nevertheless acted in the management of IPR Capital Limited (IPR) which was incorporated on 8 February 2013 and which went into provisional liquidation on 2 February 2015 and liquidation on 1 April 2015 with liabilities of over £10 million.

The court also found that Mr Todd failed to disclose in the bankruptcy proceedings his income from IPR and other parties. From 29 April 2013 (the date of his bankruptcy) to 15 April 2014, Mr Todd received at least £517,100 from IPR.

Mr Todd also received payments into his bank account totaling £59,904 during the period 29 April 2013 to 6 January 2014 from other parties.

Mr Todd stated to the Official Receiver that he had assets with an approximate value of £8,800. As at 29 April 2013 his liabilities amounted to at least £454,107 of which £363,607 was due in respect of unpaid National Insurance contributions, self assessed tax and penalties.

## Contact Press Office

Media enquiries for this press release – 020 7596 6187

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## [Opening paths at Oatridge Countryside Liaison Day](#)

A Countryside Liaison Day took place at the Oatridge Campus of Scotland's Rural College (SRUC) with key industry representatives last week.

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## [Press release: Handmade film directors disqualified for misleading investors](#)

Three directors of Handmade Limited, a film company have been disqualified for a combined 22 and a half years.

Patrick Anthony Meehan has been disqualified from acting as a director for 13 years, David Bernard Ravden has been disqualified from acting as a director for five and a half years, and Peter William Parkinson has been disqualified from acting as a director for four years, following an investigation by the Insolvency Service.

Messrs Meehan, Ravden and Parkinson were directors of Handmade Limited which entered administration on 11 July 2012 and liquidation on 24 April 2013. Handmade Limited (Handmade – formerly Handmade Plc, encompassing Handmade Films International and Handmade Film Productions) was an international rights and film production company.

Mr Meehan was the principle director and shareholder and, with Mr Ravden and Mr Parkinson, formed an inner circle that controlled information and the affairs of Handmade. A court found Mr Meehan instigated, while Mr Ravden and Mr Parkinson accepted that they failed to take sufficient steps to stop, the following:

- Handmade obtaining \$5m to fund a film project that had already been cancelled and using some of the moneys to pay off relatives of one of the directors
- Handmade disclosing all its debts in an Alternative Investment Market

(AIM) prospectus to raise \$17 million, and then expended the moneys raised thereafter on matters undisclosed to advisers, shareholder or potential investors

## **Abandoned film project funding**

In 2008, Mr Meehan suggested to an investor company that they make an investment in a Handmade film production. The investor company subsequently invested \$5 million into a special purpose vehicle (SPV) through which investments for the film production were channeled. The funds were placed in an account in the name of Handmade plc and the SPV.

The proposed star of the film, had been injured in car accident and, on 4 September 2008, production was abandoned.

On 8 September 2008 the investment company transferred \$5 million into the named Handmade/SPV account. They were not informed that the production had already been abandoned.

Subsequently the funds held in the Handmade/SPV account were transferred to Handmade and used for other purposes without the investment company's knowledge or permission. No monetary repayment was made by Handmade to the investment company, which lost all of its \$5 million.

## **Moneys raised through AIM**

In October 2008 Handmade approached a nominated adviser and broker (NOMAD) and asked it to assist in relation to a fundraising via the AIM sub-market of the London Stock Exchange to fund the acquisitions of a New York based animation company, and enter into a joint venture with an America based television brand.

A major accountancy firm was retained by the NOMAD and Handmade to carry out an independent review of financial projections prepared by Handmade to prepare a Working Capital Report (WCR).

Copies of investor presentations and a legally required circular to shareholders and placing announcement described the purposes for which Handmade intended to use the moneys raised. The AIM funding was completed on 17 November 2009, resulting in \$17 million being available to Handmade.

In December 2009, a new Chief Executive and Operating Officer (CEO) of Handmade took office and when the CEO saw Handmade's financial information, it was clear that significant payments had been made that had not formed part of the Placing Announcement.

The concerns raised by the new CEO resulted in Handmade's shares being suspended and insolvency advice was taken in January 2010.

In February 2010 the accountants who prepared the WCR issued a report which set out multiple matters that had not been reflected in the projections provided to them by Handmade either during the preparation of the WCR or at any time prior to the AIM placing.

Commenting on the disqualifications, Joanne Covell, Chief Investigator at the Insolvency Service, said:

Directors have a duty to ensure that the procedures they construct and oversee comply with the law. Directors who do not comply with this basic obligation can expect to be investigated by the Insolvency Service and enforcement action taken to remove them from the market place.

The activity uncovered pertains to personal and corporate probity in permitting the obtaining of significant funds (\$22 million) on the basis of a false prospectus (the AIM placing) and false statements (film production) and then using those moneys in ways other than described. The facts were known to the three disqualified directors and they chose to make mis-statements and/or omit relevant facts when it suited them.

Taking action against the these three directors is a warning to all directors to seriously consider, and ensure they perform, their duties and obligations and not hide behind the corporate veil or claim ignorance of facts. Taking undue risks with the money of others has consequences.

## **Notes to editors**

Handmade Ltd (CR0 03270629) was incorporated on 23 October 1996. Its registered office prior to insolvency was Old School House Leckhampton Road Cheltenham Gloucestershire GL53 0AX and it traded as an international rights and film production company from June 2006.

Handmade Limited went into administration on 11 July 2012 and Kevin Ashley Goldfarb of Griffins Tavistock House, Tavistock Square, London WC1H 9LG and Mark Reynolds of Valentine & Co 3rd Floor, Shakespeare Road, London, N3 1XE were appointed Joint Administrators. On 24 April 2013 Handmade went into liquidation and Mr Goldfarb and Mr Reynolds were appointed Joint Liquidators.

The Secretary of State accepted an undertaking from Peter William Parkinson on 2 December 2014. The disqualification commenced on 23 February 2014. Mr Parkinson's last known address was 2 Thames Walk Apartments, 2 Hester Road, London, SW11 8BG.

A Disqualification Order was made against Patrick Anthony Meehan, in his absence, on 20 May 2015. The disqualification commenced on 11 June 2015 Mr Meehan's last known addresses were Batchelor's Farm, Troy Lane, Edenbridge, Kent, TN8 6QN.

The Secretary of State accepted an undertaking from David Bernard Ravden on

19 January 2017. The disqualification commences on 9 February 2017. Mr Ravden's last publicly known address is 57 Queens Grove, London, NW8 6EN.

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](#).

All public enquiries concerning the affairs of the company should be made to: Joanne Covell, Outsourced Investigations, Investigations and Enforcement Services, The Insolvency Service, 3rd Floor, Abbey Orchard Street, London SW1P 2HT. Tel: 0207 596 6117. Email: [Cheryl.Lambert@insolvency.gsi.gov.uk](mailto:Cheryl.Lambert@insolvency.gsi.gov.uk)

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## **[Helping highlight a potential new structure for the CAP](#)**

Davy McCracken, Head of SRUC's Hill & Mountain Research Centre, recently paid a flying visit to Brussels.

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## **[Elmwood student reaches Scottish finals for Young Horticulturalist of the Year](#)**

HNC Horticulture Student Kevin Keith, from the Elmwood Campus of SRUC, has

reached the Scottish Finals of the Chartered Institute of Horticulture's (CIH) Young Horticulturalist of the Year.