



Press notice

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19 July 2001

**LINCOLNSHIRE AND MANCHESTER DIRECTORS DISQUALIFIED AFTER
FAILURE OF COMPANY MANAGING TOP MORECAMBE HOTEL**

Lincoln Julian Fraser of Oxford Hall, Brookenby, Lincolnshire, Jared Bentley Brook of Station House, Station Road, Ludborough, Lincolnshire and Alan James Turton of Manchester Road, Worsley, Greater Manchester have each been disqualified from acting as a company director for four years at Blackpool County Court.

The Order disqualifies Messrs Fraser, Brook and Turton from being a director of a company, or, in any way, whether directly or indirectly, being concerned in or taking part in the promotion, formation or management of any company, for the above period.

The Order was made in respect of their conduct as directors of Progressive Leisure Corporation Limited. The company took on the management of the Midland Grand Hotel in Morecambe on 5 December 1994 pending the completion of the purchase of the hotel from the then owner, Leslie Whittingham.

The company ceased to trade in July 1995 and was wound-up by Order of the Court on 22 September 1995 with an estimated deficiency to creditors in excess of £117,000.

The allegations of unfit conduct found by the Court against the defendants were as follows:

- That they traded the company with knowledge of insolvency to the detriment of its trade creditors.

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- That they failed to maintain, preserve or deliver up adequate accounting records for the company as required by the Companies Act 1985.
- That they misused the company bank account by tendering cheques to creditors without due regard to the prospect of those cheques being honoured upon presentation and by allowing direct debits and standing orders to go unpaid on a regular basis to the detriment of creditors.
- That they acted in breach of their fiduciary duties to the company in that they allowed Leslie Whittingham to misappropriate cash from the business without taking adequate steps to either prevent the continued misappropriation or to cease the trading of the company;
- That they caused or allowed the company to enter into a transaction to the detriment of creditors by allowing the company to assume a liability of a previous company, Otan Limited, in the sum of £27,451, with no benefit accruing to Progressive Leisure Corporation Limited.

The Official Receiver was represented by Cobbetts of Manchester.

Notes to editors:

1. The Insolvency Service became an Executive Agency on 21 March 1990.
2. The Official Receiver becomes liquidator when a company is compulsorily wound up by the Court and has a duty under the Insolvency Act 1986 to investigate the causes of failure and report misconduct under the Company Directors Disqualification Act 1986. Insolvency Practitioners acting as voluntary liquidators, administrative receivers and administrators have a duty to report unfit conduct to the Insolvency Service.
3. Section 6 of the Company Directors Disqualification Act 1986 allows the Court to make a disqualification order of between 2 and 15 years for unfit conduct. This is the section used by the Insolvency Service.
4. Section 13 of the Company Directors Disqualification Act 1986 states that if a person acts in contravention of a disqualification order, that person will be liable on conviction on indictment to imprisonment for not more than 2 years or a fine or both, and on summary conviction to imprisonment for not more than six months or a fine not exceeding the statutory maximum or both. Any person with information to suggest that either Lincoln Julian Fraser, Jared Bentley Brook, or Alan James Turton has acted in contravention of this provision should contact the Insolvency Service on its 24 hour hotline – 0845 6013546. Calls are charged at local rate.
5. Requests for further information should be made in the first instance to the number below and **not** the Official Receiver.

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From: Paul Brady, DTI Press and Promotions Officer, COI Communications North West.
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