Leonard Harris, a member of The Institute of Chartered Accountants of Scotland based in Manchester, has been issued with a severe reprimand following a hearing of the Discipline Tribunal. In addition, Mr Harris was ordered to pay the costs of ICAS in the modified sum of £40,000 and the modified costs of the Discipline Tribunal of £10,000.

The Discipline Tribunal found Mr Harris guilty of three charges of professional misconduct in respect that he (1) assisted and supported the director of a company with the transfer of the company's main asset to another company owned and controlled by the said director, for the consideration of £1, to the detriment or at least the potential detriment of the creditors of the first company and that he did so in the knowledge that said company was unable to avoid insolvency, that the asset had been transferred at undervalue, or at least potentially at undervalue, and that the transaction was intended to avoid any material return to the company's creditors, contrary to the fundamental principles of integrity, objectivity and professional behaviour contained in the ICAS Code of Ethics; (2) together with his business partner he purchased the entire issued share capital of the new company in order to acquire the assets which had been transferred, to the detriment, or at least the potential detriment of the creditors of the first company, and to his personal gain, all in breach of the fundamental principles of integrity, objectivity and professional behaviour contained in the ICAS Code of Ethics, and (3) he did falsely and dishonestly state in an email to a creditor of the first company that he had no knowledge of the transfer of the client base from that company to the new company prior to the event, in breach of the fundamental principle of integrity contained in the ICAS Code of Ethics.

A subsequent Appeal was refused.