

Jailed restaurateur served with ban after £1m tax fraud

Lam Chin Seong (61), from Barnet, was the sole director of Novari Limited and Novari (at the 02) Limited.

Incorporated in 2012, the two companies traded as the Water Margin Chinese Restaurant in Portsmouth, as well as the Water Margin Chinese Restaurant and Water Margin Jazz Club in Greenwich.

Each company had an annual turnover in excess of £1 million. Lam Chin Seong, however, registered the companies falsely with HMRC, describing them as arts-based businesses with estimated annual turnovers of £10,000 and £80,000, which were significant under-valuations.

He then failed to file VAT returns for either company, which caused HMRC to raise assessments on the companies' behalf based on their falsely declared annual turnovers. The assessments were, as a result, for much smaller amounts than was really owed – sometimes only for hundreds of pounds.

Lam Chin Seong caused the companies to pay the smaller assessments rather than correcting the error, which meant over £1 million in tax went unpaid over four-and-a-half years.

In July 2016, an HMRC investigation uncovered the fraud, and the restaurants ceased to trade soon after. Lam Chin Seong put both companies into liquidation in winter 2016 and autumn 2017 respectively.

In November 2018, Lam Chin Seong pleaded guilty to two counts of being knowingly concerned in fraudulent evasion of VAT. He was sentenced to three years in prison in December 2018.

HMRC then worked with the Insolvency Service to secure Lam Chin Seong's disqualification as a director in addition to his custodial sentence.

In June 2019, the Secretary of State accepted a disqualification undertaking from Lam Chin Seong for 12 years. Effective from 3 July 2019, Lam Chin Seong is banned from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

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

Lam Chin Seong demonstrated a wilful disregard for the tax authorities and a 12-year ban prevents him from using limited liability to carry on his business practice in such a way.

This case illustrates the excellent day-to-day relationship the Insolvency Service has with HMRC, and we will continue to work with

our partners to prevent misconduct.

Lam Chin Seong is of Barnet and his date of birth is January 1958.

Novari Ltd (Company Number: 08050268).

Novari (at the 02) Limited (Company Number: 08316802).

A disqualification undertaking 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](#).

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

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