

Nightclub owners banned for failing to submit accounts and pay tax

Paula Kelly (55) and Paul Anthony Kelly (58), from Thornton Cleveleys in Lancashire, will start their 7-year directorship disqualifications on 25 November 2020.

Husband and wife are both banned from acting as directors of a company or directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Flexitell Limited was incorporated in March 2016 and Paul and Paula Kelly were appointed as directors. Husband and wife managed several nightclubs and pubs in Blackpool under the trading name Ma Kelly's.

The company, however, entered into administration in May 2017 and Flexitell was referred to the Insolvency Service for further enquiries.

Investigators found that Paul and Paula Kelly had not maintained or preserved accounting records throughout the life of the company. This has meant the nightclub owners could not explain their claimed £1.1 million turnover, £195,000-worth of tax owed, and the outstanding balances on their directors' loans.

On 9 November 2020, the Secretary of State accepted disqualification undertakings from both Paul and Paula Kelly after husband and wife did not dispute they had failed to ensure Flexitell maintained or preserved adequate accounting records explaining an estimated company turnover in excess of £1 million and a £194,000 debt owed to the tax authorities.

Mike Smith, Chief Investigator at the Insolvency Service, said:

Failing to keep accounting records up to date is a serious obligation for any business director. The Kellys did not take their responsibilities seriously and at no point did they engage with our investigation.

These bans should serve as a warning that if company directors do not keep good company records, they run the risk of facing disqualification from their business for a significant period.

Paula Kelly is from Thornton Cleveleys and her date of birth is December 1965.

Paul Kelly is from Thornton Cleveleys and his date of birth is February 1962.

Flexitell Systems Limited (Company number 10057208)

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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