

Press release: 10 year disqualification served on takeaway company director

Yi Yang Chen was served a 10 year disqualification order at Edinburgh Sheriff Court on 23 November 2017 following an investigation by the Insolvency Service, on behalf of the Secretary of State for Business, Energy and Industrial Strategy . The disqualification commenced on 14 December 2017.

The investigation found Mr Chen had caused Golden Earl to deliberately understate its profits between 4 February 2007 and 31 May 2014 from which he gained personal benefit.

The court heard that between 4 February 2007 and 31 May 2014, Mr Chen caused Golden Earl to conceal profits totalling £653,436 on which Corporation Tax of £135,528 was owed. In the absence of declaration, HM Revenue & Customs (HMRC) issued an assessment in the sum of £345,479. This was made up of £135,528 for concealed Corporation Tax, £16,994 for interest and a penalty charge of £192,957.

Between 31 May 2008 and 31 May 2014, from the concealed profits, Mr Chen received loans and advances from Golden Earl which were paid to his private bank accounts, totalling at least £615,133 giving rise to a tax liability of £155,788.

In the absence of Golden Earl making payment of £501,257, HMRC placed the company into liquidation on 9 December 2015.

Robert Clarke, Head of Company Investigation at the Insolvency Service said:

The public can be assured that where there have been abuses of public finance provisions which result in losses of this type, the Insolvency Service will investigate the conduct of the parties involved and take action to remove the privilege of limited liability trading for a lengthy period.

Golden Earl Limited, (CR0 No. SC285136) went into compulsory liquidation on 9 December 2015 with a deficiency to creditors of £618,890. The company was incorporated to operate a Chinese takeaway from 13 Market Street, Mid Calder, Livingston, West Lothian, EH3 0AL.

The Secretary of State was represented by solicitor Kevin Clancy of Shepherd & Wedderburn. The action was undefended.

Mr Chen's address is Unit 6, 30/32 Knowsley Street, Manchester, M7 8HQ.

Yi Yang Chen is of Manchester and his date of birth is April 1971.

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](#). The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies. The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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

You can also follow the Insolvency Service on: