

Press release: Cash collection bosses disqualified for holding onto £5.8m

Doreen, Sean, Joanne and John Baker were all were directors of Coin Co International Plc (Coin Co) based in Burgess Hill, West Sussex, providing cash collections in transit services to local government, public bodies, charities, other organisations and businesses. The company also provided counting and foreign exchange coinage services.

The company was incorporated in January 1995 and its cash-in-transit services were undertaken under agreements which stipulated that the money collected, for example from car parks, was counted, banked and paid over to the customer.

However, Coin Co fell behind with payments of collected funds to their clients from at least March 2013, more than a year before it went into administration in November 2014, breaching contracts it had entered into.

At administration, Coin Co had assets of £1,866,066 and liabilities of £11,397,211 and investigators looked at the company's activities, discovering several instances of mismanagement.

In one case, four different customers were owed £5.8 million by Coin Co who had collected funds on their behalf but had not returned the money, directly breaching previous agreements.

The directors did not dispute the findings of the investigation, which, among other things, found that, they:

- held on to £5.7m of clients money, in contravention of their contract
- caused or allowed the company to breach commercial agreements relating to a coin collection service provided to a number of clients
- allowed the company to fall behind with payments of collected funds to its clients from at least March 2013

John, Doreen, Joanne and Sean Baker, provided disqualification undertakings to the Secretary of State for Business, Energy, Innovation and Science, effective from 3 May 2018, for eight years each.

Doreen, Sean and Joanne Baker were appointed directors on 30 January 1995 and John Baker was appointed as a director on 1 January 1998. The disqualifications prevent the directors from directly or indirectly becoming involved in the promotion, formation or management of a company for the duration of their terms.

Robert Clarke, Investigations Group Leader at the Insolvency Service commented:

It is clear that companies handling money on behalf of others have

a duty to ensure that funds collected are duly paid over to the rightful owners, under the agreements entered into. Directors who fail in these duties will be investigated and removed from the corporate arena for a lengthy period.

Any individual who is registered as a director must make themselves aware of the duties such a position carries with it, and further that they are able and willing to carry out those duties and ensure that the business for which they hold responsibility is managed in compliance with its obligations under agreements entered into or they too may face disqualification in the event of failure.

Notes to editors

Coin Co International Plc (Company number 03015844) was incorporated on 30 January 1995 and went into administration on 27 November 2014. At Administration it had assets of £1,866,066 and liabilities of £11,397,211.

Both John (Date of birth: June 1947) and Doreen Baker (Date of birth: July 1946) reside in Hassocks, West Sussex. Sean Baker (Date of birth: 22 June 1970) resides in Burgess Hill, West Sussex and Joanne Baker (Date of birth: 10 February 1972) resides in Brighton.

In giving their disqualification undertakings, John Francis Baker, Doreen May Baker, Sean Baker and Joanne Baker, did not dispute that:

- they caused or allowed Coin Co International Plc ("Coin Co") to breach commercial agreements relating to a coin collection service provided to a number of clients, in that Coin Co failed to pay client monies collected on behalf of clients, at least four of which entered into contracts which specifically stated that ownership of funds collected never passed to Coin Co, resulting in an amount outstanding to those clients at the date of the Administration of at least £5,757,759 included in a total amount outstanding to all cash in transit clients of at least £6,154,948, which is material to Coin Co's deficiency at administration of £8,078,316
- Coin Co entered into agreements with clients for the collection, counting and banking of coins received, for example, from pay and display car parks and charity collections
- Coin Co fell behind with payments of collected funds to its clients from at least March 2013
- at least four contracts entered into with clients specifically stated that the funds collected were not the property of Coin Co and must be paid over to the clients within a specified number of days. Coin Co would then invoice the client for the agreed service charge outstanding to them. These four clients were due £5,757,759 at administration in relation to funds held by Coin Co not paid over as per the terms of their contracts. These monies dated back to collections made from July 2013 onwards, and were due to be paid over between four and ten days

after the cash was collected

- from at least 1 October 2013, when the co-directors were in dispute with a major client as to Coin Co's claim that historic sums were owed to Coin Co by that major client in respect of replenishments, they caused or allowed Coin Co to act at risk of and to the detriment of clients other than the major client (the other clients) in that:
 - in the knowledge that the major client denied owing sums to Coin Co for replenishments the co-directors failed to preserve monies collected on behalf of the other clients, instead intermingling monies collected on behalf both of the major client and of the other clients and making payments to the major client from the monies so intermingled
 - despite demands from the other clients that monies collected on their behalf be paid over in accordance with contractual obligations, the Mr Baker and his co-directors failed to make payments when due to the other clients and to otherwise preserve monies collected from them, causing detriment to the other clients who at the date of Administration were owed a total of at least £5,688,133.

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 administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency authorises and regulates the insolvency profession, deals with disqualification of directors in corporate failures, 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.

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