

Press release: Director banned after failing to pay minimum wage to farm labourers

Euro Contracts Services Limited was incorporated in 2004 by Shakil Ahmed, 61 from Slough, providing manual labourers to a farm in Hertfordshire.

The company operated much like a recruitment service, where the farm paid a fee for the supply of workers before Euro Contracts Services paid the labourers while taking a percentage for administrative costs.

The first investigation by HMRC into Euro Contracts Services took place in 2009 and they found that the farm labourers had not been paid the national minimum wage, losing out on close to £69,000.

In this instance, Euro Contracts Services paid the correct remuneration to the farm labourers but then deducted the costs of transporting the workers to the farm. This meant their pay packets were below the national minimum wage.

Shakil Ahmed corrected this underpayment but it was not the last time he would cheat his workers as two years later, HMRC carried out another investigation.

This time, HMRC found that between August 2010 and January 2011 Euro Contracts Services had paid 246 employees below the minimum wage to the tune of more than £110,000.

Shakil Ahmed launched an appeal against HMRC's findings but this was dismissed in the courts. However, unlike last time when Shakil Ahmed corrected the underpayment, the money owed to the workers was not paid, leading HMRC in December 2015 to lodge a claim against Euro Contracts Services to recover the money owed.

Unfortunately, the money remained unpaid and a month before a full hearing had been set for September 2016, Euro Contracts Services entered Creditors Voluntary Liquidation meaning money owed to the employees was not paid.

The Secretary of State has since accepted a disqualification undertaking from Shakil Ahmed after he admitted that he had failed to ensure that Euro Contracts Services Limited complied with its obligations to pay the National Minimum Wage Act. His ban is effective from 22 May 2018 and lasts for seven years.

Dave Elliott, Head of Insolvent Investigations (Midlands & West) for the Insolvency Service said:

The fact that Shakil Ahmed was investigated on two separate occasions, shows that this was not the case of administrative error

but a wilful act on his behalf.

Shakil Ahmed fully deserves his ban after cheating his workers out of what was rightfully theirs and this should serve as a warning to other directors that they have a duty to comply with regulations or else be banned from running companies for a long time.

Notes to editors

Director Shakil Ahmed is of Slough and his date of birth is 26/07/1956.

Company Euro Contracts Services Limited (Company Reg no.05192572).

Shakil Ahmed offered an undertaking to the Secretary of State which was accepted on 01 May 2018.

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](#).

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