

# Press release: End of road for road haulage company director

Longcross went into Liquidation on 27 January 2015 owing at least £200,864 to creditors including £175,423 in respect of unpaid tax.

An investigation by the Insolvency Service found that Mr Davies had failed in his duty as a director to either maintain, preserve or alternatively deliver-up adequate accounting records. As a result, It was not possible to ascertain whether Mr Davies was a creditor of Longcross for £220,000, or alternatively whether he owed Longcross at least £796,479.

However, the Insolvency Service's investigation did conclude that Mr Davies purposefully withheld VAT from HM Revenue & Customs (HMRC) in order to keep the company trading between September 2012 and the date of Liquidation. In particular, VAT returns were not submitted to HMRC between March 2013 and October 2014. Longcross did produce a number of VAT returns, but these declared larger liabilities than assessed for the same period by HMRC, and had not been submitted.

The Secretary of State for Business, Energy and Industrial Strategy accepted an eight year Disqualification Undertaking from Mr Davies, which bars him from acting as a company director or from managing, or in any way controlling, a limited company from 10 April 2017 until 2025.

Aldona O'Hara, Chief Investigator of Insolvent Investigations Midlands & West at the Insolvency Service, said:

Company directors have a duty to ensure businesses meet their legal obligations, including paying taxes and must not benefit themselves at the expense of creditors. Neglect of tax affairs is not a victimless action as it deprives the taxpayer of the funds needed to operate public services.

She added:

Directors have a duty to ensure that their companies maintain proper accounting records, and, following insolvency, deliver them to the office-holder in the interests of fairness and transparency. Without a full account of transactions it is impossible to determine whether a director has discharged his duties properly, or is using a lack of documentation as a cloak for impropriety.

## **Notes to editors**

Gary Thomas Davies' date of birth is July 1968 and he resides in Virginia

Water, Surrey.

Longcross Transport Limited (CRO No. 07153034) was incorporated on 10 February 2010 and traded from Trumps Farm, Kitsmead Lane, Longcross, Chertsey, Surrey, KT16 0EF.

Mr Davies was the sole director from 10 February 2010 to 27 January 2015 (the date of liquidation).

The matters of unfitness, which Mr Davies did not dispute in the Disqualification Undertaking, were that;

Between 28 February 2013 and 27 January 2015 he failed to ensure that Longcross maintained and/ or preserved adequate accounting records. Or in the alternative he failed to deliver up to the Liquidator such records as were maintained. Mr Davies further failed to ensure that Longcross complied with its statutory obligations to HMRC with regards to VAT and caused Longcross to trade to the detriment of HMRC from 07 September 2012 to 27 January 2015.

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
- act as an insolvency practitioner

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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