

Press release: Flooring company director grounded for four years

Mark Hugh Collie, director of Linoland Limited, a flooring factory outlet store in Glasgow, has given an undertaking to the Secretary of State for Business, Energy and Industrial Strategy that he will not act as a director of a company for a period of 4 years, beginning 24 August 2017.

Collie's disqualification comes after an investigation found he failed to ensure the company complied with its statutory obligation to file VAT returns and make payments in full to HM Revenue & Customs as and when due, short-changing the public purse by over £200,000.

On 17 August 2016, Linoland Limited, with liabilities of £221,877, was placed into compulsory liquidation following a winding up petition lodged by the company itself. Collie was the sole director during the company's existence.

An investigation conducted by HMRC found that between 1 October 2010 and 31 January 2016, when Linoland failed to submit its VAT returns, Collie also concealed sales and purchase transactions from Linoland's accounting records and annual accounts.

On 14 December 2015, HMRC issued Corporation Tax assessments for three consecutive tax years between 31 July 2011 and 31 July 2013, for tax due on concealed profits totalling £64,455, which attracted penalties of £39,357.

On 27 May 2016, HMRC issued a VAT Notice of Assessment for the period 1 October 2010 to 31 January 2016 in the sum of £97,047 for lost revenue which Linoland had to pay unless the outstanding VAT returns disclosing the true position were submitted.

Collie failed to submit the outstanding VAT returns or make payment of the assessments issued by HMRC and on 25 July 2016 he chose to put Linoland into liquidation, leaving HMRC with an outstanding liability of £202,859. HMRC believes Collie personally benefitted from £164,827 of this money.

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

The majority of businesses pay their taxes and rates as required. However some, such as Linoland Limited, don't play by the rules and want an unfair advantage over their competitors. In this case the director has taken monies from the company that ought to have been paid to HMRC to be spent on public services.

This ban should serve as a reminder to any directors tempted to do the same: the Insolvency Service will vigorously investigate you and seek to remove you from the marketplace.

Notes to editors

Linoland Limited (CRO No SC344188) went into compulsory liquidation on 17 August 2016 with a deficiency to creditors of £216,132. The company was incorporated to retail floor coverings.

Mark Hugh Collie is of Glasgow and his date of birth is 15 September 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.

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