

Press release: Glasgow mobile phone boss banned after submitting false documents

Fersun Limited was incorporated in March 2011 and this was the first company operated by Songnan Sun (32) having researched the market for two years.

Initially the company specialised in repairs of mobile phones but as the business grew, the Glaswegian boss expanded the company's activities into the wholesaling of mobile phone accessories and parts, sourcing stock from China.

The company operated in a competitive environment and as Fersun entered into difficult trading conditions in 2013/2014, the company cut its margins but this led to it experiencing cash-flow difficulties.

Following a tax investigation and Songnan Sun seeking advice from an independent insolvency practitioner, the company ceased trading in December 2017 before Songnan Sun elected to place the company into compulsory liquidation in February 2018.

However, the independently appointed liquidator reported to the Insolvency Service that Songnan Sun had caused the company to fail to deal with its tax affairs.

Further enquiries made by the Insolvency Service found that over three consecutive financial years between March 2014 and March 2016, Songnan Sun had caused Fersun to prepare and submit false annual accounts, having excluded the true level of sales.

And Songnan Sun also caused Fersun to submit false tax returns over four consecutive years between June 2013 and March 2017. By under-declaring the true level of tax owed, this resulted in a loss of revenue to the Exchequer of at least £531,869 and Songnan Sun also secured somewhere between £50,000 and £60,000 for himself.

On 4 December 2018 the Secretary of State accepted a disqualification undertaking from Songnan Sun, after he admitted preparing false annual accounts over a three year period and false tax returns over a four year period which allowed him to knowingly under-declare the true level of tax owed resulting in a loss of revenue of, at least, £531,869 from which Songnan Sun achieved personal gain.

Effective from 25 December 2018, Songnan Sun is now banned for 10 years from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company.

Robert Clarke, Chief Investigator of Company Investigation North at the Insolvency Service said:

Directors have a firm duty to ensure they properly deal with tax matters and pay what is due and Songnan Sun has paid the price for failing to do that as now he cannot now carry on in business other than at his own risk.

Songnan Sun is of Glasgow and his date of birth is October 1986

Fersun Limited (In Liquidation) (Company Reg no. SC395167).

The undertaking was accepted by the Secretary of State for Business, Energy and Industrial Strategy on 4 December 2018 and Mr Sun's 10 year period of disqualification will commence on 25 December 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](#).

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 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.

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

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