

Press release: Mother and son restaurateurs banned for under-declaring tax

Ching Yau Yu and Vincent Wai Kit Yu were directors of Kai Hing Limited. The company was incorporated in January 2011 and traded under Yu and You Restaurant and Bar, a Chinese eatery in the Copster Green area of Blackburn.

The restaurant featured in the TV programme, Ramsay's Best Restaurant, in 2013.

However, Kai Hing Limited entered into difficult trading conditions and because the company couldn't pay its debts, Vincent and Ching Yu liquidated the company in January 2017, owing their creditors close to £385,000.

Independent insolvency practitioners were appointed to wind-up the business and reported to the Insolvency Service that the company had a substantial amount of tax discrepancies.

This triggered an investigation by the Insolvency Service, which discovered that Vincent and Ching caused the company to under-declare its full cash takings as soon as Kai Hing Limited started trading in September 2011.

Further enquiries found that Vincent and Ching Yu had already been warned that they had failed to declare more than £600,000 worth of additional sales between October 2011 and January 2016, which would have led to additional tax liabilities of just under £120,000.

And despite making no payments towards the balance of the increased liability, Kai Hing Limited continued to trade until January 2017, while submitting quarterly returns and paying them in full.

Both directors agreed to provide an undertaking to the Secretary of State for Business, Energy and industrial Strategy, which prevents them from becoming directly or indirectly involved in the promotion, formation or management of a company.

Vincent Yu has been banned for 7 years, effective from 24 December 2018, while his mother is disqualified for 4 years and Ching Yu started her ban on 14 December 2018.

Rob Clarke, Chief Investigator for the Insolvency Service, said:

This wasn't a one-off incident where Vincent and Ching Yu failed to declare their full income as the misdemeanour sustained itself throughout the history of the company.

Directors are expected to carry out their full responsibilities regardless of their role, including paying the right amount of tax. The Yus bans should serve as a warning to others that we will investigate misconduct and pursue disqualification where serious breaches of this nature occur.

Vincent Wai Kit Yu is from Blackburn and his date of birth is November 1979.

Ching Yau Yu is from Blackburn and her date of birth is August 1948.

Kai Hing Limited's company registration – 07489022.

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](#).

Media enquiries for this press release – 020 7637 6498

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