

[Press release: Payroll directors who found rules too taxing both disqualified](#)

Kenneth Macgregor Munn and Richard Jonathan Owen Rees have been disqualified from acting as a director for seven years and four years respectively, after failing to pay over £1.4 million in taxes.

Munn and Rees were directors of Dormco SCP Ltd; S C Personnel Ltd; Cotsen Accountants Ltd; and Cathedral Road Management Ltd. All four companies traded in succession as payroll companies providing services to other companies also controlled by Munn and Rees, who are accountants. The companies went into liquidation in August 2013.

An investigation by the Insolvency Service found that Munn was responsible for Dormco SCP Ltd failing to file a Corporation Tax return resulting in the payment of an assessed amount of tax which was £168,520 less than the amount which he knew was due, and that Rees was found to have allowed this to happen. Both directors also caused all four companies to fail to pay Pay-As-You-Earn (PAYE) and National Insurance Contributions (NICs) amounting to £1,242,616 when due.

At the date of liquidation, the amount owed to HM Revenue and Customs (HMRC) amounted to £1,450,995 including additional interest, tax and penalties.

The Secretary of State for Business Energy and Industrial Strategy accepted disqualification undertakings from both on 28 July 2017. The disqualifications commence on 19 July 2017.

Commenting on the disqualification, Sue MacLeod, Chief Investigator at the Insolvency Service, said:

These actions not only gave these companies and others controlled by the directors an unfair advantage over their competitors, but have also left the public purse seriously shortchanged.

If you run a business in a way that is unfairly detrimental to any of its creditors, including by failing to correctly pay tax, the Insolvency Service will seek to remove you from the business environment.

Notes to editors

Dormco SCP Ltd (CR0 0338223) was incorporated on 24 March 1997, SC personnel (CR0 06621779) was incorporated on 17 June 2008; Cotsen Accountants Ltd

(CR007111448) was incorporated on 22 December 2009; and Cathedral Road Management Ltd (CR0 03144475) was incorporated on 10 January 1996. Their registered offices were all at 1st Floor, Tudor house, 16 Cathedral Road, Cardiff CF11 9LJ and they traded from the same address.

Kenneth Macgregor Munn is of Cardiff and his date of birth is July 1959.

Jonathan Owen Rees is of Cardiff and his date of birth is October 1969.

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.

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

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