

# Restaurateur banned for 9 years after concealing tax owed to HMRC

David Cowan (53), of Glasgow, was the sole director of Avenbrae Limited, the company behind Cyan Restaurant. The bar and bistro began trading on Stewart Street, Milngavie, outside Glasgow, in August 2014.

However, David Cowan did not register the company for VAT until a year later, in August 2015.

He then failed to ensure the company filed quarterly VAT returns, which he was duty-bound to do as the company director. This caused HMRC to raise assessments on the company's behalf, which were only partially paid.

In June 2017, an HMRC investigation uncovered that the company had been concealing VAT since August 2014. In September 2017, they requested immediate payment of the outstanding amount.

At the same time, several new restaurants and a hotel in the area negatively impacted footfall to Cyan and, by January 2018, David Cowan had placed Avenbrae Limited into Creditors Voluntary Liquidation.

At the point of liquidation, the company owed HMRC £195,000 in VAT, which included fines for unpaid tax and VAT due for the final quarter of trading. In addition, the company owed other creditors almost £23,000.

In August 2019, the Secretary of State accepted a disqualification undertaking from David Cowan for nine years. Effective from 28 August 2019, he is banned 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 for the Insolvency Service, said:

David Cowan failed to observe his statutory duties as a company director to comply with VAT obligations, and his business gained a competitive advantage as a result, which is unacceptable behaviour.

Any other directors who behave in this way should expect an Insolvency Service investigation and a lengthy ban.

Avenbrae Limited (Company number SC471392).

David Cowan is of Glasgow and his date of birth is February 1966.

Cyan Restaurant was formerly of 14–16 Stewart Street, Milngavie, Glasgow G62 6BW.

Avenbrae Limited appears on HMRC's [list of deliberate tax defaulters](#).

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](#).

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

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