



STAINER'S TAX WOES

Grand owner to appeal non-payment fine

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MICHAEL STAINER, the owner of The Grand, has been fined for failing to pay tax on employment income for NINE YEARS.

But the unrepentant businessman has vowed to appeal the ruling, saying: "We are drafting documentation about it now."

The tribunal was held last June to identify which of the six other businesses operating from The Grand and the partnership of Mr and Mrs Stainer was responsible for making HMRC returns and payments.

Mr Stainer, who described himself as "the manager of the freehold at The Grand" had argued that during those years he was not involved in the running of the business, and therefore not liable to file the tax and National Insurance returns.

Responsible

But in the High Court decision published last month, Judge Rachel Short said that as owner of The Grand, Mr Stainer should be responsible for paying income tax on the 100 employees working for the seven companies operating out of The Grand.

These companies are Grand UK, Keppels Limited, Keppels Cuisine Limited, Kentish Cuisine Limited, Michael and Doris Stainer, The Grand Folkestone Limited and Kentish Estates Limited.

Judge Short ruled Mr Stainer must pay the penalty of £1,200 for each of the six years the payments were not made between 2006 and



FINED: Michael Stainer, owner of The Grand

Tax penalties for the 2006/07 and 2007/08 periods were reduced to 40 per cent with further reductions for the periods 2005/06 and 2006/07.

Mr Stainer told the Herald: "The companies that I am director of have all had returns done on time and

they accept that.

"The PAYE relates to a point when a tenant was in occupation of front of house at The Grand.

"People who rented the premises between 2005 and 2009 have long

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gone and it has been suggested that I should have known what was going on.

"In 2009 after a catering company was struck off, I stepped in and took on what I thought was suitable for an employee-owned company.

"I paid them the total sum and did nothing more about it."

The tribunal noted employees' pay slips were generated in the name of Heritage Hotels UK Limited until 2009 when it was realised that that entity had been dissolved in January 2007. Thereafter payslips were produced in the name of The Grand Folkestone Hotel.

HMRC argued that as an accountant, Mr Stainer should have been familiar with the process for each entity and did not accept Heritage Hotels UK Limited as an employer because it was not carrying a trade.

It also said that Mr and Mrs Stainer, an IT expert, were responsible for the tax returns from 2007 to 2009 when the hotel was run by other people.

Mr Stainer added: "I have 56 days to appeal and we are drafting documentation about it now."

The decision exposes the complicated arrangements of Mr Stainer's business interests and he was criticised by HMRC for offering a lack of detail and not maintaining accounting records. The report said: "We have to consider whether a reasonably prudent businessman in his position would have behaved as he did throughout this period and failed to make any returns or payments of PAYE or NI."

HMRC declined to make any further comments on the case.