HMRC names avoidance scheme promoters for first time

Tax avoidance schemes have been named for the first time by HM Revenue and Customs (HMRC) as users are warned they could face large tax bills.

HMRC has today advised anyone involved in Absolute Outsourcing's or Purple Pay Limited's Equity Participation Scheme to withdraw from them as soon as possible to prevent building up a large tax bill.

This is the first time HMRC has used new powers to name tax avoidance schemes and their promoters as part of a campaign to warn the public not to get caught up in tax avoidance.

Mary Aiston, HMRC's Director of Counter Avoidance, said:

> These schemes are cynically marketed as clever ways to pay less tax. The truth is they rarely work in the way the promoters claim and it's the users that end up with big tax bills.
>
> New legal powers allow us to name promoters and the schemes they peddle much faster, and this announcement is just the first step. But we need the public to be vigilant, and that's why we're also helping people identify, and steer clear, of these schemes through our Tax Avoidance – Don't Get Caught Out campaign.

The 2 named schemes are:

- Absolute Outsourcing, of Foerster Chambers, Todd Street, Bury, Greater Manchester
- Equity Participation Scheme (EPS), promoted by Purple Pay Limited (PPL), of Gracechurch Street, London.

Both schemes involve individuals agreeing an employment contract and working as a contractor. The schemes pay contractors the National Minimum Wage with the remainder of their wage paid through a loan to try to avoid National Insurance and Income Tax.

By releasing the details of these schemes, HMRC is letting taxpayers know as early as possible so they can steer clear of them or exit them. HMRC will also regularly update the list by publishing the details of other tax avoidance schemes and their promoters. If a tax avoidance scheme is not shown in the list, this does not mean that the scheme works or is in any way approved by HMRC.

Naming avoidance promoters is one of a number of measures that HMRC is using to help people identify avoidance schemes as a part of the Tax Avoidance – Don't Get Caught Out campaign. Other tools available to customers to help them steer clear of avoidance schemes include an interactive risk checker and payslip guidance.

Find out more about HMRC’s ‘Don’t Get Caught Out’ campaign and the support available for customers who believe they are involved in a tax avoidance scheme.

A video highlighting the experience of a critical care nurse who was recommended a tax avoidance scheme through her agency, has also been published by HMRC today. The video explains the risks of becoming involved in a tax avoidance scheme and the warning signs customers should look out for.

If a customer believes that they are involved in a tax avoidance scheme, they should contact HMRC as quickly as possible by calling 03000 534 226. Alternatively, if a customer has been encouraged to get into a tax avoidance scheme, has come into contact with someone selling tax avoidance schemes, or has become aware of a scheme, they can report it in confidence through HMRC’s online form.

This is not a complete list of all tax avoidance schemes currently being marketed or a complete list of all promoters, enablers, and suppliers. There are other schemes, promoters, enablers, and suppliers that remain active, and HMRC will regularly update this list with these details.

Download HMRC’s new video (via WeTransfer) highlighting the case study of someone involved in a tax avoidance scheme.

Further information about the case studies can be found on GOV.UK.

Further information about HMRC’s strategy on tax avoidance schemes and promoters.

Nottingham outdoor retailer Alpkit set to scale-up with seven-figure funding package

Outdoor retailer Alpkit has received a £2.7 million funding package from HSBC UK, backed by UK Export Finance (UKEF), to support its international growth.

Alpkit will use the funding to purchase more stock to meet an increase in demand as well as for the development of a new footwear range set to launch this summer. Since the pandemic, demand in the sector has been increasing, with Alpkit seeing particular growth in its sales across cycling, outdoor swimming and technical outdoor clothing.

The company, which has eight sites in key locations across the UK, is also seeing demand increasing from international markets across Europe and the US. Alpkit plans to continue to grow its physical presence with the opening of new UK stores, as well as expanding its product ranges and digital trading capability worldwide.

The funding package from HSBC UK includes a £2 million General Export Facility (GEF) backed by UKEF, the government's export credit agency. The scheme, which launched last December, has already provided over £275 million for businesses across the UK, and can be used by firms to help cover everyday costs linked to exporting and to scale up their business operations.

David Hanney, Chief Executive at Alpkit, said:

> This deal will help accelerate our growth as we look to capitalise on a significant increase in demand domestically and internationally. It also means we can invest in innovation to create lower impact, long-lasting technical outdoor gear that is both repairable and recyclable.
>
> HSBC UK has stood side by side with us, providing support through the good and the challenging times. Our Relationship Manager at the bank, Anthony Greenfield, has been a constant source of support and reassurance which has been immensely valuable.

Paul Armstrong, HSBC UK Area Director for East Midlands, added:

> With the outdoor retail sector continuing to see substantial growth, Alpkit has moved swiftly to increase its offering across not only the UK but also international markets. We are delighted to work with UKEF to provide continued support as the business grows from strength to strength.

Andy Mannix, UKEF Export Finance Manager, added:

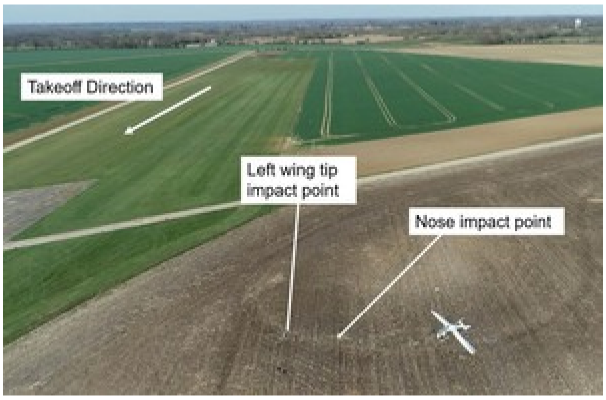
> The accessibility, flexibility, and certainty of our GEF is a game-changer for companies like Alpkit. We have recently more than doubled the amount that HSBC can automatically administer to an exporter through its facilities to £5 million, and I am delighted our close partnership has helped make this deal happen.

Alpkit donates one per cent of all turnover to the Alpkit Foundation, a charitable organisation set up by the Alpkit founders to support grass-roots and direct action projects to remove the barriers in getting outdoors and experiencing wild places. The charity has supported over 1,500 projects and donated over £450k to date.

AAIB Report: Silent 2 Electro (G-CIRK), during takeoff the aircraft stalled and hit the ground in a steep nose down impact, Wormingford Airfield, Colchester, Essex

News story

A Silent 2 Electro motor glider (G-CIRK) suffered a propeller strike shortly before it got airborne. The glider climbed steeply, stalled and entered an incipient spin to the left. The glider struck the ground nose-first and the pilot suffered serious injuries, 23 April 2021.



During the ground roll for a self-launched takeoff, the motor glider suffered a propeller strike shortly before it got airborne. The eyewitness evidence and recorded data showed that the glider climbed steeply to about 100 ft before stalling and entering an incipient spin to the left. The glider struck the ground nose-first and the pilot suffered serious injuries, in part due to the lack of energy absorbing structure ahead of the pilot's seat. The pilot had no recollection of the accident flight.

No mechanical fault or defect was found that would explain the aircraft pitching up excessively after takeoff. The steep climb was most likely the result of an excessive aft stick input that was not corrected. While the investigation could not positively identify the cause of the aft stick input, it is likely that distraction, pilot workload or stress were factors in the accident. Additional contributory factors were the aircraft's characteristics of low stick forces with low sensory feedback, and poor stall warning indications.

As a result of the investigation findings the BGA has published and sent a 'Safety Briefing' to Silent 2 Electro owners in the UK which provides guidance on operating the motor gilder. This has also been provided to the European Gliding Union for onward dissemination to other European gliding associations.

The aircraft had been fitted with a Ballistic Parachute Recovery System (BPRS) which can present a hazard to first responders. As a result the CAA has updated its online G-INFO aircraft register to identify aircraft fitted with such a device.

Read the report.

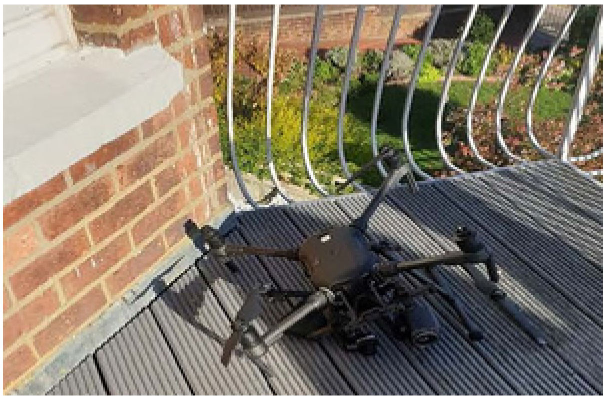
Media enquiries call: 01932 440015 or 07814 812293

Published 7 April 2022

AAIB Report: DJI Matrice M210 v1, Battery communication warning appeared and control lost, Poole, Dorset

News story

During the operation of a DJI Matrice M210 Version 1, stronger than forecast winds caused the unmanned aircraft to drift beyond visual line of sight and communication with it was lost, 19 November 2020.



A DJI Matrice M210 Version 1, quadcopter unmanned aircraft (UA) was being flown during a police operation when the wind at 400 ft exceeded the forecast wind, the manufacturer’s wind limit and the maximum restricted speed of the UA. The UA drifted beyond visual line of sight and then communication with it was lost. When the battery level was low it entered an auto-land mode but collided with the wall of a house, damaging its propeller blades before coming to rest on a balcony.

The investigation revealed that shortly after takeoff one of the UA’s two batteries had disconnected which resulted in its maximum speed being restricted, but this restriction is not referenced in the user manual and neither the remote pilot nor operator were aware of it. When the UA detected that the manufacturer’s wind limit had been exceeded, the message triggered on the pilot’s controller display was ‘Fly with caution, strong wind’ instead of advising the pilot that the limit had been exceeded and that the UA should be landed as soon as possible.

Three Safety Recommendations are made to the UAS manufacturer and one to the CAA on Visual Line of Sight guidance.

Read the report.

Media enquiries call: 01932 440015 or 07814 812293

Published 7 April 2022

9-year ban for Glasgow coffee wholesaler boss

Filippo Dioguardi, 58, based in Glasgow has been disqualified as a director for nine years.

He was sole director of Camardo Coffee (Scotland) Ltd, which was incorporated in 2015 and was registered initially at an address in East Kilbride, before relocating to Glasgow around May 2018.

Dioguardi was appointed as a director in September 2019, becoming sole director two months later.

The business went into liquidation shortly afterwards, in August 2020, at which point the last filed accounts showed assets totalling over £800,000.

However, due to the lack of company records kept by Filippo Dioguardi, it was impossible for the liquidator or the Insolvency Service to establish the accuracy of these, or whether any assets were disposed of at fair value and to the benefit of the company or its creditors.

Instead, Dioguardi refused to co-operate with the Insolvency Service investigation, which also identified he had taken out a taxpayer-backed Bounce Back Loan of £50,000 on 27 May 2020, less than two months before liquidation.

The investigation also noted outgoings from the company account between April 2020 and August 2020 of nearly £150,000, including cash withdrawals of over

£70,000. Whether these funds were used for legitimate business use or for repaying creditors could not be established.

The Secretary of State for Business, Energy and Industrial Strategy accepted a disqualification undertaking from Filippo Dioguardi after he admitted failing to maintain or preserve, or provide, adequate accounting records. His ban runs from 25 March 2022 to 24 March 2031.

The disqualification undertaking prevents him from directly, or indirectly, becoming involved in the promotion, formation or management of a company, without the permission of the court.

Rob Clarke, Chief Investigator at The Insolvency Service said:

> Keeping proper records is a pivotal duty for directors and there is no place in the corporate arena for those who neglect their responsibilities in this area and thereby cover up the activities of the companies they manage.
>
> The lack of records in this case made it impossible to determine whether there was other, more serious, misconduct involved and what became of £50,000 in Government backed funds which have not been accounted for. This is reflected in the lengthy period of disqualification.

Notes to editors

Filippo Dioguardi is an Italian national born March 1964 residing in Glasgow.

Camardo Coffee (Scotland) Ltd company number – SC500544

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.

Information about the work of the Insolvency Service, and how to complain about financial misconduct.

Contact Press Office

You can also follow the Insolvency Service on: