

Case Experience

PROFESSIONAL NEGLIGENCE

Claims arising from participation in multiple tax schemes

The Claimants had participated in tax avoidance schemes over many years most of which were successfully challenged by HMRC. Recovery of the losses arising was sought from the Claimant's accountants and Hazlewoods was appointed as the Defendant's expert adviser. The report covered the technical aspects of the scheme, relevant case law and legislation and quantification of the claim at various stages of the case. Mediation resolved the matter.

Claims arising from participation in multiple tax schemes

The individual took out a case against their accountant for advising him to enter a sale and lease-back Film Scheme. The task included determining if it was a low risk investment, whether it was the correct advice and the suitability of the advice.

The view of Hazlewoods expert witness was that the accountant had not acted with sufficient care as they had not given sufficient warning in respect of the risks involved.

Audit

In this case, it was alleged that audit financial statements contained a number of material errors arising from alleged deliberate mis-statements, perpetrated by the company's finance director.

The work carried out included in-depth analysis of the audit procedures, together with consideration of the correspondence and documents relevant to the performance of the audit. This was assessed against relevant auditing standards and the audit firm's own internal procedures. We produced a detailed report, with commentary and provided an assessment as to whether the relevant accounting and auditing requirements had been met.

The documentation examined was extensive and the reports went into considerable detail to assess each aspect of the allegations made against the auditors.

Employee Benefit Trust

A company created an Employee Benefit Trust (EBT) on the behalf of the directors prior to the company becoming insolvent. This involved tax advice for the EBT and directors duties in the business. In addition to this, a potential claim had been raised against the company at the same time. Hazlewoods expert witness concluded that the adviser should have clearly demonstrated the risks of the EBT planning.