

Press release: Maximum ban for director involved in multimillion VAT fraud

Ulhaque Ahtamad was the sole director of Masstech Ltd, a carbon emissions allowance and metals trader based in Gerrards Cross, Buckinghamshire.

The Insolvency Service started to investigate Ulhaque Ahtamad after Masstech Ltd was wound up for debts owed to HMRC.

The investigation uncovered that between June and September 2009, Masstech Ltd, made sales of more than £38 million in the wholesale trade of carbon emission allowances and metals with little initial finance in place.

The company then filed quarterly returns with HMRC attempting to fraudulently reclaim UK VAT that 'missing traders' earlier in supply chains had failed to pay to HMRC. This was part of a Missing Trader Intracommunity (MTIC) fraudulent scheme.

In the MTIC fraud trading chain, Masstech Ltd acted as a 'buffer' trader. The buffer is an intermediate trader between at one end the 'missing trader', importing goods and not paying over VAT due to HMRC, and at the other end, the exporter seeking to reclaim VAT that had not been paid.

Buffers serve to increase the distance between the ends of the chain so that the exporter can deny knowledge of the default.

However, it was found that Ulhaque Ahtamad obstructed HMRC and repeatedly stalled their investigations into the company's trading. The court heard that Masstech Ltd entered into trading arrangements which were "too good to be true", and against which the company had been expressly and repeatedly warned by HMRC.

And Ulhaque Ahtamad made payments to unconnected third parties totalling at least £7.38 million, despite having been warned on more than one occasion by HMRC officers of the risks of third party payments in the context of MTIC fraud.

The VAT fraud, including wrongful VAT reclaims against HMRC, resulted in tax losses of over £7.1 million.

The court also heard that as the sole director with responsibility for all aspects of the company's trading, Ulhaque Ahtamad was involved in pricing decisions which ran against any commercial logic and could only be explained in terms of this fraudulent scheme.

And VAT registration and other due diligence checks on trading partners were superficial and inadequate and Ulhaque Ahtamad failed to act on standard commercial risk negative indicators and continued to trade regardless.

The court concluded that Ulhaque Ahtamad must have been a knowing participant in this scheme and that a 15 year ban, the maximum period of disqualification, was appropriate.

Justin Dionne, Official Receiver for the Insolvency Service, said:

"Masstech Ltd was involved in trading and making wrongful reclaims in a fraudulent VAT scheme which had been costing the UK Exchequer significant amounts of money at the time the fraud was perpetrated.

"This is not a victimless crime, the main impact being on honest tax payers and their families who as a result suffered the effects of funding shortages in healthcare, education and other front line services.

"Regulatory changes, investigative action and legal proceedings have reduced the scale of this fraud from 2007 onwards."

"The Insolvency Service will not hesitate to use its enforcement powers to investigate and disqualify directors whose companies defraud the public purse."

Ulhaque Ahtamad's disqualification effective from 3 May 2018 means that he cannot promote, manage, or be a director of a limited company until 2033.

Notes to editors

Masstech Ltd (CR0 No. 02737217) was incorporated on 4 August 1992 as Masstech Ltd. Its trading address was at Bishops House Market Place, Chalfont St Peter, Gerrards Cross, Bucks, SL9 9EA.

The petition to wind up the company was presented by HMRC on 11 February 2013 for £7,484,940 in respect of unpaid VAT. The winding up order was made against Masstech Ltd on 25 March 2013.

On 12 April 2018 a 15 year Disqualification Order was made at the High Court against UlHaque Lone Ahtamad.

All public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit (London), The Insolvency Service, 2nd Floor, 4 Abbey Orchard Street, London WC1B 3SS. Tel: 020 7637 6230 Email: piu.or@insolvency.gsi.gov.uk.

The order was pronounced by Insolvency and Companies Court Judge Barber in the High Court of Justice .

Tiran Nersessian, of 4 Stone Buildings appeared for the Insolvency Service and no one appearing for or on behalf of the defendant.

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

Persons subject to a disqualification order are bound by a [range of other restrictions](#).

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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

Contact Press Office

Media enquiries for this press release – 020 7637 6498

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This service is for journalists only. For any other queries, please contact the Insolvency Enquiry line on 0300 678 0015.

For all media enquiries outside normal working hours, please contact the Department for Business, Energy and Industrial Strategy Press Office on 020 7215 1000.

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Press release: Birmingham supermarket bosses banned after dodging business rates

Pak Supermarket Washwood Heath Ltd, known as Pak Supermarket, was incorporated on 3 August 2010 and operated in Washwood Heath, Birmingham.

However, the company went into Creditor's Voluntary Liquidation in January 2015 with an estimated deficiency of more than £2.8 million.

Following the company's liquidation, an investigation by the Insolvency Service found that the company had provided misleading information to Birmingham City Council as to the identity and potential liability of the occupants of the supermarket between August 2010 and 13 October 2014.

Over the four years of trading, the company submitted to the council documents relating to eight third-party companies, suggesting these eight companies were, at separate times, the occupants responsible for business rates. As a result, this information hid that the fact that the true occupant was Pak Supermarket and it was the supermarket that was liable to pay business rates.

Prepared accounts and bank analysis showed a turnover for the company in excess of £35million and the company only made a single payment of £5,000 towards a business rates bill of at least £680,000.

Investigators then spoke to Mohammed Younis as he was the sole appointed director of Pak Supermarket between August 2010 and January 2014.

However, he told investigators from the Insolvency Service that from November 2010 he took no part in the management of the company and left it under the control of Zahir Rasul, who was only formally appointed on 15 January 2014.

The Secretary of State for Business, Energy & Industrial Strategy has since accepted disqualification undertakings of eight years from Zahir Rasul and three years from Mohammed Younis, effective from 10 April and 3 May respectively.

This means that they cannot be directors of a company whether directly or indirectly, or be involved in the management of a company in any way for the

duration of their disqualifications.

Martin Gitner, Deputy Head of Investigations at the Insolvency Service, said:

Directors have a duty to provide their local council with complete and accurate information with regard to the occupants of trading premises in order to ensure that liability is properly attributed.

Where information provided is found to be false and/or misleading, resulting in a loss of funds to the Council, directors can expect to be investigated by the Insolvency Service and enforcement action taken to remove them from the market place.

Notes to editors

Mr Younis was born in April 1971 and he resides in Bradford. He was appointed director on 3 August 2010 and resigned on 15 January 2014

Mr Rasul's date of birth is December 1979 and he resides in Birmingham. He was appointed director on 15 January 2014.

Pak Supermarket Washwood Heath Ltd (CR0 No. 07333282) was incorporated on 3 August 2010 and latterly traded from Washwood Heath Road, Washwood Heath, Birmingham B8 2XJ as a supermarket

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- act as a director of a company
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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 administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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Createch

Thank you very much.

It is fantastic to be here, at what has rapidly become one of the most exciting events of London Tech Week.

I'd like to pay tribute to somebody who has really helped to make it happen.

That is Nicola Mendelsohn, the outgoing Chair of the Creative Industries Council.

Nicola has been instrumental in steering the creative industries to create a unified view of what they do and has been a tireless advocate for our nation's creative industries.

Thank you Nicola and the best of luck for the future.

UK creativity flourishing

The truth is that despite representing less than 1 per cent of the world's population, the UK has one of the largest creative industries of any country. Our footprint and our reach across the world is vast.

Creativity is Britain's calling card.

Three of the six most visited museums and galleries in the world are here in the UK.

The three highest grossing films of last year were all shot in British studios.

And in 2017, we supplied eight of the ten best-selling albums.

At the heart of this creative success is the transforming power of technology.

Increasingly, theatre is blending with film and computer programming is merging with sculpture.

We have virtual reality curatorship, animated artworks and video games scored by classical music composers.

And in an era where the UK has an online audience of 50 million, and the world has an online audience of over 3 billion, digital technology is transforming the relationship between cultural organisations and the public.

And our future is built on the nexus between art and technology.

That nexus is best demonstrated by the video games industry, where fine arts students share the same desks as computer engineers.

They work together to understand each other and learn from each other, so they could use the best of technology to better realise their creative vision.

When we look right across the piece, there are many examples of the combination of creative brilliance and technical excellence. And that is where Britain's bread will be buttered for many years to come.

As the robots increasingly do the boring stuff, it is the creativity and the ingenuity of the human mind that cannot be replicated by the machines.

While the UK technology and cultural sectors might make the ultimate power couple, we also need to keep working to make this marriage a success.

Because audience expectations are evolving and we all need to evolve too.

Audiences now want to consume culture in a way that is personal to them.

They are no longer passive recipients but have increasingly high expectations.

And we need to make sure that the right structures are in place to support this transformation.

I want to talk just about two things today, that I think are vital. Firstly, making sure we have the digital capability in our creative and cultural organisations to get the most out of it.

Digital capability

This comes down to many things. A full spectrum, all the way from getting people onto the Internet for the first time, all the way through to our highest standard capabilities.

The need for this will be keenly felt in our creative industries, as areas like intellectual property and data analysis become at the core of business rather than something nice to have.

I am thrilled that the Arts Council, working with the Heritage Lottery Fund, have done an enormous amount to get to the cutting edge.

They are piloting a Digital Maturity Index for cultural organisations to better understand and improve their own digital capability.

Digital capability is also a key element of the excellent Creative Industries Sector Deal.

But the technology is moving so fast that everybody can do more. I want to see cultural and creative organisations, in particular, partnering with technology companies, large and small.

The opportunities for a symbiotic relationship between these two sectors are vast and increasing.

And the benefits are clear; inspiring creativity and connecting with new audiences.

Global reach

The second point I wanted to make is about how technology allows for global reach.

I'm delighted, for instance, that Tencent is here today, along with other global players.

They are creating output that is a shop window for Britain and for our artistic capability and innovation.

Film and high-end TV alone attracted over two billion pounds of inward investment to the UK in 2017.

Our creative industries generate increasing numbers of jobs and attract the brightest and best global talent to Britain.

But it is more than just economics. Our creative industries tell our story around the world, and that has rarely been more important than now.

So I would urge everyone to do their part.

We are here in London Tech Week and our digital dynamos are also forging ahead.

We have seen double the amount of tech investment over the last year and we are the third highest global investment location in tech after the USA and China.

And only a few weeks ago London was once again ranked as the leading tech hub in Europe.

I hope that you can play your part. In expanding and enhancing digital capability and ensuring that we tell our story around the world – yes for economic benefit, but also to make sure that our story is told.

Createch is great for our economy and great for our society too.

But in Government, we can't do that on our own.

We love the fact that you're out there doing it and I'm delighted to be able to work with you as you do so.

As you keep breaking those barriers and using the best of technology to showcase the best of British culture and British creativity right around the world.

Thank you very much.

News story: Interim National Schools Commissioner appointed

The Department for Education has confirmed that Regional Schools Commissioner Dominic Herrington is to be appointed as the interim National Schools Commissioner from September.

The temporary appointment will provide continuity for academies across the country when Sir David Carter retires from the civil service after four years at the department.

Dominic Herrington has been Regional Schools Commissioner for the South-East of England and South London since being promoted from his role as Director of the Academies Group at the department in 2014 and will continue to oversee this area of work.

He will lead the team of Regional Schools Commissioners and oversee their collaboration with the academy sector to nurture innovation and help improve education for every child.

Dominic Herrington said:

I'm looking forward to working with the Regional Schools Commissioners in seven other areas of England to build on Sir David Carter's achievements by continuing to challenge and support school leaders.

News story: Davie appointed new chair of Creative Industries Council

Tim Davie CBE has been appointed industry chair of the Creative Industries Council (CIC), a joint forum between the sector and government to help make sure the nation's world-leading creative industries continue to thrive. The Council is co-chaired by Matt Hancock, Secretary of State for Digital, Culture, Media and Sport, and Greg Clark, Secretary of State for Business, Energy and Industrial Strategy.

Davie, the CEO of BBC Studios, will succeed Nicola Mendelsohn as industry chair on Tuesday 12 June.

Davie is responsible for the commercial subsidiary of the BBC which produces and distributes content in the UK and around the world and makes significant financial returns to the BBC – allowing additional investment in content for BBC's audiences. Davie has also acted as co-chair of the Sector Advisory Group which focuses on helping the UK's creative industries grow overseas. He is chair of Comic Relief, a trustee of the Tate and the Royal Television Society, and previously served on a number of boards including Freesat, Digital UK and Children in Need.

Secretary of State for Digital, Culture, Media and Sport, Matt Hancock, said:

I would like to thank Nicola for her outstanding contribution to UK creative industries in this role and welcome Tim Davie who I am sure will continue her fantastic work in the future to maintain Britain's lead in these vibrant sectors. Tim has a wealth of relevant experience and brings first-hand knowledge of running a hugely successful creative business with a global reach.

Secretary of State for Business, Energy and Industrial Strategy, Greg Clark, said:

The UK's exceptional creative industries continue to receive global recognition and success, and through our modern Industrial Strategy we are supporting this powerhouse to ensure this legacy continues.

The sector contributes more than £90 billion to the UK economy and I look forward to working closely with Tim Davie to build on our strengths and implement the ambitions we set out in the Creative Industries Sector Deal earlier this year.

The Creative Industries Council first met in July 2011. It has focused on access to finance, intellectual property protection, supporting innovation and skills. It represented industry through the successful negotiation of the recently published [Creative Industries Sector Deal](#) and will now focus on delivery of the deal and building on its progress. Nicola Mendelsohn has been industry chair of the CIC since 2012 and during this time she successfully launched the Sector Deal and championed Createch, an annual celebration which brings together leaders in the technology and creative sectors.

Council members are pioneers from across the creative and digital industries including TV, computer games, fashion, music, arts, publishing and film.

Nicola Mendelsohn, co-chair of the Creative Industries Council, said:

It has been an honour and privilege to serve as co-Chair of the Creative Industries Council over the last six years. I'm deeply proud that during this time we have moved the creative sector to the centre of the government's industrial strategy, marked by the

publication of the first sector deal for the creative industries earlier this year. I'd like to congratulate Tim Davie on his appointment and wish him every success, and I look forward to seeing the important work of the Council thrive and continue.

Tim Davie, Co-Chair Designate of the Creative Industries said:

It is a real privilege to be appointed Co-Chair. The Creative Industries Council has always provided a vital forum for Government and industry to collaborate. Nicola has done a fantastic job of building the recognition the sector so richly deserves for its contribution to the UK economy and steering us through the landmark Sector Deal.

Now is a crucial moment for the UK creative industries to build on their existing strengths and seize the opportunities negotiated within the Sector Deal. I'm delighted to continue delivering this important work and look forward to working closely with Government and industry members.