

[Press release: Freeze put on scam heating system company](#)

Xefro Trade Ltd sold its products on the basis of misrepresentations made in promotional material and an investigation by the Insolvency Service found the company misled the public and failed to install systems safely. The company was wound up on 17 October 2017.

The heating system itself was not fit for sale and was described as a “defective and dangerous” product. In some cases the company failed to deliver systems at all despite receiving advance payments.

Potential customers were given comparisons between their current heating systems and the potential savings, suggesting that the Xefro graphene coated radiators could reduce the cost of heating a house by 75% and save 2.05 tonnes of carbon per system per year.

The company falsely stated that these claims had been verified by independent tests but in fact, the cost of operating the Xefro system was more than double and produced almost twice the amount of CO2 emissions of a conventional heating system over a 24 hour period.

The enquiry showed that a number of the company’s customers paid deposits of between £100 and £4,000 for the Xefro heaters but that they were either not delivered or, if delivered, were never installed.

Many of those customers who did receive their systems complained about poor workmanship, failure to comply with promised delivery dates or to install the system correctly once delivered. They then found that the 20 year performance guarantee was worthless as they were unable to contact the company and the guarantees were not underwritten by an insurance company.

Alex Deane, Chief Investigator, in Companies Investigations of the Insolvency Service said:

Companies that don’t deliver on their promises and make misleading claims should be aware that the Insolvency Service can and will investigate and, if necessary, apply to Court to close them down.

Xefro Trade Ltd was incorporated on 30 January 2015, registration number 09413716. Its registered office is at The Quadrant, Green Lane, Heywood, Manchester OL10 1NG. The company’s directors were Martin Benson, Michael Drogan (until 30 June 2016) and Peter Nabridnyj (until 25 June 2015).

The winding-up order was pronounced by Deputy District Judge Watkin on 17 October 2017 in the High Court, with Lucy Wilson-Barnes appearing for the Secretary of State and no representation for the company.

The petition to Wind-up the company was presented to the High Court on 2 August 2017, under the provisions of Section 124A of the Insolvency Act 1986 following confidential enquiries by Company Investigation under Section 447 Companies Act 1985, as amended. The winding-up order was made on 17 October 2017. Company Investigations, part of the Insolvency Service, uses powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK on behalf of the Secretary of State for Business, Energy & Industrial Strategy (BEIS).

Further information about live company investigations is available [here](#)

All public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, 2nd Floor, 3 Piccadilly Place, London Road, Manchester, M1 3BN. Tel: 0161 234 8531 Email: piu.north@insolvency.gsi.gov.uk

You can also follow the Insolvency Service on:

[Press release: Dstl victory at Women in Defence UK Awards 2017](#)

Three women from the Defence Science and Technology Laboratory (Dstl) were nominated in several categories at the Women in Defence UK Awards, with one, Jenni Henderson, taking home the Promotion of Gender Balance Award.

Cat Little, Civil Service Director General Finance, was among those presenting awards in front of more than 200 guests at the Plaisterers' Hall, London.

Jenni, Dstl's former Transformation Director, said:

I am absolutely thrilled. It's been a pleasure to promote gender balance at Dstl, and the accolade is in recognition of everyone at Dstl who strives to create an equal working environment for all.

This year's awards saw a 75 per cent increase in the number of nominations. [Women in Defence UK](#) exists for a community of people who wish to promote the value of women in defence, aiming to encourage women to succeed authentically, share experience, build networks and encourage talent at all levels to join the defence sector.

Acting Chief Executive David Marsh said:

It was a great evening and fascinating to hear about the work of

all the nominees. I am very proud that we had 3 finalists from the lab across the various categories and I am thrilled that Jenni has been recognised for promoting gender equality. Jenni has worked hard to promote and role model gender balance across Dstl and Defence and the award is recognition of her leadership.

Also nominated from Dstl were Professor Isobel Norville, a finalist for the Emerging Talent Award, and Professor Joann Prior, for Most Collaborative Award.

Press release: OTS publishes its first review of VAT

The Office of Tax Simplification (OTS) will shortly publish a report setting out a range of proposals for simplifying VAT.

After over 40 years, the tax is showing its age. What was meant to be a simple tax has become highly complex and it has not kept pace with changes in society.

Angela Knight CBE, Chair of the OTS board, said:

This report presents an opportunity to start addressing the many anomalies of VAT. The tax is awash with layers of complexity reflecting both its evolution over the last 45 years and aspects of the Purchase Tax that VAT replaced. For small businesses, this report will propose ways of simplifying many irritating administrative technicalities and kick off a debate about the registration threshold.

Paul Morton, OTS Tax Director, said:

This report will flag up the effects of the registration threshold, how entry into the VAT system might be smoothed and many other areas where simplification would be beneficial, particularly the complex and often subjective boundaries between those supplies which are standard rated and those which fall within the reduced or zero-rates or which are exempt. In addition, there will be opportunities to build on the good work of the last few years in improving the administrative aspects of the running of the VAT system.

The OTS's core recommendations will include:

- that the government should examine the current approach to the level and design of the VAT registration threshold, with a view to setting out a future direction of travel for the threshold, including consideration of the potential benefits of a smoothing mechanism
- that HMRC should maintain a programme for further improving the clarity of its guidance and its responsiveness to requests for rulings in areas of uncertainty
- that HM Treasury and HMRC should undertake a comprehensive review of the reduced rate, zero-rate and exemption schedules, working with the support of the OTS

The most significant issue identified in the report is the VAT registration threshold – the turnover level above which a business must enter the VAT system and charge VAT on its sales. At £85,000 the UK has one of the highest levels in the world.

By enabling many small businesses to stay out of the VAT system the high threshold is a form of simplification, but it's an expensive relief, costing around £2bn per annum, and evidence strongly suggests that many growing businesses are discouraged from expanding beyond this point. The report looks at options for reducing the current 'cliff edge' effect resulting in a very visible bunching of businesses just before the VAT threshold, and an equally large drop off in the number of businesses with turnovers just above the threshold. Also examined are the advantages and disadvantages of lowering or increasing the threshold.

VAT has many 'quirks'. For example, it is well known that a Jaffa cake is a cake (zero-rated) rather than a chocolate-covered biscuit (taxed at 20%). Less well known is that while children's clothes are zero-rated, including many items made from fur skin, items made from Tibetan goat skin are standard-rated. And a ginger bread man with chocolate eyes is zero-rated but if it has chocolate trousers it would be standard rated. VAT zero rates cost over £45bn per annum to maintain. EU law limits options to make changes in this area but there is a longer-term opportunity to significantly improve the efficiency, simplicity and fairness of the UK VAT system.

The report also

- makes recommendations for improving the day to day administration of the tax, including better and more accessible guidance and a less uncertain penalty system. This would particularly benefit small businesses
- considers specific areas of technical difficulty, including the partial

exemption regime, the capital goods scheme, the option to tax and other special schemes

Notes for editors

The OTS is the independent adviser to government on tax simplification, challenging tax complexity to help all users of the tax system; it does not implement changes – these are a matter for government and for Parliament.

This report takes a wide-ranging look at the potential for VAT to be simplified, based on feedback from over 80 trade associations, businesses, professional bodies and individuals.

The report is expected to be published on 7 November.

VAT was introduced in 1973 on entry of the UK into what is now the European Union. VAT is the third largest source of tax revenue collected by HMRC after income tax and National Insurance Contributions, raising £120bn in 2016-17 which amounted to 22.5% of all taxes.

The partial exemption regime covers businesses that make a mixture of taxable and exempt supplies and thus cannot reclaim all VAT that is charged to them.

The capital goods scheme monitors the use of certain capital assets over periods of 5 or 10 years, in case the use changes: changes of use alter the tax that can be reclaimed.

The option to tax regime allows a business to make certain supplies of land taxable, which would otherwise be exempt, thus allowing it to reclaim VAT charged to it.

The £2bn cost for the threshold is an estimation based on the difference between the current threshold of £85,000 and the EU minimum threshold of €10,000.

The OTS team is led by Chairman Angela Knight CBE and Tax Director Paul Morton and has a small staff drawn from HM Treasury, HM Revenue and Customs and the private sector.

The OTS works to improve the experience of all who interact with the tax system. It aims to reduce the administrative burden – which is what people encounter in practice – as well as simplifying the rules. Simplification of the technical and administrative aspects of tax are each important, both to taxpayers and HMRC.

Press enquiries only please contact Ed Rowley, OTS Press Officer – Phone 03000 585 028

[News story: New information note issued on cartel leniency applications](#)

The Competition and Markets Authority (CMA) recently consulted on a proposed information note setting out the arrangements for the handling of leniency applications between the CMA and sector regulators with full membership of the [UK Competition Network](#): Ofcom, Ofgem, Ofwat, Financial Conduct Authority, Office of Rail and Road, Civil Aviation Authority, the Northern Ireland Authority for Utility Regulation and the Payment Systems Regulator.

These sector regulators have powers alongside the CMA to enforce competition law in their respective sectors, and to impose financial penalties when the law has been broken. When setting any penalty, the CMA and the sector regulators are required to have regard to the published [CMA guidance](#).

The CMA's guidance includes provision for granting reduced penalties to companies who come forward with information on cartel activity, and who then co-operate fully with any subsequent investigation. The first company to apply for leniency can receive a 100% reduction in the penalty and successive applicants may receive deductions of up to 50%, depending on the added value of the material they provide. As cartels can be difficult to detect, leniency applications play an important role in uncovering this illegal activity.

To date, informal arrangements have been in place and have operated on a case-by-case basis. These have involved the operation of a 'single queue' system, in which applicants need only apply to one authority in order to secure their place in the queue for leniency.

Following [consultation](#), the CMA is now publishing an [information note](#) explaining its arrangements with the sector regulators and stating that the CMA will now be the first point of contact for all leniency applicants for the purpose of the single queue system. This is an approach that was supported by consultation respondents, as it gives certainty to businesses who might otherwise be unsure whether to apply to the relevant sector regulator or the CMA in any particular case.

[Press release: Claiming a Funeral Payment to be made easier](#)

Improvements to make it easier to claim a Funeral Payment will be brought in next year, the government has announced.

Funeral Payments are available to people who receive certain income-related benefits to help pay towards the cost of a funeral for an immediate friend or relative.

The government consulted on reforms to make it clearer who is eligible for a payment and make it easier for people to claim.

Minister for Family Support, Housing and Child Maintenance Caroline Dinenage said:

Losing a loved one is a sad and difficult time and we want to make the process of claiming a funeral payment as simple as possible.

I want to thank those who responded to our consultation and I am pleased that we will be bringing in all its recommendations to make it easier for people to make a claim.

The improvements include:

- allowing recipients of a Funeral Payment to receive contributions from relatives, friends or charities without it being deducted from the payment
- extending the claim period from 3 to 6 months from the date of the funeral
- allowing applicants to submit evidence electronically to speed up the processing of claims and get decisions to claimants sooner
- introducing a shorter application form for children's funerals

[Funeral Payments](#) can help pay for the costs of a simple, respectful funeral for people on qualifying benefits. This includes:

- burial fees and exclusive rights of burial in a particular plot
- medical certification fees needed for cremations, including the cost of the doctor's certificate
- travel to arrange or go to the funeral
- the cost of moving the body within the UK, if it's being moved more than 50 miles
- death certificates or other documents
- up to £700 for other funeral expenses, such as funeral director's fees, flowers or the coffin

People in receipt of the following benefits may be eligible for a Funeral Payment:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Pension Credit
- Universal Credit
- Housing Benefit
- Working Tax Credit which includes a disability or severe disability

element

- Child Tax Credit

The changes will be brought in next year.

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