

BRITAIN'S BIGGEST TAX SCANDAL – GOLF, ROTTEN TO THE CORE!

Researched and exposed by AGCO – December 2013

No it isn't Amazon or Google or scrap iron dealers or carefully thought out tax avoidance schemes.

It's member-owned golf clubs. Put bluntly they all fiddle the taxes on their green fees. Every single one of them. It's thoroughly dishonest and goes right to the heart of the UK Establishment. As David Cameron says: "We are all in it together". Yes, they sure are – and that's right through to the Prime Minister himself. And the judiciary!

On the one hand we have the UK Establishment that should be enforcing the tax laws. And on the other hand – we have the UK Establishment on the fiddle. They cover up the fiddle, on the usual basis that only little people pay tax. From High Court judges to politicians, get them to a golf club and they cheat!

We can show you a club where a former Deputy Chairman of the Financial Services Authority is club chairman. £500,000 of green fees and no tax paid, of course. He sits on a committee called the Advisory Committee for Business Appointments (ACOBA) which virtually shares an office with the Treasury in Whitehall. When asked about the club's tax fiddle, ACOBA's response was that all their members act with integrity. Yes, of course, because the corrupt officials in HMRC and the Treasury forgive people like that. Remember as the PM says, we are all in it together!

And then, of course, the judiciary are happily part of the fiddle. They might sit in Court and preach honesty. But put them on a golf club committee and they will fiddle along like the rest. We can point to one club with a Lord Justice – that's very high up the greasy pole - at the forefront of the club and a long term club director – fiddling the tax. We can track the non-payment of tax from the 1990's. And our friendly Lord Justice is right at the heart of it. Remember as the PM says, we are all in it together!

It comes as no surprise to know that the MPs are happy to condone the tax scandal. **Walton Heath** in Surrey boasts that at one time they had 24 club members who were MPs, and 21 in the House of Lords. They still give a discount on subs for MPs. So it will come as no shock to find that Walton Heath has never paid a penny tax on their huge green fee income – over £625,000 a year. And that's despite a letter from the Inland Revenue in 1994 acknowledging that they had been dobbed in it.

And as for the Prime Minister? Well he's in on it too. He's an honorary member of a club whose accountants, **Hillier Hopkins**, always boast that their golf club clients never pay tax because they do deals with HMRC. So we wrote to ask the PM if the club was paying tax, knowing that it wouldn't be. Guess what. He wouldn't reply. Yes, you are all in it together Mr Cameron, and only little people pay tax! **Ellesborough** may be a modest little player in green fees but do they pay tax?

**Sports Marketing Surveys Inc** reported officially that average club green fees for 2012 were €260,000. That's £217,300 each. And it's taxable. For the 2000 member-owned clubs that was around £434 million for 2012. And the **Mintel Report** for 2009 backed this. It's fact.

## The Association of Golf Course Owners (1993)

But the whole lot fiddle it. Since 1990 we assess that these tax cheats have earned some £3.5 billion in green fees and pocketed the lot with no tax. What's the relevance of 1990? Simple. These tax scammers have never paid tax on their green fees. Now they are asking for the VAT back on those self-same fiddled green fees, all the way back to January 1<sup>st</sup> 1990. HMRC has disclosed that one group of 457 members' clubs is collectively claiming back £115,400,000 of VAT, plus the interest! It will come as no surprise that Walton Heath with its MPs on board is making a massive claim for refunded VAT on the hidden green fees! No doubt there are other big players asking for individual refunds running to millions. And HMRC will ensure they get it! Forget hospitals and public services. Give it to the golf clubs. AGCO tried to be joined in as a party to the case to Europe to protect the interests of the UK taxpayer. We got turned down by High Court Judge, Mrs. Justice Proudman, who probably thinks £115 million is chicken feed!

So you might think the UK Establishment would be right behind curing this scandal. Not a bit of it. Margaret Hodge, Chairman of the Public Accounts Committee, has been mauling other tax scammers for months. AGCO's Deputy Chairman, Andrew Sutcliffe, got his MP, Liam Fox, to ask the Treasury Committee to investigate. But the Treasury Committee Chairman, **Andrew Tyrie MP**, wrote that they hadn't the time or inclination to investigate. Mr Tyrie has been secretary of the Parliamentary Golf Society, enjoys a free golf club membership, got a freebee to a Ryder Cup and was a scholar at both Oxford and Cambridge. Enjoy his letter. No of course he doesn't want Britain's most disgraceful tax scandal exposed. It may not be the biggest but it is the most disgraceful because of the posh people involved. And doubtless Andrew Tyrie and his cronies are intent on protecting the UK Establishment.

So as Andrew Tyrie and Margaret Hodge don't want to investigate it, here is the question they should ask **Sir Hugh Stevenson**, former Deputy Chairman of **the FSA** and Chairman of **Swinley Forest Golf Club**: "Now Sir Hugh, dear boy, we see that Swinley Forest took £500,000 in visitors' fees in 2011 and again in 2012 and hasn't paid any tax. Why call them "temporary memberships"? You are a qualified solicitor, got your knighthood for services to the financial industry and have been a director of lots of huge companies. Oh and **Farrer and Co**, solicitors to the Royal Family, did the company formation for Swinley. So, Sir Hugh, with all that knowledge, can we assume that you and your chums aren't guilty of tax evasion, but that HMRC just forgave you your tax? We see you have been naughty little boys and don't have a proper alcohol license. So you aren't completely above board. But as far as the tax goes can you say whether it was stupidity, tax evasion or forgiveness by HMRC?"

You can enjoy the Swinley accounts from the Companies House website!

And here is the question **Andrew Tyrie** and Margaret Hodge might ask **Lord Justice Scott Baker**, who has been a big cheese at **Denham Golf Club** – Chairman, President, director – for many years. Denham isn't quite in the league of Swinley Forest and their green fees for 1999 were only £166,386, no tax paid.

"Now, My Lord, we see you were chairman of **Denham Golf Club** for six years to 2000 and signed off the accounts. In all those years the green fees were described/hidden as "temporary memberships" and the club never paid any tax. In 1993 the visitors' fees were £153,031 – against £322,462 of membership fees. That's a very high percentage. Didn't you realise that tax was payable? And in 1999 the green fees were £166,386 and when you finished as chairman in 2000, £150,000.

The Association of Golf Course Owners (1993)

“Now Denham employs **Hillier Hopkins** as your accountants; Hillier Hopkins brag that their golf club clients never pay tax. What we would like to know is whether this was tax evasion on your part or whether you allowed deals to be done with the Inland Revenue. You are obviously a highly respected judge, having been entrusted with the Princess Diana/Dodi Fayed inquest. So was it tax evasion at Denham Golf club or a deal done with the Inland Revenue? Didn't you realise you should pay tax?

“And is Denham Golf Club claiming back the VAT on that £3 million of green fees taken since 1990 on which they never paid tax? Any ideas, my Lord? Should we have an inquest on this?”

But it isn't just the South East where the tax fiddles have been going on. We can point to one club in Lancashire where there was out and out forgiveness of the tax. And that's why it's hard to say whether it was tax evasion by clubs or corruption within the Inland Revenue. And as for Scotland – who knows?

**Formby Golf Club Ltd** (Co. No 461249) is a very smart, affluent golf club on the Lancashire coast with green fees in excess of £125 per round and a small hotel on site, with 6 bedrooms, that can accommodate 10 people. Let's assume visitors' fee income of £500,000 plus. But here is the Report by the Formby Golf Club Captain for the year ended 31<sup>st</sup> December 2000:

“In common with many golf clubs the Inland Revenue are currently reviewing guest and visitor green fees in order to determine if a surplus is assessable to Corporation Tax arises thereon. If the Inland Revenue accept the proposals submitted on the Club's behalf by HLB Kidsons then the Council have been advised that it is remote that any liability will arise in respect of periods to 31<sup>st</sup> December 2000.”

Forgiven – but not forgotten by us and the proprietary clubs in Lancashire trying to compete with the golfing Mafia. They are cheats. Out and out cheats and no doubt still fiddling and pocketing the lot.

Top accountants take part in the scandal. **KPMG** acting for **Clitheroe Golf Club** makes this false statement each year: “The company [Clitheroe Golf Club] enjoys the status of an incorporated club and as such the liability to corporation tax only extends to investment income and chargeable gains.”

KPMG positively act to help Clitheroe's tax evasion. There is no such rule in tax law! KPMG fiddled this! And it explains why KPMG used **Bridport**, not tax fiddling **Clitheroe**, to front the VAT reclaim scandal!

Then there is **Hacker Young** – acting for the opulent **Coombe Hill Golf Club** in Surrey: “The company [Coombe Hill] is not subject to corporation tax on its golfing and related club activities. Accordingly, provision for corporation tax is only made on any investment income received by the company.”

And Coombe Hill has enough partners of VERY large, VERY expensive London solicitors to know they are cheating and fiddling, thanks to Hacker Young's help. And **Coombe Hill** should pay tax on the associate membership fees of their lady members who aren't full members. That hidden income runs to over £210,000 a year – that's 70 ladies at £3000 a throw! A fiddle on some £3 million since 1990. All fiddled. All diddled and the UK Establishment just sweeps it under the carpet. Big boys like this don't pay tax!

And then there is **PKF** – accountants to **Sunningdale**, to **Notts (at Hollinwell)** and England Golf. Sunningdale and Hollinwell both forget to pay any tax on the associate memberships for lady members. Surprise, surprise. And what about tax on income from the artisan members? But Sunningdale also

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managed to take £1.3 million in visitors' fees in 2011 – and yes, you've guessed it. They didn't pay any tax. Seemingly they never pay tax. Why should they? Too posh to pay!

But, you see, the **Chancellor or the Exchequer** positively condones all this. "We are all in it together". When asked about non-profit making clubs our George gave his three examples of such clubs as **Queen's** (the extraordinarily elite London racquet club), **the MCC (Lords)** and **Sunningdale Golf Club**. He wrote to Home Secretary, **Theresa May**, and said so. He and Cameron are on a different planet from the rest of society. This is their idea of non-profit making sports clubs. If Sunningdale's £1.3 million of green fees isn't profit, what on earth is it? The tax laws are absolutely clear and have been in place for 100 years.

All these tax scammers have openly declared their green fee earnings to HMRC. Why? Because they want their VAT back on those green fees since January 1990. It's millions and millions. But it appears that the Inland Revenue and HMRC have just been forgiving it all. Nice boys don't pay tax. And clearly they won't touch the British Establishment – the judges, the FSA, the Treasury, the politicians – the lot of them. Rotten to the core and right to the very top where the Prime Minister plays!

So will **Nick Clegg** get involved? Probably not. Nick Clegg was Head Boy at the Caldicott School where **Lord Justice Scott Baker** – him of Denham Golf Club - was the Chairman of the Governors from 1990 to 2005. Not when Cleggy was there, but it's all wheels within wheels. The **Daily Mail** has just reported how an ex-headmaster of Caldicott School has been convicted of offences against pupils dating back well before 1993. The Daily Mail says: "Many Old Caldicottians occupy important positions at the heart of the British Establishment". The suggestion is that Lord Justice Scott Baker and another judge from the area – a past captain and president of **Beaconsfield Golf Club** – later covered up the paedophile scandal to protect the school. Hoorah!

We don't know and don't care about that. But the "charismatic" old headmaster, Peter Wright, who was found guilty of fiddling at Caldicott well over 20 years ago, is due to be sentenced all those years later in February 2014. If they can go back before 1993 and convict for that sort of fiddling are we saying those guilty of other fiddles are immune from prosecution? Seems so, Old Boy!

The reality is that the Inland Revenue appears to have forgiven all their chums at golf clubs the tax they should pay. After all, presumably **Sir Hugh Stevenson** and **Lord Justice Scott Baker** wouldn't be party to tax evasion and that sort of thing; nor would all those toffs at Sunningdale and the MPs at Walton Heath. It must have been forgiveness! Seems like forgiveness of £1 billion. If so, we say it is illegal State Aid, forgiving money out of the Public Purse and we have asked Europe to rule on it. Perhaps they could even compensate proprietary clubs trying to compete with this scandal.

Whatever the result, some 2,000 member-owned golf clubs could be due a windfall of £500 million in VAT refunds and interest from 1990. And that's on the £3 billion of visitors' fees on which they have fiddled their tax, with HMRC's connivance! **It's a disgrace and a game that is rotten to the core. Rotten.**

Or if it isn't forgiveness and it was actually tax evasion, can the British Establishment find an honest judge to prosecute the lot of them? Probably not! As David Cameron says: "We are all in it together." And that obviously includes the judiciary. So let's ask **Margaret Hodge**, **Andrew Tyrie** and the Public Accounts Committee to investigate. "Was it corrupt tax evasion or corrupt forgiveness by HMRC? Well?"

Here's Andrew Tyrie's letter to Liam Fox. No, of course he doesn't want to ask questions about the Great Golfing Tax Scandal!

## Treasury Committee

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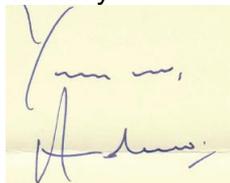
1<sup>st</sup> October 2013

Dear Liam,

Thank you for your email of 29 August, enclosing correspondence from your constituent, Mr Andrew Sutcliffe, and Vivien Saunders OBE of the Association of Golf Course Owners, regarding the taxation of members' golf clubs.

I appreciate your constituent's concerns about this issue. However, the Treasury Committee has a full programme at present, and it is therefore unlikely that the Committee will look into this particular subject in the foreseeable future.

Thank you once again for taking the time to write.

A handwritten signature in blue ink on a yellow sticky note. The signature appears to be 'Andrew Tyrie'.

ANDREW TYRIE MP

CHAIRMAN OF THE TREASURY COMMITTEE