



Loan Charge Update - Personal Statement
Individual who has settled - Form 2(b)

Loan scheme(s) used / operator(s)

Hyrax (, some of its incarnations Penfolds, Hamilton Trust, Lighthouse , K2)

Approximate liability (nearest £5K)

£300,000

Settlement total figure

£300,000

If your loan has been subject to recall demands :

Who is demanding repayment ?

FS Capital Limited

And for how much in £

£460,000

Further demands from HMRC

How many months/years using loan arrangements

9 years

Other Money paid (APNs, Penalties)

Table with 3 columns: Date of Settlement, Settlement period (years/months), % of net income per month. Row 1: 30/09/2020, 19 years, 21% till retirement, then 100%

The impact of settlement on you financially

1)With regards the HMRC settlement - a 21% loss of earnings is substantial. After retirement the value will become circa 100% which will require me to sell my house to cover the cost.2) If the litigation with FS Capital fails then this will require me to sell my family home as my liabilities, including the settlement with HMRC will be circa £780,000 which is more than the gross amount of my earnings over the period I was in the loan schemes.3) Add to this the accountancy fees to the accountant who advised me to use the schemes and administered my affairs (because they were a legitimate tax efficient scheme for self employed people) and the schemes deductions then I will be paying more than I ever earned. I don't know the exact amount of all of these costs and deductions.4) Cost of litigation circa £1000 a year as part of a litigation group, run by the person who set up and sold the scheme.5) I will potentially be bankrupt!

The personal impact (financially and in other ways) if HMRC enforce the Loan Charge as laid down in the legislation

1)The situation is extremely stressful, I think about it everyday and sometimes cannot sleep with worry. 2) There is always something to do to manage the FSC litigation process i.e. respond to mails with information, receive lengthy updates etc. Similar to the HMRC loan charge process the messages are always positive but like the HMRC process I fear the litigation will fail. 3) At the moment the costs are manageable, but if I were to become ill (I have a hereditary heart condition that will require surgery at some point) or loose my job then the house in jeopardy. 4) If FS Capital win the litigation my house is in jeopardy. If we loose the house then family life is in jeopardy. 5)The worst part is that I hired registered professionals to manage my tax and business affairs so that I could get on with my job but I've been completely and utterly failed by every one of those professionals, all of whom are walking away richer for my business. To be clear, I never sort to use a tax avoidance scheme, my accountant of several years advised me to do it and sold me the scheme and continued to advise me to use the scheme during the HMRC process. He also assured me the loans would never be called in.