

How can a company go bust owing Â£58 million in tax?

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[The Scotsman has reported:](#)

A TEMPORARY employment agency has gone into liquidation owing HM Revenue & Customs (HMRC) £58 million in unpaid tax.

Edinburgh-based Employ-E, a division of Legitas Group which is also in liquidation, is owned by lawyer David Allen, who is reported to own a golf course and mansion house in the Borders.

Employ-E had about 60,000 low-paid temporary workers on its books, who it supplied to recruitment agencies throughout the UK.

The real question here is, how could that have happened? How could HMRC have reached the point where it cannot chase that much tax? How limited are resources is this is the case?

There is also another question, which is, of course, where is the money? An agency should have been reimbursed all costs including tax. How could it lose that much money?

In the case of both questions surely HMRC should have been on top of this? If not I can only put it down to under-resourcing,