

## Full marks to Prem Sikka

Published: January 20, 2026, 4:20 pm

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On 1 [October I wrote](#) this:

*Parliament* [has published](#) an estimate of the losses to HMRC arising on the liquidation of a service company controlled by Dominic Chappell, who was also the last owner of BHS.

The statement, prepared by my friend Prof Prem Sikka of Essex University, estimates losses to HMRC arising on the liquidation of more than £700,000. Prem suggests that the company might never have paid any of the VAT it charged on the supply of its services to HMRC. It also appears that substantial corporation tax was owing at the time of liquidation.

Prem concludes in the paper that:

I recommend that the matter should be referred to the Serious Fraud Office (SFO) with a request to investigate all business dealings of Dominic Chappell and his associates.

I will await developments with interest.

The wait is over. Today [we have learned that Dominic Chappell has been arrested](#). It would appear that the allegation made by Prem Sikka, that Chappell had chosen not to pay any of the VAT or corporation tax owing by the company of which he was a director, which appears to be strongly supported by the evidence in its accounts, is the basis of the investigation.

Full marks to Prem.