

24<sup>th</sup> July 2021

HMRC Offices, 1 Ruskin Square, Croydon

Present: Kiran O’Dea (HMRC)  
Levent Karaoglan (HMRC)

Robert Venables  
Phillip Salvesen (Solicitor)

**Pre-interview disclosure: 10:23am-10:35am**

Before the interview began, Mrs O’Dea explained that Mr Venables was believed to have fraudulently evaded income tax by implementing a partnership structure, the RVQC Partnership, which was believed to have been used to as a way to evade the correct amount of income tax due from him. He and his solicitor were provided with a number of documents, which included the following:

<b>ipad row</b>	<b>description</b>
7.1	RV Tax return 2014/15
7.2	RV Tax return 2015/16
7.3	RV Tax return 2016/17
7.4	RV Tax return 2017/18
7.5	RV Tax return 2018/19
7.11	RVQC Partnership Tax return 2017/18
7.18	Breamgale Ltd letter re HMRC's Trust Register 5.3.18
7.19	Breamgale Ltd (St Augustus’ Trust) Tax return 2017/18
8.11	RV QC Partnership Deed 22.3.16
14.11	Email from RV to HMRC 10.3.19
14.18	Letter from RV to HMRC 11.7.21

Mr Salvesen said that it would have been useful to have had the documents in advance. He and Mr Venables then had the opportunity for a private consultation before the interview began.

## Interview: 11:14am-12:15pm and 1:05pm-1:31pm

At the outset of the interview Mr Venables was given the caution, *ie* he was told that he did not have to say anything, but that it might harm his defence if he did not mention when questioned something which he later relied upon in Court, and that anything he did say might be given in evidence. He confirmed that he understood the caution. There was then the following exchange before the questioning began:

- SOLICITOR I'm now advising Mr Venables not to answer any questions today.
- KARAOGLAN Okay. That is your right Mr Venables however if you feel like you are able to answer any of my questions, please do so as this is your opportunity to give us your account and tell us if we've got anything terribly wrong here.
- SOLICITOR Well sorry Mr Venables I'm just gonna remind you of my advice.
- VENABLES Fair enough.
- KARAOGLAN Okay. Mr Venables what do you do for a living?
- VENABLES On the advice of my solicitor I say nothing.

During this interview the questions which Mr Venables was asked included the following topics:

- (i) whether he had received any income or money from the partnership, or from any trust, which was not reported on his personal tax returns;
- (ii) why the share of the partnership profits which he allocated to himself was only a small percentage of the overall profit of the partnership, given that he was the partner who had earned all the profits;
- (iii) whether the beneficiaries of the St Augustus's Trust and the St Mathias's Trust were ever paid any money from the trusts;
- (iv) why printouts from the RVQC Partnership accounting system which he had previously provided to Mr Atkinson of HMRC, which showed the capital accounts for different partners, showed funds moving from one capital account to another, and whether there were any documents logging the decisions behind the movements of funds; and
- (iv) whether Dean Wise worked for Mr Venables, how Mr Venables had paid him, and why a bare trust in his name was a partner of the RVQC Partnership; and similar questions in relation to Laura Cook and Amanda West.

Mr Venables answered all these questions with "no comment".

There was a break in the interview, so that the officers could provide some further disclosure, and give Mr Venables an opportunity to discuss it with his solicitor.

### **Pre-interview disclosure: 2:12pm-2:18pm**

Mrs O’Dea explained that enquiries of the 2 Oxford Colleges that were the beneficiaries of a number of the interest in possession trusts whose trustees were members of the partnership had not received any money from the trusts, and were not even aware of the existence of those trusts.

### **Interview: 2:40pm-4:01pm**

The interview resumed with Mr Venables being reminded again of the caution. Mr Salvesen indicated that his advice remained the same as before. Mr Venables was taken to the tax return for the RVQC Partnership for 2017/18 (7.11), in which the profits of the partnership were shown to be £895,824, and to the allocations made to St Mathias’ Trust (£83,400) and to St Augustus’ Trust (£543,676). He was then referred to the Breamgale Ltd letter re HMRC’s Trust Register (7.18), at page 3, where the details relating to the St Mathias’s Trust are set out.

KARAOGLAN Now lower down that page at Paragraph C it confirms the beneficiaries as being Merton College, Oxford and St Edmund Hall, Oxford; there are no other beneficiaries listed.

VENABLES Yes and the date of this letter is the 5th of March 2018.

KARAOGLAN Correct.

VENABLES So that would of course and that was the date of the registration...

KARAOGLAN Yes.

VENABLES ... so that, so that as, as of that date okay.

KARAOGLAN So I, can you just clarify what you meant by as, as that date?

VENABLES Well as sorry.

SOLICITOR Well my advice remains the same.

VENABLES Okay I won’t comment on that.

KARAOGLAN Okay. Did you mean that the beneficiary prior to that date was different?

VENABLES I won’t comment but you must read and read what it said.

Mr Venables was then referred to page 5, with the details for St Augustus’s Trust.

KARAOGLAN ... okay so I’m just going to recap on what I’ve explained so far. The RVQC Partnership for the tax year 2018 err returned profits

of 8, 895,000 ...

VENABLES Mm.

KARAOGLAN ... of that 70% of the profits were allocated to 2 trusts namely St Mathias's Trust and St Augustus's Trust. The RVQC Partnership account was used to pay the tax liability of those 2 trusts at 20%. That leaves 80% of the profits ie the after tax profits. Now under the rules for IIP Trusts the remaining after tax profits should be distributed to the beneficiaries of those trusts.

VENABLES Mm.

KARAOGLAN As per [7.18] we have the beneficiaries as being the 2 Oxford Colleges St Edmund Hall and Merton College as being the beneficiaries so it's reasonable to expect that once the tax liability at 20% was paid, the remaining 80% should have been paid out to the 2 Oxford Colleges as the sole beneficiaries of those 2 trusts.

VENABLES Ah.

KARAOGLAN Is that correct?

VENABLES I, I no comment but light is dawning ...

KARAOGLAN Okay.

VENABLES ... and I will not comment on all the misconceptions ...

KARAOGLAN Well this is ...

VENABLES ... in your statement I will not comment on them now.

KARAOGLAN ... well it is your opportunity to correct us. If we've got this wrong you need to tell us that this is why it's wrong I mean.

SOLICITOR Mr Venables will have plenty of opportunity to do that so.

...

KARAOGLAN Now we have, HMRC holds, witness statements from the 2 Oxford Colleges that were named as the sole beneficiaries of St Mathias's Trust and St Augustus's Trust to confirm that they have not received any monies from these 2 trusts or from Breangale Ltd or from the RVQC Partnership. They have also said they haven't, they have not heard of these trusts before and they were not aware that they were beneficiaries of these trusts. Can you explain why that is Mr Venables?

VENABLES Not on this occasion. I will not comment now.

KARAOGLAN It is your opportunity to clear this up with us I mean if we've got this wrong you just yeah explain it to us why it's wrong, why have we got this wrong?

SOLICITOR Remains the same.

VENABLES No not now.

Mr Venables was asked whether the reason that the Oxford Colleges had not heard of the trusts, and had not received the monies, was because he had kept the profit

allocations and shared them with Gary Morris. He replied “no comment”. Mr Karaoglan then returned to the RVQC Partnership Deed of 22.3.16 (8.11), and the parts of clause 6 on page 14, which was concerned the allocations of profits for the accounting period beginning on 10<sup>th</sup> April 2104 and ending on 9<sup>th</sup> April 2015. He read the paragraph which began “AND PROVIDED FURTHER”.

- KARAOGLAN Okay. The residual partner for the 2017-18 tax year was St Augustus’s Trust that’s the trust that was allocated.
- VENABLES Well (sighs) I think there is a miss again a misconception.
- KARAOGLAN Can you correct us?
- VENABLES I will not comment on it now. These things cannot be, you cannot give zero notice of really complicated matters with, with the utmost respect ...
- SOLICITOR Mm.
- VENABLES ... and expect me to comment. These things need to be explained properly in writing, setting out the relevant provisions of tax law...
- SOLICITOR Mm.
- VENABLES ... and why I believe the returns which have been made are perfectly justified but I cannot do this verbally I couldn’t even do it to (sighs) you know to someone who is an expert on the substance of tax.

Later in the interview Mr Karaoglan returned to the topic of St Mathias’s Trust and St Augustus’s Trust, as follows:

- KARAOGLAN Now we know because Breangale Ltd has written to HMRC that the 2 trusts St Mathias’s Trust and St Augustus’s Trust, the 2 Oxford Colleges were the beneficiaries. We know that there were no payments to those 2 beneficiaries from the Breangale bank accounts. Well we also know that there were no payments to those 2 Colleges from the RVQC Partnership bank accounts either. So they’re named beneficiaries of 2 Trusts, these 2 Trusts have been allocated just over £600,000 in profits and there is not a single payment to these 2 beneficiaries either from the Breangale bank accounts or the RVQC Partnership bank accounts, instead we have 2.7 million going to Gary Bernard Morris, we have funds going to Michael Venables, we have funds going to Derek Murray, we have funds going to your own personal accounts as well, the only thing we cannot see is any payments going to the 2 colleges. So why is this, if they are the beneficiaries of these trusts and they are entitled to the income of these trusts, why are they not receiving any money?

VENABLES Thank you again this is very helpful for the first time in explaining your position and the reasons for your suspicions for the first time in over 3 years but I cannot comment at this point on that.

Towards the end of the interview there was the following exchange:

KARAOGLAN we believe that the correct amount of tax has been evaded and we believe Mr Venables would have known that. Is that not right Mr Venables?

VENABLES It is your belief is wrong.

KARAOGLAN Okay.

VENABLES It may be an honest belief ...

KARAOGLAN Mm.

VENABLES ... but this is not the occasion for me to set out what the nature of your misapprehensions and why I have properly declared and paid for all amounts, sorry declared my income and paid for all amounts of tax which are due, set up. I cannot go into that this now.

KARAOGLAN Okay I mean is it not the reality that the Partnership structure exists solely to divert profits to others which would in the absence of those arrangements have flowed to you therefore allowing you to evade the higher and additional rates of tax which would be due on the entirety of the profits earned by you for your barristerial services that only you provide.

VENABLES May I give a straight no to that?

SOLICITOR Mm.

VENABLES And the answer is no it is not true.

KARAOGLAN Okay. Why is it not true?

VENABLES And that I cannot comment now.

The recording stopped shortly before the end of the interview.