

# Sid Harding BSc FCA ACFE

Email: [sid@srhforensics.co.uk](mailto:sid@srhforensics.co.uk)

Phone: +44 07976 920033

I have been a Chartered Accountant for some 25 years and specifically employed as a forensic accountant for the vast majority of this time.

Shortly after training to become a Chartered Accountant with the National Audit Office some 25 years ago, I realised that forensic accountancy was the route for me, and I embarked on a highly enjoyable 4-year secondment as a Senior Investigator in the Companies Investigations Branch of the Department of Business, Innovation and Skills. Since then, I have continued to build my career in forensic accountancy principally with both Ernst & Young and, most recently with a London-based specialist boutique forensic accountancy firm, Ballamy LLP.

I set up my own forensic accountancy practice in 2019, SRH Forensics LLP.

Previously, I spent 12 years working at Ballamy LLP where I led a large number of varied and high-profile forensic assignments, including acting as an expert in numerous financial disputes, assisting UK and foreign regulators in policing the AML and financial landscape and performing investigations and providing expert opinion on many fraud, financial misreporting, AML, embezzlement and bribery and corruption related matters.

Prior to this, I spent four very enjoyable years working in over thirty countries as an internal auditor / fraud investigator immersed in the world of international shipping.

## PROFESSIONAL QUALIFICATIONS AND MEMBERSHIPS

Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”)  
ICAEW-Accredited Forensic Accountant  
Associate Member of the Association of Certified Fraud Examiners

## PROFESSIONAL BACKGROUND

SRH Forensics LLP (forensic accountancy)	2019-current
Ballamy Woodhouse / Ballamy LLP (forensic accountancy)	2006-2019
Electoral Commission / Knox Cropper Chartered Accountants (external auditor)	2005-2006
American Bureau of Shipping (internal auditor / fraud investigation)	2001-2004
Ernst & Young LLP (forensic accountancy)	1998-1999
Department for Business Innovation & Skills (fraud investigation)	1996-1998
National Audit Office (external auditor)	1992-1995

## PROFESSIONAL EXPERIENCE

### *Financial investigations – Regulatory & Criminal*

I have assisted a number of regulatory bodies including the Jersey Financial Services Commission, the Financial Conduct Authority and the Financial Reporting Council with investigations designed to reveal whether the conduct of regulated firms or regulated individuals failed to comply with the prevailing legislative and regulatory requirements. Examples of my recent assignments include:

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### Jersey Police (2018 to current)

I was instructed by the Law Officers' Department's Economic Crime and Confiscation Unit to provide an independent opinion on the extent to which a financial services company complied with the Statutory Requirements of the *Money Laundering (Jersey) Order 2008* and with the Regulatory Requirements of the *Handbook for the prevention and detection of Money Laundering and the Financing of Terrorism for Financial Services Business regulated under the Regulatory Laws* in connection with numerous large-scale global business relationships including structures set up by three sovereign wealth funds from North America, Africa and the Middle East.

My work involved opining on the adequacy of the firm's assessment of the risk in a customer relationship. Particular attention was paid to the onboarding of customers (e.g. in the collection and verification of relevant identification documentation about the customer and other relevant parties (e.g. beneficial owners)) and the ongoing monitoring of customer relationships (e.g. to ensure that identification information is kept up-to-date and any unusual or suspicious activity is investigated).

### Jersey Financial Services Commission (2019 to 2020)

I was engaged pursuant to Directions issued by the Jersey Financial Services Commission requiring a global leader in precious metal custody and the world's largest precious metals network to refrain from specified activities until I issued notifications that I did not object to those activities being performed by the company on the basis that I was satisfied that the company had complied with applicable statutory and regulatory requirements.

Pursuant to the Directions, my approval was required for all payments or other outflows over a certain value, the sign-off of all High-Risk Reviews and for any downgrading of customer relationships categorised as High Risk.

### Financial Conduct Authority (2020 to current)

I have been engaged by the Financial Conduct Authority to assess and help bring to a conclusion an investigation, that had been ongoing for some 3 years, into the adequacy of one of the UK's Big Four bank's automated transaction monitoring systems over a 12-year period. My work involved drafting numerous information requirements to the Bank seeking evidential clarifications and details of the impacts of issues concerning the Bank's automated transaction monitoring systems. For example, I reviewed the extent to which the Bank's automated transaction monitoring systems provided coverage of relevant Anti-Money Laundering ("AML") risk indicators and the extent to which scenario thresholds had been capturing unusual and suspicious customer behaviours.

### Jersey Financial Services Commission (2016 to 2018)

Pursuant to Directions issued by the Jersey Financial Services Commission under Article 23 of the Financial Services (Jersey) Law 1998, I was appointed on two occasions to supervise certain of the activities of two regulated firms, one undertaking trust company business and the other precious metal custody, in Jersey.

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My responsibilities included examining the adequacy of the firm's evidence of clients' identities, addresses, sources of funds, sources of wealth and rationale for the structures' existence before permitting payments to be made by in one instance the trusts and companies administered by the firm and in the second instance to the individuals and entities who are customers of the firm. In both cases, the reports to the company's Directors was subjected to Maxwellisation before being submitted to the JFSC.

Similarly, I was engaged as a "Competent Person" by the Jersey Financial Services Commission under Article 33(1) of the Financial Services (Jersey) Law to investigate the conduct of a Jersey trust company and its officers who had responsibilities for the stewardship of the trusts and companies under investigation. Their report to the Jersey Financial Services Commission was subject to Maxwellisation and contributed to the resolution of regulatory issues and of disputes between the trustee and various groups of stakeholders. My work involved undertaking some 20 interviews of both employees and directors of the firm under investigation and investors into schemes the firm acted over.

### Financial Conduct Authority (2018 to current)

Also recently, I have been engaged by the Financial Conduct Authority to investigate allegations including false accounting, misleading auditors and misleading statements to the market in respect of an AIM-listed company and high-ranking individuals of the company. My investigative work culminated in the preparation of a significant witness statement encompassing numerous complex accounting issues which I presented in my capacity as a professional witness.

### Financial Reporting Council (2015 to 2018)

In recent years, I have undertaken investigations on behalf of the Financial Reporting Council on three occasions into the conduct of:

- an individual involved in the operation of aggressive tax avoidance schemes and the auditors of a charity that was used as part of one particular tax avoidance scheme;
- both accountants in industry and auditors in respect of a FTSE250 quoted support services company concerning issues including aggressive and inappropriate revenue recognition and various window-dressing tactics such as extended cash cut-off and inappropriate temporary related party loans; and
- a Big 4 appointed insolvency practitioner and administrator of a large UK-based home furnishings manufacturer and retailer in respect of a failed CVA and eventual pre-pack arrangement which resulted in the inappropriate offloading of significant pension liabilities.

I planned and led these investigations and my work involved conducting interviews of numerous individuals, including finance directors of quoted companies and audit partners from the Big 4, and the gathering and assimilation of a large amount of evidence into summary chronologies and diagrams which provided clarity over the workings of the schemes, connections between individuals involved and what was or should have been known by individuals at specific points in time.

During my time at Ballamy LLP, I also assisted the Department for Business Energy and Industrial Strategy (formerly as the DTI) in a number of fraud investigations including cash-back scams and fraudulent collective investment schemes.

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Whilst working at the Department for Business Energy and Industrial Strategy I was the lead investigator responsible for more than 25 investigations under the Companies Act 1985, the Financial Services Act 1986 and the Insolvency Act 1986. My responsibilities included gathering and analysis of evidence, interrogating computer equipment, planning and conducting interviews of key witnesses and suspects, reporting findings and drafting affidavits in support of the prosecution of offences.

During 2018 I was seconded for a six-month period to the Financial Conduct Authority to assist with an investigation of the conduct of the directors and the external auditors in connection with the financial reporting of a company listed on the London Stock Exchange.

### ***Financial investigations - Civil***

In the civil arena, I have experience of working with law firms in a wide range of contentious matters including bribery allegations, secret commissions, corporate fraud, whistle-blower assertions, shareholder disputes, asset misappropriation and dissipation, advance-fee fraud, royalty disputes and sham trusts. I have particular experience of complex commercial disputes spanning numerous international jurisdictions and, for example, involving worldwide freezing orders.

For example, I assisted a major law firm in a commercial dispute in which over \$500 million was claimed from the defendants for alleged fraudulent activity in advance of the disposal of the defendants' interest in a mining company. I assisted in two matters; firstly, in the drafting of affidavits on behalf of each defendant in connection with their living expenses and secondly, with the provision of assistance to the defendants to refute allegations that they had failed to comply fully with asset disclosure orders including the non-disclosure of companies ultimately owned by the defendants through trusts companies in the British Virgin Islands that held large amounts of land, property and mining rights. For example, I performed a detailed review of the defendants' expenditure over a six-month period to establish the typical amount of normal living expenses they required on a weekly basis. I critically examined the case documentation to assist in the drafting of comprehensive answers to the claimants' questions, which required me to distil a vast amount of information from various sources concerning their worldwide assets in a short space of time. As a result of my work the defendants were granted a three-fold increase to their allowed living expenses to some £70,000 a week and a full disclosure of worldwide assets was made to the Court within a tight deadline.

I was instructed to assist a law firm's client facing extradition to the United States of America due to his suspected involvement in the operation of a Ponzi scheme. It was alleged that investors were induced to invest in real estate prospects in the UK and that the law firm's client was one of those responsible for the scheme which had caused losses to the investors. I performed an independent investigation to ascertain what funds were remitted to the UK bank accounts of the law firm's client for the purposes of investing in UK real estate and to ascertain the manner in which those funds were invested or how they were otherwise expended. This involved electronically capturing the bank statements for a large number of bank accounts covering a period of 10 years and categorised the expenditure between business and personal and by specific real estate project. My report was provided to the FBI in advance of their discussions with the client. The FBI had been considering charging the client with conspiracy to defraud lenders, which would have resulted in a custodial sentence of 5 years but subsequently offered a plea bargain, ensuring he would not receive a custodial sentence in exchange for him acting as a prosecution witness in a case against the main perpetrator and beneficiary of the scheme.

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I was required by a company to investigate various allegations made by a whistle-blower in an anonymous email sent to the Board of Directors alleging inappropriate payments to employees and their families both through the company's normal payments systems and by other means. I visited the company's relevant regional offices and discreetly assessed the systems and procedures in operation. Thereafter, I visited the company's headquarters to conduct analyses and enquiries designed to establish whether or not the allegations made by the whistle-blower were valid. This included obtaining detailed BACS payment listings, extracting details of all of the payments made to the individuals referred to in the whistle-blower's email and seeking justifications and sight of corroborative and appropriately authorised documentation for all such payments. I completed the exercise without compromising the whistle-blower and identified systems and procedural weaknesses exposing the company to risk of misappropriation and recommended improvements. The company removed its Finance Director as a result of my findings.

### **Commercial litigation**

I have prepared numerous expert reports, joint statements and professional witness statements. I have presented my evidence in court and acted as an expert accountant in mediations. Most recently, I acted as an expert witness for a client faced with a POCA demand to repay over £1 million of rental income deemed to have been received illegally over a period of some 6 years. As a result of my work the demand was reduced to exclude certain rents and interest and penalties.

Also recently, I prepared an expert report outlining my examination of the expense reimbursement claims of a CEO of a large software company. As a result of my work the individual resigned from his position, forwent all redundancy entitlements, and reimbursed both the expenses he had dishonestly reclaimed and the company's expenses totalling in excess of £1 million.

I have experience of determining the quantum of damages in commercial litigation disputes and, for example, recently assisted an overseas client in an international arbitration under the London Court of International Arbitration Rules involving a €5 million disputed valuation of inventories.

I have assisted in the drafting of numerous expert reports including, for example, one to be used in respect of a claim for consequential losses arising from the mis-sale of an interest rate hedging product by a large bank and another providing expert evidence on the investment returns that would have been made by the investors in their contracts for difference ("CFDs") trading activities had they not been previously deprived of capital. I analysed the CFD trading accounts of the individual investors, quantified the historic losses caused by the allegedly unlawful conduct of the institution and analysed the subsequent investment activity of each investor to isolate the trading of each investor in CFDs. After I established both the capacity of each investor to obtain further exposure in each of those CFDs and the availability of extended exposures, I quantified the amount of profits foregone by each investor under one key assumption that post-loss their CFD trading decisions would have been no different except for the greater exposure attached to each CFD position had losses not previously been incurred.

I have also worked on a number of high-profile cases during his time at Ernst & Young. For example, I gathered key evidence and highlighted crucial issues during a professional negligence case, defending the auditors of a large property and media empire.

I have also been appointed on a number of occasions to value minority shareholdings in unlisted companies in matrimonial disputes and under section 994 of the Companies Act 2006 (and previously

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under section 459 of the Companies Act 1985). I am one of the valuation specialists on the panel of the ICAEW's President's Appointment Scheme.

### **Auditing**

I also have more than 9 years of internal and external audit experience including three years at the National Audit Office where I became an Audit Senior in the Overseas Department heading up a team conducting a wide range of audits within central government, including the gathering of evidence required for the verification of fraud allegations.

Before joining Ballamy LLP, I worked as an Audit Manager in public practice. My many assignments included both the preparation of clients' financial statements and the management of statutory audits in a variety of business sectors.

I was also a Senior Regional Auditor at the American Bureau of Shipping for Europe, Africa and the Middle East covering a network of 20 offices, \$100 million of annual revenues and \$80 million of annual expenditure.