

Case Study

This enquiry into an Event Organiser commenced in July 2008 and was concluded in April 2009.

The client's declared turnover was well in excess of £1million but relatively modest profits were returned which may have been a factor in the client being selected for an enquiry.

There was a delay between the Inspector opening the enquiry and Abbey Tax starting to act and during this period the Inspector had warned that a S19A notice would be issued. Our Consultant contacted the Inspector to request that the issue of the S19A notice be delayed for three weeks in view of our recent involvement but this request was ignored. Consequently the information and documentation required was submitted to HMRC within 2 weeks.

Two months elapsed before anything was heard from the Inspector and this was merely to apologise for the delay in examining the records. A further two months passed and still nothing was heard and so our Consultant wrote to the Inspector asking for a reply within 14 days or we would seeking an application for a closure notice.

Late on the afternoon of the fourteenth day a fax was received to say that a nil closure notice would be issued; it took five weeks for this to happen!

It is interesting that the Inspector was not prepared to allow any additional time before issuing a formal notice but then took a considerable amount of time to review the business records. However, we were able to take advantage of these delays in forcing the Inspector to conclude the enquiry rather than defend the position before a Tribunal.

Case Summary

- The enquiry lasted for 8 months.
- The costs for defending the client were circa £1,000.
- There was no additional liability.

For further information on this case study please contact Christina Brennan on 0870 166 6270 or email sales@abbeytax.co.uk