



**HM Revenue  
& Customs**

**Local Compliance  
Appeals and Reviews**  
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Monday to Friday 8.30a.m. to 5p.m.

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hmrc.gov.uk

**Date** 25 November 2011

**Our ref**

**Your ref**

Dear Sir

**Statutory Review**

I enclose a copy of my review conclusion letter which has been sent to your client today.

A copy of this letter and my review conclusion letter has also been sent today to

Yours faithfully

Appeals and Reviews

Information is available in large print, audio and Braille formats.  
Text Relay service prefix number – 18001

Business Head: David Rowan





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[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**Date** 25 November 2011

**Our ref** [REDACTED]

Dear [REDACTED]

**Statutory Review - Enquiry Closure Notices 2006-07 and 2007-08**

I have now completed my review of your case. I agree that the decision to issue closure notices increasing your Self Assessment for the years 2006-07 and 2007-08 should be cancelled as you were not self employed during this period.

**Disputed Decision**

<u>Year</u>	<u>Nature</u>	<u>Amount</u>	<u>Issued</u>	<u>Appeal</u>
2006-07	Closure Notice	£12,358.60	17-05-10	20-05-10
2007-08	Closure Notice	£26,640.04	17-05-10	20-05-10

**Facts**

- Self Assessment returns were submitted for 2006-07 and 2007-08 declaring self employment as IT Consultancy for the period from commencement 18 September 2006 to 30 September 2007.
- Enquiry Notices were issued in respect of the 2006-07 and 2007-08 Self Assessment returns and expenditure claimed in respect of Administration Costs and Motor Expenses checked.
- HMRC closed their enquiries on 17 May 2010 increasing your Self Assessments for 2006-07 and 2007-08.
- Appeals were lodged on 26 May 2010 by your previous agent, [REDACTED]. Further information was promised.
- As the information was not received Mrs Horner sent you on 23 May 2011 a letter setting out her view of the matter and offering you the opportunity if you did not agree to ask for a review or to take your appeals to tribunal.

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**Your View**

Your agent, Martyn F. Arthur, has advised me that the income and expenditure declared as a self employed IT Consultant on your 2007 and 2008 Self Assessment returns is incorrect as you have declared this on your Corporation Tax return in respect of your company

**Conclusion**

The income and expenditure declared from self employment in the period 18 September 2006 to 30 September 2007 is virtually the same as the income and expenditure declared for [redacted] Ltd for the year ended 17 September 2007

As the income and expenditure clearly relates to [redacted] of which you are a director, it should not have been declared as a self employment on your 2006-07 and 2007-08 Self Assessment returns.

Mrs Horner's decision is therefore cancelled.

**The Way Forward**

I will now make arrangements for the tax due to be cancelled in line with my conclusion.

The matter will be treated as settled under Section 54(1) Taxes Management Act 1970

A copies of this letter have been sent today to your agents, Martyn F. Arthur, Forensic Accountants Ltd, and [redacted]

Yours sincerely

[redacted signature]

[redacted signature]

Appeals and Reviews