



TC02446

Appeal number: TC/2011/02880

INCOME TAX – supplementary decision dealing with consequential matters

**FIRST-TIER TRIBUNAL
TAX CHAMBER**

LOUISE STONES

Appellant

- and -

**THE COMMISSIONERS FOR HER MAJESTY'S
REVENUE & CUSTOMS**

Respondents

**TRIBUNAL: JUDGE JONATHAN CANNAN
RAYNA DEAN FCA**

This supplementary decision deals with consequential matters arising from the written decision released on 8 February 2012.

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SUPPLEMENTARY DECISION

1. Our decision on this appeal was released on 8 February 2012 (“the Written Decision”). This supplementary decision deals with certain consequential matters arising from the Written Decision and should be read together with the Written Decision. We have decided these consequential matters on the basis of correspondence received from the parties since 8 February 2012. Prior to doing so we gave the parties the opportunity to request an oral hearing.
2. Paragraphs 62 to 65 of the Written Decision set out our conclusions on the issues before us at the hearing of the appeal. In particular the adjustments to the amendments to Miss Stones’ self assessments for 2006-07, 2007-08 and 2008-09.
3. In relation to 2006/07 we found that Miss Stones was entitled to additional allowable expenditure of £389 and that HMRC were entitled to disallow £794 expenditure which was not vouched. Subject to these adjustments we understand that HMRC have amended the review decision to reflect Miss Stones’ reliance on the misdirection which we found had occurred. There is no longer any issue between the parties in relation to this tax year and we confirm the assessment in the sum of £11,584.
4. In relation to 2007-08 and 2008-09 we confirmed the amendments made by HMRC to the self assessments, subject only to any adjustments arising from the additional allowable expenditure of £389 in 2006-07. HMRC have accepted that the amendments must be reduced to reflect the additional allowable expenditure in full, together with further reductions in line with RPI. This gives Miss Stones the benefit of the maximum adjustment envisaged by our Written Decision for these tax years. In the circumstances we confirm the assessments for 2007-08 and 2008-09 at £18,694 and £21,057 respectively.
5. In the course of correspondence since the Written Decision, Miss Stones has asked HMRC to utilise actual figures for allowable expenditure in 2007-08 and 2008-09. She has produced schedules which she says reflect the actual allowable expenditure in those years.
6. The amendments to the self assessments for 2007-08 and 2008-09 which we considered at the hearing of the appeal were based on the 2006-07 amendments with an uplift to reflect changes in the RPI. It has been clear throughout the appeal process that this was the basis upon which the amendments for 2007-08 and 2008-09 had been made. We consider that Miss Stones has had every reasonable opportunity to challenge the basis on which those amendments were made. It is now too late to challenge the amendments on a completely different basis.
7. This document contains full findings of fact and reasons for the supplementary decision. Any party dissatisfied with this supplementary decision has a right to apply for permission to appeal against it pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009. The application must be received by

this Tribunal not later than 56 days after this decision is sent to that party. The parties are referred to “Guidance to accompany a Decision from the First-tier Tribunal (Tax Chamber)” which accompanies and forms part of this decision notice.

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**JONATHAN CANNAN
TRIBUNAL JUDGE**

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RELEASE DATE: 19 September 2012