



"Clear, relevant and timely advice, clearly from someone who knows what they are talking about. The advice was exactly what we needed."



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# | Enquiries and ADR

Tax enquiries vary from minor fact-finding to complex technical issues, or costly and intrusive Full Enquiries. No matter what, whether your client has made an error, or done something they shouldn't, our consultants are not here to judge only to help your client get the best possible result. So whether that is challenging HMRC powers, HMRC views and guidance by mounting sound technical arguments, using our expertise to offer alternative terms of settlement or constructing a robust defence we won't back down at the first hurdle.

We can provide dedicated, specialist support in this area enabling you to get on with other, billable work while having the peace of mind that your client's case is being handled by highly experienced investigation specialists. Our skilled consultants have a proven track record of success in dealing with HMRC and they understand the importance of the relationship between an Accountant and their client



# | Enquiries

Dealing with HMRC Enquiries is unfamiliar territory for many Accountants. With complicated processes and language these investigations can quickly become time consuming and stressful. Our team has extensive experience in helping clients who are subject to investigation, often shortening the process and, in doing so, potentially reducing the client's tax, interest and penalty liability. Our team comprises specialists in all aspects of enquiries including fraud procedures like COP8 and COP9.

In a busy Practice, HMRC investigations can quickly escalate into time consuming and stressful affairs. What's more, disputes can put a real strain on client relationships. They can even result in the loss of valued clients.

We provide full support ranging from providing background advice, through providing white label letters for the practice to send to HMRC, all the way up to taking over the case in its entirety and dealing directly with HMRC. Our client (the accountancy firm) decides our level of involvement. In most cases, our assistance is covered by the insurance.

If, the case does go to Tribunal, we will provide assistance with all of the administration of the application and, where necessary instruct counsel to provide representation on the day of the hearing.



# | Case Study

The client installed and maintained security alarms. He completed his self-assessment tax returns himself, despite not having an accounting or tax background. From the outset, he was open with HMRC and co-operated fully. He engaged Croner Taxwise and we carried out a thorough review of the business records and his private bank accounts, and submitted a report to HMRC.

What is so disturbing about this case was the effort and time it took to make HMRC close the enquiry. The Inspector asked questions for which the answers were apparent in the report, took months to respond to letters and made absurd allegations. In the end, we applied for a Closure Notice. The case was finally concluded on the matters disclosed in the original report. The total settlement for tax, interest and penalties was £7,000 - a relatively minor amount in view of the business turnover.

# | ADR

Alternative Dispute Resolution (ADR) is a mediation process to help clients overcome disagreements with HMRC. It can be used in a wide range of disputes where an appealable decision has, or can be, made and is encouraged within The Tribunal procedure as it helps avoid costly, time consuming litigation.

ADR is especially useful where HMRC have adopted an entrenched position in relation to a compliance check as it requires both sides to take a step back and refocus on the evidence, ensures both sides understand their respective positions and creates an opportunity for collaborative discussions. All of which can help secure the best possible outcome whilst also reducing the time, cost, stress and risk of formal litigation for the client.

ADR is highly successful with an 82% resolution rate in 2017/18, operates within a target timescale of 4 months and uses HMRC trained facilitators who are tasked with being independent. Since its introduction in 2013 it has become increasingly apparent that to get the best results from ADR the client side must take a very pro-active role to maximise the opportunity ADR offers and ensure HMRC abides by the spirit of ADR to secure the best outcome for the client.

ADR is about people and communication. At Croner Taxwise we have a team of consultants who fully understand how to get the best from the ADR process and a proven track record in securing successful outcomes for their clients, including a trained ex HMRC ADR Mediator with experience of over 200 ADR cases.



# | Case Study

HMRC opened a VAT Enquiry into a company running a restaurant based on the risk that zero rated sales were high. HMRC carried out a series of test purchases resulting in the view that 20% of sales had been suppressed. VAT assessments were issued for £120,000 over 3 years with assessments for direct taxes yet to be finalised and the prospect of substantial deliberate penalties. Correspondence had been ongoing for over 2 years however HMRC were unwilling to vary their position and so an ADR application was submitted with a view to avoiding formal litigation.

Detailed enquiries by Croner Taxwise established that the company had suffered from extensive staff pilferage and supporting evidence of till reports being manipulated. The director's verbal testimony was critical so we oversaw thorough preparations for the ADR meeting with the focus on the evidence and verbal testimony to be given by the company director.

At a full day ADR meeting, with 4 HMRC cross tax representatives, the written and verbal evidence was discussed in detail with a range of interpretations and settlement options being considered at length.

A resolution was agreed 'at the eleventh hour' whereby HMRC accepted that the majority of the omitted sales were to be treated as staff defalcations, with the balance treated as wages paid and a small sum as drawings by the director. This led to a substantially reduced cross tax settlement with corresponding reductions in the seriousness and quantum of tax geared penalties. The client was very pleased with the outcome in bringing a long running enquiry to an end and avoiding the risk of litigation.

# | Meet The Team

## | Emma Neal, Head of Tax and VAT Consultancy

Emma heads up our Tax and VAT Consultancy division. She entered HMRC as a direct entrant in 2000 after completing her law degree at Leicester University. She trained for 8 years as a full HMRC Inspector before joining CCH Fee Protection in 2008. At HMRC Emma was an HMRC Inspector dealing with Income Tax and Corporation Tax enquiries, ranging from individual sole traders to large multi-national companies. She has headed up the Consultancy team since 2009.



"Would definitely recommend Croner Taxwise. Professional, polite and expertly handled our HMRC enquiry, we felt in safe hands and we're kept informed at all times."

- 5/5 ★★★★★

## | Neil Tipping, Senior Tax Consultant

Neil is one of the Senior Tax Consultants on the consultancy team, managing a multi-disciplinary team dealing with Full and Aspect CT and IT enquiries, all aspects of Employment Taxes enquiries including National Minimum Wage and written technical consultancy as well as undertaking consultancy on his own portfolio of clients. Neil has worked in tax for over 30 years, starting in Customs and Excise and transferring over to the Inland Revenue.



"I cannot commend Croner Taxwise sufficiently enough for the service and assistance I received with a difficult tax investigation I was dealing with. Neil Tipping provided a first class friendly, professional and efficient service with excellent research which proved vital for the positive outcome of the investigation." - 5/5 ★★★★★



## | Mark Doodney, Tax Consultant

Mark undertook technical training with HMRC. He undertook various roles from Corporation Tax specialist to Compliance Team Leader of a team undertaking Income Tax enquiries. Mark specialised in advising colleagues in other districts on complex Capital Allowance issues. Mark then worked for HMRC Head Office providing consultancy advice to Local Compliance caseworkers across Wales and Southern England and also helped write the Agent's Toolkit on this subject. Since leaving HMRC he has also been involved in preparing R&D claims.

"Mark Doodney helped us with an enquiry into our client's tax return that was recently closed by HMRC. His knowledge of the legislation and ability to quote historical cases was crucial towards a successful conclusion of the enquiry." - 5/5 ★★★★★



## | Gary Morris, Tax Consultant

Gary's career in tax goes back forty years. After 10 years at the Inland Revenue as an Inspector of Taxes, he moved into practice specialising in defending clients who are the subject of tax investigations. He has worked for major accountancy firms including Smith & Williamson and PWC where he was a senior manager. He has been a consultant with Croner Tax and its predecessor companies since 2001 and specialises in Self-Assessment enquiries and COP9 suspected serious fraud cases.

"Very diligent review of the case and excellent response letter provided which brought about the closure of the case with no tax adjustment." - 5/5 ★★★★★



# | Meet The Team

## | Paul Moscardini, Tax Consultant

Paul spent 30 years working within HMRC, dealing with enquiries into sole traders, partnerships and limited companies. His last 10 years at HMRC were spent as a senior Inspector managing other Inspectors and teams dealing with cross tax issues. He has had a further 7 years experience representing all manner of businesses under enquiry from smaller sole traders to larger corporate concerns. Paul has had success defending clients against HMRC allegations of deliberate misconduct, and negotiating settlements with substantial reductions and negotiated resolutions through HMRC's ADR process.

"Contacted Croner Taxwise to provide assistance with the latter stages of a tax inquiry. They were very professional and thorough in all matters and very pleased that were able to submit a defence which resulted in the case being quickly closed after more than two years. Thoroughly recommend them!" - 5/5 ★★★★★



## | David Ramsdale, Tax Consultant

David spent 33 years in HMRC and conducted over 750 Income tax/cross tax enquiries, managed a hidden economy team, developed profiles for case selection, piloted a cross tax approach and trained colleagues on specific trades and investigative techniques. David spent his last 7 years in HMRC as a Mediator in the ADR team, personally mediating over 200 cases. He has an excellent working knowledge of HMRC's litigation strategy and has an outstanding track record of achieving positive outcomes in a wide variety of entrenched disputes.

"I couldn't fault the help, support, experience and technical knowledge that I had access to through David Ramsdale under the Croner Taxwise fee protection policy. All queries were answered promptly and it was that team work that got us the result we wanted." - 5/5 ★★★★★



## | Kathy Bridges, Tax Consultant

Kathy worked for HMRC for 24 years, 10 as an Inspector of Taxes within Local Compliance SME dealing with S9A/S12AC Income Tax enquiries into sole trader and partnerships. Having worked in a cross tax team she has an understanding of wider tax issues and in-depth experience of HMRC's tax enquiry process & penalty regimes. Kathy previously conducted Working Family/Disabled Persons Tax Credit compliance checks and has sound knowledge of HMRC's debt management proceedings. Kathy joined a Tax Advisory firm in 2015 providing Direct Tax advice to clients and gained her ATT.

"On this enquiry, which had dragged on for over 18 months it was essential to break the impasse. CT provided excellent support in helping me to "stay strong" and not concede on important points of principle. CT helped me to draft letter and not concede ground too early. The final result was that HMRC vacated their estimated assessment and no amendments were made to company's tax return. It was all very strange - lots of huff and puff from HMRC and then nothing!" - 5/5 ★★★★★



## | Zoe Flude, Tax Consultant

Zoe has 28 years experience of working at HMRC. Initially in debt management for 10 years, then moving over compliance checks on small sole trade and partnership businesses operating within the Hidden Economy. From 2013 she trained as a compliance officer in small and medium enterprises, achieving ATT accreditation in 2015. She worked on both self-assessment and corporation tax compliance checks and specialised in HMRC's evasion task force work. Zoe has a long term working knowledge of HMRC processes, particularly in the penalty regime, information requests and unannounced inspections.

"Knowledgeable and advice presented in a readable format." - 5/5 ★★★★★





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Croner Taxwise

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