HMRC - VATDSAG08300 - Tribunal: Surreal Hair

In Surreal Hair (MAN/1998/0554 VTD17215), we argued that the appellants were a single entity. They argued that were two separate entities of

a partnership providing hairdressing services, and

a sole proprietor providing hairdressing products and cards.

In reaching its decision, the Tribunal decided that there were several factors pointing towards there being one business. These included

the lack of a commercial relationship between the two businesses

the fact that there was a single bank account

the fact that no cross-charge was made for use of the facilities.

In commenting on the appellants’ view that there were two businesses, the Tribunal concluded that, although the appellants had intended to create two separate businesses, they had not done enough to create them. This is a useful observation to apply in similar cases.

Previous page

Next page