HMRC - VATDSAG08350 - Tribunal: RE Newton

In the case of R E Newton (LON/2000/0084) VTD 17222, we argued that the appellant was a single entity. The Tribunal ruled that there were two entities of

a VAT-registered partnership of father and son, providing carpentry services to VAT-registered customers, and

an unregistered partnership of mother and son, providing carpentry services to unregistered customers.

To support their claim of separate businesses, the appellants quoted the case of Seabreeze in their appeal.

In reaching its decision, the Tribunal decided that there were several factors which pointed towards the businesses being separate, including:

the existence of a partnership agreement for the partnership

the small amount of sales made by the partnership

separate accounts

separate books and records

the existence of an arm’s length relationship between the two entities.

It should be noted that the Chairman made the same comments regarding a solution as were made in Seabreeze: we should issue a notice of direction.

Previous page

Next page