

HMRC Risk Assessment Report

Tax Year: 2023-24

Automated Risk Indicator Review Based on Declared Figures

1. Purpose of This Report

This report provides an automated review of selected financial figures entered by the user for the stated tax year. It highlights statistical patterns and indicators commonly reviewed during routine compliance checks.

The report is designed to support record-keeping awareness and preparation only.

2. Summary of Declared Figures

Item	Value
Tax Year	2023-24
Industry / Trade	PHV / Taxi / Uber
Turnover	£50,000.00
Total Expenses	£15,000.00
Net Profit or Loss	Net Profit: £35,000.00
Business Mileage	Not declared

3. Overall Risk Indicator Result

Risk Score	0 / 100
Risk Band	Low

This score indicates that the submitted figures fall broadly within commonly observed ranges for the selected trade. This does not imply immunity from review, nor does it predict HMRC actions.

4. Indicators Identified

No predefined risk indicators were triggered based on the figures provided and the current rule set. This does not guarantee exemption from review.

5. Contextual Notes

- High profit margin (70.0%): High profit margins may be normal depending on trade type. HMRC typically considers sector norms rather than margin alone.
- Transparency note: Less than 50% of expenses are categorised. This is not treated as an HMRC risk indicator unless misclassification or inconsistency is detected.

Note: Profit margins and expense ratios vary widely by trade. No single indicator determines risk in isolation. Some indicators are informational only and not determinative.

2. Why this metric may be reviewed (neutral context) In the PHV/taxi/Uber sector, common areas of review often include the completeness of income recognition, the reasonableness of vehicle-related costs (including mileage/repairs/fuel), and whether expense levels align with the operating model. Where figures fall outside typical sector reference ranges, they may warrant further contextual explanation; however, the risk assessment summary provided confirms that no indicators were triggered on the basis of the figures alone.

3. General record-keeping considerations (not advice) It is recommended that contemporaneous records are retained to support:

- Income completeness, including platform statements (e.g., weekly/monthly summaries), bank statements, and any cash receipt logs where applicable.
- Expense substantiation, including invoices/receipts, supplier statements, and evidence of business purpose where applicable.
- Vehicle use position, including insurance schedules, MOT/servicing records, fuel receipts, and (where applicable) mileage logs, even where a mileage claim is not made.

- Context (neutral) It is noted that higher margins may arise from an individual's operating structure and cost profile. In particular, outcomes may differ depending on whether vehicle-related costs are borne directly by the taxpayer, whether the vehicle is owned or rented, the extent of private versus business use, the presence of finance costs, and how platform fees are treated within turnover and expenses. Sector comparisons are commonly interpreted alongside the underlying facts and consistency of the accounting treatment over time.

- Record-keeping considerations (not advice) It is recommended that records supporting the reported margin are maintained, including:

 - Platform payout summaries and fee statements to demonstrate how gross takings and fees were recorded.
 - Vehicle cost documentation (e.g., fuel, servicing, repairs, insurance, rental/lease agreements where applicable) to support the expense level.
 - A clear basis for any apportionments between business and private use where applicable.

- Context (neutral) Expense categorisation is relevant to the clarity and traceability of the accounts. Where expenses are aggregated into broad headings, it may reduce the ease with which the nature of expenditure can be corroborated to source documents. This is primarily an accounting quality and audit trail consideration rather than a standalone risk metric.

- Record-keeping considerations (not advice) It is recommended that the expense working papers and supporting documents allow reconciliation from:

 - Total expenses in the accounts to underlying categories (even where summarised for reporting).
 - Each category to receipts/invoices, bank transactions, and supplier records.
 - Any mixed-use or personal elements to the method of apportionment where applicable.

- Context (neutral) In this sector, vehicle usage is typically integral to income generation. A position of zero mileage claimed can be consistent with claiming actual vehicle costs instead of mileage rates, or with specific contractual arrangements (e.g., vehicle costs embedded in rental terms) depending on the facts. The relevance is therefore primarily to ensuring that the vehicle cost methodology adopted is consistent and supported by records.

- Record-keeping considerations (not advice) It is recommended that sufficient documentation is retained to evidence the basis on which vehicle running costs were treated, such as:

 - Evidence of the chosen cost basis (actual costs versus mileage basis) and consistent application for the period.
 - Receipts and invoices for vehicle expenses included in the £15,000 total, and any rental/lease agreements where applicable.
 - Where applicable, a mileage or usage record to support business/private apportionment, even if a mileage

claim is not made.

6. Record-Keeping Guidance (Non-Advisory)

It is generally advisable to retain:

- Invoices and receipts for all business expenses
- Bank statements showing business transactions
- Mileage logs with dates, destinations, and business purpose (where applicable)
- Allocation notes for mixed-use expenses (e.g., home office, vehicle)
- Contracts and correspondence relating to business income

7. Important Limitations

- This report is based solely on user-provided information
- No external HMRC systems are accessed or consulted
- No validation of the accuracy of submitted figures is performed
- Actual compliance outcomes depend on full facts and circumstances
- This analysis uses statistical patterns and does not predict HMRC actions

8. Legal & Compliance Notice

DISCLAIMER

This report is generated by an independent automated analysis tool and is not affiliated with HM Revenue & Customs (HMRC).

It does not constitute tax advice, legal advice, or a compliance determination. It does not guarantee enquiry outcomes, audit selection, or acceptance of figures.

Users remain responsible for:

- Accuracy of submitted information
- Proper record-keeping
- Correct filing of tax returns
- Seeking professional advice where appropriate

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