

HMRC Risk Assessment Report

Professional V2 Analysis

Tax Year:	2023-24	Industry:	PHV / Taxi / Uber
Turnover:	£50,000.00	Risk Score:	6/100
Expenses:	£15,000.00	Risk Band:	LOW
Result:	Profit: £35,000.00	Mileage:	0 miles

What Affected Your Score

Multiple Rounded Figures (Low weight, +6 points)

- Several figures (3) are round numbers ending in 000 or 500.
- HMRC Context: Multiple rounded figures may suggest estimates rather than actual records.
- Documentation: Use actual figures from receipts and bank statements, not estimates.

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.

Detailed Analysis

HMRC Risk Assessment Report V2 (Informational Only — Not Tax Advice) Tax Year: 2023–24 Industry: PHV / Taxi / Uber Turnover: £50,000.00 Total Expenses: £15,000.00 Result: Profit of £35,000.00 Profit Margin: 70.0% Mileage Claimed: 0 miles Risk Score: 6/100 Risk Band: LOW

1. EXECUTIVE SUMMARY 1 risk indicator(s) were identified. Review the detailed analysis below.

Overall risk profiling for 2023–24 is LOW (6/100) based on the indicators provided. The profile is driven by one triggered indicator relating to the presentation of figures (rounded amounts). No other predefined indicators were triggered in the supplied dataset.

2. INDUSTRY CONTEXT (PHV / Taxi / Uber) Sector norms provided: • Expected profit margin: 5%–25% • Normal expense ratio: 60%–85%

Your figures: • Profit margin: 70.0% (materially above the stated sector range) • Expense ratio: 30.0% (materially below the stated sector range) • Mileage claimed: 0 miles

Contextual interpretation (industry-specific): In PHV / Taxi / Uber work, costs commonly include fuel/energy, servicing, repairs, insurance, licensing, vehicle finance/lease, platform commissions, and phone/data. As a result, expense ratios often appear high in this sector. A 70.0% margin and 30.0% expense ratio sit outside the provided norms; however, high profit margins may be normal depending on trade type, operating model, and what costs are incurred personally vs through the business. HMRC typically considers sector norms and the overall fact pattern rather than margin alone.

3. RISK INDICATOR ANALYSIS ### Triggered Indicator: Multiple Rounded Figures Indicator noted: Several figures (3) are round numbers ending in 000 or 500.

Why HMRC may be sensitive (sector context): For PHV / Taxi / Uber, transaction data is often available from platform statements and bank records, which can produce non-rounded totals. Where accounts contain multiple rounded figures, HMRC may view this as consistent with estimation rather than being compiled from underlying records. This can attract questions about how totals were calculated, particularly where the sector is also known for sensitivities such as cash income underreporting and vehicle expense inflation (industry context provided).

Neutral documentation tips (non-advisory): To support rounded totals if queried, records typically expected in this industry include:

- Platform payout statements (weekly/monthly) and annual summaries (if available)
- Bank statements showing receipts from platform(s) and any other income streams
- Invoices/receipts for vehicle running costs and other operating costs
- A clear working paper/reconciliation showing how turnover and expenses were derived from source documents (e.g., totals per statement period)

4. WHAT HMRC TYPICALLY EXAMINES (PHV / Taxi / Uber) For cases in this industry, HMRC enquiries commonly focus on the following areas (contextual, not predictive):

- Income completeness: reconciliation of platform statements to bank receipts; treatment of incentives, tips, cancellation fees, refunds/chargebacks
- Cash income exposure: where cash is taken, evidence of daily/weekly takings records and banking patterns (industry sensitivity noted)
- Vehicle costs and reasonableness: consistency of repairs, insurance, servicing, and other motoring costs with the level of activity; avoiding duplication across categories (industry sensitivity noted)
- Mileage position: whether mileage is tracked and consistent with hours/usage; 0 miles claimed may prompt clarifying questions depending on the wider record set (miles expressed as miles)
- Consistency year-to-year: large movements in profit/expense ratios compared with prior years or typical sector patterns
- Evidence standard: whether the return is supported by third-party documentation (platform statements, bank records, supplier receipts)

5. RECORD-KEEPING CHECKLIST (Industry-Specific) Maintain a file (digital or paper) that allows totals to be traced back to source evidence, including:

- Platform records: weekly/monthly statements; annual summaries; breakdown of fares, fees/commission, tips, incentives/bonuses, and adjustments
- Banking records: bank statements for all accounts used; notes explaining transfers between accounts where relevant
- Vehicle records: insurance certificates, MOT, servicing invoices, repair receipts, tyre/brake invoices, breakdown cover, vehicle licensing/permits
- Operating costs: phone/data bills, accessories, cleaning/valeting, parking/tolls (where applicable), accountancy/bookkeeping

invoices • Work pattern support: shifts/hours logs or app activity summaries (useful for plausibility checks in PHV work) • Mileage records (if kept/used): odometer readings, trip logs, app-derived mileage reports; mileage should be evidenced in miles • Reconciliations: a simple schedule tying platform totals to bank deposits and to the turnover figure reported

6. WHAT COULD INCREASE HMRC ATTENTION IN FUTURE YEARS (Educational) *The following factors commonly increase scrutiny in PHV / Taxi / Uber profiles (not a prediction, informational only):* • Sudden changes in turnover, expenses, or profitability without clear supporting records • Large fluctuations in expense ratio or profit margin compared with prior years or the wider sector pattern • Consecutive losses or repeated results that appear inconsistent with operating activity • Incomplete or inconsistent records, including inability to reconcile platform statements to bank receipts • High mileage claims without records (a known sector sensitivity) • Indicators of cash income underreporting (sector sensitivity), such as unexplained gaps between activity and banking patterns • Vehicle expense inflation signals (sector sensitivity), such as unusually high vehicle costs relative to documented usage/activity

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Risk Outcome (as provided): 6/100 — LOW This report is informational only and not tax advice.

What Could Increase HMRC Attention in Future Years

The following factors may increase scrutiny in future tax years (for educational purposes only):

- Sudden changes in expense ratios year-on-year
- Consecutive years of declared losses
- Incomplete or missing mileage records
- Large fluctuations in turnover without clear explanation
- Significant changes in profit margins
- Inconsistencies between declared figures and supporting documentation

Important Legal Notice

This tool provides an automated risk indicator based on user-entered figures and public statistical patterns. It does not provide tax advice and does not submit or amend tax returns. Users should consult a qualified tax professional for specific advice regarding their tax affairs.

Report generated: 03 February 2026 at 10:18 UTC

Reference: f0d7b3cf-42af-47cf-8b4f-a7c679f0b750