

## Dragonfly IR35 appeal at the high court – decision unlikely “for at least weeks”

Barristers representing HMRC and London-based IT contractor Dragonfly Consulting have just concluded over four hours of submissions during the hearing at the High Court today. As this case is an appeal, no new evidence has been presented, but both legal teams had the opportunity to highlight the key points of their cases.

Speaking to ContractorCalculator from outside the court John Kell, of the [Professional Contractors Group](#) which has funded Dragonfly's appeal, said: “The Judge wouldn't give a timescale for the ruling but we anticipate it could be at least weeks.”

Dragonfly faces a payout of £99,000 in tax and NI contributions if it loses the appeal, as managing director John Bessell was [earlier this year](#) found by Special Commissioner Charles Hellier to be acting as an employee of the Basingstoke-based Automobile Association.

Bessell fell foul of [IR35](#) in three key areas: not working on a project basis, [being controlled](#) by the client, and there being a ‘[mutuality of obligation](#)’, that is to say the Automobile Association was obliged to provide work for Bessell, who was then obliged to accept it.

Kell was unwilling to speculate about the direction of the appeal: “It's unwise to second guess the outcome. When the [Arctic Systems case](#) was heard at the High Court, we were cautiously optimistic and look what happened there! So there's very little we can say at this stage.”

Arctic Systems eventually triumphed at the House of Lords, to the relief of hundreds of thousands of family run businesses. The Dragonfly case may not result in such a landmark ruling, but if the appeal fails it will be bad news for the contracting sector.

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