

## HMRC wins first IR35 case in nine years against BBC presenter Christa Ackroyd

# IR35 - new case

FIRST-TIER TRIBUNAL  
TAX CHAMBER



CHRISTA ACKROYD MEDIA LIMITED

Appellant

- and -

THE COMMISSIONERS FOR HER MAJESTY'S  
REVENUE & CUSTOMS

Respondents

HMRC has defeated a BBC presenter in the first IR35 ruling in nine years. In the case of Christa Ackroyd Media (CAM) Ltd v Revenue & Customs, former 'Look North' presenter Christa Ackroyd lost her appeal covering tax years 2006/07 to 2012/13, with HMRC contesting that she owed income tax and National Insurance Contributions (NICs) amounting to £419,151.

This is the first IR35 judgment to emerge from a number of appeals involving television presenters operating through personal service companies (PSCs), following the [mass IR35 clampdown](#) exposed by ContractorCalculator in October 2016. However, it was also noted that this isn't a lead case, meaning further rulings of greater significance could emerge soon.

"Unfortunately for Ms Ackroyd, her engagement with the BBC simply contained too many factors pointing towards an employment relationship," notes ContractorCalculator CEO Dave Chaplin. "One positive for contractors is that no case law precedents will be set by this case. Nonetheless, there are important lessons to be learnt."

### Ackroyd's engagement with the BBC – the key factors

The decision notices under appeal cover Ackroyd's engagement with the BBC under a contract agreed in 2006, during which time Ackroyd was working via her limited company on the BBC's Look North programme.

Ackroyd noted in her statement that her decision to operate via a limited company was upon the insistence of the BBC. After checking the terms of the arrangement with her accountant, Ackroyd was advised that everything was in order.

Ackroyd also provided evidence suggesting that her work with the BBC was provided in exchange for a guarantee of "independence" and "control". However, the terms of the contract itself and the working practices provide evidence to the contrary.

The key factors impacting Ackroyd's IR35 status:

- During cross-examination, Ackroyd accepted that the BBC ultimately had the right to specify what services CAM Ltd would provide
- The court determined that through the editor the BBC would have control over content, given its editorial responsibility
- Ackroyd's contract restricted her from providing services to other organisations in the UK without the consent of the BBC
- Ackroyd was contractually obliged to perform services, and the BBC was contractually obliged to pay fees to CAM Ltd on a monthly basis
- CAM Ltd was prohibited from using a substitute for Ackroyd.

It was revealed in July 2013 that [Ackroyd had parted ways with the BBC](#). The court documents reveal that the BBC terminated the arrangement following HMRC's formal demand against Ackroyd for unpaid tax, despite its insistence that she offer her services through a limited company.

## **Ackroyd vs HMRC – IR35 lessons for contractors**

“Despite apparent reassurances from trusted personnel that her affairs were in order, Ms Ackroyd’s engagement was firmly within the scope of IR35,” comments Chaplin.

“This case should serve as a reminder to contractors to carry out their due diligence before and during a contract. Lip service from an end client, or assurances from anybody other than a legal IR35 expert, won’t be enough to guarantee safety from IR35.”

[Editor: This is a breaking news story with more to follow.]

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