

NEWSLETTER

December 2024

ARE YOU CLAIMING THE EMPLOYEES ALLOWANCE?

If your business isn't cash-rich, it's crucial to manage cashflow carefully. We recommend setting aside at least 20% of your income for taxes like corporation tax and VAT. This isn't an exact calculation, but it helps build a habit of saving for future obligations. Setting up both a current and savings account for your business can make this easier.

MILEAGE OR FUEL RECEIPTS?

We receive many fuel receipts for bookkeeping on personally owned cars. This is incorrect. A business can only pay 100% of fuel if the business owns the car. If you use your personal car, you can claim mileage as an expense. This means keeping track of your miles. The current HMRC rate for a petrol car is 45p per mile, which also covers vehicle wear and tear.

WHAT HAPPENS IF I MISS THE TAX DEADLINE?



Missing the tax deadline can lead to penalties and interest charges, which can add up quickly. The longer you delay filing, the higher these penalties can be. It's important to file as soon as possible, even if you can't pay the full amount owed. HMRC often offer payment plans or other arrangements to help manage your tax debt. If you anticipate missing the deadline, contact HMRC as soon as possible. Proactive communication and a plan for addressing your tax obligations can go a long way in reducing stress and financial strain.