



avatcode
for advocates

Tax and accounting – what you need to know (and do) before you call



slido.com/devils202310

Event code #devils202310



avatcode
for advocates

[slido.com](https://www.slido.com)

Event code
#devils202310





avatcode
for advocates

Tim Alter - tim@avatcode.co.uk

www.avatcode.com

Chartered Management Accountant



Contents

- VAT
- Bookkeeping
- Accounts & Software
- Making Tax Digital / Income Tax
- Claiming expenses



VAT

- Obligatory if turnover greater than £85,000
- Register before you call (are you already registered?)
- You are registered for all income
- FSL reports do not comply with HMRC requirements
- HMRC under-resourced so application process is slow
- Register in advance of calling to reclaim VAT on
 - computer,
 - wig and gown.



avatcode
for advocates

Bookkeeping

- Separate bank account for advocate income and expenses
- One account is sufficient (do you have one?)
- Mettle and Starling business accounts are free
- Capital on Tap has a business credit card
- Wise has a business debit card
- Connect bank accounts to software (Xero)
- Digital records required for Making Tax Digital (MTD)



avatcode
for advocates

Software

- Xero - find an advisor
- Hubdoc
- Lex

Accounts

- Cash vs Accruals
- Work in Progress (WiP)
- Cash scheme <£150k to join, £300k leave - and include WiP
- Cash basis likely to be taxed at higher rates



Making Tax Digital / Income tax

- MTD for VAT obligatory since April 2022
- MTD ITSA from April 2026
 - Quarterly Income Tax returns to HMRC
 - Digital links for all records
- Online accounting software is ***required***
- Register as self employed from 28th June 2024
- Register for Class 2 NI



Claiming Expenses

- VAT invoices required
- Add VAT number to zoom / adobe etc
- Simplified Expenses
 - Home office
 - Business mileage
- Travel Expenses
- Court clothing



avatcode
for advocates

Q&A

Thank you

- Call Tim on 07853 871 715
- Link for presentation slides bit.ly/devils20231006
- £50 discount if you sign up by 30th November 2023
- Wise - get a free currency transfer
- Capital on Tap get £75 on opening a new business account
- Starling get a free day pass for the National Trust