



**EDEN BOOKKEEPING  
SOLUTIONS**

# Self Assessment Guide

*For sole traders and partnerships*



This guide is to assist you to prepare the relevant documents that Eden Bookkeeping Solutions will need to complete your self assessment tax return. It is only for guidance, there are many different scenarios or situations that may alter the information required to complete your return. If you need any further support or have any questions please do not hesitate to contact us to ensure the correct information is submitted on your return.

## **BUSINESS INCOME**

All business income between 6<sup>th</sup> April and 5<sup>th</sup> April of the relevant tax year should be included. For example:

- Sales invoiced to your customers or carried out during this period but not yet invoiced
- Any private sales that relate to your business such as Ebay sales
- Any business related grants or royalties

Your income can be recorded on a spreadsheet, in a notebook, on accounting software such as Xero or Quickbooks, on till reports.

## **ALLOWABLE EXPENSES**

This list is an example of what expenses you can claim, the general rule to consider is that the expense must be “wholly and exclusively for business”. You can however claim the relevant proportion of an expense for something which you use for both personal and business, for example if you have one mobile phone that you use for business 20% of the time you can claim 20% of the cost.

- Office and stationery costs
  - Stationery
  - Postage
- Business Travel
  - Mileage or Fuel
  - Public Transport Costs
- IT Costs
  - Software Costs
- Advertising and Marketing
  - Web Hosting
  - Adverts placed in Publications
- Leaflet Printing and Distribution
- Memberships and Subscriptions
- Professional Associations
  - Federation of Small Business
  - Trade Associations
- Telephone and Internet
  - Phone Bills
  - Broadband
  - Mobile Data
- Insurance
  - Business Insurance

- Car Insurance (in some situations only)
- Cost of Sales
  - Materials Purchased to Make your Goods
  - Accessories to make your goods
- Use of Home as an Office
  - The business element of your utility bills (assistance will be given to calculate this)
- Training Costs
  - Training to update existing skills, not to acquire new skills
- Bank Charges
  - Business bank account charges
  - Business bank unauthorised overdraft charges
  - Business bank returned cheque charges
  - Bank Interest
  - Business bank loan interest
  - Business bank account interest charged

### COMMON EXPENSES CLAIMED INCORRECTLY

- Food and Drink
  - This can only be claimed if you are out and about for business outside of your normal working routine. For example if you are a self employed delivery driver out on the road daily you can not claim for your lunch, if you attend a full day training course you could claim your lunch for this day. This is quite a complex area, further advice will be given if required.
- Clothing
  - This can only be claimed if it is a recognisable uniform or protective clothing such as a nurses uniform or a builders boots. You can not claim for something you could wear day to day such as a suit, smart trousers or a dress.
- Accountancy Fees
  - Preparation of accounts is allowable however preparing and submitting your tax return is not. Where relevant we will break down our invoice to show both elements.
- Capital Allowances
  - The purchase of large or expensive equipment that will be useful to your business for more than one year is treated differently to an expense. Please provide the purchase invoice and this will be dealt with accordingly. Examples would be a vehicle or a PC

### How Long Should I Keep My Records?

HMRC require that you keep a copy of all records for 6 years, this can be in digital form such as on email or on accounting software. Just make sure you are able to access them should you need to.

## Other Income

As well as your business income you will also need to provide details of:

- Employment Income  
You will need to provide your P60 and P11D
- Bank Interest and Taxes  
At the end of the tax year your bank will send a certificate showing how much interest you have paid and received
- Shares, Dividends, Income from Renting out a Property and Income from a Trust
- Benefits including maternity/paternity pay, statutory sick pay, job seekers allowance
- Pension Income
- Dividends
- Foreign Income including evidence of tax paid abroad
- Capital Gains
- Employee Share Schemes

## Other Things to Mention

Please inform me if any of the following apply:

- You are married as you may be entitled to Marriage Allowance
- You have ever received a student loan
- You or your partner are in receipt of Child Benefit

## How To Pay Your Tax

Your Tax and National Insurance bill must be paid by 31<sup>st</sup> January of the following year to avoid penalties and interest. If your tax bill is over £1000 you will also need to make payments on account by 31<sup>st</sup> January and 31<sup>st</sup> July of the following year. To pay you can visit <https://www.gov.uk/pay-self-assessment-tax-bill>.

## CHECKLIST

<b>EMPLOYMENT</b> Please include a copy of your P60 & P11D	
<b>UNEMPLOYMENT</b> Please include a copy of your P45 and details of any benefits received	
<b>DIVIDENDS</b> The net amount received and the name of the issuing company	
<b>SAVINGS</b> Details of any interest received and any tax deducted and the name of bank/building society	
<b>PROPERTY INCOME</b> Details of any property rental income	
<b>CAPITAL GAINS</b> Details of any proceeds from the sale of shares, property or any other capital gains	
<b>PENSION</b> Details from personal pensions, please provide P60 Amount received from the State Pension monthly/annually	
<b>GOVERNMENT GRANTS</b> Details of any Government Covid support grant payments	
<b>ALLOWANCES</b> Details of any pension payments made in the year and if these are paid personally	
<b>ANY OTHER INCOME</b> Details of any other income such as inheritance/new self employment income	
<b>HIGH INCOME CHILD BENEFIT TAX CHARGE</b> If you earn over £50000 per year and you or your partner are in receipt of Child Benefit please provide the amount received and number of children the benefit is for	
<b>CHANGES IN PERSONAL CIRCUMSTANCES</b> Please inform me of any changes to your personal circumstances	