



ka farr&co
CHARTERED ACCOUNTANTS

HMRC Matters

‘Tax doesn’t have to be taxing’

**Let us help you through the myriad of different taxes,
both for individuals and for businesses.**



01704 211 434



info@kafarr.co.uk



www.kafarr.co.uk

Personal tax

Self assessment

Our specialist tax expertise will take away your self assessment headaches with practical advice on your own personal tax position with a view to saving you money.

The reality is that 'Self assessment' still involves quite a lot of form filling and compliance. It's also vital that you know what your tax allowances are so you claim what you are entitled to and pay exactly the right amount of tax due.

There is a constant stream of changes to tax legislation which means that returns are becoming very difficult to understand. This also means that taxpayers are at risk of incurring more penalties due to failing to complete their returns correctly and on time.

We can support you with some of the more complex aspects of self assessment and help you with:

Personal tax planning

- ✓ Ensuring you have the documentation and information you need
- ✓ Completing your tax return, for you online
- ✓ Calculating your tax liability accurately, making claims and elections to save you money
- ✓ Advice on exactly when to make payments and how much to pay
- ✓ Planning tax opportunities to save tax and benefit your personal circumstances.



Tax planning encompasses many different aspects, aspects which include the timing of both income and purchases and other expenditures. Tax planning can go a long way to helping you and/or your business pay the correct amount of tax. Learn the essentials of tax planning by exploring the subject with KA Farr & Co and we could save you hundreds, possibly thousands, of pounds in tax every year.

We want you to maximise your tax position whilst meeting your compliance obligations and paying what you owe. The key is knowing exactly what your individual responsibilities and allowances are as a taxpayer.

With dedicated, professional taxation advice and support, we can provide you with year-round advice on all aspects of personal taxation. KA Farr & Co are tax experts and offer a specialist personal taxation service for individuals and businesses on all tax related matters.

Your tax planning is dependent on the size and structure of your business, there could be different tax advantages for each structure.

Sole Trader

As a sole trader, you are both the business and its owner for tax purposes and no tax distinction is made between taxable profits and what is earned by the business. Your tax thresholds and rates are the same as if you were an employee, but unlike an employee, you can claim expenses as long as they are deemed to be just for the business.

Partnership

In tax terms, this is the same as 2 sole traders working together. You will still file your own returns (but a partnership tax return will also be required) and pay tax and national insurance on the same self-employed terms.

Limited company

Once you register a limited company, you become an employee and a shareholder. You are able to draw a salary, which you can pay yourself with PAYE, as well as dividends out of profits. One of the key tax advantages of a limited company is that profits can be retained for reinvestment, which means they are taxed at corporation rate rather than income tax rates.

Limited Liability Partnership (LLP)

The members of the LLP are individually self employed and the LLP will file an annual tax return, but each partner will report their share of the profit on their personal tax return.

Capital gains tax

Capital Gains Tax is a notoriously complicated area but it is basically a tax on the increase in the value of a possession or item in the time that you have owned it. Capital Gains Tax is payable on assets like property or shares and is calculated once the asset is sold or gifted.

Do you know what your Capital Gains Tax (CGT) liabilities are and how you can manage allowances and exemptions to protect your assets? We can help you take both of these into account.

Certain transactions such as the sale of shares or property may give rise to a capital gains tax liability.

It is crucial that you know what steps you can take to minimise, reduce or remove any liability. There are also several forms of relief, allowances and exemptions which you are at liberty to utilise if you meet certain criteria. We guide you through all of these, making sure you pay the right amounts of tax and that your finances are secure.

There are different rates of Capital Gains Tax (CGT) for basic rate taxpayers, higher rate taxpayers, and for specific business asset disposals. There is also an annual exemption which means that you don't pay Capital Gains Tax on the full amount of any increase in value of your assets.

Before you proceed with a major transaction, you can always talk to us first so we can advise you on its feasibility and tax implications.

You may qualify for capital gains tax relief in the following circumstances:

Application of annual exemption amounts

Roll over into new business assets

Hold over in the case of gifts

Entrepreneurs relief

Capital losses

Reinvestment



Trust. Loyalty. Efficiency. Longevity. Expertise. Personal Service.

Corporation tax

Corporation Tax calculations are an important part of your company's tax return, as they adjust the profit shown in your accounts to arrive at the correct figure for taxable profit.

Profits include all sources of income and also Capital Gains but exclude dividends from UK companies.

Some expenses, such as business entertainment, depreciation on assets, and some legal costs for capital expenditure, are not allowed for tax purposes. They must be added back to the profit in the Corporation Tax computation.

Equally there are also some capital tax allowances and reliefs which do not feature in a company's accounts and which are deducted from the profit prior to tax being charged.

Corporation tax is also charged on the profits of unincorporated bodies such as clubs.

Under the 'Self Assessment' system, you will need to estimate and pay your Corporation Tax within 9 months of the end of your accounting period, before filing a statutory return with supporting accounts and computations within 12 months of that same date.

At KA Farr & Co we can help you get all of this right first time, on time so that you do not incur any interest, penalties on unpaid tax or charges for submitting returns too late. This is precisely why we plan ahead and work with our clients to complete accounts well in advance.



Capital gains tax

Many people worry about their estate and how much inheritance tax they will have to pay when they pass away. They naturally want to maximise what they can leave behind for their loved ones.

With Inheritance Tax charged on certain life-time gifts, wealth on death and on certain transfers into and out of trusts, it's crucial that you know all about the available exemptions and reliefs. A death in the family often leads to the requirement to act quickly to ensure all assets are safe and to deal with the opportunities that are possible even after death. Equally, lifestyle changes such as divorce, redundancy or inheritance, mean that your financial strategy should be reviewed.

Often a review of your family's wealth can identify straightforward ways of organising affairs more appropriately and enable you to anticipate any tax liabilities.

Our team can help you reduce inheritance tax liability – or even render it irrelevant – with sound advice on wills and judicious use of gifts. We will work closely with your solicitor to ensure that your plans are effectively put in place.

Trust. Loyalty. Efficiency. Longevity. Expertise. Personal Service.