



**TAXCARE
ACCOUNTANCY**

*Chartered Certified Accountants
Business & Tax Advisors*

“**15**
**YEARS OF
EXPERIENCES**”



WEEK 28
2021

NEWSLETTER
KNOW ABOUT HANDLING SOLE TRADER

3 THINGS YOU NEED TO KNOW ABOUT HANDLING SOLE TRADER ACCOUNTS

When it comes to business start-ups and company formation, choosing how to structure your new venture is key. A popular option many new entrepreneurs go for is operating as a sole trader.

Continue reading at [page 2](#)



HELP

Tax Advice That Helps Your Business Grow

© Copyright Taxcare Accountancy Ltd 2021.



Member Firm

This is usually the best option if you want to keep your tax/accounting responsibilities simpler and do not mind taking on liability for the business. Of course, it is important to get to grips with some of the finer details around handling your accounts as a sole trader.

BUT WHAT ARE 3 ESSENTIAL THINGS TO KNOW ABOUT?

SET UP A SEPARATE BUSINESS BANK ACCOUNT

Businesses that operate as sole traders are normally new start-ups or small/medium enterprises. This can sometimes see the people running companies like these use their own personal bank account for business purposes. While there is nothing to stop you from doing this legally, it's not a great idea. Even if you don't have lots of money coming in or expenses going out each month, it can be time-consuming to separate business money from private money for accounting purposes. Opening up a bank account only for business use is a better option and makes sole trader accounting much easier.

SAVE MONEY EACH MONTH TO PAY YOUR TAX BILL!

This is very, very important when sole trader accounting is being discussed. Each year you will have to complete and return a self-assessment form to HMRC to tell them how much you earned in the previous tax year. HMRC then work out how much tax and national insurance contributions you need to pay based on these details. You do not want to be hit with a large tax and NI bill which you have not saved up enough money to pay! In light of this, it is vital to save some money towards this each month - a good guide is 20% of your total monthly earnings.

Become our client and remain stress free on your accounting and tax issues.

MAKE SURE TO CLAIM EXPENSES BACK

Sole traders can legally claim back certain expenses that are incurred as part of running the business. Common examples of this include:

- Cost of buying stock
- Lighting/heating/phone calls for your business premises
- Mileage if you travel for work
- Cost of buying equipment needed for work

It's key to keep accurate records of your legitimate business expenses and claim them back from HMRC. This can bring your final tax bill down and helps take into account money you spend for work purposes.

SOLE TRADER ACCOUNTING FROM TAXCARE ACCOUNTANCY

The above is certainly worth knowing about for sole trader accounting. But what if you do not enjoy accounting or would rather let the experts handle it, so you can get on with growing your business? Here at Taxcare Accountancy, we provide professional bookkeeping, VAT returns & payroll services for sole traders. We can also help with audit support services and CIS refunds if required. Get in touch at info@taxcareaccountancy.co.uk for more details.

***Positive, Proactive and Professional
business Accountants.***



*Chartered Certified Accountants
Business & Tax Advisors*

Find Out More

www.taxcareaccountancy.co.uk

Tax Advice That Helps Your Business Grow

 103 Cranbrook Road, Ilford, Essex, IG1 4PU

 020 8478 3383  078 6022 4506  info@taxcareaccountancy.co.uk



© Copyright Taxcare Accountancy Ltd 2021.



Member Firm