



Insights

ISSUE 2 AUTUMN 2024



We're delighted to welcome you to the second edition of our quarterly newsletter! In this issue, we bring you key articles on topics such as Tax Investigations, the differences between Sole Traders and Limited Companies, and essential information on the Construction Industry Scheme (CIS) and the services we offer.

As we continue working on 2023/24 Tax Returns, we kindly ask those who haven't yet provided their documents to do so by **31st October 2024**. This helps us manage our workload effectively and also avoids extra fees for late provision of information. The sooner we receive your information, the earlier we can confirm your tax liability, which is due to HMRC by **31st January 2025**.

A big thank you to everyone who shared feedback on our first edition! Your input is invaluable, and we'd love to hear your thoughts on this issue also. Feel free to send your comments to hello@rbaccountancyservices.co.uk. Thank you for your continued trust in our services. We look forward to working with you in the months ahead! If you have any questions or need support, don't hesitate to reach out to our team.

Rebecca Beaton

HMRC TAX INVESTIGATIONS: ARE YOU PREPARED?

With HMRC intensifying its focus on tax affairs, it's more important than ever to ensure you're protected. Tax investigations can be disruptive, stressful, and costly, especially as HMRC aims to recover more funds with the national debt exceeding £2.44 trillion and record tax collections of £715.5 billion last year.

Why You Could Be at Risk

HMRC doesn't need a specific reason to investigate your tax returns, making all taxpayers vulnerable. Even if your records are flawless, random checks could still lead to an enquiry. Every year, thousands of investigations are opened, many of which don't lead to additional taxes but still incur significant accountancy fees.

How Our Tax Investigation Service Protects You

With HMRC's scrutiny on the rise, subscribing to our Tax Investigation Service offers you essential peace of mind. This service covers professional fees during a HMRC enquiry and provides expert guidance throughout the process.

Backed by one of the UK's leading insurance providers, our service ensures you receive expert support to resolve issues quickly, without the stress of unexpected costs. Let us handle the complexities, so you can stay focused on your business.

For more information or to subscribe, please contact us today.

INCOME TAX ALLOWANCES 2024/25

Personal Allowance £12,570
Income Limit for Personal Allowance £100,000
Dividend Allowance £500
Marriage Allowance £1,260

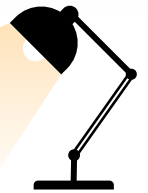
Top Tip

Save all receipts, even for small purchases – they add up! If you aren't sure, forward to us anyway and we can determine whether the expense is allowable. Use a folder or app such as Dext to stay organised.



SPOTLIGHT ON...

CIS Services



In this edition, we're shining a light on our comprehensive Construction Industry Scheme (CIS) services.

What is CIS?

The Construction Industry Scheme (CIS) is a UK tax system for contractors and subcontractors in the construction sector. Under CIS, contractors must deduct a portion of payments to subcontractors and send these directly to HMRC. These deductions act as advance payments toward the subcontractor's tax and National Insurance. Compliance with CIS is essential to avoid penalties and complications with HMRC—and that's where our expertise can help ensure everything runs smoothly.

Our CIS Services Include:

- **CIS Registration (Contractor):** We handle your registration with HMRC for the CIS scheme, ensuring a smooth and compliant start.
- **CIS Submissions:** We efficiently manage all aspects of CIS reporting, including the submission of monthly returns to HMRC and the management of nil returns when necessary. Our meticulous approach ensures that your CIS obligations are met accurately and on time.
- **Subcontractor Verification:** We oversee the verification process with HMRC to confirm the tax status of your subcontractors, ensuring correct deductions are made. This step is vital to avoid penalties and maintain compliance with HMRC regulations.

Why Choose Us?

- **Accuracy and Compliance:** Our team stays up-to-date with the latest CIS legislation and updates, ensuring your business remains fully compliant with HMRC requirements. We understand the intricacies of the scheme and are committed to delivering precise, compliant services.
- **Efficiency:** With our streamlined processes, we take the administrative burden off your shoulders. Our efficient handling of CIS tasks saves you time, allowing you to focus on running your business without the worry of paperwork and deadlines.
- **Expert Support:** Our team of specialists is always available to provide tailored advice, support, and guidance, helping you navigate any challenges that may arise.

Choosing us for your CIS services means choosing accuracy, efficiency, and peace of mind. Let us handle the complexities of CIS compliance, so you can concentrate on what you do best—growing your business.

If you would like to discuss these services in further detail, please don't hesitate to contact us!

A'MAZE'ING DAY OUT FOR TEAM RB

On 17th September 2024, our team took a well-earned break from the office and headed to Manchester for a day packed with learning and fun. We started the day at the Accountex Summit North, held at the Manchester Central Convention Complex. It was a great opportunity for us to visit a vast number of exhibitor stalls to help stay on top of the latest trends, compliance updates, and new tech in the accounting world.

We also attended some really useful seminars that gave us fresh insights and helped us keep up to speed with important changes in the industry.

But the real highlight came later in the day when we swapped numbers and spreadsheets for something a bit more adventurous – a trip to *The Crystal Maze Manchester!* Our A'maze'ing Accountants' team, proudly wearing our branded hoodies, tackled the maze's challenges with a mix of laughter, teamwork, and a few hilarious moments of frustration!

All in all, it was a fantastic day of learning, bonding, and a whole lot of fun!



Meet the Team



Stephanie Ellis-Bunyan, Client Manager

Steph joined our team last year as a Client Manager, bringing with her a strong background in management accounting within the Construction Industry. After earning her accounting degree in 2015, she expanded her expertise by qualifying as a Chartered Global Management Accountant (CGMA) in November 2022.

Her skills in Management Accounting have been a major asset, helping us streamline our financial processes.

Outside of work, Steph stays busy with her young family and their (very large) new furry addition, Bonnie the St Bernard!

Our Trusted Partners

If your business has employees then HR support is an important factor to consider.

Our trusted Partner Humber HR People offer a range of HR Services, whether a start up business, Micro business or larger SME. <https://www.humberhrpeople.co.uk>



SOLE TRADER OR LIMITED COMPANY? Which is the Right Fit for Your Business?

Choosing the right legal structure is a crucial decision for any business owner. Whether you opt to operate as a sole trader or a limited company, each option has significant implications for tax, liability, and administrative responsibilities. Understanding these differences can help you make the best choice for your business.

What is a Sole Trader?

A sole trader is an individual who owns and operates their business personally, with full control over the day-to-day management.

Key Features:

- **Simplicity:** Quick to set up with minimal regulatory requirements.
- **Full Control:** As the sole decision-maker, you have complete control over business operations.
- **Taxation:** Business profits are taxed as personal income.
- **Personal Liability:** You are personally liable for all business debts and obligations.

Reasons to Choose Sole Trader:

- **Ease of Set-Up:** Registration is straightforward and inexpensive.
- **Simplicity:** Less paperwork and fewer legal formalities compared to a limited company.
- **Flexibility:** Ideal for small businesses or sole operators seeking direct control and ease of management.
- **Direct Access to Profits:** All profits go directly to you without needing to pay out dividends.

What is a Limited Company?

A limited company is a separate legal entity from its owners (shareholders), providing greater protection but requiring more administration.

Key Features:

- **Limited Liability:** Owners' personal assets are safeguarded, with liability limited to the amount they invest in the company.
- **Taxation:** Company profits are subject to corporation tax, which is sometimes lower than personal income tax rates.
- **Professional Image:** Operating as a limited company can enhance the business's reputation and credibility.
- **Administrative Responsibilities:** More regulatory paperwork, legal obligations, and higher accounting fees compared to being a sole trader.

Reasons to Choose Limited Company:

- **Limited Liability:** Offers protection to personal assets, reducing financial risk in case of business debts or legal issues.
- **Tax Efficiency:** Corporation tax rates may be lower than personal tax, and there are more opportunities to offset expenses.
- **Business Growth:** Easier to raise external capital or attract investors, making it suitable for expanding businesses.
- **Credibility:** Being incorporated can enhance your business's professionalism, particularly in the eyes of clients and suppliers.

Deciding on the Best Fit for Your Business

Choosing between a sole trader and a limited company depends on factors such as the size of your business, long-term growth goals, risk tolerance, and tax considerations. While sole traders benefit from simplicity and flexibility, limited companies offer greater protection and potential tax advantages.

If you're unsure which structure best suits your business, our team can provide tailored advice to help you make the right decision. Contact us today if you would like to discuss the options for your business.

Key Dates

31st October 2024

Please ensure we have received information to complete your Tax Return by this date.

31st January 2025

HMRC Deadline for submitting online Self-Assessment Tax Returns