

Example 1 – Jack's Snacks

Trading and profit and loss account for the year ended 30 June 2019				Balance sheet at 30 June 2019			
Sales	£93,808		box 15 (3.29) and see Note 1	Fixed assets			
Opening stock	£2,200			Freehold property	£34,032		box 84 (3.100)
Purchases	£42,578			Furniture and equipment	£4,232		see Note 6
	£44,778			Motor vehicles	£23,701		box 83 (3.99)
Closing stock	£2,450	£42,328	box 17 (3.46)		£61,965		
Gross profit		£51,480		Current assets			
Rents received	£2,327		see Note 2	Stock	£2,450		box 85 (3.101)
Bank interest received	£92		box 16 (3.50)	Debtors and prepayments	£3,197		box 86 (3.102)
		£53,899		Cash in hand and at bank	£6,808		see Note 7
Wages and salaries	£11,014		box 19 (3.51)		£12,455		
Rent and rates	£3,946		box 21 (3.52)	Current liabilities			
Insurance	£794		see Note 3	Trade creditors	£2,080		box 91 (3.106)
Light and heat	£1,335		box 21 (3.52)	Other creditors	£10,627		box 93 (3.108)
Cleaning	£328		see Note 3	Accruals	£4,372		box 93 (3.106)
Repairs and maintenance	£1,577		box 22 (3.53)		£17,079		
Printing, postage and stationery	£79		box 23 (3.54)	Net current liabilities	£4,624		
Phone	£204		see Note 4				
Motor expenses	£1,266		see Note 4	Total net assets	£57,341		box 94 (3.110)
Advertising	£240		box 24 (3.57)				
Legal and professional	£70		box 28 (3.58)	Capital account			
Accountancy	£866		box 28 (3.58)	At 1 July 2017	£47,080		box 95 (3.111)
Bank and credit card charges	£809		box 26 (3.61)	Capital introduced	£6,734		box 97 (3.113) and see Note 8
Sundries	£236		box 30 (3.63)	Profit for the year	£24,741		box 96 (3.112)
Hire purchase interest	£484		box 26 (3.61)		£78,555		
Depreciation	£6,648		box 29 (3.62)	Drawings	(£21,214)		box 98 (3.114)
Profit on disposal of assets	(£1,089)		box 29 (3.62)		£57,341		box 99 (3.115)
VAT surcharge	£351		see Note 5				
		£29,158					
Net profit		£24,741					

Note 1

Goods taken from the business for personal use and not paid for amount to £1,520. This amount is therefore added to the net profit by entering the figure in box 60 (box 3.67).

Note 2

Rents received are for a part of the premises not used for business purposes. It's been agreed that they can be treated as business income for tax purposes. They're included in box 16 (box 3.50) but no adjustment is made in box 62 (box 3.71), and there's no need to include this figure in the UK property pages as it's fully accounted for here.

Note 3

Insurance costs and cleaning costs all relate to the business premises.

Note 4

50% of phone costs and 35% of motor expenses are for private, non-business use. These amounts are not allowable for tax. The amounts of £102 and £443 go in boxes 38 and 35 (boxes 3.36 and 3.37).

Note 5

A VAT surcharge of £351 was incurred. This amount is included under 'Other business expenses' in box 30 (box 3.63). It's not an allowable expense for tax purposes, and is therefore disallowed by including the amount in box 45 (box 3.45). Although the amount is relatively small it's material, because it's not allowable for tax purposes. A note would therefore be made in the 'Any other information' box, box 103 (box 3.116) to explain the tax treatment.

Note 6

Furniture and equipment used in the business premises are included in box 83 (box 3.99), 'Equipment, machinery and vehicles'.

Note 7

The cash and bank balances are not separated in the accounts, but the business records show that the bank balance was £6,085 and cash in hand was £723.

Note 8

An endowment policy matured during the year and the proceeds of £6,734 were paid into the business. A note of the source of these funds would be given in the 'Any other information' box, box 103 (box 3.116).

Trading and professional income for the year ended 5 April 2020 – continued

Income and expenses for this accounting period

You must fill in this page if your annual turnover was between £85,000 and £15 million. If the combined annualised turnover from all your activities was more than £15 million, fill in boxes 3.24 to 3.26 on page 3 and send in the partnership accounts and computations as well. In all cases, complete box 3.83 or box 3.84 on page 5, and the other boxes on page 5 if applicable. Read the Partnership Tax Return Guide, go to www.gov.uk/taxreturnforms

If you were registered for VAT, do the figures in boxes 3.29 to 3.64 include VAT?

3.27 ☐ or exclude VAT? 3.28 ☒

Sales/business income (turnover)

3.29 £ 93,808

Disallowable expenses included in boxes 3.46 to 3.63

Total expenses

• Cost of sales

3.30

£

3.46

£ 42,328

• Construction industry subcontractor costs

3.31

£

3.47

£

• Other direct costs

3.32

£

3.48

£

Gross profit/(loss)

3.49

£ 51,480

Other income/profits

3.50

£ 2,419

• Employee costs

3.33

£

3.51

£ 11,014

• Premises costs

3.34

£

3.52

£ 6,403

• Repairs

3.35

£

3.53

£ 1,577

• General administrative expenses

3.36

£

102

3.54

£ 283

• Motor expenses

3.37

£

443

3.55

£ 1,266

• Travel and subsistence

3.38

£

3.56

£

• Advertising, promotion and entertainment

3.39

£

3.57

£ 240

• Legal and professional costs

3.40

£

3.58

£ 936

• Bad debts

3.41

£

3.59

£

• Interest and alternative finance payments

3.42

£

3.60

£

• Other finance charges

3.43

£

3.61

£ 1,293

• Depreciation and loss/(profit) on sale

3.44

£

5,559

3.62

£ 5,559

• Other expenses including partnership charges

3.45

£

351

3.63

£ 587

Put the total of boxes 3.30 to 3.45 in box 3.66 below

Total expenses

3.64

£ 29,158

Net profit/(loss)

3.65

£ 24,741

Tax adjustments to net profit or loss for this accounting period

• Disallowable expenses

3.66

£ 6,455

• Goods taken for personal use and other adjustments (apart from disallowable expenses) that increase profits

3.67

£ 1,520

• Balancing charges (from box 3.23)

3.68

£

Total additions to net profit (deduct from net loss)

3.69

£ 7,975

• Capital allowances (from box 3.22)

3.70

£ 5,250

• Deductions from net profit (add to net loss)

3.71

£ 92

Net business profit for tax purposes for this accounting period (put figure in brackets if a loss)

3.73

£ 27,374

Note 2

Notes 3 and 4

Note 4

Note 5

Note 5

Note 1

Bank interest received is not trading income, and needs to be included at boxes 7.7A - 7.9A or on savings, investments and other income pages

Summary of balance sheet for this accounting period

Leave these boxes blank if you do not have a balance sheet or your annual turnover was more than £15 million.

Assets					
• Plant, machinery and motor vehicles	3.99	£	27,933		
• Other fixed assets for example, premises or goodwill investments	3.100	£	34,032		
• Stock and work in progress	3.101	£	2,450		
• Debtors/prepayments/other current assets	3.102	£	3,197		
• Bank/building society balances	3.103	£	6,085		
• Cash in hand	3.104	£	723		
				boxes 3.99 to 3.104	3.105 £ 74,420

Note 6

Note 7

Liabilities					
• Trade creditors/accruals	3.106	£	6,452		
• Loans and overdrawn bank accounts	3.107	£			
• Other liabilities	3.108	£	10,627		
				boxes 3.106 to 3.108	3.109 £ 17,079

Note 7

Net business assets (put the figure in brackets if you had net business liabilities)

box 3.105 minus box 3.109
3.110 £ 57,341

Represented by partners' current and capital accounts

• Balance at start of period*	3.111	£	47,080		
• Net profit/(loss)*	3.112	£	24,741		
• Capital introduced	3.113	£	6,734		
• Drawings	3.114	£	21,214		
• Balance at end of period*				boxes 3.111 to 3.113 minus box 3.114	3.115 £ 57,341

Note 8

* If the capital account is overdrawn, or the business made a net loss, show the figure in brackets.

Box 3.116 'Additional information' is on page 3.

Partnership trade charges

• Net partnership charges paid in the period 6 April 2019 to 5 April 2020 (not the accounting period)	3.117	£	
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Business income

15 Your turnover – the takings, fees, sales or money earned by your business	16 Any other business income not included in box 15
£ 9 3 8 0 8 . 0 0	£ 2 4 1 9 . 0 0
	16.1 Trading income allowance – read the notes
	£ . 0 0

Note 2

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Business expenses

Please read the 'Self-employment (full) notes' before filling in this section.

Total expenses

If your annual turnover was below £85,000, you may just put your total expenses in box 31

17	Cost of goods bought for resale or goods used	£				4	2	3	2	8	•	0	0
18	Construction industry – payments to subcontractors	£									•	0	0
19	Wages, salaries and other staff costs	£				1	1	0	1	4	•	0	0
20	Car, van and travel expenses	£				1	2	6	6	•	0	0	
21	Rent, rates, power and insurance costs	£				6	4	0	3	•	0	0	
22	Repairs and maintenance of property and equipment	£				1	5	7	7	•	0	0	
23	Phone, fax, stationery and other office costs	£				2	8	3	•	0	0		
24	Advertising and business entertainment costs	£				2	4	0	•	0	0		
25	Interest on bank and other loans	£									•	0	0
26	Bank, credit card and other financial charges	£				1	2	9	3	•	0	0	
27	Irrecoverable debts written off	£									•	0	0
28	Accountancy, legal and other professional fees	£				9	3	6	•	0	0		
29	Depreciation and loss or profit on sale of assets	£				5	5	5	9	•	0	0	
30	Other business expenses	£				5	8	7	•	0	0		
31	Total expenses (total of boxes 17 to 30)	£				7	1	4	8	6	•	0	0

Disallowable expenses

Use this column if the figures in boxes 17 to 30 include disallowable amounts

32	£										•	0	0
33	£										•	0	0
34	£										•	0	0
35	£					4	4	3	•	0	0		
36	£										•	0	0
37	£										•	0	0
38	£					1	0	2	•	0	0		
39	£										•	0	0
40	£										•	0	0
41	£										•	0	0
42	£										•	0	0
43	£										•	0	0
44	£					5	5	5	9	•	0	0	
45	£					3	5	1	•	0	0		
46	Total disallowable expenses (total of boxes 32 to 45)	£				6	4	5	5	•	0	0	

Note 4

Note 3

Note 4

Note 5

Net profit or loss

47 Net profit – if your business income is more than your expenses (if box 15 + box 16 minus box 31 is positive)

£ 2 4 7 4 1 . 0 0

48 Or, net loss – if your expenses are more than your business income (if box 31 minus (box 15 + box 16) is positive)

£ . 0 0

Tax allowances for vehicles and equipment (capital allowances)

There are 'capital' tax allowances for vehicles, equipment and certain buildings used in your business (do not include the cost of these in your business expenses). Please read the 'Self-employment (full) notes' and use the examples to work out your capital allowances.

49 Annual Investment Allowance

£ . 0 0

50 Capital allowances at 18% on equipment, including cars with lower CO2 emissions

£ . 0 0

51 Capital allowances at 6% on equipment, including cars with higher CO2 emissions

£ . 0 0

52 Zero-emission goods vehicle allowance

£ 5 2 5 0 . 0 0

53 The Structures and Buildings Allowance

(you must hold a valid allowance statement – read the notes for details on how much you can claim per year)

£ . 0 0

54 Electric charge-point allowance

£ . 0 0

55 100% and other enhanced capital allowances

£ . 0 0

56 Allowances on sale or cessation of business use (where you've disposed of assets for less than their tax value)

£ . 0 0

57 Total capital allowances (total of boxes 49 to 56)

£ 5 2 5 0 . 0 0

Box 58 is not in use

59 Balancing charge on sales of assets or on the cessation of business use (including where Business Premises Renovation Allowance has been claimed) for example, where you've disposed of assets for more than their tax value

£ . 0 0

Calculating your taxable profit or loss

You may have to adjust your net profit or loss for disallowable expenses or capital allowances to arrive at your taxable profit or your loss for tax purposes. Please read the 'Self-employment (full) notes' and fill in the boxes below that apply.

60 Goods and services for your own use

£ 1 5 2 0 . 0 0

61 Total additions to net profit or deductions from net loss (box 46 + box 59 + box 60)

£ 7 9 7 5 . 0 0

62 Income, receipts and other profits included in business income or expenses but not taxable as business profits

£ 9 2 . 0 0

63 Total deductions from net profit or additions to net loss (box 57 + box 62)

£ 5 3 4 2 . 0 0

64 Net business profit for tax purposes (if box 47 + box 61 minus (box 48 + box 63) is positive)

£ 2 7 3 7 4 . 0 0

65 Net business loss for tax purposes (if box 48 + box 63 minus (box 47 + box 61) is positive)

£ . 0 0

Note 1

Bank interest received is not trading income, and needs to be included at UK interest etc, and dividends on page TR 3 of your tax return

Balance sheet

If your business accounts include a balance sheet showing the assets, liabilities and capital of the business, fill in the relevant boxes below. If you do not have a balance sheet, go to box 100. Read the 'Self-employment (full) notes' for more information.

Assets		Liabilities	
83	Equipment, machinery and vehicles	91	Trade creditors
£	27933.00	£	2080.00
84	Other fixed assets	92	Loans and overdrawn bank account balances
£	34032.00	£	.00
85	Stock and work in progress	93	Other liabilities and accruals
£	2450.00	£	14999.00
86	Trade debtors	Net business assets	
£	3197.00	94	Net business assets (box 90 minus (boxes 91 to 93))
87	Bank or building society balances	£	57341.00
£	6085.00	Capital account	
88	Cash in hand	95	Balance at start of period
£	723.00	£	47080.00
89	Other current assets and prepayments	96	Net profit or loss (box 47 or box 48)
£	.00	£	24741.00
90	Total assets (total of boxes 83 to 89)	97	Capital introduced
£	74420.00	£	6734.00
		98	Drawings
		£	21214.00
		99	Balance at end of period
		£	57341.00

Note 7

Note 8

Class 2 and Class 4 National Insurance contributions (NICs)

100	If your total profits for 2019–20 are less than £6,365 and you choose to pay Class 2 NICs voluntarily, put 'X' in the box	102	Adjustment to profits chargeable to Class 4 NICs
<input type="checkbox"/>		£	.00
101	If you are exempt from paying Class 4 NICs, put 'X' in the box		
<input type="checkbox"/>			