

Example 2 – Harry Cooper Business Services

Profit and loss account for the year ended 30 April 2020

Work done	£82,331	entry in box 15 (3.29)
Interest	£615	entry in box 16 (3.50)
Commission	£133	entry in box 15 (3.29)
	£83,079	
Expenditure		
Staff salaries	£13,955	entry in box 19 (3.51) and see Note 6
Subcontractor expenses	£5,705	entry in box 19 (3.51)
Rent, rates and water	£9,940	entry in box 21 (3.52)
Heat and light	£494	entry in box 21 (3.52)
Printing, stationery and postage	£1,479	entry in box 23 (3.54)
Repairs and computer maintenance	£776	entry in box 22 (3.53)
Insurance	£1,257	see Note 1
Phone	£2,352	entry in box 23 (3.54)
Motor vehicle expenses	£8,286	entry in box 20 (3.55) and see Note 5
Entertaining	£237	entry in box 24 (3.57)
Training courses	£699	entry in box 19 (3.51)
Subscriptions and journals	£312	entry in box 23 (3.54)
Legal and professional fees	£902	entry in box 28 (3.58)
Finance and HP interest	£345	entry in box 26 (3.61)
Bank charges and interest	£2,461	see Note 2
Hire of equipment	£1,248	see Note 3
Cleaning	£692	see Note 4
Sundries	£604	entry in box 30 (3.63)
Depreciation	£3,200	entry in box 29 (3.62)
Loss on sale of vehicle	£900	entry in box 29 (3.62)
	£55,844	
Net profit	£27,235	

Note 1

Insurance includes £758 professional indemnity cover, which is entered in box 28 (box 3.58). The balance includes various items and has been entered

in box 21 (box 3.54) in line with general guidance. This treatment will be followed consistently, from year to year.

Note 2

Bank charges and interest are shown in the accounts as a composite figure. This amount comprises £1,687 for interest and £774 for bank charges. These amounts are shown separately in boxes 25 and 27 (boxes 3.60 and 3.61).

Note 3

Hire of equipment covers cost of renting office equipment including a photocopier and fax. It's included in 'Phone, fax, stationery and other office costs' in box 23 (box 3.54).

Note 4

The business records show that £531 cleaning is for the business premises. The balance includes various small one-off expenses. As almost all the expenditure is for the business premises, and the whole amount of £692 is allowable for tax, it can simply be included as part of 'Rent, rates, power and insurance costs' in box 21 (Premises costs box 3.52).

Note 5

Private use of cars is £2,704. Capital allowances of £2,062 are claimed on the cars.

Note 6

Staff salaries include Harry's own wages of £5,000.

Trading and professional income for the year ended 5 April 2021 – 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

	Disallowable expenses included in boxes 3.46 to 3.63	Total expenses	Sales/business income (turnover)
			3.29 £ 82,464
• Cost of sales	3.30 £	3.46 £	box 3.29 minus (boxes 3.46 + 3.47 + 3.48) 3.49 £ 82,464
• Construction industry subcontractor costs	3.31 £	3.47 £	
• Other direct costs	3.32 £	3.48 £	
		Gross profit/(loss)	3.49 £ 82,464
		Other income/profits (include coronavirus support payments such as CJRS, but not SEISS)	3.50 £ 615 Note 6
• Employee costs	3.33 £ 5,000	3.51 £ 20,359	3.50 £ 615 Note 6
• Premises costs	3.34 £	3.52 £ 11,126 Note 4	
• Repairs	3.35 £	3.53 £ 776	3.50 £ 615 Note 6
• General administrative expenses	3.36 £	3.54 £ 5,890 Notes 1 and 3	
• Motor expenses	3.37 £ 2,704	3.55 £ 8,286	
• Travel and subsistence	3.38 £	3.56 £	3.50 £ 615 Note 6
• Advertising, promotion and entertainment	3.39 £ 237	3.57 £ 237	
• Legal and professional costs	3.40 £	3.58 £ 1,660 Note 1	3.50 £ 615 Note 6
• Bad debts	3.41 £	3.59 £	
• Interest and alternative finance payments	3.42 £	3.60 £ 1,687 Note 2	3.50 £ 615 Note 6
• Other finance charges	3.43 £	3.61 £ 1,119 Note 2	
• Depreciation and loss/(profit) on sale	3.44 £ 4,100	3.62 £ 4,100	3.50 £ 615 Note 6
• Other expenses including partnership charges	3.45 £	3.63 £ 604	
		Total expenses	boxes 3.51 to 3.63 3.64 £ 55,844
		Net profit/(loss)	boxes 3.49 + 3.50 minus 3.64 3.65 £ 27,235
Tax adjustments to net profit or loss for this accounting period			
• Disallowable expenses		boxes 3.30 to 3.45 3.66 £ 12,041	boxes 3.66 + 3.67 + 3.68 3.69 £ 12,041
• Goods taken for personal use and other adjustments (apart from disallowable expenses) that increase profits		3.67 £	
• Balancing charges (from box 3.23)		3.68 £	
Total additions to net profit (deduct from net loss)			3.69 £ 12,041
• Capital allowances (from box 3.22)		3.70 £ 2,062 Note 5	boxes 3.70 + 3.71 3.72 £ 2,677
• Deductions from net profit (add to net loss)		3.71 £ 615	
Net business profit for tax purposes for this accounting period (put figure in brackets if a loss:)			boxes 3.65 + 3.69 minus box 3.72 3.73 £ 36,599

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

15 Your turnover – the takings, fees, sales or money earned by your business

£ 8 2 4 6 4 . 0 0

16 Any other business income (include coronavirus support payments such as CJRS, but not SEISS)

£ 6 1 5 . 0 0

16.1 Trading income allowance – read the notes

£ . 0 0

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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
£ . 0 0

18 Construction industry – payments to subcontractors
£ . 0 0

19 Wages, salaries and other staff costs
£ 2 0 3 5 9 . 0 0

20 Car, van and travel expenses
£ 8 2 8 6 . 0 0

21 Rent, rates, power and insurance costs
£ 1 1 6 2 5 . 0 0

22 Repairs and maintenance of property and equipment
£ 7 7 6 . 0 0

23 Phone, fax, stationery and other office costs
£ 5 3 9 1 . 0 0

24 Advertising and business entertainment costs
£ 2 3 7 . 0 0

25 Interest on bank and other loans
£ 1 6 8 7 . 0 0

26 Bank, credit card and other financial charges
£ 1 1 1 9 . 0 0

27 Irrecoverable debts written off
£ . 0 0

28 Accountancy, legal and other professional fees
£ 1 6 6 0 . 0 0

29 Depreciation and loss or profit on sale of assets
£ 4 1 0 0 . 0 0

30 Other business expenses
£ 6 0 4 . 0 0

31 Total expenses (total of boxes 17 to 30)
£ 5 5 8 4 4 . 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
£ 5 0 0 0 . 0 0

35
£ 2 7 0 4 . 0 0

36
£ . 0 0

37
£ . 0 0

38
£ . 0 0

39
£ 2 3 7 . 0 0

40
£ . 0 0

41
£ . 0 0

42
£ . 0 0

43
£ . 0 0

44
£ 4 1 0 0 . 0 0

45
£ . 0 0

46 Total disallowable expenses (total of boxes 32 to 45)
£ 1 2 0 4 1 . 0 0

Note 6

Notes 1 and 4

Note 3

Note 2

Note 2

Note 1

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