

Example 1 – Jack’s Snacks

Trading and profit and loss account for the year ended 30 June 2021			Balance sheet at 30 June 2021		
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
	<u>£44,778</u>		Motor vehicles	<u>£23,701</u>	box 83 (3.99)
Closing stock	£2,450	box 17 (3.46)		<u>£61,965</u>	
Gross profit	<u>£51,480</u>		Current assets		
Rents received	£2,327	see Note 2	Stock	£2,450	box 85 (3.101)
Bank interest received	<u>£92</u>	box 16 (3.50)	Debtors and prepayments	£3,197	box 86 (3.102)
	<u>£53,899</u>		Cash in hand and at bank	<u>£6,808</u>	see Note 7
Wages and salaries	£11,014	box 19 (3.51)		<u>£12,455</u>	
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	<u>£4,372</u>	box 93 (3.106)
Repairs and maintenance	£1,577	box 22 (3.53)		<u>£17,079</u>	
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 2010	£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	<u>£24,741</u>	box 96 (3.112)
Hire purchase interest	£484	box 26 (3.61)		<u>£78,555</u>	
Depreciation	£6,648	box 29 (3.62)	Drawings	<u>(£21,214)</u>	box 98 (3.114)
Profit on disposal of assets	(£1,089)	box 29 (3.62)		<u>£57,341</u>	box 99 (3.115)
VAT surcharge	£351	see Note 5			
	<u>£29,158</u>				
Net profit	<u>£24,741</u>				

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 has been agreed that they can be treated as business income for tax purposes. They are included in box 16 (box 3.50) but no adjustment is made in box 62 (box 3.71), and there is no need to include this figure in the UK property pages as it is 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 is 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 is material, because it is 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 2022 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 included boxes 3.46 to 3.63	Total expenses	Sales/business income (turnover) 3.29 £ 93,808
• Cost of sales	3.30 £	3.46 £ 42,328	expenses in box 3.29 minus (boxes 3.46 + 3.47 + 3.48)
• 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 (include coronavirus support payments such as CJRS, but not SEISS)	3.50 £ 2,419
• Employee costs	3.33 £	3.51 £ 11,014	Note 2
• Premises costs	3.34 £	3.52 £ 6,403	
• Repairs	3.35 £	3.53 £ 1,577	Notes 3 and 4
• General administrative expenses	3.36 £ 102	3.54 £ 283	
• Motor expenses	3.37 £ 443	3.55 £ 1,266	Note 4
• 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	Note 5
• Depreciation and loss/(profit) on sale	3.44 £ 5,559	3.62 £ 5,559	Note 5
• Other expenses including partnership charges	3.45 £ 351	3.63 £ 587	
		Total expenses 3.64 £ 29,158	boxes 3.51 to 3.63
		Net profit/(loss) 3.65 £ 24,741	boxes 3.49 + 3.50 minus 3.64
		Disallowable expenses 3.66 £ 6,455	boxes 3.30 to 3.45
• Goods taken for personal use and other adjustments (apart from disallowable expenses) that increase profits	3.67 £ 1,520		Note 1
• Balancing charges (from box 3.23)	3.68 £		
Total additions to net profit (deduct from net loss)			boxes 3.66 + 3.67 + 3.68 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		boxes 3.70 + 3.71 3.72 £ 5,342
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 £ 27,374

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

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

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	Note 6	
● 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 7
Liabilities					
● Trade creditors/accruals	3.106	£	6,452	Note 7	
● 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
				box 3.105 minus box 3.109 3.110 £ 57,341	
Net business assets (put the figure in brackets if you had net business liabilities)					
Represented by partners' current and capital accounts					
● Balance at start of period*	3.111	£	47,080	Note 8	
● 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

* 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 2021 to 5 April 2022 (not the accounting period) 3.117 £

Incorrectly claimed coronavirus support scheme payments

Only fill in this section if you incorrectly claimed any payments from the Coronavirus Job Retention Scheme, Eat Out to Help Out Scheme or from any other applicable HMRC coronavirus support scheme and you still need to tell HMRC. Read the notes in the Partnership Tax Return Guide before filling in this section.

● Amount of HMRC coronavirus support scheme payments incorrectly claimed Copy this figure to box 12B in the Partnership Statement 3.118 £

15 Your turnover – the takings, fees, sales or money earned by your business. Do not include Self-Employment Income Support Scheme (SEISS) grants in this box, put them in box 70.1 on page 4

£ 9 3 8 0 8 . 0 0

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

£ 2 4 1 9 . 0 0

16.1 Trading income allowance – read the notes

£ . 0 0

Note 2

