Example 4

Trading and Profit and Los 31 March 2022	s Account	for the y	ear ended	Balance Sheet a	at 31 Marc	h 2022		
Sales of livestock	£14,800			Land		200.260		Box 84
Transfers to herd (Note 1)	1,200	16,000	Box 15	Buildings		200,269 125.694		Box 84
Sales of produce:				2				
 crops and subsidies 	42,163			Machinery Milk quota		32,578 9,520		Box 83 Box 84
• milk	68,337			-	t bacic)			Box 84
• straw	50	110,550	Box 15	Dairy herd (hero	J DASISJ	17,700	385,761	DUX 04
Miscellaneous receipts (Note 2)	650						107,000	
	950	1 600	Box 15 &	Current assets				
Sheep grazing	930	1,000	Box 15 &	Valuation (Note 10)				
		128,150		Growing crops		12,200		
Opening valuation	42,500	,		Livestock		14,750		
Feeds, seeds and fertilisers	42,800			Produce		14,050		
	85,300			Deadstock		3,200		
Closing valuation	44,200	41,100	Box 17			44,200		Box 85
Cross profit		87,050		Debtors and pre	epayments	14,770		Box 86
Gross profit	2 250	87,050	Box 21			58,970		
Rent (Note 3)	2,350			Current liabiliti	es			
Rates and water (Note 3)	1,700		Box 21	Creditors	16,021			Box 91
Wages	14,125		Box 19	Overdraft	11,565			Box 92
Insurance (Note 4)	1,205		Box 23	HP account	25,641			Box 93
Equipment and vehicle expenditure (Note 5)	15,923		Box 17 & Box 20			53,227		
Light and heat (Note 6)	3,779		Box 21					
Phone (Note 6)	759		Box 23	Net current ass	ets		5,743	
Contracting and								
plant hire (Note 7)	1,991		Box 22	Net assets			391,504	Box 94
Lease of milk quota	4,620		Box 17					
Haulage	365		Box 17	Represented by:				
Veterinary expenses (Note 8) 1,215		Box 28	Capital Account				
Bank charges (Note 9)	2,273		Box 25 &	Balance at 1/4	1/21	384,623		Box 95
			Box 26	• Net profit		25,192		Box 96
Hire purchase interest	1,274		Box 26	• Less drawings		409,815 18,311		Box 98
Silage wrapping	1,592		Box 17	• Less drawings		11,01	391,504	Box 99
Accountancy	923		Box 28				551,504	DUX 33
Valuation charges	175		Box 28					
Miscellaneous expenses	1,297		Box 30					
Depreciation	6,292		Box 29 &					
			Box 44					
		61,858						
Net profit		£25,192						

Note 1

Herd basis adjustment to exclude the cost of home-bred additions to the herd. Following the suggestions in this helpsheet, the herd basis reconciliation is included in the 'Any other information' box, box 103.

Note 2

Miscellaneous receipts comprise haulage (\pounds 401) and way leaves (\pounds 249). Haulage has been included as an item of business income in box 15. The way leaves are included in box 16.

Note 3

The private proportions of rent and rates and water are respectively $\pounds 475$ and $\pounds 200$. These amounts need to be disallowed in arriving at the profit for tax purposes and are included in box 36.

Note 4

There are several figures making up the overall insurance expense. $\pounds 210$ relates to motor vehicles partly used for private purposes. This amount is included in the entry in box 20 (read Note 5 below). There's a choice as far as the balance is concerned. That part relating to the premises and property could be included in the entry in box 21, but it would also be reasonable to enter the full amount of the balance in box 23 on a consistent basis from year to year. The latter approach is adopted here.

Note 5

The equipment and vehicle expenditure comprises the following: tractor/ combine repairs, £6,351, tractor/combine diesel, £5,102 and motor car expenses, £4,470. This latter figure, together with the motor insurance costs, is entered in box 20. Of the total motoring costs of £4,680 (£4,470 + £210), 30% are for private use and are disallowed by entering the private proportion, (£1,404) in box 35. The tractor/combine expenditure has been treated as a direct cost of production and included in the entry in box 17, although it would be equally acceptable to separate the repairs expenditure and enter it in box 22.

Note 6

The private proportions of light and heat and phone are respectively $\pounds 650$ and $\pounds 150$. To arrive at the profit for tax purposes, these amounts have to be disallowed and are included in the entries for boxes 36 and 38 respectively.

Note 7

Contracting and plant hire comprises costs of a ditching contractor £1,767 and plant hire, £224. The expenditure all relates to maintenance of the farm and has been entered in box 22. Had the contracting been in respect of contract milkers or contract harvesters, for example, it would have been entered in box 17 as a direct cost of production.

Note 8

Veterinary expenses include £177 for treatment to a privately owned pony. This has been disallowed by including the amount in the entry in box 43. All associated expenses of the pony's upkeep have been met privately or charged to drawings.

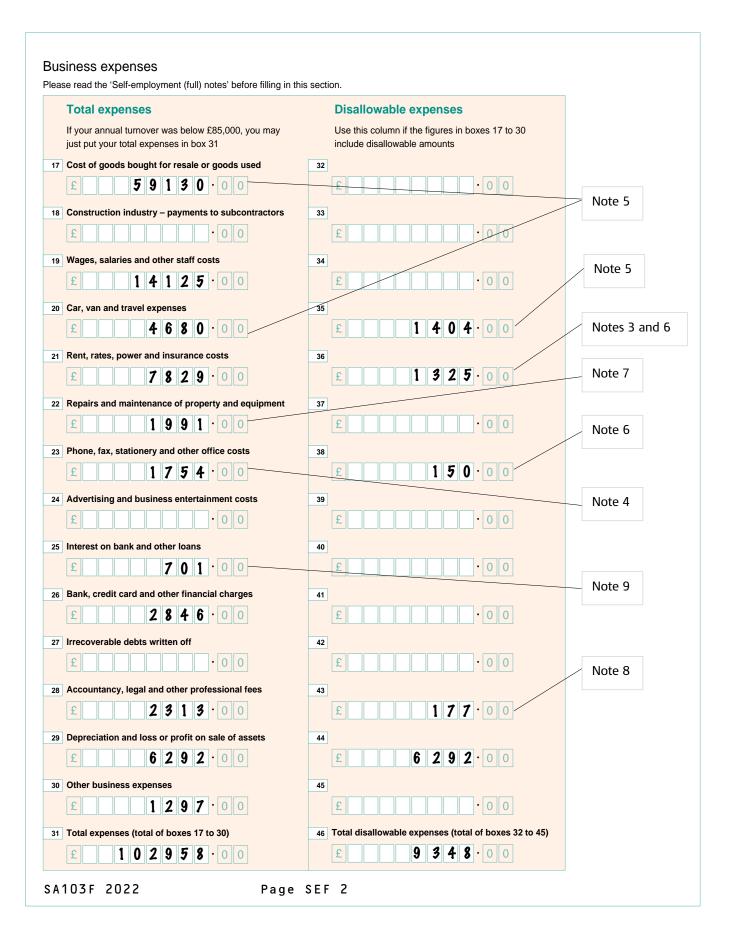
Note 9

Bank charges include \pounds 701 interest charges which are entered separately in box 25.

Note 10

Details of the valuation at the year end are included in the 'Any other information' box, box 103, to help clarify the figure shown in box 85. It is not necessary to get professional valuation but the likely reliability of the valuation will be one of the factors we'll consider in deciding whether to open an enquiry.

Business income	
 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 £ 1 2 7 9 0 1 0 0 	 16 Any other business income (do not include SEISS, but include other COVID support payments such as CJRS) £ 2 4 9 ⋅ 0 0 16.1 Trading income allowance read the notes £ ⋅ 0 0
SA103F 2022 Page Notes 1 and 2	SEF 1 Note 2 HMRC 12/21

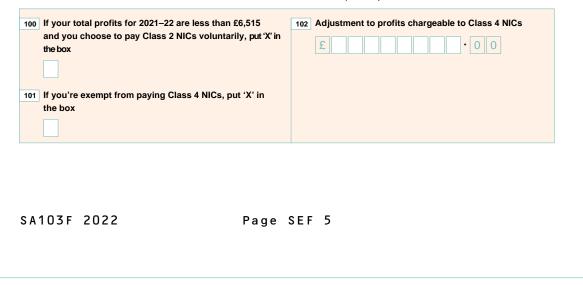


Balance sheet

Assets	Liabilities
83 Equipment, machinery and vehicles £ 3 2 5 7 8 0 0	91 Trade creditors £ 1 6 0 2 1 · 0 0
84 Other fixed assets	92 Loans and overdrawn bank account balances
£ 353183.00	£ 11565.00
85 Stock and work in progress £ 4 4 2 0 0 • 0 0	93 Other liabilities and accruals £ 2 5 6 4 1 0
86 Trade debtors	Net business assets
£ 1 4 7 7 0 0 87 Bank or building society balances	94 Net business assets (box 90 minus (boxes 91 to 93))
£ 00	£ 3 9 1 5 0 4 · 0 0 Capital account
88 Cash in hand £ • 0 0	95 Balance at start of period
89 Other current assets and prepayments	£ 384623·00
£	96 Net profit or loss (box 47 or box 48) £ 2 5 1 9 2 0 0
90 Total assets (total of boxes 83 to 89) £ 4 4 4 7 3 1 · 0 0	97 Capital introduced
	£
	98 Drawings £ 18311.00
	99 Balance at end of period
	£ 391504·00

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.

Class 2 and Class 4 National Insurance contributions (NICs)



Any other information	Any	other	inform	atior
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verails of profes	ssional valuations in l	00x 83	
Growing crops Livestock (not h Produce	12,20 erd basis) 14,7 14,0 3,20 £44,20	70 70)0	
Note 10	244,24		
Opening herd	nciliation @ 31 03 2 20 @ £200 4,00 20 @ £625 12,50)0	
Additions Note 1	2 @ £600	1,200 £17,700	