Example 4

Trading and Profit and Loss Account for the ye			ear ended	ed Balance Sheet at 31 Marc					
31 March 2024				Fixed assets	l assets				
Sales of livestock	£14,800			Land		200,269		Box 8	
Transfers to herd (Note 1)	1,200	16,000	Box 15	Buildings		125,694		Box 8	
Sales of produce:				Machinery		32,578		Box 8	
crops and subsidiesmilk	42,163 68,337			Milk quota		9,520		Box 8	
• straw		110,550	Box 15	Dairy herd (her	d basis)	17,700		Box 8	
Miscellaneous		,					385,761		
receipts (Note 2)	650			Current assets					
Sheep grazing	950	1,600	Box 15 &	Valuation (Note	. 10)				
			Box 16	Growing crops	10)	12,200			
		128,150		Livestock		14,750			
Opening valuation	42,500			Produce		14,050			
Feeds, seeds and fertilisers	42,800			Deadstock		3,200			
	85,300			Deadstock		44,200		Box 8	
Closing valuation	44,200	41,100	Box 17	Debtors and pro	anavments	14,770		Box 8	
Gross profit		87,050		Debtors and prepayments		58,970		DOX 0	
Rent (Note 3)	2,350	,	Box 21			015,00			
Rates and water (Note 3)	1,700		Box 21	Current liabilit	ies				
Wages	14,125		Box 19	Creditors	16,021			Box 9	
Insurance (Note 4)	1,205		Box 23	Overdraft	11,565			Box 9	
Equipment and vehicle	.,200		Box 17 &	HP account	25,641			Box 9	
expenditure (Note 5)	15,923		Box 20			53,227			
Light and heat (Note 6)	3,779		Box 21						
Phone (Note 6)	759		Box 23	Net current assets			5,743		
Contracting and									
plant hire (Note 7)	1,991		Box 22	Net assets			391,504	Box 9	
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	4/23	384,623		Box 9	
			Box 26	 Net profit 		25,192		Box 9	
Hire purchase interest	1,274		Box 26	• Loss drawings		409,815		Box 9	
Silage wrapping	1,592		Box 17	 Less drawings 	•	18,311	201 504		
Accountancy	923		Box 28				391,504	Box 9	
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 (£401) and way leaves (£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 £475 and £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. £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 £650 and £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

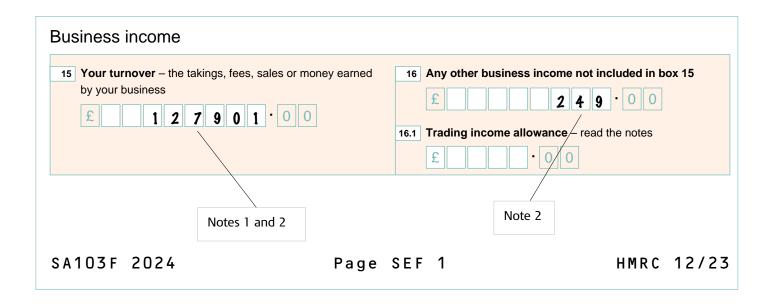
Veterinary expenses include £177 for treatment to a privately owned pony. This has been disallowed by including the amount in the entry in box 43. All associated expenses of the pony's upkeep have been met privately or charged to drawings.

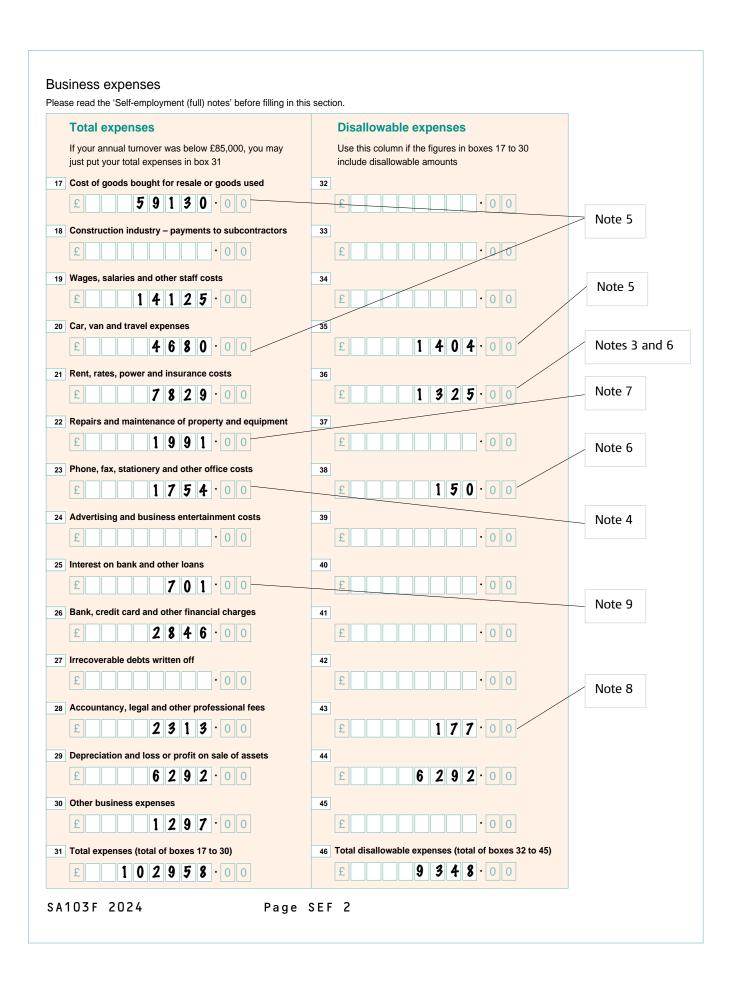
Note 9

Bank charges include £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.





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 16021.00 3 2 5 7 8 0 0 84 Other fixed assets 92 Loans and overdrawn bank account balances £ 353183·00 1 1 5 6 5 0 0 93 Other liabilities and accruals 85 Stock and work in progress 4 4 2 0 0 0 0 2 5 6 4 1 0 0 86 Trade debtors **Net business assets** 1 4 7 7 0 0 0 £ 94 Net business assets (box 90 minus (boxes 91 to 93)) 87 Bank or building society balances 3 9 1 5 0 4 0 0

88 Cash in hand

Capital account

95 Balance at start of period

.00

£ .00

89 Other current assets and prepayments

90 Total assets (total of boxes 83 to 89)

£	4	4 4	7	3	1	• 0	0
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	25192.00
7	Capital introduced
	£ 00
	Drawinge

3 8 4 6 2 3 0 0

£ 18311.00

99 Balance at end of period

96 Net profit or loss (box 47 or box 48)

391504.00

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Any other information 103 Please give any other information in this space Petails of professional valuations in box 83 Growing crops 12,200 Livestock (not herd basis) 14,750 Produce 14,050 3,200 £44,200 Note 10 Herd basis reconciliation @ 31 03 23 Opening herd 20 @ £200 4,000 20 @ £625 12,500 16,500 Additions 2@£600 1,200 £17,700 Note 1

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