



Keith - set up ADI Tax Service

**BETTER BUSINESS FINANCES FOR ADIs**

How to remain compliant with your statutory responsibilities

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*New service designed for people doing tax alone (without accountant)*

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**Constitution**

- Sole tradership
- Partnership
- Limited company

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### Limited Company



- Separate legal entity
- Subject to Corporation Tax
- Limited liability
- Really need profits of > £50k to consider

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### Getting started



- Set up a business bank account
- Set up a way of recording income and expenses
- Appoint an accountant
- Inform the Revenue, [www.hmrc.gov.uk/newbusiness](http://www.hmrc.gov.uk/newbusiness). Or Forms CWF1, CA5601
- Make sure you receive a "UTR number"

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### Penalties for not submitting a Tax Return



| Length of delay | Penalty you will have to pay  |
|-----------------|---|
| 1 day late      | A penalty of £100. This applies even if you have no tax to pay or have paid the tax you owe.  |
| 3 months late   | £10 for each following day – up to a 90 day maximum of £900. This is as well as the fixed penalty above.  |
| 6 months late   | £300 or 5% of the tax due, whichever is the higher. This is as well as the penalties above.   |
| 12 months late  | £300 or 5% of the tax due, whichever is the higher. In serious cases you may be asked to pay up to 100% of the tax due instead. These are as well as the penalties above. |

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