



A GUIDE TO FREELANCER TAX RETURN

Your business profit is your income less expenses. You pay tax on profits, so the higher the expenses the less tax you pay. Any expenses must be applicable to your business. The general rule that applies is 'wholly and exclusively' and this means that you can only deduct such expenses that relate to your trade or profession.



Record keeping

Allowable Expenses

**Disallowed
expenses**

**How to file your tax
return**

Tax calculator

**Online bookkeeping
app**

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RECORD KEEPING

You need to keep anything to do with your business. These include: invoices, mileage records, bank statements and receipts. The easiest way is to keep your records electronically. As a general rule you should keep them for a minimum of 6 years.

ALLOWABLE EXPENSES

Accountancy, legal and other professional fees

Advertising

Car, van and travel expenses

Stationary and office costs

Costs of goods that you sell or use when providing a service

Depreciation and loss or profit on the sale of assets

Business insurance policy

Interest on business loans

Premises rent, rates and utilities

Repairs and renewals

Wages, salaries and other staff costs

Training, CPD, subscriptions, professional memberships

Motoring expenses

If you use your car both privately and in business you can claim a proportion of the actual running costs. Or, you can claim mileage allowance at £0.45 for the first 10,000 miles and £0.25 per mile thereafter. You can even claim £0.20 per mile if you cycle. You cannot claim both. It's either a proportion of actual costs or mileage.

Use of home as office

If you use a room wholly and exclusively for business you can claim a deduction for the additional costs of business use.

Admin costs

You can deduct admin costs of running your business. These can be advertising, stationary, postage and telephone. With mobile phones the easiest way would be to have a separate business contract.

DISALLOWED EXPENSES

Ordinary clothing

Food

Living accommodation

GET IT RIGHT

Preparing your tax return requires time and concentration, it's easy to make a mistake. Get to know all the question and make sure you understand everything.

START

by registering for taxes [Gov.uk/register-for-self-assessment](https://www.gov.uk/register-for-self-assessment)

When you get the code you must activate your account within 28 days.

FILE YOUR TAX RETURN

Make sure your details are correct. Fill the sections applicable to you. Read the small print. You need to report everything that you've earned and this include income from employment, self-employment, income from property, interest and gains on savings and investments.

CHECK YOUR RETURN

After you've completed all sections, makes sure everything is correct. Only then press send. Even if you can't afford to pay your tax bill you should still file your tax return on time. You can call HMRC who should allow you to pay your tax bill on instalments.

IF YOU NEED MORE HELP GET IN TOUCH.

Our freelancer fixed fee tax return service is £120. And with this simple bookkeeping app you can manage your invoices, expenses, prepare business reports and summaries for your accountant. You can test it for free at

BOOKKEEPING APP

<https://clients.omnipol.co.uk/>

Email address: test@omnipol.co.uk

Password: 12345678

This can save you 12 hours a month managing your finances. You will capture every expense, you can send invoices in seconds. You have access to instant reporting and it's available on desktop and mobile devices.

**THE PRICE IS £3.99 PER MONTH
AND IF YOU ARE AN OMNIPOL
ACCOUNTING LTD CLIENT OR
THE ACCI MEMBER**

IT'S £1.99 PER MONTH.

Download FREE mileage log from <http://omnipol.co.uk>

Download FREE tax calculator from <http://omnipol.co.uk>