



Pre Year-End Planning

Pre Year-End Planning is an important part of any successful business strategy to ensure that planning opportunities are not missed. The planning review will appraise your business and accounts in the final quarter of the year and influence your business in a positive manner.

1

Corporation Tax

Profit declared in the final accounts will be liable to corporation tax at a current rate of 19%. To be paid 9 months after the end of the year.

- Calculate a corporation tax estimate
- Are there any earlier year's trading losses available to offset
- If profits exceed £1.5m, consider the need to make payments on account

2

Capital Allowances

- Depreciation
- Capital Allowances
- Annual Investment Allowance

3

Super Deductions

- Qualifying expenditure will attract 100% first year allowances on 130% of the expenditure, a tax saving of £247 per £1000 of expenditure (at an effective rate of 25%)
- Applies to expenditure incurred from 1 April 2021 to 31 March 2023
- Equipment must be new, unused, and purchased for the trade
- Integral building features, saving is £95 per £1000 of expenditure
- No cap on the amount of expenditure that qualifies

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Cars

- 100% relief is allowed upon the cost of a newly registered electric car
- Benefit in kind rates for personal use are only 1% for the tax year to 5 April 2022 and 2% for the tax year to 5 April 2023
- No benefit in kind generated on work-place charging

5

Provisions

- Stock
- Bad debts
- Bonus remuneration

6

Pension Contributions

- Employers receive pension tax relief on contributions capped at £40,000 gross for 2021/22. Any contributions over this limit are taxed at your highest rate
- Possible to contribute more to your pension with unused allowances from the previous 3 tax years. Can still receive tax relief if you were a member of pension during that time
- Tax relief is only for contributions paid in the year, not for the amounts provided in the accounts

7

Financial Presentation

Credit Rating

- New companies should file accounts ASAP
- Where accounts show significant improvement in trading, file accounts ASAP
- Pay creditors early to improve the quick ratio
- May also be beneficial to delay payment to creditors
- Test bank covenants ahead of the year end

