

LEGAL IMPLICATIONS OF YOUR BUSINESS RECORDS

THIS IS VITAL PLEASE READ AND APPLY

Self Assessment introduced, for the first time a statutory requirement to maintain and keep proper accounting records.

These records by law must include:

“all amounts received and expended in the course of the trade, profession or business and the matters in respect of which the receipts and expenditure take place”

HMRC – now EXPECTING TO SEE Z READINGS FROM TILLS

The rules allow a **penalty of up to £3000** to be charged for each failure to maintain adequate records.

As stated elsewhere in this letter, the Inland Revenue are increasing the quota of investigations being raised each year, and it is probably only a matter of time before you may be investigated. This does not mean any wrong doing by yourself, but merely having been picked at random.

In the event of any investigation by the Inland Revenue all records will be requested from you, and the mere fact that accurate and complete records have been kept act as a defence during an investigation. Without them, the Revenue have an opportunity to deny expenditure claimed and increase your tax bill, with inevitable interest and penalties hence the need to complete year end pack with debtors, creditors, stock etc.

In order to provide assistance to you during any investigation, we would recommend a formalisation of your record keeping, to satisfy the legal requirements now incumbent upon you.

We would be obliged for the opportunity of discussing the implementation of a more structured layout for your records, with the ultimate aim of protecting you during any investigation.

Additionally the keeping of accurate and complete records makes sense in that it is useful to **you** to monitor the progress of your business.

If you would be interested in discussing a method of keeping your accounts records which would meet the requirements set out above please contact this office just prior to your year end so that your next financial year begins on a correct legal footing.

Employees

Please remember that you should have a contract of employment.
Contact your solicitor or labour relations (028 90 321442).