MSF Associates
Accountants & Business Advisers

FREE CHECKLIST
UK SMALL BUSINESS TAX

THE TAX MISTAKES YOU'RE MAKING BECAUSE YOU THINK YOU'RE TOO SMALL FOR TAX PLANNING

A straight, no fluff checklist for business owners who've quietly decided this is a problem for later.

BEFORE THE CHECKLIST

You don't need to be big to overpay tax. You just need to believe you're too small to bother.

Most business owners don't lose money on tax because they're careless. They lose it because somewhere along the way they decided tax planning was something you do later, once the business feels "big enough" to justify it.

> **HMRC doesn't wait for you to feel ready. Every allowance you miss this year doesn't roll over. It's just gone.**

Here's what "too small to bother" is actually costing you.

Money you're already spending, just not claiming

01

- [ ] **Working from home**
  Claim a genuine share of your rent or mortgage interest, utilities, council tax and insurance, not just a flat guess you picked once and never revisited.

- [ ] **Your phone and broadband**
  If you use them for the business, claim the business use percentage. Most owners claim nothing at all and just absorb the cost.

- [ ] **Driving for work**
  Claim mileage properly: 55p a mile for the first 10,000 miles, 25p after that. Stop estimating at year end, start logging as you go.

- [ ] **Food on the road**
  Subsistence when you're travelling to a temporary workplace or travel for work is claimable. Keep the receipts instead of writing it off as a personal cost.

- [ ] **Money spent before you had a business account**
  Stock, subscriptions or software bought with your own money still counts. Claim it back through director's expenses rather than eating the cost.

CLUSTER TWO

Structure decisions that quietly cost you

02

- [ ] **Sole trader vs limited company**
  The tax gap between the two widens the more you earn. Know your actual crossover point, don't guess it from a forum post.

- [ ] **Salary vs dividends**
  Paying yourself the wrong way is one of the most common overpayments small directors make, and it's fixable in one conversation.

- [ ] **VAT scheme choice**
  Flat rate isn't automatically cheaper. The standard scheme plus the right claims can beat it, depending on what you actually spend on.

- [ ] **Voluntary VAT registration**
  Sometimes registering early saves you money. Sometimes it costs you. Check the numbers for your business, don't assume either way.

MYTH

"Tax planning is for businesses big enough to have an accountant on staff."

REALITY

The smaller you are, the more these add up as a share of what you actually keep.

Small moves with an outsized effect

03

- [ ] **Trivial benefits allowance**
  Up to £50 per benefit, tax free, for you and your team. Most businesses this size never touch it because nobody mentions it exists.

- [ ] **Company pension contributions**
  Paid by the business, not you personally. It cuts corporation tax and builds your pension in the same move.

- [ ] **Spouse or partner on payroll**
  If they're genuinely involved in the business, even part time, this can legally shift income into a lower tax band.

- [ ] **Annual investment allowance**
  Buying equipment this year? Time the purchase right and the full cost can come off this year's profit.

MYTH

"If it was worth doing, my accountant would have already told me."

REALITY

Most accountants file what you hand them. They're not always digging for what you didn't think to ask.

04

Mistakes that compound if you leave them

- [ ] **Overdrawn director's loan account**
  Left unpaid past the deadline, it triggers a tax charge that basic timing avoids completely. Purely a scheduling problem.

- [ ] **Prior year claims never revisited**
  You can usually amend and claim missed expenses from previous tax years too. Almost nobody goes back and checks.

- [ ] **Bad debt relief ignored**
  If a client never paid and you already paid VAT on that invoice, you're entitled to claim that VAT back.

- [ ] **Waiting for year end**
  By the time your accountant "has time" to look properly, most of the year's decisions are already locked in and unfixable.

Being small was never the reason you were overpaying. Not checking was.

None of this needed a bigger business. It needed five minutes and someone willing to ask the right questions.

BOOK YOUR FREE TAX HEALTH CHECK

30 minutes, no jargon. We'll tell you exactly which of these apply to you and what they're costing you.

Click here to book your slot →