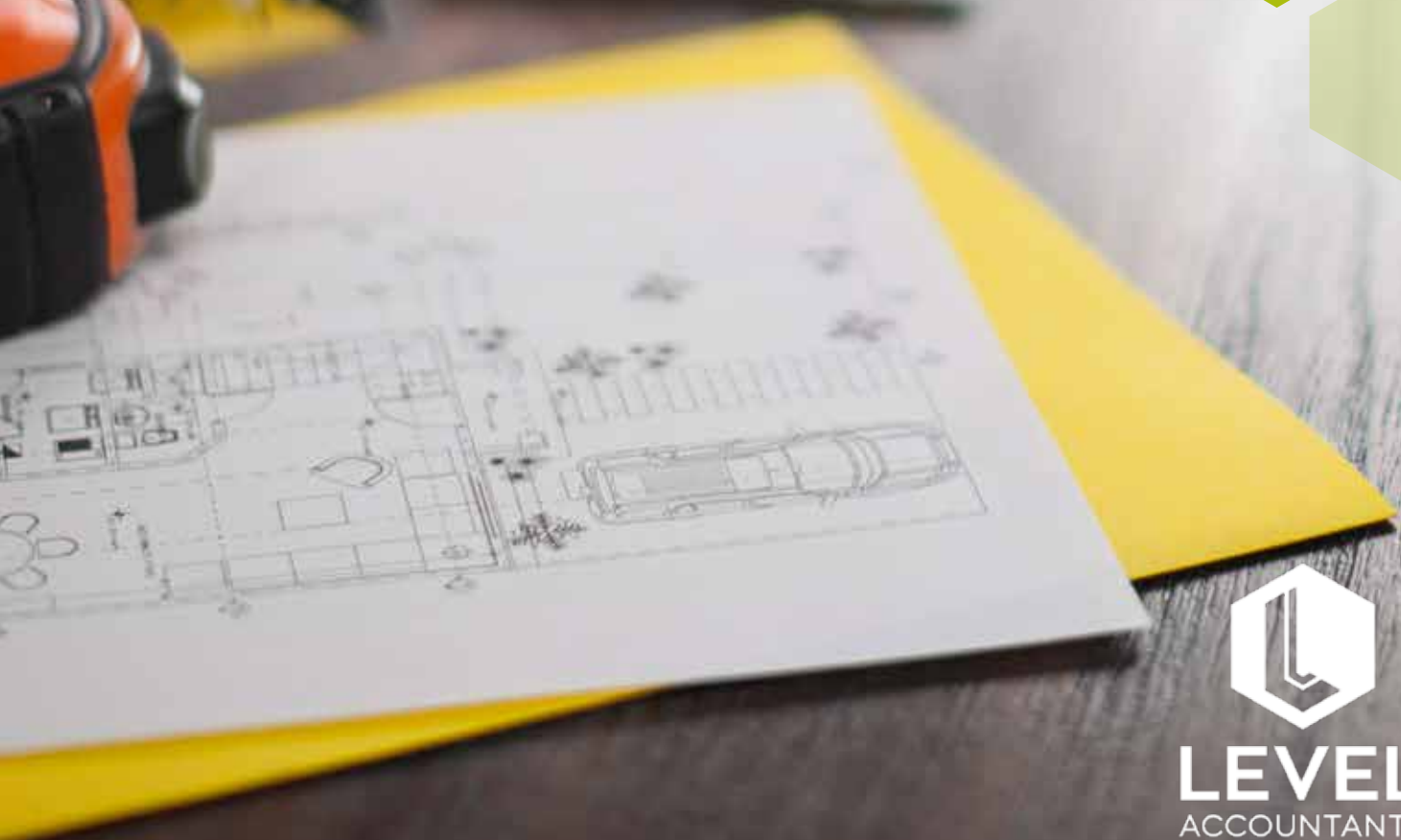
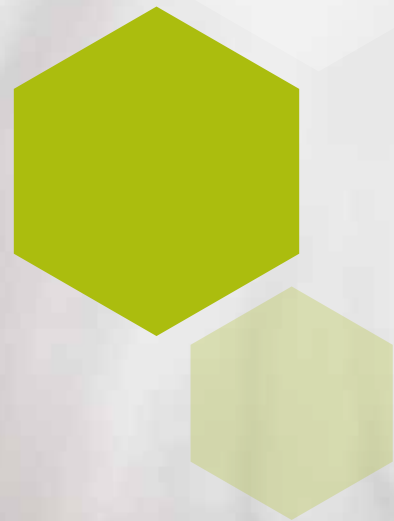


5 BIGGEST PROBLEMS STOPPING YOU FROM BEING A PROFITABLE, STRESS FREE TRADESMAN



LEVEL
ACCOUNTANTS

About Us

Level was founded by accounting and technology specialists Chris Quegan and Dan Ryder. We specialise in helping Tradesman understand their numbers and maximise their profit and minimise their tax, without the stress!

At a basic level we help you with year-end accountants and tax returns, however, unlike most generalist accountants we help you plan for your future and grow your business the way you want to.

We were sick of seeing traditional accountants use out-of-touch bookkeeping, bad processes and dodgy calculations when working with Tradesman.

It is for this reason that we designed Level to provide real value for you.

In this eBook we will be going through the top 5 biggest problems that Tradesman are having, and some tips to help you overcome them.

We are here to help you defeat your enemies of paperwork and red tape at every stage.

PROBLEM NUMBER 1 YOUR ADMIN IS SHOCKING

This is totally understandable. The chances are admin is not a priority business activity for you. Business information (receipts, job sheets etc.) are left lying around in your van and in your home "office". That is until the tax man starts knocking at your door and deadlines are looming (or passed).

In most small companies, office admin is left in the hands of an inexperienced family member, or done as a very rushed job by yourself. Sound familiar?

We hate to be the bearer of bad news, or maybe just reconfirming what you already know, but your shocking admin is ruining your business.

You have no idea what is happening and have no information with which you can plan effectively. Planning needs data, and your data is on the front dashboard of your van!

Good office admin makes financial information readily available. This means you actually know what is going on in your business and able to create the life you really want.

And we hate to scare you but apparently, failure to do the prescribed administration is considered reckless trading by the Companies Act - leading to personal liability on you for all company debts. Poor office admin is risky business indeed.

So this is the bad news. What is the good news?








There is software that can help you. Unlike years ago when the only solution was a bag of receipts that drove you mad, now your smart phone can actually save you so much stress.

We recommend using something like Xero or Capium.

Capium is especially good because it is free for small businesses just like yours.

You can get on with what you love to do best, and let the app take away your stress and mess.

Some of the benefits include:

-  Accessing your account information anywhere, anytime
-  Reducing your costs - instantly
-  Saving time as you bin the paper-based accountant
-  Improving business accuracy which means more profits
-  Connecting for free with your accountant
-  It's UK friendly
-  And completely secure...

You can invoice your customers through it, you can see on a simple dashboard how much money is coming in as well as going out, and you know what's actually happening in your business.

And that is not to mention the automatic Tax and VAT calculations. Better still you can submit them straight to HMRC and never be late again!

There are so many benefits we cannot list them all here...

PROBLEM NUMBER 2

TAX

There really is nothing more certain than death and taxes. However, your taxes might feel like they will be the death of you!

Who knew that running a business would mean that you would need an A level in Accounting? This isn't why you got into the industry that's for sure...

Tax can be a scary word. You don't know what to submit, when to submit it... you don't know if you should be a limited company or sole trader, you know you probably need to be VAT registered... but what else is needed?

If this is not enough you are probably trying to get your head around personal tax, corporation tax and CIS.

Tax can be complicated. Some forms and pages of help provided by the HMRC can seem mind-boggling, especially if you have never encountered them before. If you are new to the industry and have spent most of your career working for an employer then you have had the luxury of tax being sorted before you got paid.

Now you are responsible for your tax affairs and making sure they are in order. You have to accurately declare your earnings so that HMRC know how much tax you should be paying.

Shall we mention deadlines here? There are strict deadlines throughout the year and you must make sure you complete and submit your tax return on time, paying any tax you owe or face financial penalties. We are sure you could do without this stress.

So what is the solution?

There is no need to fear your tax returns if you are organized and keep to the deadlines. This will remove stress and unnecessary fines.

We suggest a **4 Step** Formula For Staying On Top Of Your Tax Returns

1 Keep your books in order.

As we mentioned in Problem 1, trying to scabble together piles of disorganised receipts, invoices or even remember what you got paid for various jobs can be a nightmare scenario. If you keep your finances organised from the start everything will be so much simpler.

2 Personal Finances.

If you are working as a sole trader (speak to us if you are, we have a few suggestions for you) there will be a lot of crossover between personal and business finances. It is best to keep them as separate as possible, ideally with separate bank accounts. But when it comes to self-assessment you are basically completing a personal tax return.

You will also need to consider payments from another part-time job, rental income from a property you own, or even interest on savings you may have.

According to HMRC, up to 10% of the nine million people who complete a Self Assessment Tax Returns every year miss the deadline... this means a hefty fine.

3 Get It Right.

It may sound obvious but accuracy is vital for your accounts. HMRC should send you any relevant forms, but what if you miss them? If you are completing Self Assessment forms and need help you can call the HMRC self-assessment helpline on 0845 9000 404 and all the forms can be found on the HMRC website.

But even with guidance and advice, filling in your own tax returns can be daunting and stressful as you do not have professional experience. However, we also know that many tradesmen are put off seeking help from an accountant because of fears around how much it will cost.

Don't let this fear put you off seeking help. We have some great monthly fixed fee options that won't break the bank and will even save you money.

4 Know the deadlines

The final step to staying on top of your Tax is to know the deadlines.

The tax year ends on the 5th April. You should receive your tax return forms to complete covering the previous 12 months.

For those who want to complete paper forms and return by post then they need to be with the HMRC by 31st October of that calendar year.

Those who return it by that date will get the benefit of having HMRC calculate your tax bill for you. If you return it by post between 31st October and 30th December then your bill will still be calculated for you but there are no guarantees that you will get it back by the 31st January payment date, which means you could still face a fine for not paying the full amount on time. So stick to the 31st October deadline if you want to file your return by post.

More and more people now complete their tax returns online and in that case, you will have until midnight on the 31st January to submit your forms.

We would always encourage you to complete your tax return in plenty of time as this will cut down on the stress that often arises from leaving it until the last minute. This way you will have more time to address any potential mistakes, issues or problems submitting the information. Late submissions will be subject to an automatic £100 penalty, plus you will also be liable to pay interest on any overdue monies owed.

And a bonus tip – set reminders in your diary for all of the above, that way you will not miss deadlines. Use online accounting to get organised and for complete peace of mind outsource the work.



PROBLEM NUMBER 3

MISSING OUT ON CLAIMS ON EXPENSES

Although expenses can be a pain to track, seeing the expenses you can claim back can be highly rewarding. Especially as it enables you to pay less tax overall.

If you haven't got the message already, organization and systems are key to ensure you do not let money slip through the gaps.

Keeping up-to-date and accurate records from the start is important for your business. It makes it easier to complete your tax return. A good system helps you keep track of your expenses. If you do not keep adequate records or complete your tax return correctly (or on time) you may have to pay a penalty.

What records should you keep?

What records to keep	Anything to do with your business such as: <ul style="list-style-type: none">• cashbooks• invoices• mileage records• bank statements• receipts for purchases• CIS vouchers
How to keep your records	Either on paper or on computer. For electronic records, you must: <ul style="list-style-type: none">• capture all the information (front and back)• save information in a readable format• keep a back-up
How long to keep records	As a general rule for a minimum of six years.

Here are 5 expenses you can claim to help reduce your tax, save money and get things right.

Tools and Equipment

The most obvious expenses are materials you've used without billing the customer, tools you've bought and the cost of maintaining your tools and equipment.

Advertising

Anything you spend on advertising can be claimed back as an expense. Most tradesmen rely on word of mouth, but those that learn to advertise can increase their profits dramatically.

Motor Expenses / Mileage Allowance

You can also claim the business proportion of your motor expenses, whether you drive a van or a car.

Include your Car Tax licence, insurance, petrol/diesel, MOT, servicing, repairs, HP/loan interest, parking and toll fees. If, for example, business journeys amounted to 75% of your vehicle's total mileage, then you would claim 75% of all these costs on your tax return.

It may be more advantageous for you to claim using the mileage basis instead of going by costs: you simply claim 45p per business for the first 10,000 business miles, and 25p for every further business mile.

Tip: A work van can be claimed at 100% against the profits in the year it was bought.

Internet, Phone and Stationery

The business proportion of your internet and phone costs, whether a home phone or mobile, may also be claimed along with stationery costs you've used for business like stamps, paper and printer ink.

Protective Clothing

Claiming clothing costs is a contentious area. As you're self-employed, you can claim for personal protective equipment. This would include clothing that protects you (such as overalls, hi-viz jackets, trousers with padded knees) and equipment like helmets, steel-capped boots, gloves, goggles etc.

You can also claim the laundry costs for cleaning protective clothing. You cannot, unfortunately, claim for normal clothing worn while you're working. Clothing is worn for "warmth and decency" (as the Revenue put it) and for work at the same time.

This situation where there is simultaneous private and business usage is known as "dual purpose".

Tax-deductible expenses need to be "wholly and exclusively" for business, and due to this dual purpose, normal clothing worn while working does not qualify for tax relief.

Home Office Expenses

If you work from home – such as writing up quotes and invoices, looking for or buying business materials online – you may claim part of your home bills.

It can, however, be time-consuming and difficult to work out how much of your home bills relate to your business. A practical alternative would be to use the Revenue's "simplified expenses" rate: if you use your home for business for at least 25 hours per month, you can claim £10 costs a month.

Admin

A spouse or other member of your family who helps you (perhaps with administration and/or bookkeeping) may be paid reasonable remuneration for their work, providing the Revenue's "RTI" rules are adhered to: talk to us about this if you would like further information.

Also, you can include Accounting costs, insurance and bank charges.

If you are in any doubt as to whether you can claim certain expenses, please keep the receipts and we can advise you when we prepare your tax return at the year-end.

Final tip – as most tradesmen turn over large figures it makes sense to go Limited. You get more flexibility in reducing your tax and more protection if anything major occurs that the insurance doesn't cover.

PROBLEM NUMBER 4

TOO MUCH RED TAPE

Running a business today is a very different proposition than it was 40 years ago. The rules governing tax, employment, privacy etc. have gone to a whole other level. Whilst the rules are generally well intended, too often no consideration has been given to the realities of those tasked with the compliance.

When you set up a business in the UK there are a couple of organisations you need to contact. This is a must.

These are Companies House and HM Revenues and Customs (HMRC).

Self Employed –

this is where you are working for yourself, and have become your own boss. You keep the records and accounts and you get to keep all the profits. But you are also liable for the debts.

Limited Company –

These are companies in their own right, and the founder's finances are kept separate. Your liability is limited.

Partnership –

This is for those who want to be self-employed but work with a friend or colleague. Two or more people share the risks, costs, and workload.

What About VAT?

It doesn't matter which company status you choose you will still have to register for VAT. In the 2017/18 tax year, the VAT threshold is £85,000. VAT registration is compulsory if your UK turnover is over and above this amount. You may also wish to register for VAT if you think you will be going over the threshold in a short space of time.

A common question we get is “Should I register for VAT?”

My answer is simple. If you are not registered for VAT you are sharing with the world that your turnover is less than £85,000.

You also need to be mindful that if you are not using accountancy software that makes VAT returns simple (like XERO for example) then you will have a lengthy paperwork process.

Over half of all small business owners admit red tape is restricting their growth with enterprises wasting four days a month dealing with compulsory administrative work, according to a report from the Federation of Small Businesses (FSB).

Other overly-bureaucratic barriers to growth include issues around employment laws, insurance, workplace pensions, accounting tasks and health and safety regulations. Below we have listed key dates for 2017/2018.

The Key Dates For 2017/2018 Self-Assessment, PAYE and CIS are below... no wonder the thought of completing accounts drives tradesmen into a frenzy!

5 April 2017	End of previous tax year. Deadline for 2016/17 ISA investments.
6 April 2017	Start of 2017/2018 tax year.
7 April 2017	VAT returns and payments due for Accounting Quarter period ending 28 February.
14 April 2017	income tax due date for the CT61 period to 31 March 2017.
19 April 2017	Quarterly PAYE/NIC due for year ended 5 April 2017. Final submission must be made to HMRC under RTI for the year.
22 April 2017	Deadline for electronic payments to be cleared in HMRC's bank account for any outstanding PAYE and Class 1 NICs for the tax year ending 5 April 2017.
7 May 2017	VAT returns and payments due for Accounting Quarter period ending 31 March.
22 May 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
31 May 2017	P60s to be given to all employees.
7 June 2017	VAT returns and payments due for Accounting Quarter period ending 30 April if filed online.
19 June 2017	Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.
22 June 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
5 July 2017	Deadline for PAYE Settlement Agreement (PSA) for 2016-17.
6 July 2017	Deadline for filing forms P9D, P11 D, P11 D(b) for previous tax year and giving copies to employees.

5 biggest problems stopping you from being a profitable, stress free tradesman

6 July 2017	Deadline for submitting form 42 or other relevant forms to report share-related benefits provided to employees.
19 July 2017	Quarterly payment PAYE remittance due. Class 1 A payment to reach HMRC (postal). Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC for the tax year ending 5 April 2017.
22 July 2017	Final date for electronic payments to be cleared in HMRC's bank account for any outstanding Class 1A NICs for the tax year ending 5 April 2017.
22 July 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
31 July 2017	2nd Payment on Account for 2016/17 due to HMRC.
19 August 2017	Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.
22 August 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
19 September 2017	Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.
22 September 2017	Deadline for electronic remittance of PAYE, NiCs and CIS to HMRC.
5 October 2017	Deadline to notify chargeability and advise HMRC of need to register for Self-Assessment for 2016/17.
19 October 2017	Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC for month ended 5 October 2017.
22 October 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
31 October 2017	Deadline for filing Paper Income Tax Return with HMRC Deadline for submitting tax return if you want HMRC to calculate your tax liability.
19 November 2017	Deadline for postal payments remittance of PAYE, NICs and CiS to HMRC.
22 November 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
19 December 2017	Deadline for postal payments remittance of PAYE, NiCs and CIS to HMRC.
22 December 2017	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
30 December 2017	Deadline for filing Income Tax return with HMRC if Tax to be collected through PAYE Code Number.
19 January 2018	Quarterly payment PAYE Tax and NIC for year ended 1 January 2018. Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.

22 January 2018	Quarterly payment PAYE Tax and NIC for year ended 1 January 2018. Deadline for electronic remittance of PAYE, NICs and CIS to HMRC for month ended 5 January 2018,
31 January 2018	Deadline for paying Self-Assessment balancing payment and capital gains Tax for tax year ended 5 April 2017. Deadline for 1st payment on Self Assessment account for 2017/18.
19 February 2018	Deadline for postal payments remittance of PAYE, NICs and CIS to HMRC.
22 February 2018	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
19 March 2018	Deadline for postal payments remittance of PAYE, NiCs and CIS to HMRC.
22 March 2018	Deadline for electronic remittance of PAYE, NICs and CIS to HMRC.
5 April 2018	Tax year ends.

So what is the solution?

Whilst we suggest putting key dates in your diary and using software like Xero or Capium, we also suggest getting help. Not only will it ensure you get everything in on time, you will also maximise your profits and minimise your tax.

A good accountant who specialises in your trade will know how to help you best.

PROBLEM NUMBER 5 TIME MANAGEMENT/PEOPLE

You get up early and are onsite by 8am most days. You work through to 4pm and then go home and deal with the paperwork.

But a successful building contractor business rarely consists of a single employee, and it's an exciting thing to be so busy that you must hire workers/contractors to keep up with the demand. Things change once you become a business owner; it may be very difficult to run your business and perform repairs at the same time. That means taking off the tool belt, putting away the saw and concentrating on the business.

Time management will become even more stressful, but not as stressful as managing your contractors.

In fact, you became a tradesman because you loved the job, and now all you have is stress at every turn.

So, if you are short of time when working in the business and then have to deal with people on top of it, what are the solutions?

Optimising and Outsourcing - Maximising Time

What type of things can we optimise and outsource? These include admin tasks, answering the phone, IT support, bookkeeping and financial analysis, research. All of these things can be outsourced to someone else leaving you free to work on the jobs that are going to move you closer to your end goal and your financial goals.





If you are spending your day looking up how to fix error messages on your PC or how to complete tax returns, then all you are doing is hampering your success in the future. The chances are by outsourcing this work it will get done faster and better anyway.

Have a look at the jobs you are doing that you don't need to do... Make a list of everything that you are doing in a day and get someone to do the work that is not moving the business forward.

Outsourcing To An App

Having worked with many tradesmen we have noticed that the most time-consuming aspect is scheduling jobs, managing people and manual invoicing. This is why we want to share an excellent resource called Tradify.

The key aspects of it include:

-  Prioritise Building Jobs & Schedules – Find Out Who's Working On What Job
-  Quote & Invoice Building Jobs From Your Mobile
-  Track Job Progress & Time On-Site
-  Sync Your Business With Xero Or MYOB For Complete End-To-End Workflow

And the good news? It is only £12 a month for 1-9 users.

Here is a link to the website: <https://www.tradifyhq.com>

Summary

As you can see the frustrations that we have highlighted here effect more than just your business.

You are working your butt off and you are not making the profit you want to.

You are working 60-80 hour weeks and you are not only missing out on seeing your family, you are missing out on events with friends and living a life. You are working nights and weekends and often resent the situation you are in.




Getting processes and systems in order will free up much of your time and worry. It could save you 6-8 hours a week. You could get much of your evenings back.

We would like to invite you to invest just 20 minutes of your time and reach out to Dan. He will jump on a call, you can vent your frustrations, and he can give you some no-strings attached ideas to change your situation.

If you think it's about knowing your numbers you are missing the point – it's about getting your life back and saving time, tax and stress.

Call Dan Now on

 01204 595 911

 dan@levelhq.co.uk