Does the Basis Period Reform impact your business?

Do you operate through a limited company?

YES → Good news. This won't affect you.

NO ↓

Does your business consist solely of property rental or Furnished Holiday Lets?

YES → Good news. This won't affect you.

NO ↓

Do you have a 31st March or 5th April year end already?

YES → Good news. This won't affect you.

NO ↓

The new rules will apply.

You will be required to pro rata your profits from two accounting periods to align with the tax year going forward. This may lead to cashflow and administration issues.

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Are you considering an exit in the near future?

YES → If exiting, the new rules may have a significant impact on you. If this is the case, we suggest getting in touch with us to discuss.

NO ↓

Could your business change its year end to 31st March?

YES → If is likely that a change to 31st March 2023 will be the best option. But you may also wish to consider your options below.

NO or NOT SURE ↓

OPTIONS TO CONSIDER INCLUDE

Incorporation

If profits are more that £50k and you spend all of the profits as they arise, incorporation is likely to be worthwhile.

Model impact

Conclude the impact on cashflow so you can make a decision on how to proceed (note that additional profits can be spread across 5 tax years, and it's possible to change the allocation to plan for tax each year).

Do nothing

Retain your current accounting period but **speak to one of our team** for advice on the additional administration issues this will bring.

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rouse
Chartered Accountants

We can help: *If you would like to discuss your own situation or our wider package of services for your business, please get in touch with us.*

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