



"Keeping you informed"

Business Records and Book-keeping – A Price to Pay?

There currently seems to be a never ending emphasis by HM Revenue & Customs on compliance for businesses and a continuous threat of significant penalties if there is a failure to meet the requirements. Whilst there is no doubt attention to good compliance is essential for a successful business it is not always easy to keep pace with the deadlines.

The latest and newest area of informal compliance review by HMRC is "Business Record Checks".

HM Revenue and Customs are emphatic that these are not enquiries into tax returns but are an invitation by HM Revenue and Customs to review business records and book keeping systems with a view to assisting business if necessary. The review will result in advice on good practice and in appropriate suggestions on areas of improvement.

The first calls and letters have been made to individuals and businesses. This is a Test and Learn phase during which HM Revenue & Customs have advised they have no intention of charging penalties.

There are no specified formats for keeping records but the type of records should be appropriate for the size and nature of the business. HMRC have also stated that the records should be sufficient to complete all the necessary tax returns timely and accurately.

For guidance on whether your records are sufficient you can access the Business Link website - www.businesslink.gov.uk/recordkeepingcheck.

At Wrigley Partington we are here to advise our clients on their record keeping and thereby minimize their exposure to any potential penalties. If you are chosen for a visit of this nature please contact us for support and advice.

You are not able to refuse a visit and it is strongly recommended that you co-operate with HM Revenue & Customs at the early stage of the process.

This process is being closely monitored by both the Institute of Taxation and the Institute of Chartered Accountants in England & Wales.

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