



Tax doesn't have to be taxing

Martin Murray provides some tips for self-employed practitioners submitting their tax returns

It's that time of year again when your accountant sends to you the dreaded tax return checklist. For many cosmetic doctors this represents an unwelcome headache and a task that is often left to the last possible moment. For some, the continued delay only increases anxiety as the tax return deadline approaches. However, this need not be the case with the help of the following tips.

Most cosmetic doctors remain employed in some capacity with the NHS and therefore need a P60 for the tax return. If this is misplaced, the end of year March payslip will contain the same information and will be sufficient for the tax return.

Sometimes the accountant may ask for a P11D form. This form will highlight whether the NHS has made other payments in cash or in kind to you outside the normal PAYE scheme. Fortunately, in most circumstances this can be ignored, as incidence of such payments has reduced substantially.

Bank and building society interest details can cause a delay in getting information to complete the tax return. One quick way of ensuring the information is readily available is to prepare a standard draft letter that can be sent to all the relevant bank and building societies asking for interest details for the year to 5 April 2009.

Many cosmetic doctors will own shares and the number and value of these share portfolios will vary from a few pounds to tens of thousands of pounds. However, the same issue arises, irrespective of portfolio size, and this relates to dividends received together with acquisitions and disposals of shares. For large share portfolios, the fund manager will issue a consolidated tax certificate giving details of the dividends received and a summary for inclusion in the tax return. If this is

misplaced, a duplicate can easily be produced. A summary of acquisitions and disposals will also be produced, which should be copied and forwarded to your accountant. In some cases the information may not be immediately relevant but may be in the future.

Small personal portfolios can cause problems for cosmetic doctors when keeping a record of dividends. If the certificates or counterfoils have been misplaced, simply inform your accountant of the number of shares held at the beginning of the year and, where relevant, details of when further purchases or disposals were made. The accountant has access to details of all UK-listed companies and can determine from the information above the number and value of dividends issued in the year.

Professional subscriptions are best dealt with by either phoning the organisation or dropping banks a standard letter. This is helpful when you are a member of a number of organisations. Most accountants will include these details in your self-employed accounts and will pick up the majority of the costs and payments when preparing these accounts from the bank statements. To avoid any unnecessary duplication of effort it is worth checking with the accountant whether he or she has most of the details and if any are outstanding.

The cosmetic private practice income, whether in the form of straightforward self-employed accounts or through a limited company or partnership, will be dealt with by the accountant. There should be no need to try to locate any additional details unless specifically requested to do so. The information is normally included in the appropriate supplementary pages to the tax return. Remember the accounts for the cosmetic income and expenses may be prepared for a financial year-end that is not the 5th April. There may be

other one-off payments received and paid through the year which should be brought to your accountant's attention when supplying the details.

The tax return does allow provisional or estimated figures to be included if there is a problem or delay in the getting the necessary information. The tax return also allows any errors, omissions and corrections to be made after it has been submitted. If this has to be done, your accountant will sort out all matters with the inspector of taxes. The number and incidences of tax returns being subject to a revenue enquiry has increased. To reduce the worry of additional costs incurred if you are selected, many accountants provide cover through specialist insurance companies for the costs of their time and that of other professionals, such as barristers or solicitors. These annual policies are relatively inexpensive and do provide cover for additional professional costs.

If the tax return cannot be completed and submitted on time, ensure you pay the estimated tax on the correct date to reduce or extinguish any penalties and interest charges that can be levied by the Revenue.

In the present economic climate, some cosmetic doctors have experienced cash-flow difficulties and have found the Revenue to be sympathetic to their predicament. Penalties can be waived and a payment schedule can be entered into to assist the payment of any outstanding tax. However, these facilities must be requested in advance and the Revenue expects the terms to be adhered to.

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