



Use these notes to help you fill in the Self-employment (full) pages of your tax return

These notes will help you to fill in your tax return for the year 6 April 2016 to 5 April 2017. You may need helpsheets to fill in the 'Self-employment (full)' pages. You can find more details in the relevant section.

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You should fill in the 'Self-employment (full)' pages if:

- your turnover was £83,000 or more (or would have been if you'd traded for a full year)
- you've changed your accounting date
- you're claiming Overlap Relief
- your taxable self-employed period – known as the 'basis period' – isn't the same as your accounting period
- you've adjustment income because you changed your accounting basis
- you need to adjust any profits chargeable to Class 4 NICs
- you were within the Managing Serious Defaulters (MSD) programme during the year

If none of these apply, you should use the 'Self-employment (short)' pages.

i For more information about accounting periods, go to www.gov.uk and search for 'HS22'

You may need to fill in more than one set of 'Self-employment' pages if you have:

- more than one business, even if you only have one set of accounts covering all your businesses
- recently started or ceased in business or have changed your accounting date and you work out your profits for your basis period using more than one set of accounts

i For more information on having more than one business, go to www.gov.uk and search for 'HS220'

Filling in the 'Self-employment (full)' pages

It's important to keep records of your business income, expenses and any tax you paid during the year. You will need these to help you fill in your tax return or to answer any questions we might have. If you don't have any accounts, use Helpsheets 222, 'How to calculate your taxable profits'.

i For more about the records you need to keep, go to www.gov.uk/self-employed-records

For information on using your accounts to fill in your tax return, go to www.gov.uk and search for 'HS229'

For help with working out your taxable profit, go to www.gov.uk and search for 'HS222'

Don't send any receipts, accounts or paperwork with your tax return, unless we ask for them.

If you can't tell us your final figures by the filing deadline, include provisional figures but only fill in boxes 1 to 15, box 47 or 48, box 64 or 65, box 73 and box 76 or 77. You must also tell us in box 103 'Any other information' why you've used provisional figures and when you expect to give us your final figures. Leave all other boxes blank.

If you do all your business abroad and you've filled in the 'Residence, remittance basis' pages, you'll only need to fill in boxes 1 to 14, box 66, box 67, box 76 and box 101. If any part of your business is done in the UK, the remittance basis isn't available for the overseas part of your profit. The whole profit is on the arising basis.

Your name and Unique Taxpayer Reference

If you printed a copy of the 'Self-employment (full)' pages from the website, put your full name and Unique Taxpayer Reference (UTR) in the boxes at the top of the form. Your UTR will be on any letters about your Self Assessment. If you can't find it, go to www.gov.uk/find-lost-utr-number

Your name	Your Unique Taxpayer Reference (UTR)									
PAUL SMITH	1	3	5	7	9	2	4	6	8	0

Example of completed name and UTR boxes

Business details

Box 1 Business name

Give us the full name of your business – unless the name of the business is your own name.

Box 2 Description of business

Tell us about the sort of business you're in.

If you let a room in your own home and your gross receipts (including balancing charges) are less than £7,500 (or £3,750 if shared), put Rent-a-Room in box 2 and leave the rest of the boxes blank. If your gross receipts (including balancing charges) exceed £7,500 (or £3,750 if shared) and you want to use the Rent-a-Room scheme, you only fill in boxes 1 to 10, 15, put £7,500 (or £3,750) in box 30 and any balancing charges in box 59. If you don't use the Rent-a-Room scheme, fill in the SA103F in the usual way.

i For more information on the Rent-a-Room scheme, go to www.gov.uk and search for 'HS223' or www.gov.uk/renting-out-a-property/paying-tax

If you're a Foster Carer or Shared Lives carer and you're claiming Qualifying Care Relief and your qualifying amount is more than your total qualifying care receipts:

- write 'Qualifying carer' in box 2
- put 'X' in box 13
- put '0' (zero) in box 76
- don't fill in the rest of the Self-employment (full) page

If your qualifying care receipts are more than your qualifying amount and you use the simplified method to work out your profit:

- write 'Qualifying carer' in box 2
- fill in boxes 3 to 14 (if they apply to you)
- put your total receipts in box 15
- put your qualifying amount in box 31
- fill in boxes 47, 64, 73 and 76

If your total qualifying care receipts are more than your qualifying amount and you don't use the simplified method, fill in the Self-employed page in the usual way.

Box 6 If your business started after 5 April 2016

If you started working for yourself between 6 April 2016 and 5 April 2017, put the date you started working for yourself in box 6. If you haven't already registered for self-employment and Class 2 National Insurance contributions (NICs), you must do so now. For more information, go to www.gov.uk/working-for-yourself

Box 7 If your business ceased after 5 April 2016 but before 6 April 2017

If you stopped working for yourself, put that date in box 7 not your end of year date.

Tell us as soon as possible so you don't pay too much tax or Class 2 NICs. For more information, go to www.gov.uk/stop-being-self-employed

Box 8 Date your books or accounts start – the beginning of your accounting period

The beginning of your accounting period is usually the day after the end of your previous accounting period. For example, if you made your books up to 5 April 2016 last year, the date your books start this year will be 6 April 2016.

If you've been working for yourself for less than 12 months at 5 April 2017, put the date you started trading in box 8.

Box 9 Date your books or accounts are made up to or the end of your accounting period

It's usual to make your books up to the same date each year – your end of year or accounting date. If you stopped trading between 6 April 2016

and 5 April 2017, put that date in box 9 not your end of year date.

If you've been working for yourself for less than 12 months on 5 April 2017, choose whether to make your books up to the end of the tax year (5 April 2017) or a later date, and put that date in box 9. You may find it easier to use 5 April 2017, the end of the tax year. Whatever date you choose, you will pay tax on any profit to 5 April 2017.

If you started trading between 6 April 2015 and 5 April 2016 and made your first books up to 5 April 2016, put 05 04 2016 in box 9. If you made up your first books for 12 months or longer (to a date after 5 April 2016), put 05 04 2017 in box 9.

Box 10

Put an 'X' in box 10, if you used cash basis.

Cash basis is a simpler way of working out your business profits or losses. You add up all your business income received and take off any allowable expenses paid in your accounting period. If you're a sub-contractor in the construction industry, your income is the full amount, before contractor deductions.

Don't include money you owe or any money you are owed at your end of year date.

Certain businesses can't use cash basis.

For more information, go to www.gov.uk/simpler-income-tax-cash-basis

If you used cash basis last year, use it again this year, unless:

- your total business income for 2015 to 2016 was more than twice the VAT threshold and your total business income for 2016 to 2017 is more than the VAT threshold (or double the VAT threshold if you claim Universal Credits)
- it no longer suits, for example, because you want to claim losses against your income

If you leave cash basis, you may need to make a transitional adjustment.

If you're using cash basis for the first time, your total business income can't be more than the VAT threshold (twice the threshold rate if you claim Universal Credit).

The VAT threshold amount reduces if your basis period is less than 12 months.

i For more information on the VAT threshold, go to www.gov.uk/vat-registration-thresholds

For more information on cash basis and transitional adjustments, go to www.gov.uk and search for 'HS222'

Other information

Box 11 If your accounting date has changed permanently

Put an 'X' in box 11 if you've changed accounting dates and you want the change to count for tax.

i For more information about what happens when you change your accounting date, go to www.gov.uk and search for 'HS222'

Box 12 If your accounting date has changed more than once since 5 April 2011

If you put an 'X' in box 12, you must tell us in box 103, 'Any other information' why you have made these changes.

Box 13 If special arrangements apply

Special arrangements apply to some trades including:

- foster carers, go to www.gov.uk and search for 'HS236'
- farmers and market gardeners, go to www.gov.uk and search for 'HS224'
- barristers (advocates in Scotland) who started in practice before 5 April 2013 and used alternative basis. You can get more details from the Bar Council of England and Wales, the Faculty of Advocates and the Northern Ireland Bar Library

Put an 'X' in box 13 if one of these applies to you.

Box 14 If you provided the information about your 2016 to 2017 profit on last year's tax return

For example, if you started the business during the 2015 to 2016 tax year and made your first accounts up to a date after 5 April 2016, put an 'X' in the box. You only have to fill in boxes 1 to 14, boxes 66 to 82 and boxes 100 to 103, and put a zero in box 64 or box 65.

Business income

Value Added Tax (VAT)

If you're VAT registered and using traditional accounting basis, details of your income and deductions would typically exclude VAT, unless VAT is not recoverable.

If you're VAT registered and using cash basis, details of your income and expenses would typically include VAT.

If you choose to include VAT when completing your return, either:

- put your net VAT payment to us as an expense in box 30
- put any net VAT repayment you received from us in box 16

Where an item isn't deductible as an expense for income tax purposes, but the VAT is recoverable, add the recoverable VAT to the expense reported in box 30, or deduct it from the VAT repayment reported in box 16 and add a note in box 103 'Any other information'.

Don't include recoverable VAT when working out capital allowances on qualifying capital expenditure.

Add the recoverable VAT that's excluded from the capital allowances computation to the expense reported in box 30, or deduct it from the VAT repayment in box 16 and add a note in box 103 'Any other information'.

Changes to VAT registration during your accounting period

If you registered for VAT during your accounting period, your expenses up to that date should include VAT. Tell us in box 103 'Any other information', the date you registered and if you've included VAT in recording income and expenses from that date.

If you cancelled your VAT registration during the accounting period, your expenses from that date will still include VAT. Tell us in box 103 'Any other information', the date you deregistered and if income and expenses before that date include VAT.

i For more information, phone the VAT Helpline on 0300 200 3700. For details about VAT flat rate schemes, go to www.gov.uk/vat-flat-rate-scheme

Box 15 Your turnover

Turnover is the total amount earned (traditional accounting basis) or received (cash basis) by your business before taking off any expenses.

This includes:

- tips, fees and commissions
- any payments 'in kind' – that is, not paid by cheque or cash – for work done or goods sold

- if you're using traditional accounting basis, money owed to you for work already done

If you're a subcontractor, make sure you include the full amount (before Construction Industry Scheme (CIS) deductions made by contractors) for your accounting period.

Box 16 Any other business income not included in box 15

This includes income from letting part of your business accommodation and payments for the right to cross your land.

Don't include income from another trade or business. This goes on separate 'Self-employment' pages.

Business expenses

Allowable and disallowable expenses

Expenses can vary from business to business. Some are allowable for tax purposes, others aren't. Allowable expenses include the cost of goods sold or stock used (the amount paid for stock if you use cash basis), wages, rent, lighting, postage, phone calls and motor costs such as fuel and insurance or a flat rate amount and any adjustment expenses that arise on a change from cash basis to traditional accounting basis this year.

i For more information, go to www.gov.uk and search for 'HS222'

They don't include:

- your own salary, wages or drawings, National Insurance contributions
- the cost of entertaining
- the cost of buying a vehicle or other equipment (unless you use cash basis, where allowable expenses include payments for equipment and vehicles other than cars)
- depreciation
- losses on assets

If you used traditional accounting basis, you can claim capital allowances on the cost of the equipment or machinery used in the business in boxes 49 to 59.

Some expenses are only partly allowable. For example, you can only claim the business part of the costs of using your own car or using a room in your home as your office.

If you use cash basis, you can only claim up to £500 of any payments of interest and other costs for cash borrowing.

Use the table of allowable expenses on Helpsheet 222, 'How to calculate your taxable profit' to help you work out what expenses you can and can't claim.

Simplified expenses (flat rates)

Simplified expenses is a way of calculating certain types of allowable business expenses. You use a flat rate instead of working out your actual business expenses.

You can use simplified expenses regardless of whether you use cash basis or traditional accounting basis for the following expenses:

- business costs for vehicles (if you've not claimed the cost of the vehicle as an expense or claimed capital allowances on the vehicle)
- business use of your home or private use of business premises as a home (not both)

You must calculate all other expenses in the usual way.

i For more information on simplified expenses, go to www.gov.uk/simpler-income-tax-simplified-expenses

If your annual turnover is below £83,000, and – you are not in the Managing Serious Defaulters (MSD) programme, add up your expenses and put the total in box 31 (and your total disallowable expenses in box 46 if appropriate) rather than giving a detailed breakdown
– you are in the (MSD) programme, fill in all the relevant boxes.

If you're the subject of additional reporting requirements, you must also send a detailed profit and loss account, balance sheet and computations with your tax return, and:

- tell us about any figures where you don't have records from the time of the transactions, or
- confirm that you have records for all the figures in your accounts

i For more information about expenses and allowances, go to www.gov.uk/government/publications/self-employed-expenses-and-allowances

Box 17 Cost of goods bought for resale or goods used

This includes the cost of raw materials, direct costs of producing goods sold, adjustments for opening and closing stock, commissions, and any discounts. If you're using cash basis, you don't need to make adjustments for opening and closing stock. If you're a taxi or minicab driver, or in the

road haulage industry, put your fuel costs here, not in box 20.

The cost of goods or materials bought for private use and depreciation of equipment are disallowable expenses. If you include them here, you'll also need to put the costs in box 32.

Box 18 Construction industry

This includes the total payments you made to subcontractors or any person or company for any type of construction work. If you include payments for non-business work, you'll also need to put that part of the costs in box 33.

If you take on subcontractors in the construction industry you may need to register as a contractor in the Construction Industry Scheme (CIS).

i For information about CIS and how to register, go to www.gov.uk/cis or phone our CIS Helpline on 0300 200 3210. Or phone our New Employer Helpline on 0300 200 3211.

Box 19 Wages, salaries and other staff costs

This includes salaries, wages, bonuses, pensions, benefits for employees, agency fees, subcontract labour costs (not included elsewhere), and employer's NICs. Don't include payments to yourself, your own pension payments or NICs. Employment costs that aren't paid within 9 months of the accounting period, and any payments for non-business work, are disallowable expenses. If you include them here, you'll also need to put the costs in box 34.

Box 20 Car, van and travel expenses

This includes car and van insurance, repairs, servicing, fuel, parking, hire charges, vehicle licence fees, motoring organisation membership, train, bus, air and taxi fares, hotel room costs and meals on overnight business trips.

There are flat rate expenses for vehicles if you use simplified expenses.

You can't use flat rate expenses for a vehicle if you:

- use cash basis and you deducted the cost of the vehicle as an expense when working out profits
- have claimed capital allowances on the vehicle

In some cases, if you lease or hire a car you can't claim all of the hire charges or rental payments. For example, if you leased a car on or after 6 April 2016 and the CO₂ emissions are over 130g/km, you must disallow 15% of the hire charge or rental cost.

Non-business (private) motoring costs, fines, costs of buying vehicles, restricted lease rental expenses, travel costs between home and business, and other meals are disallowable expenses. If you include them here, you'll also need to put the costs in box 35. If you use simplified expenses for expenditure on vehicles you don't need to make an adjustment for private use of the vehicle.

i For help with working out car hire restrictions and CO2 emissions, go to www.gov.uk/government/collections/hmrc-manuals and look for BIM47714 in the Business Income Manual

Box 21 Rent, rates, power and insurance costs

This includes, for example, rent for business premises, business and water rates, light, heat, power, property insurance, security, and the business use of your home (business proportion or simplified expenses amount).

The costs of any non-business part, or private use of the business premises and the costs of buying business premises are disallowable expenses. If you include them, you also need to put these in box 36.

If you use your home for business, or your home is part of the business premises, you can only claim the business proportion of rent, business and water rates, light, heat, power, as above. Alternatively you can use the simplified expenses flat rate amounts.

i For more information on simplified expenses, go to www.gov.uk/simpler-income-tax-simplified-expenses

Box 22 Repairs and maintenance of property and equipment

This includes any repairs and maintenance of business premises and equipment. If you include any repairs, improvements or alterations of non-business parts of premises or equipment, you'll also need to put the disallowable amount in box 37.

Box 23 Phone, fax, stationery and other office costs

This includes phone and fax running costs, postage, stationery and printing costs, small office equipment and computer software (if under 2 years old). If you include the non-business or private use proportion of these expenses, you'll also need to put that part of the expense in box 38.

Box 24 Advertising and business entertainment costs

This includes advertising in newspapers and directories, mailshots, free samples, and website costs. If you include the cost of entertaining clients, suppliers and customers, or hospitality at events, you'll also need to put these costs in box 39.

Box 25 Interest on bank and other loans

This includes any interest on bank and other business loans, fees for buying goods and hire purchase (don't include any repayments you make against the borrowed amount).

If you used any part of your loan, overdraft or finance payment for non-business use, put the non-business part of the costs in box 40. If you use cash basis, you don't need to work out the non-business part, but if you paid more than £500 for interest and other costs of cash borrowings, you must limit your claim to £500.

Box 26 Bank, credit card and other financial charges

This includes any bank, overdraft and credit card charges, hire purchase interest and leasing payments, and alternative finance payments. Don't include capital repayments. If you used any part of your loan, overdraft or finance payment for non-business use, put the non-business part of the costs in box 41. If you use cash basis you don't need to work out the non-business part, but if you paid more than £500 for interest and costs of cash borrowings, you must limit your claim to £500.

Box 27 Irrecoverable debts written off

This is any amount in your turnover that is unpaid and written off.

Any debts not included in turnover, debts relating to fixed assets, and general bad debts are disallowable expenses. If you include them here, you'll also need to put the costs in box 42. Don't use this box if you use cash basis.

Box 28 Accountancy, legal and other professional fees

This includes fees for accountants, solicitors, surveyors, architects and other professionals and indemnity insurance premiums.

The legal costs of buying property and large items of equipment and the costs of settling tax disputes are disallowable expenses. If you include them here, you also need to put the costs in box 43.

Box 29 Depreciation and loss or profit on sale of assets

Depreciation of equipment or cars, and losses on sales of assets aren't allowable expenses. If you include an amount here, you'll also need to put it in box 44. Don't use this box if you use cash basis.

Box 30 Other business expenses

This includes:

- trade or professional journals and subscriptions, other sundry running costs and net VAT payments
- transitional adjustments if you've left cash basis

Payments to clubs, charities or political parties, any non-business part of an expense and the cost of ordinary clothing are disallowable expenses. If you include them here, you'll also need to put the costs in box 45.

i For more information about business expenses, go to www.gov.uk and search for 'HS222'.

Box 31 Total expenses

Add up your allowable expenses (boxes 17 to 30) carefully and put the total in box 31. Remember to use this figure to work out your net profit for box 47 or net loss for box 48.

Box 46 Total disallowable expenses

Add up your disallowable expenses (boxes 32 to 45) carefully and put the total in box 46.

Don't send any receipts or accounts with your tax return.

Net profit or loss

Box 47 Net profit

Add box 15 and box 16 together. If the total is more than the figure in box 31, put the difference in box 47. Make sure you fill in box 64 and box 76. If your business accounts have a balance sheet, remember to copy your net profit amount to box 96.

47 **Net profit** - if your business income is more than your expenses (if box 15 + box 16 minus box 31 is positive)

£ **2** **5** **5** **6** **0** **0**

Example of 'Self-employment (full)' pages, box 47

Box 48 Net loss

Add boxes 15 and 16 together. If the total is less than the figure in box 31, put the difference in box 48. Make sure you fill in box 65. If your business accounts have a balance sheet, remember to copy your net loss amount to box 96.

48 **Or, net loss** - if your expenses are more than your business income (if box 31 minus (box 15 + box 16) is positive)

£ **3** **5** **0** **0** **0**

Example of 'Self-employment (full)' pages, box 48

Tax allowances for vehicles and equipment (capital allowances)

You can claim capital allowances for the costs of buying and improving:

- plant and machinery including cars, computers and tools
- fixtures and fittings including shelves, furniture, and electrical fittings

You can't claim capital allowances if you're using the cash basis. The only exception is cars. If you've previously claimed capital allowances for a car used in your business, you can continue to claim the allowance in boxes 49 to 59. Include any business part of the running costs as an allowable business expense in box 20. You can't use flat rates.

If you've never claimed capital allowances for the car, you can choose to use the flat rate, or claim capital allowances.

i For more information about capital allowances, go to www.gov.uk/business-tax/capital-allowances

Box 49 Annual Investment Allowance

If you bought equipment (but not cars) on or after 6 April 2014, you can claim Annual Investment Allowance (AIA). From 1 January 2016 the maximum annual amount of AIA is £200,000.

If you use the equipment for both business and private use, you'll need to reduce the Annual Investment Allowance (AIA) you claim by the private use proportion.

Example 1

Gordon buys tools for £5,000 and a van costing £10,000. As the total cost is less than his maximum AIA entitlement for the year, Gordon could claim the full amount as AIA.

The tools are for business use only. However, Gordon uses the van 60% for business and 40% for private motoring so he must reduce the amount of AIA he claims on the van to reflect his private use. The AIA he can claim for the van is £6,000 (£10,000 less 40% private use).

Gordon's total AIA claim is £11,000 (£5,000 for the tools plus £6,000 for the van).

If Gordon claimed AIA for items such as tools or a van and he later sells (disposes of) those items, he may need to pay back part of his allowance. This is a balancing charge.

Box 50 Capital allowances at 18% on equipment, including cars with lower CO2 emissions

You can claim 18% writing down allowance (WDA) for your main pool costs. Don't include 'special rate' expenditure, this goes in box 51.

If during the year you spent more than your maximum Annual Investment Allowance (AIA) on equipment, or bought a car with CO2 emissions of 130g/km or less in the same period, add up your total main pool costs.

Deduct:

- any AIA up to your maximum entitlement (not cars) – the amount claimed in box 49
- equipment that qualifies for a 100% First Year Allowance
- the cost of items that go into a single asset pool, such as assets partly used for non-business purposes

Add this total to the balance of any main pool costs carried forward from the previous year, then deduct any payments (up to the original cost) received during the year from the sale of main pool equipment. You can claim 18% WDA on the final balance. If the balance before you claim WDA is £1,000 or less you can claim a small pool allowance of the full amount instead of the WDA.

i For more information about capital allowances, go to www.gov.uk/business-tax/capital-allowances

Box 51 Capital allowances at 8% on equipment, including cars with higher CO2 emissions

You can claim 8% WDA a year for the costs of:

- cars bought on or after 6 April 2013 with CO2 emissions of more than 130g/km
- cars bought between 6 April 2009 and 5 April 2013 with CO2 emissions of more than 160g/km
- integral features of a building or structure, such as electrical and water systems, lighting, lifts and escalators
- insulation that you added to an existing building
- assets or equipment with a life expectancy of more than 25 years from when they were new

You can use your Annual Investment Allowance (AIA) wholly or partly against these costs (not cars), instead of, or as well as, on costs qualifying for the 18% rate. Any balance of expenditure after taking off AIA will go in the 'special rate' pool, which qualifies for allowances at 8%.

You work out the final balance for the 8% pool in the same way as for the 18% pool (see box 50).

If the final balance of the special rate pool is £1,000 or less, you can claim the whole amount as small pools allowance instead of 8% WDA.

Box 52 Zero-emission goods vehicles allowance

Claim the full cost of any new and not second hand zero-emission goods vehicles in this box.

If you use a vehicle outside of your business, for 50% of the time for example, you must reduce the amount of the allowance you claim by 50%.

Box 54 Business Premises Renovation Allowance (BPRA) (Assisted Areas only)

You can claim 100% BPRA for the cost of renovating or repairing unused business premises if they:

- were unused for one year before the work began
- were last used for a business purpose
- are in an Assisted Area
- are used or ready for business after the work finished

i For more information about BPRA, go to www.gov.uk/business-premises-renovation-allowance-bpra

Box 55 100% and other enhanced capital allowances

You can claim 100% capital allowances for:

- certain energy-saving or water-efficient equipment used in your business
- a new, unused car bought on or after 1 April 2015 with CO₂ emissions of not more than 75g/km
- equipment for refuelling vehicles with natural gas, biogas or hydrogen fuel
- investment in electric charge-points for electric vehicles (if purchased on or after 23 November 2016)

Box 56 Allowances on sale or cessation of business use (where you have disposed of assets for less than their tax value)

If you sell or give away business items, before you work out your allowances, deduct from the relevant pool:

- the amount you received for the sale, or
- the market value of the goods that you keep or give away

If you've claimed the full amount of AIA available for all of your expenditure, your pool balance will be nil. If you then sell or give away an item for which you have claimed AIA, you'll have a balancing charge (see box 59).

If the business ceases, you can claim any balance left in the pool after you've deducted either the amount you sell the items for, or the market value if you keep them or give them away, as a balancing allowance instead of claiming a WDA.

Box 58 Balancing charge on sale or cessation of business use (only where Business Premises Renovation Allowance (BPRA) has been claimed)

If you claimed BPRA, you must keep the property for at least 7 years from the date you first used it (5 years for expenditure incurred on or after 6 April 2014). You'll have to pay balancing charges if in that period:

- you sell the premises or a long lease is granted for a capital sum
- you stop using the premises for business use
- the premises are demolished or destroyed

 For more information about balancing charges, go to www.gov.uk/business-tax/capital-allowances

Box 59 Balancing charge on sales of other assets or on the cessation of business use (where you have disposed of assets for more than their tax value)

If you sell an item you've claimed capital allowances on, and the sale or value of the item is more than the pool value or cost, you'll have to pay tax on the difference (a 'balancing charge'). This includes items where the pool value is nil because you claimed all of the cost in the year you bought it. Put the total balancing charge (not BPRA) in box 59.

Calculating your taxable profit or loss

Box 60 Goods and services for your own use

If you take goods or stock out of the business, put the normal sale price in box 60. If you use cash basis only include the disallowable amount (usually the cost).

Box 62 Income, receipts and other profits included in business income or expenses but not taxable as business profits

If you included any amounts in your turnover (box 15) that you know are not taxable as profit, put them in box 62.

Box 64 Net business profit for tax purposes

If your turnover is more than your expenses and capital allowances, you've made a profit. If you had no capital allowances, put the same figure in box 64 as you used in box 47. Use the working sheet on page SEFN 10 of these notes to help you.

Box 65 Net business loss for tax purposes

If your expenses and capital allowances are more than your turnover, you've made a loss. Only include a loss for this tax year. Put any loss from a previous year in box 74. Use the Working Sheet on page SEFN 10 of these notes to help you.

Working sheet for boxes 64 and 65

Net profit box 47 or net loss box 48

Add

Disallowable expenses box 46

Balancing charges boxes 58 and 59

Goods and services for your own use box 60

A £

B £

C £

D £

Total add boxes A, B, C and D

E £

Minus

Total capital allowances box 57

£

Add

Non-taxable income or receipts box 62

£

= F £

Total box E minus box F

G £

If the amount is positive you've a net profit. Copy to box 64

If the amount is negative you've a net loss. Copy to box 65

Working sheet for taxable profits or adjusted loss

Net business profit box 64 or net business loss box 65

(put a loss as a negative figure)

Add

Positive adjustment for basis period box 68

A £

B £

Total add boxes A and B

C £

Minus

Negative adjustment for basis period box 68

£

Overlap Relief box 69

£

D £

Total box C minus box D

E £

If the amount in box E is positive (a profit)

Adjustment for change of accounting practice box 71

F £

Add

Positive averaging adjustment box 72

G £

Or minus

Negative averaging adjustment box 72

H £

Adjusted profit copy to box 73

add boxes E, F and G, or

add boxes E and F minus box H

I £

Minus

Losses brought forward box 74 - up to the amount in box I

J £

Total box I minus box J

K £

Add

Any other business income box 75

L £

Total taxable profits add boxes K and L - copy to box 76

M £

If the amount in box E is a loss or zero

Copy the amount in box E (the adjusted loss) to box 77, but put it as a positive figure.

Don't include the minus sign in box 77. If you've any figures in boxes 71 or 72, put the total of those boxes in box 73, and the adjusted loss figure in box 77.

Boxes 66 and 67 Basis period

You pay tax on the profits of your basis period for the tax year. When you've been in business for a couple of years, the basis period is usually the 12-month accounting period. Different rules apply when you start or cease a business or if you change accounting date.

Starting in business

If your business began between 6 April 2016 and 5 April 2017

Your basis period begins on the date you started in business and ends on 5 April 2017.

If your business began between 6 April 2015 and 5 April 2016

If you have an accounting date between 6 April 2016 and 5 April 2017 and it is:

- 12 months or more after the date your business began, your basis period is the 12 months to that accounting date
- less than 12 months after the date you started in business, your basis period is the 12 months beginning on the date you started

If you don't have an accounting date between 6 April 2016 and 5 April 2017, your basis period is 6 April 2016 to 5 April 2017.

Example 3

John started his plumbing business on 6 October 2015. As the tax year ends on 5 April 2016, he decided it was easy to use 5 April 2016 as his end of year date. He prepared his first accounts for a 6-month period and filled in a tax return last year to 5 April 2016. This year his accounts are for the whole year, so he'll put 06 04 2016 in box 66 and 05 04 2017 in box 67.

Example 4

Amy also started her business as a mobile hairdresser on 6 October 2015. She decided to prepare her first accounts for 12 months to 5 October 2016. Amy's accounts are for 12 months. She'll put 06 10 2015 in box 66 and 05 10 2016 in box 67.

Ceasing in business

If your business ceased between 6 April 2016 and 5 April 2017

Your basis period begins on the day after your basis period for the 2015 to 2016 tax year ended (or the date you started in business in the 2016 to 2017 tax year) and ends on the day your business ended.

Box 68 If your basis period is not the same as your accounting period

You may have to add together the amounts of your accounting periods or apportion the total to work out your profit or loss for your basis period. Put any adjustments to your profit (box 64) or loss (box 65) in box 68.

Box 69 Overlap relief used this year

You can claim overlap relief if you have overlap profits and you:

- sold or closed down your business, and your basis period this year does not start on 6 April
- changed your accounting date and your basis period this year is more than 12 months

 For information about Overlap Relief, go to www.gov.uk and search for 'HS22'

Box 70 Overlap profit carried forward

Any overlap profit you carried forward from previous years plus any new overlap profits in the tax year or minus any overlap relief you used this year.

Box 71 Adjustment for change of accounting practice

If you worked out your profit using

- traditional accounting this year and
- cash basis (alternative basis - barristers and advocates) last year and
- you've a positive transitional adjustment, include the amount of adjustment that is taxable this year.

Remember to include any adjusted profit in box 73.

 For information about transitional adjustments, go to www.gov.uk and search for 'HS22'

Box 72 Averaging adjustment (only for farmers, market gardeners and creators of literary or artistic works)

If your averaging claim changes the amount of your profit, put the amount of the change in box 72. If the claim reduces your profit this year, put a minus sign in the box.

Don't use this box if you use cash basis.

 For information on farmers and market gardeners, go to www.gov.uk and search for 'HS24'

For information on averaging for creators of literary or artistic works, go to www.gov.uk and search for 'HS234'

Box 73 Adjusted profit for 2016 to 2017

Use the working sheet on page SEFN 10 of these notes to work out your adjusted profit. If you've made a loss, put '0' in box 73 and put the amount of the loss in box 77.

Box 75 Any other business income not included in boxes 15, 16 or 60

This includes any other business income, such as rebates received, and non arm's length reverse premiums.

Box 76 Total taxable profits from this business

Use the working sheet on page SEFN 10 of these notes to work out your total taxable profit or adjusted loss. If you have a profit, put the figure in box 76. If you've no adjustment to make, put the same figure in box 76 as you used in box 64.

Losses

You can claim tax relief for any losses you made. The amount of tax relief you claim against your income may be restricted or limited.

If you've already made a claim for your loss for the 2016 to 2017 tax year, include the loss in boxes 78 to 80 and give us the details in box 103 'Any other information'.

i For information and help working out your losses and the restrictions on loss relief, go to www.gov.uk and search for 'HS227'

For more information about the limit on Income Tax reliefs, go to www.gov.uk and search for 'HS204'

Box 77 Adjusted loss for 2016 to 2017

Use the working sheet on page SEFN 10 of these notes to work out your total taxable profit or adjusted loss. If you have a loss, put the figure in box 77. If you've no adjustment to make, put the same figure you used in box 65, in box 77.

Box 78 Loss from this tax year set off against other income for 2016 to 2017

Only include a loss for this tax year in box 78. If the loss is more than your other income (or your other income is nil), put your income amount (or nil) in box 78. You can claim the balance of your loss against any capital gains for 2016 to 2017 or fill in box 79 or 80.

Don't fill in box 78 if you use cash basis.

Box 79 Loss to be carried back to previous year(s) and set off against income (or capital gains)

You can carry losses back to use against:

- income (or capital gains) of the 2015 to 2016 tax year. Don't make this claim if you use cash basis
- income of the 2013 to 2014, 2014 to 2015 and 2015 to 2016 tax years. Start with the earliest year. You can only make this claim if your business began after 5 April 2013. Don't make this claim if you use cash basis
- profit of the same business in the 2013 to 2014, 2014 to 2015 and 2015 to 2016 tax year. Start with the latest year. Only make this claim if your business ceased in the 2016 to 2017 tax year. Your claim is for the losses in the final 12 months of the business (terminal loss relief).

Put the loss to be carry back to a previous year in box 79, and give us the details of the amount claimed for each year in box 103 'Any other information'.

If you use cash basis, you can only claim for terminal loss relief.

i For information on terminal losses, go to www.gov.uk and search for 'HS227'

Box 80 Total loss to carry forward after all other set-offs

You can carry forward your loss, or the amount of loss not used against income or capital gains (boxes 78 and 79), to set against any future profits from the same business. If you have any losses from previous years that you've not already used up, include them in box 80.

If you use cash basis and have not claimed terminal loss relief on cessation of your trade, put the loss in box 80.

CIS deductions and tax taken off

Box 81 Deductions on payment and deduction statements from contractors

If you're a subcontractor, add up all the deductions made by contractors from 6 April 2016 to 5 April 2017. You'll find the deductions on statements that contractors gave you. Don't send these with your tax return.

Even if you've already claimed a CIS repayment, you'll need to include the deductions in box 81. If you've received a refund of CIS deductions,

make sure you include it in Box 1 ‘Tax refunded or set off’ on page TR 6 of your tax return.

If you put any figures in box 81, check you’ve included the full amount for your accounting period (before taking off the CIS deductions) in box 15 ‘Your turnover’.

Box 82 Other tax taken off trading income

If you have had any other tax taken off (not CIS deductions), put the amount in box 82.

Balance sheet

Use the figures on your balance sheet to fill in boxes 83 to 99.

Depending on your business, some entries may be an asset or liability on the balance sheet.

For example, any funds you have in your business bank account are an asset, but if the account is overdrawn, it is a liability. This can apply to capital account balances and the net profit or loss.

Box 94 Net business assets

If your liabilities are greater than your assets, put a minus sign in this box.

Box 95 Balance at start of period

If the balance on a capital account is overdrawn, put a minus sign in this box.

Box 96 Net profit or loss

If you made a profit, put the same figure you used in box 47, in box 96. If you made a loss, use the same figure from box 48 and put a minus sign in the box.

Class 2 and Class 4 National Insurance contributions (NICs)

Box 100 If your total profits for 2016 to 2017 are less than £5,965 and you choose to pay Class 2 NICs voluntarily

If your taxable profits are £5,965 or more, you pay Class 2 NICs (£2.80 a week). If your profits are less than £5,965 or you made a loss, you can pay Class 2 NICs voluntarily to protect your State Pension and certain benefits. You must be registered as self-employed to pay Class 2 NICs or to pay voluntarily. If you’re registered for Self Assessment but not as self-employed go to www.gov.uk/log-in-file-self-assessment-tax-return/register-if-youre-self-employed

If you’re employed and self-employed, you may be able to pay a lower amount of Class 2 NICs

depending on the amount of National Insurance you pay from your wages.

You still have to pay Class 2 NICs during a temporary break if you intend to continue being self-employed. This includes:

- writers undertaking research
- on holiday
- short term employment
- on jury service

For more information, go to www.gov.uk/national-insurance/how-much-you-pay

Put an ‘X’ in box 100 if you want to pay Class 2 NICs voluntarily. If you fill in more than one ‘Self-employment’ page, you only need to do this once. You can’t change your mind after you pay your bill.

i For more information, go to www.gov.uk/voluntary-national-insurance-contributions
For information on Universal Credit, go to www.gov.uk/national-insurance-credits

Box 101 If you are exempt from paying Class 4 NICs

You don’t have to pay Class 4 NICs if:

- on 6 April 2016 you were at or over State Pension age, or under 16, or
- you were not resident in the UK for tax purposes during the 2016 to 2017 tax year

Only put an ‘X’ in the box if you’re exempt.

i To find out your State Pension age, go to www.gov.uk/calculate-state-pension

Box 102 Adjustment to profits chargeable to Class 4 NICs

Some adjustments can reduce the amount of Class 4 NICs you have to pay. Include in box 102, the amount of any:

- adjustment you put in box 71
- employment earnings you put in box 64
- losses you brought forward but have not set against profits chargeable to Class 4 NICs
- interest you’ve been charged and haven’t included to work out your taxable profit

i For information on Class 4 NICs adjustments, go to www.gov.uk and search for ‘HS220’

Any other information

Box 103

Put put any additional information in this box.

This may include:

- the reason you used provisional amounts and the date you'll give us your final figures
- the dates you registered or deregistered for VAT
- information about any losses you're claiming tax relief for

More help if you need it

To get copies of any tax return forms or helpsheets, go to www.gov.uk/taxreturnforms

You can phone the Self Assessment Helpline on 0300 200 3310 for help with your tax return.

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.