



## Record keeping ●●●●

**Keeping proper records will benefit you and your business. If you don't, you could end up paying more tax than you actually owe. And staying in control of all the facts and figures means there's one less thing to worry about.**

### Why do I have to keep records?

The law says that everyone who pays tax must keep the records they need to fill in a tax return. If you don't keep records, how can you show what you've earned and what you've spent? By law, you must keep all your records for at least five years from the latest date for sending back your tax return, but it's up to you to decide how you keep them.

Your Tax Office may decide to look into your tax return or claim. If they do, they may want to look at your records. It will save you time if you can show that the records you have kept are full and accurate. It can also save you money - you can be fined up to £3000 for each year that you fail to keep proper records.

### What's in it for me?

Of course, you need records to help you fill in your tax return. But there are plenty of other good reasons.

- **Don't pay more than you need**  
You could end up paying more tax than you need to if you don't keep proper records, simply because you can't prove your income and expenses.
- **It makes good business sense**  
There are lots of advantages to keeping good records, and it needn't be difficult or time-consuming if you start with a proper system and update the information regularly. Don't forget, we can help.



#### Remember

*You **must** keep all your records for at least five years.*