

What would you do with an extra 14 hours per month?

- Spend it with your family and friends? Travel? Cycle? Play golf? Take up a new hobby?
- Our contractor client was feeling frazzled and stressed when she came to us for advice. Not only did we help reduce her tax bill and increase her take home pay, we also gave her some much needed time back!

[Read on to find out...](#)

The Situation

Charlotte had been operating within a limited company for about five months prior to speaking with us. She was saving 20% of her income to cover future tax bills and drawing the rest as salary.

However, she was spending 3-4 hours each week on administration - invoicing, record keeping, banking, worrying and generally trying to figure out what she should be doing.

Furthermore, she was concerned that she had no idea how much tax she had to pay nor did she understand the best way to extract income from her business.

Our Solution

Firstly we advised Charlotte to send all her paperwork including bank statements to us so that we could undertake a full review. We prepared an interim set of accounts and reviewed these together with Charlotte in order to increase her understanding and be able to properly advise her.

Based on this information, we registered Charlotte's company for the Flat Rate VAT Scheme (see our guide on the subject for further information), for PAYE and advised her on all filing and payment deadlines and the maximum expenses she should be claiming from her company. We also supplied her with an invoice template and a simple spreadsheet in which to record her expenses each month.

Additionally we now complete all of Charlotte's bookkeeping for her, provide her with monthly management information and advise her on how best to draw money from the company and what to put aside for tax at the end of the year.

Result?

Charlotte now spends about half an hour a month sending her information to us - a massive time saving of around 14 hours per month, which she has banked and is now travelling around Europe for a few weeks!

Registering for Flat Rate VAT increased the company profits by £1,000 per annum, while claiming all her relevant allowable expenses saved the company more than £1,500 corporation tax per year.

Moreover, good remuneration restructuring saved Charlotte more than £1,500 in personal tax, while potentially increasing her take home pay by more than £4,000 per year.

Another happy contractor!

"The biggest difference that IN Accountancy have made to me has been delivering piece of mind that I always know where I stand. My admin was a mess and I was spending - wasting - far too much time on it and was feeling really stresses as I knew that I wasn't doing things right. Good advice and a great accountant is worth paying for and I would definitely recommend IN Accountancy"

Charlotte Watts, Watts Collective Ltd