

Making Tax Digital Guide

How to prepare your small business for Making Tax Digital

www.pandle.co.uk

Making Tax Digital is an initiative created by HMRC to create a simpler, more effective and efficient tax system.

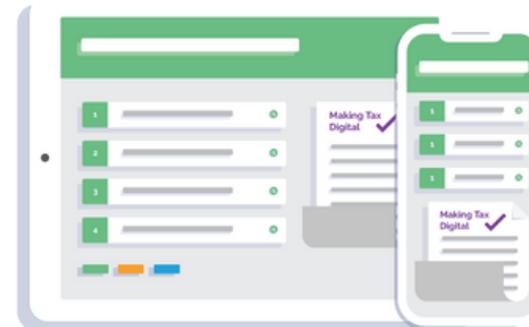
Introduction

As you no doubt have already heard, Making Tax Digital (MTD) has promised major changes to the world of accounting and bookkeeping.

Whatever your opinion on the changes, it's going to mean a lot of upheaval for small businesses in the UK.

In this guide, we'll cover:

- 03 What is MTD?
- 04 What does MTD for VAT mean for your business?
- 05 How to prepare your business for MTD
- 06 How to make the change to MTD as smooth as possible
- 07 How Pandle can help



What is MTD?

MTD is a government initiative that will change the way businesses submit their returns (Self Assessment Tax Return, VAT Return and Corporation Tax Return)

Instead of the annual tax return, businesses will have to submit their figures every quarter using online accounting software.

This will not mean submitting four tax returns per year. Instead, you will be regularly managing your bookkeeping and will simply need to check the information HMRC are receiving is correct.

While plenty of you won't be a fan of these quarterly submissions, the upside is that by regularly managing your finances, you can avoid any nasty surprises like bigger tax bills than you were expecting.

It will also reduce the number of penalties which are incurred by businesses submitting incorrect figures.



What does MTD for VAT mean for your business?

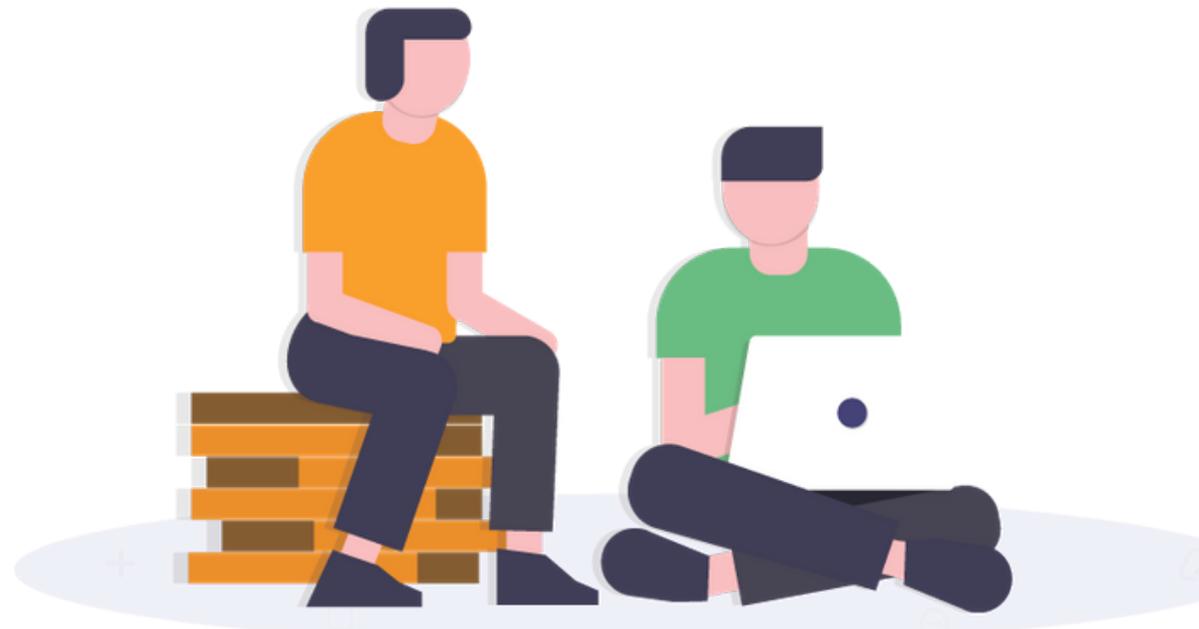
MTD for VAT is just the first round of changes in the MTD initiative.

For now, it means that from April 2019 onwards any VAT registered businesses will need to file their quarterly VAT returns using HMRC recognised software.

However, spreadsheets will still be eligible as an alternative for the following twelve-month soft-landing period. During this time, "bridging software" will also allow data to be sent digitally from spreadsheets into the HMRC portal, without the need for any manual data entry.

Smaller businesses under the VAT threshold can relax for now, but MTD will be rolled out to everyone eventually for the submission of their annual tax returns.

With that in mind, we would recommend that you begin getting your business prepared while you still have plenty of the time left to embrace digital record keeping.



How to prepare your business for MTD

If you haven't already begun your MTD preparation, now is certainly the time to do so. Here is our three step plan:

1

Determine if your business needs to react now

Ask yourself, is my turnover £85,000 or over per annum? If so, your business should be VAT registered, and must begin its transition into storing and submitting VAT returns using online accounting software before 1st April 2019.

2

Research what accounting software is available

Start looking at every software provider to see which is the most effective, easy to use and most suitable for your business. You don't want to end up rushing into choosing any software right at the last minute.

3

Try before you buy

Once you have a chosen accounting software in mind test it out before you jump right in! Most accounting software offer a trial period, so you decide if it is right for your business before you start entering your actual transactions.

How to make the change to MTD as smooth as possible

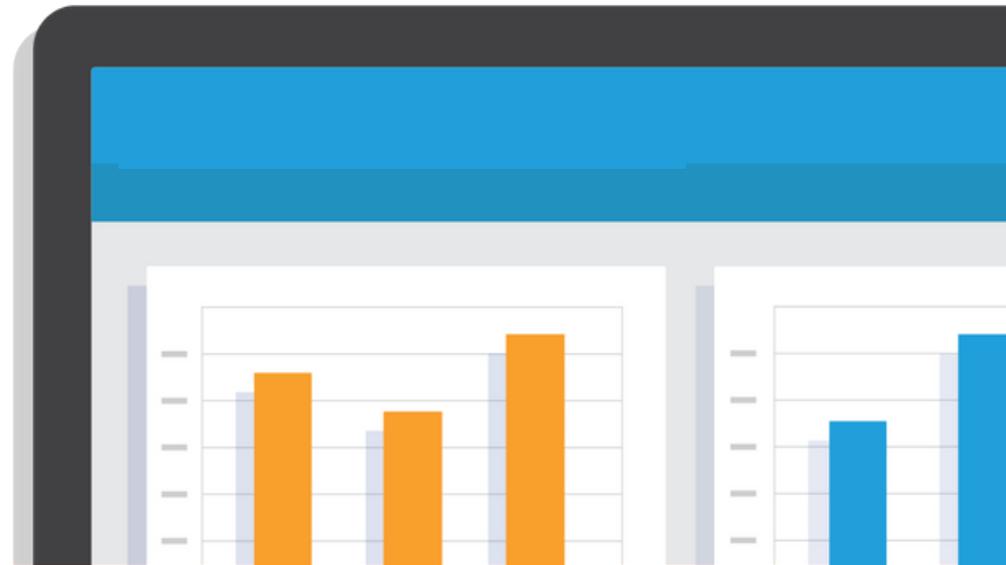
We would recommend that your business makes the move to accounting software soon, if you haven't already.

Although your business may fall under the VAT threshold, meaning you do not have to switch to MTD yet, we would still recommend that you to start preparing for this eventuality.

From April 2020 (at the earliest) all businesses will be required to keep digital records and make quarterly submissions for income and corporation tax, replacing the annual tax return. Exact dates and details of this are yet to be confirmed by HMRC.

Adopting accounting software now will:

- Give you more time to get used to the software and begin using it effectively
- Mean fewer potential problems when the final MTD deadline for annual tax returns comes around



We've been hard at work this year getting Pandle ready for Making Tax Digital. You can now find us on [this list](#) of HMRC recognised software suppliers supporting MTD for VAT.

How Pandle can help

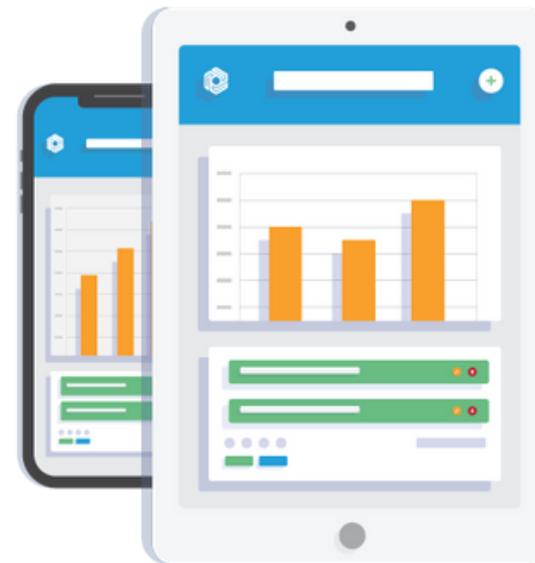
Ideal for those who need to start preparing for MTD, Pandle has been developed with the needs of small businesses owners, freelancers and contractors in mind.

Our software is designed to be simple and easy to use, which is particularly important for those of you who are a bit anxious or hesitant to go digital – our simple approach to bookkeeping makes the learning curve much easier.

Error reduction

We also aim to reduce the amount of errors in your bookkeeping records, making your life a little easier. Through our intuitive machine learning algorithms Pandle will warn you if you are inputting data that has a low probability of being correct, helping you to consider if the entry is accurate or not.

Fewer errors will give you less to worry about, particularly if you're already worried about getting used to a brand new way of submitting returns.



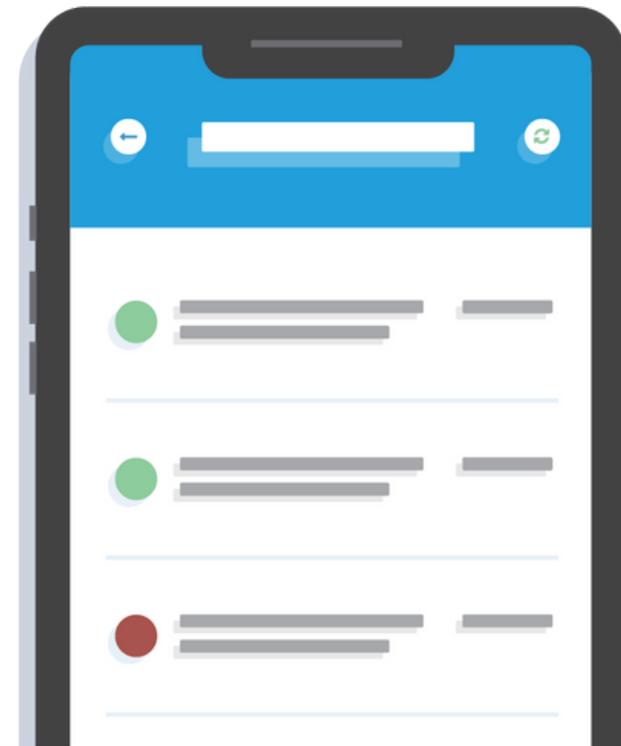
Mobile friendly

Our intuitive mobile app truly makes Pandle accessible from anywhere in the world – something increasingly important for the modern business owner.

This helps to encourage up-to date record keeping and a more hands-on approach to bookkeeping – something that will save you time and effort to fix any issues further down the line.

Choosing a software partner which is simple and easy to use, employs a range of error prevention measures and comes equipped with a mobile app will help you get used to Making Tax Digital more easily than you ever thought possible.

You can download the Pandle Mobile app using the links below:



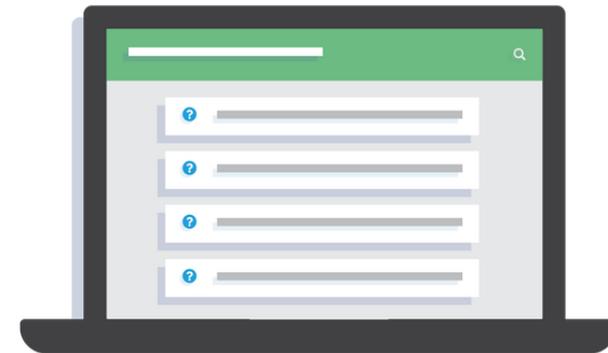
Support

We understand that moving from spreadsheets or manually kept records to online accounting software is a daunting proposition, which is why we're to support you every step of the way.

We have created a dedicated help centre where you can access how to guides, FAQs and tutorial videos. You can also access live chat support through our help centre or within Pandle itself.

So if you need a little help getting started there will always be someone on hand to answer any questions you have about managing your bookkeeping on Pandle.

If you have any questions about moving from spreadsheets or manually kept records to online accountancy software please don't hesitate to contact us by emailing support@pandle.co.uk.



Free trial of Pandle Pro

If this all sounds like something which would help ease the stress of preparing for MTD then we have a free 14 day trial of Pandle Pro available, so you can get full access to our refreshingly simple bookkeeping solution.

Click [learn more about Pandle](#) to discover if we would be suitable for your business before signing up for our free trial.

[Learn More About Pandle](#)

