

TAX

BUSINESS

COMPLIANCE

REALLY GREAT SUPPORT

ESSENTIAL  
FINANCIAL  
INSIGHTS  
FOR  
BUSINESS  
SUCCESS

BOOKKEEPING  
MISTAKES &  
KEY  
COMPLIANCE  
RULES

BUSINESS

YOUR FEBRUARY  
2025 MONEY  
POWER  
BRIEFING

LISA HAY



MONTHLY MONEY POWER BRIEFING

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Get in touch - we're just a call or email away! Stay tuned for upcoming courses and deep dives!

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# EDITOR'S NOTE

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*Dear Business Owners,*

Welcome to the February edition of the Monthly Money Power Briefing! I'm so glad you've joined us for another month of insights, strategies, and practical advice to help your business thrive.

This month, we're diving understanding your costs. Gaining deeper insight into your cost base can help you identify savings, streamline operations and ultimately enhance your bottom line. Small changes in expense management can lead to big financial wins.

We also take a look at common bookkeeping pitfalls to avoid and breaking down Companies House - what it is, why it matters and what you need to know to stay compliant.

So, grab a coffee, take a moment to read, and give yourself 10 minutes to digest the insights—who knows, it could spark a game-changing idea for your business!

*Yours in Success,*

*Lisa x*





# Monthly Spotlight

# Bookkeeping Success

This month, we cover essential bookkeeping practices - from separating business and personal finances to avoiding bookkeeping mistakes and mastering expense tracking - keep your business thriving!

## Business vs. Personal: Keep Finances Separate!

Whilst it's legal to use a limited company's bank account for personal expenses, it's not recommended.

Mixing business and personal finances can cause accounting headaches, complicate tax records, and trigger HMRC investigations if personal expenses are claimed as business costs. Instead, keep finances separate by paying yourself a salary and maintaining clear, organized financial records.

## Expense Tracking? Here's What We Recommend...

Use these top tips for effective expense tracking and record-keeping,

- **Create a Petty Cash System:** Track small expenses with vouchers and maintain accurate records
- **Automate Recurring Non-Bank Expenses:** Schedule payments to avoid these being overlooked
- **Maintain a Mileage Log:** Keep a log or use apps like [Driversnote](#)
- **Track Expenses Paid Personally by Employees or Directors:** Ditch complicated admin and Simplify with tools like Xero Expense Tracking
- **Establish an Approval Process:** Set clear expense approval guidelines, especially for larger teams.
- **Review Expenses Monthly:** Regularly audit expenses for accuracy and completeness.

**These practices help maintain organised, accurate, and compliant financial records.**



## Common Bookkeeping Mistakes: Costly Pitfalls to Avoid!

Time and time again, when taking on new clients, **we see the same mistakes costing businesses time and money** - avoid these common pitfalls:

- **Neglecting Unpaid Invoices:** Hurts cash flow, profits and liquidity
- **Relying on Manual Systems (e.g., Excel):** Increases errors and misses automation opportunities
- **Skipping Document Data Capture Tools:** Leads to human errors and missed time-saving opportunities
- **Mixing Personal and Business Expenses:** Makes financial reporting messy and complex
- **Not Reconciling Accounts Regularly:** Causes unresolved discrepancies and inaccurate records
- **Ignoring Cash Transactions:** Creates financial gaps and potential tax overpayments
- **Misclassifying Expenses:** Affects financial statement accuracy and tax calculations..

**Whether you handle your own books or use a bookkeeper, avoiding these mistakes keeps your finances organised, accurate and stress-free.**





# Profit Pulse

## Optimise Spending, Boost Bottom Line

### Stop Wasting Money Cut Hidden Costs

**Reviewing and eliminating non-essential costs is a quick way to boost profits without making major changes to your business.**

Start by using your bookkeeping records to track where your money is going and identify recurring expenses that aren't adding value. You might be surprised by how many unnecessary costs have slipped under the radar.

Unused subscriptions like outdated software, costly memberships, or services you no longer need, can quietly and unnecessarily drain your cash flow.

Cancel anything that isn't actively benefiting your business or explore smarter, cost-effective alternatives that offer better value.

**Every small saving adds up over time, improving your bottom line.**



### Slash Supplier Costs Keep More Profit

**Don't just accept the same supplier rates year after year — so renegotiate!** Many vendors offer discounts, or better terms if you simply ask.

Start by listing your regular suppliers and comparing them with competitors. Are you getting the best price without sacrificing quality? If not, it's time to explore new options or leverage competition to secure better deals.

Maximise supplier incentives like bulk discounts, early payment savings, cashback rebates and free shipping.

**Trimming unnecessary costs now means more money in your pocket and a leaner, more profitable business.**

### Quick Win Of The Month

Regularly assess your pricing to reflect changes and especially any rises in costs.

### Work Smarter Save More

**Repetitive tasks eat up valuable time and money.**

Automate accounting, scheduling, and client management with software like Xero and Calendly to streamline operations.

Freeing up your time means focusing on growth instead of admin.

**Small changes can lead to big savings.**

- Switch to LED lighting, smart thermostats and energy-efficient appliances to cut utility bills.
- Reduce waste in production by improving processes, minimising material waste, and optimising workflow efficiency.
- Office costs add up quickly — go paperless with e-invoicing and digital storage to save on printing, paper, and filing costs.

**Simple shifts like these can improve efficiency and boost profits instantly!**



# COMPLIANCE

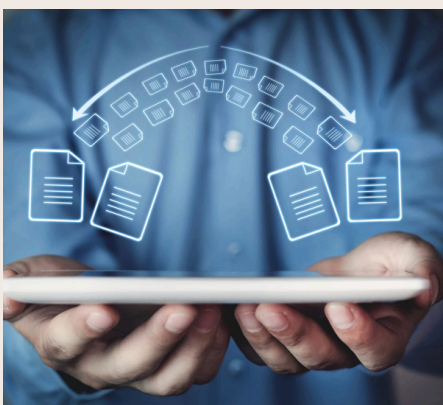
## Mastering the Art of Compliance Understanding Companies House...

### What is Companies House?

**Companies House**, is the UK's official company register for all companies in the UK.. It is a vital resource for small business owners. It offers public access to detailed company information, including personal, financial, and corporate data of registered businesses.

This information and transparency make it an invaluable tool for evaluating the credibility of potential business partners, suppliers, and customers.

When setting up a limited company, businesses must register with Companies House by submitting essential documents, including Form IN01 and the Memorandum and Articles of Association.



### What Are My Responsibilities?

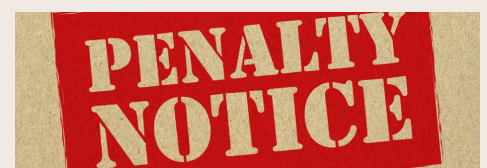
**Directors of limited companies must fully understand their duties and responsibilities.** Beyond managing daily operations, they have important obligations to Companies House, with the key requirements including:

- **Filing annual accounts:** Prepare and submit accounts by the statutory deadline
- **Filing a confirmation statement:** Submit the confirmation statement by the statutory deadline
- **Notifying changes:** Inform Companies House of any changes to the company, such as changes to the company's name, address, or directors

### Staying Compliant is Paramount...

**Filing documents on time isn't just about ticking legal boxes—it's a powerful statement of your company's transparency, reliability, and professionalism.**

Late filings can hinder access to finance, as investors and lenders often view poor compliance as a red flag for mismanagement. Plus, the Companies House register is a key tool in due diligence, helping potential partners, customers, and suppliers assess your business's stability



Directors who fail to meet Companies House responsibilities risk financial penalties, legal action, and potential disqualification from acting as a director for up to 15 years.

Stay compliant, safeguard your reputation, and ensure your business stands out as a trusted, well-managed enterprise.







# In The News

## Real World Insights



### HMRC Cuts Interest on Late Payments – But Delay Costs!

Following the base rate cut to 4.5% in February, HMRC is set to lower its interest charges. Starting on the 25th of February, the late payment rate will fall from 7.25% to 7.0%, and the repayment rate will drop from 3.75% to 3.5%.

These changes were announced at last October's

Budget as part of a broader crackdown on tax avoidance and late payments, and is expected to generate an additional £255m annually.

This highlights the crucial importance of meeting filing and payment deadlines to avoid costly mistakes.



### Cash ISAs

Rachel Reeves told banks she won't scrap cash ISAs but wants savers to invest more in stocks & shares. Currently, savers can put up to £20,000 per tax year into either ISA. Rules might change to lower the cash ISA limit to boost stock investments.

**For now, cash ISAs remain tax savvy for spare cash.**

### Toyota Dealer Wins £1.4m Tax Relief Appeal

FRF Motors **successfully appealed HMRC's denial of their renovation allowance claim** after converting a warehouse into a Toyota showroom.



The tribunal determined that the conversion preserved enough of the original structure, including foundations and drainage, which qualified the renovations as a conversion instead of creating a new building.

HMRC had claimed that the works did not simply renovate the warehouse but effectively created a new building and

therefore disqualified the renovation from being eligible for the renovation allowance.

**This ruling illustrates the importance of thoroughly documented decisions, not only to secure valuable tax relief but also to provide strong evidence in the event of a HMRC investigation.**

# CONTACT US

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***Save Money / Stay Compliant / Reduce Stress***

Discover our previous briefings at  
**[www.taxtalks.co.uk/moneypowerbriefings](http://www.taxtalks.co.uk/moneypowerbriefings)**

**Congratulations on diving into this month's Money Power Briefing, brought to you by Tax Talks!** By staying informed, you're keeping up with regulatory requirements, enhancing your financial savvy, and discovering powerful tax-saving and profit-boosting strategies to drive your business forward.

## **Need More?**

Keep an eye out for our upcoming courses this year, where we'll be taking a deep dive into tax-saving strategies and compliance essentials—ensuring your business stays on track, maximizes tax savings, and remains fully compliant.

**Remember, staying on top of your tax process is a year-round effort,** If you're ready to dive deeper into tax-savings and learn how to confidently lead your finances, follow me 'lisahayaccountant' on **Instagram** and learn how to save tax, stay compliant and reduce stress.



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