

Case Study:

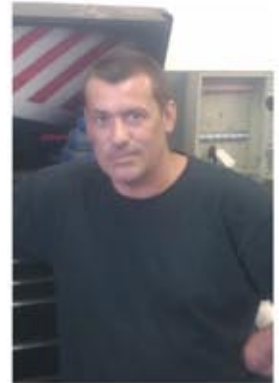


Position: MECHANIC
 Name: MARK ARCHER
 Location: WATFORD
 Savings: £4,500

“My accountant could have cost me over £4,500.”

I was introduced to MrTax CD late last year. Having been a mechanic for a number of years, I had purchased lots of tools. It is almost a tradition from apprenticeship that a mechanic takes great pride in his tools and purchases them on a regular basis and at their own expense.

When I became self employed I engaged an accountant. However, it was only MrTax CD that alerted me to the fact that tools were allowable and would make a huge difference to my tax bill. Although I had used a reputable accountancy firm they had never asked about my tools so no allowances had been claimed.



When you become self employed you should transfer your tools to your business and claim for them as a business cost. The taxman knows that a tradesman like myself has tools – they must have been bought and cannot just appear by magic.

I had a complete inventory of my tools for insurance purposes and it is not difficult to construct if you do not have one.

Many tool suppliers have web sites that can help you to price up the items and some will even supply you copies of the original invoice. If I had been employed by a garage rather than self employed I would have been due a tax refund of several thousand pounds!

My tools were worth over £16,000 on a market value basis. I also took the advice on MrTax CD to claim the Capital Allowances on a tax efficient basis by deferring part of the allowance for this year.

There are so many areas where MrTax CD can help you to save money. Book-keeping is not necessarily the strongest subject for a mechanic but you should perhaps consider using a family member and pay them.

MrTax CD allowed me to not only claim for book-keeping costs but also for my computer and broadband costs at home. Not only are these costs justified in operating MrTax CD but also for the research I do at home such as sourcing parts.

Without looking at several areas of incidental expense savings that MrTax CD brought to my attention, claiming my tools alone has saved me over £4,500 in Tax & NI, albeit that I have chosen to spread the claim over a number of tax years. You must remember that if you are a basic rate tax payer unclaimed allowances are taxed at 20% tax and 8% NI.

I am sure that many tradesmen just assume that their accountant is always right. I dread to think how many others are unwittingly handing millions to the taxman each year just because their accountant has slipped up.

Naturally I am more than happy to recommend MrTax CD to any mechanic.

Mark Archer