

Case Study:



Position: TREE SURGEONS
 Name: NEIL YAPP & JAMES GARLAND
 Location: HERTFORDSHIRE

“We are saving money – last year, this year and next year!”

Hi, we are Neil Yapp and James Garland and we are Tree Surgeons.

We are self employed but in a partnership so we have a little extra work for our tax returns but nevertheless MrTax CD is invaluable in helping us to run our business – we used it last year to great effect.

Our business has grown steadily and we now need to make a number of decisions. One of the main ones how to tax -efficiently replace our Van as the current one does little for the professional image we want to create.

MrTax CD has allowed us to understand the complexities of our choices and the financial implications. We could buy a van today and whatever the cost the whole amount can be offset against our tax for 2009 - 2010. If we took advantage of the government scrappage scheme we may also be able to make a good deal even better.

We had not considered the option of buying the van personally and simply claiming the business mileage. At 40p per mile for the first 10,000 miles and 25p per mile thereafter we calculate that we would cover all our running costs and capital allowance benefits and yet still have the personal benefits of the value of the van when we eventually come to sell it.

We covered approximately 30,000 business miles last year which means that we would have claimed £9,000 on the mileage rates. With actual fuel costs of £4,500, Repairs, MOT and servicing costs of £1,000 and £500 for insurance the final thing we have to consider is the cost of the van and the tax allowance. We budget to spend £6,000 on our new van which gives us a tax break of £1,680 (Tax & NI) but only in this year.

So in 2009-2010 we would be £1,320 better off on business mileage BUT in 2010-2011 we would be a massive £3,000 better off when we had no capital allowances to claim. This saving disregards depreciation of the van. In pure tax terms this advice alone saves us £370 tax & NI in the current tax year and £840 next year – and the van is ours! We can negotiate that we get extended warranty cover when purchasing to prevent unexpected bills.

Neil's wife does the book-keeping and secretarial work and MrTax CD has re-assured us that we can pay her legally and that this amount is tax free!

People in our position rarely have the time or the money to consult accountants – we are always too busy working for a living. However, MrTax CD offers us advice that will not only save us money, last year, this year and next year – how good is that?



Fircroft Tree & Garden Services

*Neil Yapp &
James Garland*