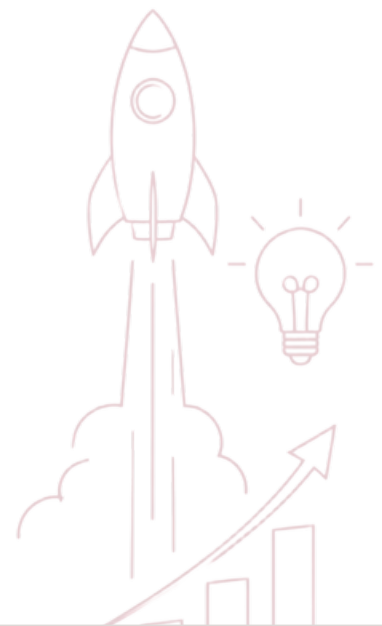


Start-up handbook

2026–27

Your guide to setting up and running a business in the UK.

Business structures · Companies House · HMRC
VAT · Payroll · Digital tax · Bookkeeping



A clear start. Better records. Fewer surprises.

Practical guidance for founders, sole traders and owner-managed limited companies.

Updated 22 October 2026

Tax-year rates: 6 April 2026 to 5 April 2027



00 / BUSINESS FOUNDATIONS

Inside the handbook

Start with the basics, then use the deadline planner and checklist to build your own routine.

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What has changed?

This edition replaces outdated annual-return wording and VAT surcharges, updates Companies House fees and 2026–27 tax figures, adds identity verification and MTD Income Tax, and explains the closure of the joint HMRC/Companies House filing service.

Written for UK start-ups. Personal Income Tax examples use England, Wales and Northern Ireland unless stated otherwise. Scotland and specialist businesses may require different treatment.

01 / BUSINESS FOUNDATIONS

Choose your business structure

The right structure depends on risk, ownership, funding and how you will take money out—not simply the headline tax rate.

A business plan should cover your customers, pricing, start-up costs, cash needs and realistic sales assumptions. Decide who will own the business and who will be responsible for its decisions before registering it.

Structure	How it works	What to consider
Sole trader	You trade personally and pay tax on your business profit.	Simple administration, but you are personally responsible for business debts.
Ordinary partnership	Two or more people share the business. Partners normally pay tax on their profit shares.	Agree roles, profit shares, decisions and exit terms in a written partnership agreement. Personal liability can be significant.
Limited company	A separate legal entity. The company pays Corporation Tax; owners may receive salary or dividends.	More reporting and public disclosure. Limited liability is not protection against personal guarantees, wrongdoing or every director liability.
LLP	A limited liability partnership, usually taxed through its members rather than as a company.	Companies House reporting still applies. Tax treatment and member agreements need professional advice.

Do not assume a company is always more tax-efficient

Compare the combined cost of company tax, salary taxes, employer National Insurance, dividend tax and administration with your alternative. Your other income and how much profit you need to withdraw can change the result.

Decide early: who owns the business, how much each person invests, how decisions are made and what happens if someone leaves. A company limited by guarantee or a charity needs a different setup from the usual owner-managed company limited by shares.

Official guidance / further reading: [\[1\]](#) · [\[2\]](#)

02 / BUSINESS FOUNDATIONS

Form a limited company

A practical route from your business idea to an incorporated company.

Before you apply

- Choose a name and check restrictions. Check the Companies House register and consider trade marks. A registered company name does not automatically protect your brand.
- Agree ownership. Identify shareholders, share classes and share allocations. Identify people with significant control (PSCs), for example someone with more than 25% of the shares or voting rights.
- Choose directors and verify identity. New directors must meet current Companies House identity-verification requirements. PSCs also have verification duties. Use GOV.UK guidance for the relevant role and deadline.
- Provide an appropriate registered office. It must be in the company's UK jurisdiction, be able to receive official documents and meet the appropriate-address requirements. A PO Box alone is not sufficient. The address is public.
- Provide a registered email address. Companies House uses this to contact the company. It must be monitored and is not published on the public register.
- Confirm the activity and constitution. Choose the correct SIC activity code and suitable articles of association. Record the lawful-purpose declarations required during formation.

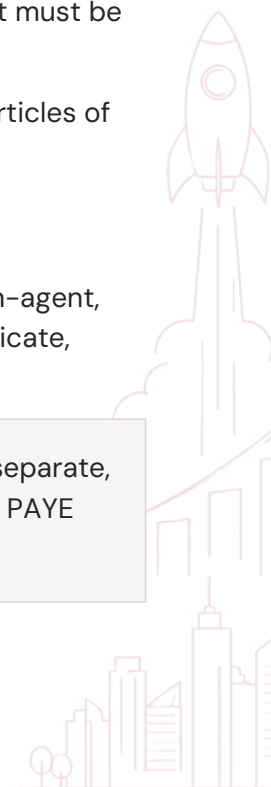
Costs and documents

The Companies House digital incorporation fee is £100 from 1 February 2026. Any formation-agent, registered-office or professional-service fee is separate. On incorporation, keep your certificate, memorandum and articles, share records and any shareholder agreement.

After incorporation: open a company bank account, keep personal and business money separate, and register for Corporation Tax within three months of starting business activity. Set up PAYE and VAT if required. Incorporation is not the same thing as starting to trade.

Company formation with 2e Accountants →

Official guidance / further reading: [2] · [3] · [4] · [5]



03 / BUSINESS FOUNDATIONS

Companies House: your annual duties

Accounts and the confirmation statement are separate filings. Dormant companies still have obligations.

Filing or duty	What you need to know
Confirmation statement	File at least once every 12 months and within 14 days after the review period ends. Check the register, shareholding and PSC information. Report changes using the correct forms when required.
Digital filing fee	£50 for the confirmation statement from 1 February 2026, payable for the first statement in the 12-month payment period. Professional fees are separate.
First private-company accounts	Generally due 21 months after incorporation. First accounts and shortened periods can have different deadline rules—check your actual register deadline.
Later private-company accounts	Normally due nine months after the financial year end. Filing with HMRC does not automatically satisfy Companies House.

Identity verification is now part of the process

Mandatory verification began on 18 November 2025, with a phased transition for existing directors and PSCs. Existing directors generally provide their personal code with the next confirmation statement during that transition. PSC deadlines depend on their circumstances. Someone who is both a director and a PSC must satisfy the requirements for both roles. Keep codes secure and check the current official deadline for each person.

Which accounts can a small company prepare?

For accounting periods beginning on or after 6 April 2025, a micro-entity normally meets at least two of: turnover £1 million or less, balance-sheet total £500,000 or less, and 10 employees or fewer. The small-company limits are £15 million, £7.5 million and 50 employees. Eligibility, group rules and audit exemptions need separate checks.

Do not use the old “annual return” or “abbreviated accounts” instructions. Use the confirmation statement and the accounts format appropriate to your company. Further filing reforms are being phased in; do not treat announced future changes as duties already in force.

Official guidance / further reading: [3] · [4] · [6] · [7] · [36]

04 / BUSINESS FOUNDATIONS

Sole traders: tax and registration

You pay tax on taxable business profit—not simply on the amount you transfer to your personal bank account.

A sole trader may employ staff. The term means you run the business personally, not that you must work alone. Keep sales, costs and evidence from the start. Where Self Assessment registration is required, notify HMRC by 5 October after the end of the relevant tax year. Gross trading income above £1,000 is a common registration trigger; exceptions and other filing reasons apply.

Income Tax for 2026–27

Item	England, Wales and Northern Ireland
Standard Personal Allowance	£12,570, subject to your circumstances. It reduces by £1 for every £2 of adjusted net income above £100,000 and is nil at £125,140.
Basic rate	20% on the first £37,700 of taxable non-savings income.
Higher rate	40% above the basic-rate band, up to the £125,140 additional-rate threshold.
Additional rate	45% above £125,140.

These are personal tax rules across your income sources, not a separate allowance for each business. Scotland has different rates and bands for non-savings, non-dividend income. Savings and dividends have their own rules.

Self-employed National Insurance for 2026–27

Class 4: 6% on profits over £12,570 up to £50,270, then 2% above £50,270. Class 2: generally treated as paid when profits are at least £7,105. Below that, eligible people can choose voluntary Class 2 at £3.65 per week to protect their National Insurance record.

Plan for the bill: online Self Assessment returns and balancing payments are normally due on 31 January following the tax year. Payments on account, where required, fall on 31 January and 31 July. Your first substantial bill may include a payment towards the next year as well as tax for the year just ended.

Official guidance / further reading: [\[8\]](#) · [\[9\]](#) · [\[10\]](#) · [\[11\]](#)

05 / BUSINESS FOUNDATIONS

Making Tax Digital for Income Tax

Digital records and quarterly updates now apply to some sole traders and landlords.

Making Tax Digital for Income Tax (MTD) is a change to how in-scope individuals keep and submit tax information. It is not a requirement for every new business and is distinct from Making Tax Digital for VAT.

Mandatory start	Qualifying income on the relevant return
6 April 2026	More than £50,000 on the 2024–25 tax return.
6 April 2027	More than £30,000 on the 2025–26 tax return.
6 April 2028	More than £20,000 on the 2026–27 tax return.

Qualifying income is generally the combined gross income before expenses from self-employment and property—not your profit. Eligibility rules, exemptions and special circumstances also apply. A company's turnover is not your qualifying self-employment income.

What changes in practice?

- Keep digital records of relevant business income and expenses using compatible software.
- Send quarterly updates through that software. These summarise recorded business income and expenses; they are not four complete annual tax returns.
- Complete the year-end tax process with required adjustments, other income and the annual return. Agree with your accountant which tasks you will do and which they will handle.
- Continue planning payments. Quarterly reporting does not, by itself, mean your Income Tax is paid quarterly.

Choose a system before the deadline

Check that your software supports MTD Income Tax for your circumstances; being suitable for VAT alone is not enough. If you use spreadsheets, compatible bridging software and digital links may be needed. Keep a consistent workflow for receipts, bank checks and corrections.

Starting now? Your obligation depends on the relevant return and HMRC eligibility rules. Do not assume the highest-income threshold gives every new business the same start date. Ask us to check when your business enters MTD.

Official guidance / further reading: [\[12\]](#)

06 / BUSINESS FOUNDATIONS

VAT: know when to register

Watch taxable turnover each month. The threshold is not measured only by your financial year.

The two compulsory-registration tests

- **Past turnover:** register if your UK VAT-taxable turnover exceeds £90,000 in a rolling 12-month period. Normally register within 30 days of the end of the month when the threshold was exceeded; the effective date is normally the first day of the second month after that month.
- **Expected turnover:** register if you expect taxable turnover to exceed £90,000 in the next 30 days alone. This is different from forecasting £90,000 over the coming year. Register by the end of that 30-day period; the effective date is normally when you realised the threshold would be exceeded.

Taxable turnover includes standard-rated, reduced-rated and zero-rated supplies. Exempt and out-of-scope supplies are different. Special rules apply, including for non-established taxable persons; they may have to register without this threshold.

VAT rates and invoices

Treatment	What it means
Standard rate: 20%	The usual rate, unless a specific relief or different treatment applies.
Reduced rate: 5%	Only for qualifying supplies, such as some domestic fuel and power.
Zero rate: 0%	A taxable supply charged at 0%, such as many qualifying books or children's clothes.
Exempt / outside scope	Not the same as zero-rated. These categories can affect whether you reclaim VAT and whether turnover counts towards registration.

Voluntary registration

You can apply below the threshold if eligible. It may help recover input VAT but can increase prices for customers who cannot reclaim VAT, and it creates reporting duties. Input VAT claims require appropriate evidence and must satisfy the relevant rules.

Practical rule: record a rolling turnover total every month. Do not charge VAT before your effective registration date. If registration is pending, ask how to handle pricing and replacement VAT invoices.

Official guidance / further reading: [\[13\]](#) · [\[14\]](#)

07 / BUSINESS FOUNDATIONS

VAT: schemes, returns and penalties

Choose a scheme for the business—not because it sounds simpler or appears to promise a saving.

Method / scheme	Main point and entry test
Standard VAT accounting	Normally account for VAT using tax points, often invoice dates. Keep valid purchase evidence for input VAT.
Cash Accounting	VAT generally follows customer receipts and supplier payments. Entry: expected taxable turnover no more than £1.35 million; usual exit threshold £1.6 million. Exclusions apply.
Flat Rate Scheme	Entry: expected VAT-taxable turnover no more than £150,000 excluding VAT. Apply a sector percentage to VAT-inclusive turnover. Limited-cost businesses generally use 16.5%. Input VAT recovery is restricted; qualifying capital purchases have an exception.
Annual Accounting	One annual return with advance payments. Entry turnover no more than £1.35 million; usual exit threshold £1.6 million. It is not an exemption from keeping records or making payments.

The Flat Rate Scheme normally has a £230,000 VAT-inclusive exit test, with detailed timing and exception rules. A 1 percentage-point discount may apply during the first year of VAT registration. Model the cost before joining; the scheme is not automatically cheaper.

Returns and digital records

Most VAT businesses must keep digital records and submit through MTD-compatible software unless exempt. Quarterly returns and payments are usually due one calendar month and seven days after the period ends. For a quarter ending 30 September 2026, the usual deadline is 7 November 2026. Arrange payment early enough to reach HMRC on time.

The old default-surcharge table no longer applies

For periods beginning on or after 1 January 2023, late submission uses points. A quarterly filer reaches the penalty threshold at four points: a £200 penalty then applies, with further £200 penalties for subsequent late returns while at the threshold. Nil and repayment returns can still earn points.

Under the current late-payment rates, paying within 15 days avoids a late-payment penalty, but interest can still apply. At 16–30 days late, the first penalty is 3% of VAT outstanding at day 15. From day 31 it is 3% of the day-15 balance plus 3% of the day-30 balance; a further penalty accrues at 10% a year from day 31. Time to Pay arrangements can affect penalties—contact HMRC promptly.

Official guidance / further reading: [\[15\]](#) · [\[16\]](#) · [\[17\]](#) · [\[18\]](#) · [\[37\]](#) · [\[38\]](#)

08 / BUSINESS FOUNDATIONS

Employing people and running payroll

Your cost is more than the agreed salary. Budget for employer taxes, pensions and employment obligations.

Check the worker's employment status and right to work. Register as an employer where required before the first payday, use suitable payroll software and give the employee the required employment information. Submit the Full Payment Submission (FPS) on or before each payday, subject to specific HMRC exceptions.

Standard 2026–27 figures	Rate / threshold
Employee Class 1 National Insurance	Usually 8% above £12,570 up to £50,270 a year, then 2%. These are annual reference figures; ordinary payroll uses pay-period thresholds.
Employer Class 1 National Insurance	Usually 15% above £5,000 a year. Category-specific reliefs and special rules may apply.
Employment Allowance	Up to £10,500 against eligible employer National Insurance. It is not automatic. A sole-director company whose only employee liable for employer NI is that director cannot claim.
Minimum wage from April 2026	Age 21+: £12.71/hour; age 18–20: £10.85; under 18: £8.00. Apprentice rate: £8.00 only where the apprentice eligibility rules apply.

PAYE payments and payslips

PAYE collects Income Tax and employee National Insurance through pay; the employer also pays employer National Insurance. Provide an itemised payslip at or before payday. Electronic payments to HMRC are normally due by the 22nd of the following tax month; postal payment is normally due by the 19th. Eligible smaller employers may pay quarterly.

Pensions and the wider employment cost

Workplace-pension duties begin when the first staff member starts. Assess workers and automatically enrol eligible staff, generally those aged 22 to State Pension age earning at least £10,000 a year. Other staff may have rights to opt in or join. Budget for pensions, paid leave and any required employers' liability insurance.

Directors and benefits need extra care: directors can have annual NI calculations. Cars, medical cover, expenses and other benefits may create additional reporting or tax. Agree salary and benefit arrangements before making payments.

Official guidance / further reading: [19] · [20] · [21] · [22]

09 / BUSINESS FOUNDATIONS

Taking money from your company

Company cash is not automatically your personal money—even if you own all the shares.

Salary

Pay salary through payroll where required. The company may receive tax relief for qualifying remuneration, but salary can create employee and employer National Insurance and personal Income Tax. There is no single “best director salary” for every company.

Dividends

Dividends are distributions of available profits to shareholders; they are not a deductible business expense for Corporation Tax. Check sufficient distributable profits before declaring one, consider the relevant share rights, and keep minutes and dividend vouchers.

Dividend tax in 2026–27	Rate above available allowances
Annual dividend allowance	£500. Dividends covered by the allowance still use tax-band capacity.
Basic-rate band	10.75%
Higher-rate band	35.75%
Additional-rate band	39.35%

The rate depends on your overall income and the bands your dividends fall into. The Personal Allowance may cover some dividends if available. Dividend rates are the same throughout the UK; Scottish non-dividend income bands are different.

Expenses and director's loans

Repay genuine business expenses against receipts and a clear record. If you take money that is not salary, a dividend or an expense repayment, it may be a director's loan. Overdrawn loan accounts can create company tax, benefit-in-kind and reporting consequences. Borrowing from the company is not a tax-free substitute for income.

A director does not automatically need Self Assessment just because they are a director. Dividends, other untaxed income or an HMRC notice to file may create a requirement. Check your personal position rather than assuming payroll covers everything.

Official guidance / further reading: [9] · [23] · [24] · [25]

10 / BUSINESS FOUNDATIONS

Corporation Tax and company accounts

Company profit, taxable profit and cash in the bank are three different things.

Rates and tax periods

For ordinary non-ring-fence profits, the small-profits rate is 19% at profits up to £50,000; the main rate is 25% above £250,000. Marginal relief may apply between those limits. The limits are reduced for short periods and associated companies; special-company rules can affect eligibility.

A Corporation Tax accounting period cannot exceed 12 months. First statutory accounts often cover more than 12 months, so two Company Tax Returns may be needed. Do not assume that one set of first accounts means one tax return.

Obligation	Usual deadline
Notify HMRC the company is active	Within three months of starting business activity.
Pay Corporation Tax	Nine months and one day after the accounting period ends. Larger companies may need instalment payments.
File the Company Tax Return	Twelve months after the accounting period ends.
File later accounts at Companies House	Nine months after the financial year end, for a private company.

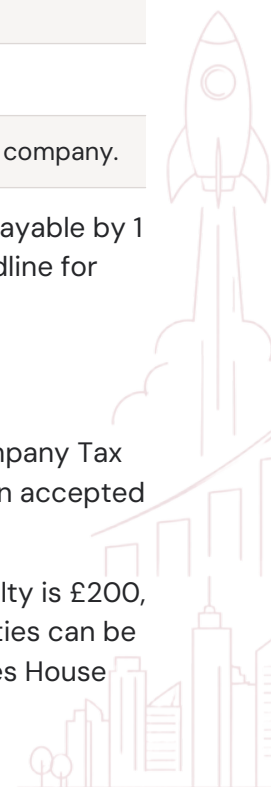
Example: for a normal accounting period ending 31 March 2027, Corporation Tax is usually payable by 1 January 2028 and the tax return is due by 31 March 2028. The usual Companies House deadline for later accounts is 31 December 2027.

Filing software and late penalties have changed

The joint HMRC/Companies House online filing service closed on 31 March 2026. HMRC Company Tax Returns now require software; Companies House accounts must be filed separately using an accepted method. Your accountant can file on your behalf.

For Company Tax Returns with filing dates on or after 1 April 2026, the initial late-filing penalty is £200, with another £200 after three months. At six months and twelve months, tax-related penalties can be added. Three successive late returns increase the fixed penalties to £1,000 each. Companies House late-account penalties are separate.

Official guidance / further reading: [\[5\]](#) · [\[26\]](#) · [\[27\]](#) · [\[28\]](#)



11 / BUSINESS FOUNDATIONS

Bookkeeping that helps you run the business

A reliable routine is more valuable than a pile of receipts at year end.

Set up the basics

- Bank and payment accounts: keep business money separate, connect appropriate feeds and reconcile every bank, card and payment–platform balance. Bank feeds are not proof that every entry is correctly classified.
- Sales: raise numbered invoices, agree payment terms, record credit notes and follow up overdue customers. Show the required company and VAT details where applicable.
- Purchases: capture supplier bills and receipts, check duplicates and match payments. A bank statement alone may not support a VAT claim.
- People and tax: record payroll, pensions, owner transactions, VAT and other tax liabilities distinctly. Keep a reserve so tax money is not mistaken for spendable profit.

Choose software for your actual needs

Clear Books, Xero, QuickBooks, FreeAgent and Sage are examples of available systems. Compare invoicing, receipt capture, bank reconciliation, payroll, user access, stock, reporting and accountant access. Check the particular product's MTD compatibility; do not assume every plan supports both VAT and Income Tax.

Spreadsheets may need bridging software and digital links for MTD. Limited companies must use an appropriate accounting basis; the sole-trader cash basis does not apply to them.

Review these reports each month

Report	Question it answers
Profit and loss	Are sales covering costs, and where is the margin changing?
Balance sheet	What does the business own and owe?
Aged receivables / payables	Who owes us money, and which supplier bills are due?
Cash forecast	Can we pay wages, suppliers and tax over the coming months?

Protect the records: use multi-factor authentication, limit access and keep backups and an audit trail. Profit is not cash: invoices, loans, asset purchases and tax can make them diverge.

Official guidance / further reading: [\[29\]](#) · [\[30\]](#) · [\[31\]](#)

12 / BUSINESS FOUNDATIONS

Expenses, evidence and record retention

Tax relief depends on the purpose and nature of the cost—not simply on paying from a business account.

Common business costs

Qualifying costs can include premises, staff, software, insurance, advertising, stationery and business travel. Keep invoices and evidence of business purpose. For sole traders, an identifiable business share of some mixed-use costs can be allowed. Company-paid private costs can instead create benefits, payroll or director's-loan consequences.

Item	Handle it carefully
Equipment and depreciation	Depreciation is usually added back for tax. Capital allowances or cash-basis rules may give relief instead; treatment depends on the asset and structure.
Travel and meals	Genuine business travel and related subsistence may qualify. Ordinary commuting and everyday personal meals generally do not.
Clothes	Uniforms and protective clothing may qualify. Ordinary clothing does not qualify just because you wear it at work.
Entertainment and gifts	Client entertaining is generally disallowed. Gifts have specific exceptions and limits; do not assume every gift is deductible or every gift is prohibited.
Owner payments and penalties	Sole-trader drawings and company dividends are not business expenses. Tax fines and penalties are generally not deductible. Charity donations have separate rules.

Cash basis is not the VAT Cash Accounting Scheme

Since 6 April 2024, cash basis is the default for eligible unincorporated trades unless excluded or traditional accounting is elected. Broadly, it records receipts and payments when money changes hands. Limited companies and LLPs cannot use this income-tax cash basis. Your VAT accounting method is a separate decision.

Keep records long enough

Self-employed records normally need to be retained for at least five years after the 31 January filing deadline for the relevant tax year. For company and Corporation Tax purposes, keep accounting records and support for at least six years, and longer where required. Payroll records are normally kept for three years after the relevant tax year; VAT records are normally kept for six years. Investigations, late returns and other circumstances can extend retention.

Official guidance / further reading: [\[29\]](#) · [\[30\]](#) · [\[31\]](#) · [\[32\]](#) · [\[33\]](#) · [\[39\]](#)

13 / BUSINESS FOUNDATIONS

Your deadline planner

Build your calendar around the business's actual dates—not somebody else's example year end.

Task	Normal timing / action
VAT threshold review	Every month: check rolling 12-month taxable turnover and the separate next-30-days test.
VAT return and payment	Usually one month and seven days after the VAT period end. Check the deadline shown by HMRC.
Payroll submission	FPS on or before payday, subject to specific exceptions.
PAYE payment	Usually by the 22nd of the next tax month if paying electronically.
Confirmation statement	At least annually; within 14 days after the review period ends.
Company accounts	First accounts generally 21 months from incorporation; later private-company accounts nine months after year end.
Corporation Tax payment	Usually nine months and one day after the accounting period ends.
Company Tax Return	Twelve months after the accounting period ends.
Self Assessment registration	Where required, by 5 October following the relevant tax year.
Online personal tax return	Normally 31 January following the tax year.
Personal tax payments	Balancing payment normally 31 January; payments on account, if due, 31 January and 31 July.
MTD Income Tax	Quarterly updates and annual completion where in scope. Use your software/HMRC schedule for exact dates.

Companies House late-account penalties

For a private company, the usual penalties are £150 if up to one month late; £375 if over one but no more than three months; £750 if over three but no more than six months; and £1,500 if over six months. Penalties double when accounts are late in two successive financial years.

Allow a buffer: put an internal records deadline in the calendar before the legal filing date. Agree who prepares, reviews, approves, files and pays. Check receipt confirmations—sending a document to your accountant is not the same as filing it.

Official guidance / further reading: [\[6\]](#) · [\[8\]](#) · [\[17\]](#) · [\[19\]](#) · [\[27\]](#) · [\[34\]](#)

14 / BUSINESS FOUNDATIONS

Your start-up checklist

Use this as a discussion guide before trading—and revisit it when the business changes.

Before you start

- Choose the structure and agree ownership, responsibilities and exit arrangements.
- Prepare a pricing plan, start-up budget and short-term cash forecast.
- Check licences, insurance, contracts and any sector-specific requirements.
- For a company, complete formation, identity verification and registered-office/email arrangements.

Before your first transactions

- Open the right bank account and choose a bookkeeping system.
- Agree who keeps records and who handles VAT, payroll, accounts and tax.
- Register with HMRC as required and put every filing/payment deadline in the calendar.
- Set invoice terms and establish a routine for receipts, customer debts and bank reconciliations.

During your first year

- Review cash and profit monthly, check the VAT threshold, and reserve money for tax.
- Check MTD eligibility and confirm software readiness.
- Review salary, dividends, pensions and owner transactions before taking money out.
- Tell your accountant promptly about staff, shareholders, overseas trade or other material changes.

Talk to 2e Accountants

For help with company formation, bookkeeping systems, payroll, VAT and year-end compliance:

admin@2eaccountants.co.uk

Visit our [Company Formation page](#) →

2eaccountants.co.uk

This guide is general information, not personalised tax, legal or investment advice. Rates and rules are checked as at 22 October 2026 for the 2026–27 tax year. Later changes and individual circumstances can alter the position. Check the official sources and seek advice before acting.

Official guidance / further reading: [\[35\]](#)

15 / BUSINESS FOUNDATIONS

Official sources

Clickable references for the guidance used in this edition. Position checked 22 October 2026; official pages may subsequently change.

- [1] [Choose a business structure ↗](#)
- [2] [Set up a limited company ↗](#)
- [3] [Companies House fees from 1 February 2026 ↗](#)
- [4] [When to verify identity for Companies House ↗](#)
- [5] [Register for Corporation Tax ↗](#)
- [6] [Accounts and Company Tax Return deadlines ↗](#)
- [7] [Micro-entities, small and dormant companies ↗](#)
- [8] [Self Assessment deadlines ↗](#)
- [9] [Income Tax rates and allowances ↗](#)
- [10] [Self-employed National Insurance rates ↗](#)
- [11] [Self Assessment payments on account ↗](#)
- [12] [Making Tax Digital for Income Tax: who and when ↗](#)
- [13] [Register for VAT: compulsory tests ↗](#)
- [14] [VAT rates ↗](#)
- [15] [VAT schemes and thresholds ↗](#)
- [16] [Flat Rate Scheme and limited-cost businesses ↗](#)
- [17] [VAT late-submission points and penalties ↗](#)
- [18] [VAT late-payment penalties ↗](#)
- [19] [Payroll rates and thresholds 2026–27 ↗](#)
- [20] [Employment Allowance eligibility ↗](#)



16 / BUSINESS FOUNDATIONS

Official sources

Clickable references for the guidance used in this edition. Position checked 22 October 2026; official pages may subsequently change.

- [21] [National Minimum Wage rates ↗](#)
- [22] [Workplace pensions for employers ↗](#)
- [23] [Tax on dividends ↗](#)
- [24] [Taking money out of a limited company ↗](#)
- [25] [Self Assessment for directors ↗](#)
- [26] [Corporation Tax rates ↗](#)
- [27] [Company Tax Returns and penalties ↗](#)
- [28] [Closure of the joint online accounts/tax service ↗](#)
- [29] [Company and accounting records ↗](#)
- [30] [Self-employed expenses ↗](#)
- [31] [Cash basis: eligibility ↗](#)
- [32] [Self-employed records: retention ↗](#)
- [33] [VAT record keeping ↗](#)
- [34] [Companies House late-filing penalties ↗](#)
- [35] [2e Accountants Company Formation page ↗](#)
- [36] [Filing a confirmation statement ↗](#)
- [37] [Submitting VAT Returns and payment deadlines ↗](#)
- [38] [Making Tax Digital for VAT ↗](#)
- [39] [PAYE records ↗](#)

Except for the firm's own service page, these references are official UK government guidance. This handbook is independently prepared by 2e Accountants and is not an HMRC or Companies House publication.

