

More than one business

i **Contacts**

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0300 200 3310**
 - the SA Orderline on **0300 200 3610** for helpsheets
- or go to hmrc.gov.uk/sa

This helpsheet gives you information to help you fill in:

- the *Self-employment (full)* pages, or the *Lloyd's underwriters* pages, or the *Partnership* pages, of your personal tax return, or
- the Partnership Tax Return if either you, or the partnership, carries on more than one business.

Sole traders

You must complete a set of *Self-employment (full)* pages

- for each business you are involved in
- for each account that relates wholly or in part to your basis period for 2011–12. Basis periods are explained in the *Self-employment (full)* notes (page 16) and in *Helpsheet 222 How to calculate your taxable profits*.

Partners

If you carried on business in partnership, complete the *Partnership* pages instead of the *Self-employment* pages. Fill in a separate set of these pages:

- for each partnership of which you were a member, and
- for each business the partnership carried on.

Partnerships

A separate set of *Partnership Trading* pages should be completed:

- for each business that the partnership carried on
- for each account that relates wholly or in part to the return period for 2011–12.

The notes in the Partnership Tax Return Guide provide more information.

Calculating adjustments to profits on which you pay Class 4 National Insurance contributions (if you have more than one business)

There are special rules for calculating adjustments to profit on which you pay Class 4 National Insurance contributions (Class 4 NICs) if you have more than one business. These will also change the way you complete the *Self-employment (full)* or *Partnership* pages. (You cannot adjust your profits on the *Self-employment (short)* pages.)

Use the Working Sheets on pages 4 to 6 if you had more than one business (including partnership businesses) during 2011–12 and (at least) one of your businesses had any of the following:

- adjustment for change of accounting practice
- profits on which Class 1 contributions have been paid
- trade losses from earlier years not set against Class 4 profits
- current year losses
- interest, that has not been deducted in computing taxable profits on a loan
 - to invest in a partnership or
 - to provide plant and machinery for partnership use.

Not all loans or partnerships qualify. You should contact your tax adviser or us if you need more information.

Exemption from paying Class 4 NICs

You do not have to pay Class 4 NICs if:

- on 6 April 2011 you were
 - at or over State Pension age at the beginning of the year of assessment (including if you reach State Pension age on 6 April), or
 - under 16
- during 2011–12 you were not resident in the UK for tax purposes (if you are not sure please contact us or your tax adviser).

Go to www.direct.gov.uk to find out your State Pension age.

Also, if you are a trustee, or a diver or diving instructor, you may not have to pay. Please contact us if you think this applies.

If one of these conditions applies, put 'X' in box 99 on the *Self-employment (full)* pages (Class 4 National Insurance contributions exemption) (box 63 on the *Lloyd's underwriters* pages); do not complete boxes 100 or 101 (boxes 64 and 65 on the *Lloyd's underwriters* pages; boxes 23, 24 and 25 on the *Partnership* pages).

You may be exempt on profits from only one of your businesses because you are a trustee, or a diver or diving instructor. If so, do not put 'X' in box 99 on the *Self-employment (full)* pages (box 63 of the *Lloyd's underwriters* pages; box 23 of the *Partnership* pages). Use the Working Sheet on page 4 to calculate the correct adjustment.

How to fill in the Working Sheet

You would normally pay Class 4 NICs on your total taxable profits for 2011–12. However, you may be able to make adjustments for:

- salaries and wages earned from an office or employment but included in your taxable business profits
- trading losses (but not losses arising from furnished holiday lettings) used against income or gains which are not liable to Class 4 NICs
- interest on a loan to invest in a partnership or to provide plant and machinery for partnership use that has not been deducted in arriving at taxable profit.

Notes to Section 1

Complete one column for each business you carried on during 2011–12 (whether on your own or in partnership). If you carried on more than four businesses, use another Working Sheet or photocopy page 4. **The adjustments entered in boxes 3, 5 and 6 can only be set against the same business that gave rise to the adjustment.** They cannot be set against other businesses. Do not transfer amounts from one column to another.

Box 1

Enter the name of the business to which the profit and adjustments relate.

Box 2

Copy the figure for taxable profits for 2011–12 for each of your businesses (from box 75 on the *Self-employment (full)* pages, or box 52 on the *Lloyd's underwriters* pages or box 18 on the *Partnership* pages).

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Box 3

Enter the adjustment for change of accounting practice charged to tax in 2011–12 from box 70 on the *Self-employment (full)* pages or box 9 on the *Partnership* pages.

Box 4

Deduct the adjustment entered in box 3 from the profits entered in box 2; the adjustment for change of accounting practice is not taken into account for Class 4 NICs.

Box 5

Enter any amount you earned as an employee or office holder that was included in calculating taxable profit at box 2 (Class 1 NICs is payable on this).

Box 6

Enter:

- any losses that arose prior to 2011–12 not yet set against previous Class 4 profits. (See the notes for box C on page 6 for losses arising in 2011–12)
- any 2011–12 or earlier years' interest, on a loan to invest in a partnership or to provide plant and machinery for partnership use, that has not been deducted in arriving at your Class 4 profits.

Box 7

Total the adjustments for each business by adding together boxes 5 and 6.

Box 8

Enter the lower of the figures in box 4 and box 7. This is the figure of adjustments that can be allowed for the business: it must not exceed the adjusted profit figure (box 4) for the relevant business.

Working Sheet

Section 2

When boxes 1 to 8 of Section 1 are complete for all businesses, fill in boxes A to E

Box A Total of boxes 4

£ •

Box B Total of boxes 8 - see notes

£ •

Box C Box 77 on the *Self-employment (full)* pages + box 56 on the *Lloyd's underwriters* pages + box 20 on the *Partnership* pages

£ •

Box D Box B + box C

£ •

Box E Lower of box A and box D

£ •

Transfer the figure in box E to the 'Adjustment to profits chargeable to Class 4 National Insurance contributions' box (box 101 on the *Self-employment (full)* pages or box 65 on the *Lloyd's underwriters* pages + box 25 on the *Partnership* pages).

Notes to Section 2

Section 2 brings together the adjustments from all your businesses into a single figure.

If you carried on more than four businesses, use another Working Sheet or photocopy page 4 of this one. Bring together all the figures into one Working Sheet and continue.

Box A Total of boxes 4

Add up all the row 4 boxes for all your businesses. This is the total adjusted profit from all your businesses and should be entered in box A.

Box B Total of boxes 8

Add up all the row 8 boxes for all of your businesses. This is the total adjustments from all your businesses and should be entered in box B. The figure in box B cannot be greater than the figure in box A.

Box C Box 77 on the *Self-employment (full)* pages + box 56 on the *Lloyd's underwriters* pages + box 20 on the *Partnership* pages

Enter trade losses arising in 2011–12 that you wish to claim against Class 4 NICs. Enter the total of box 77 *Self-employment (full)* + box 56 *Lloyd's underwriters* + box 20 *Partnership* from all your businesses. This figure may be more than the losses that can be used in 2011–12. Unused losses can usually be carried forward and used against profits of the same business for later years – see Helpsheet 227 *Losses*. The amount of any unused losses can be calculated after box D is completed (see page 7).

Box D *Box B + box C*

Add together boxes B and C. These are the total Class 4 NICs adjustments.

If 2011-12 losses were entered in box C and the figure in box D is more than box A, there may be unused losses. Complete the boxes below if you want to work out the maximum amount of potential unused losses that may be carried forward.

Losses that can be used in 2011-12 (box A minus box B)

£ .

Potential unused losses (box C minus the amount above)

£ .

Box E *Lower of box A and box D*

Enter the lower of the figures in box A and box D.

- Copy the figure in box E to box 101 on the *Self-employment (full)* pages on which you have put information about Business 1 (or box 65 on the *Lloyd's underwriters* pages).
- If you have received the certificate of deferment from NIC&EO, put 'X' in box 100 on the *Self-employment (full)* pages for Business 1 (or box 64 on the *Lloyd's underwriters* pages).
- Enter 'multiple businesses' in the 'Any other information' box, box 102 on the *Self-employment (full)* pages for Business 1 (box 66 on the *Lloyd's underwriters* pages or in the 'Any other information' box on your tax return).

Leave boxes 99, 100 and 101 blank on the further *Self-employment (full)* pages (boxes 63, 64 and 65 on the *Lloyd's underwriters* pages; 23, 24 and 25 on the *Partnership* pages) you complete for Business 2 onwards.

If you want to calculate the amount of Class 4 NICs due for 2011-12 see Section 15 of the Working Sheet in the *Tax calculation summary notes*.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any rights of appeal. Any subsequent amendments to these notes can be found at hmrc.gov.uk