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CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

PRESENTATION TO FOUNDATION DENTISTS

Presentation by:

Patrick Miscampbell FCA (Director)

30 June 2026

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1

ABOUT US

- Medium sized firm of CA's established in 1946
- 21 staff
- Member firm of UK200
- Member firm of NASDAL
- Located on Annadale Avenue (short distance from Forestside)
- Externally regulated by CAI & UK200

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2

TOPICS TO BE COVERED

- Understand PAYE deductions from salary
- Main clauses within an Associateship agreement
- Calculate your own pay as an Associate
- Keeping basic accounting records as an Associate
- Understanding business accounts
- Paying tax as an Associate

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3

FD Trainee

- Net pay
- Payslips
- P60
- P45
  - Check code number (1257L)

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4

Expenses

http://www.hmrc.gov.uk/list3/index.htm

- Tax relief at 20%
- £1,500 expenses
- **Tax relief at 20% = £300**

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5

Expenses

- GDC
- BDA
- Dental Protection – MDU
- Laundry & cleaning
- Mileage

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6

Expenses

- Claim template - P87

- **PHONE HMRC – 0300 200 3310**

7

Associates

- Tax Status
  - Self-employed?

POINTS TO CONSIDER

ESM 4030 removed from 6th April 2023

8

Tax & NIC Admin

- **Responsibilities**
  - **Self Assessment**
    - Registration
    - Form CWF1
    - Other income?
    - P45

9

Associates – Things to Consider

- Associate agreements
- Income
- Expenses
- Business records
- Accounts
- Tax payments & savings

10

Associate Contracts

- Income
- Lab Bills
- Professional Indemnity
- Holidays & Sick Cover
- NHS Patient Charges
- Bad Debts/ Credit card charges
- Hygienist/Therapist Referrals
- Leaving the Practice

11

Associate Income

- Percentage
- NHS
  - Capitation
  - Continuing care
  - Relief of pain
  - CPDA

12

Income

- Percentage
  - NHS
  - Private
- Sliding scale?
- Pension contributions on NHS Income(Superannuation)
  - NET Pensionable Earnings (NPE)

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13

Contribution Rates

Contribution Tier	NPE	Contribution Rate
1	Up to £13,259	5.2%
2	£13,260 - £27,288	6.7%
3	£27,289 - £33,247	8.5%
4	**£33,248 - £49,913**	**10%**
5	**£49,914 - £63,994**	**10.9%**
6	£63,995 +	12.7%

"Employer" contribution rate is **23.2%**.

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14

NHS Pension Contributions

NPE	**£33,000**	**£33,500**
Rate	8.5%	10%
Contributions	£2,805	£3,350

Extra £500 NPE -

Costs extra £545

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15

NHS Pension Contributions

NPE	**£33,000**	**£33,500**
Annual Pension (1.85% - 1/54)	£611.11	£620.37

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16

Income

- **Payslips from Principal**
  - NHS Schedule

*** ALWAYS CHECK REMITTANCE***

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17

HSC Business Services Organisation

1234- A S Sociate

Topsheet - September 2019

Total Net Monthly Payment: £6,473.38

Payments £8,000.00

Capitation £2,100.00

Type	Amount
Capitation	£2,100.00

Continuing Care £5,900.00

Type	Amount
Continuing Care	£5,900.00

Deductions £1,526.62

Net Patient Contribution £1,200.00

Type	Amount
Patient Charges	£4,000.00
Less Remission	£2,800.00

Superannuation

Type	Percentage	Amount
Principal	9.300% of 3,512.00	£326.62

18

Income

- **Payslips from Principal**
  - NHS Schedule
  - Pay calculation

19

Dr A S Sociate
September 2026

Gross Earnings

NHS	Per Schedule
Private Fees	£700
Denplan	£300
Gross Laboratory Fees	
TA Gardner	£400
Ceramic Studios	£400

Dr Sociate receives 50% of net income.

20

Associate's Payslip

N.H.S.		8,000.00
Private Fees		700.00
Denplan		300.00
TOTAL GROSS INCOME		9,000.00
Less: Laboratory Costs:		
TA Gardiner	400.00	
Ceramic Studios	400.00	800.00
NET FEES		8,200.00
50% of Net Fees		4,100.00
Less: Superannuation		326.62
TOTAL DUE TO ASSOCIATE		£3,773.38

21

Associate's Payslip

			50%
N.H.S.		8,000.00	
Private Fees		700.00	
Denplan		300.00	
TOTAL GROSS INCOME		9,000.00	4,500.00
Less: Laboratory Costs:			
TA Gardner	400.00		
Ceramic Studios	400.00	800.00	400.00
NET FEES			4,100.00
Superannuation/NHSP			326.62
TOTAL DUE TO ASSOCIATE			£3,773.38

22

Income

First pay as an Associate

- Start 1 September 2026
- First Pay date?
- Income paid on:
  - Private
  - Insured/Plan
  - NHS

*** Principal advance ***

23

Income

TAXABLE WHEN 'EARNED' NOT WHEN RECEIVED

Now a choice!

24

Payment Month	* Paper Claims Deadline	** EDI Claims Deadline	** FPPS Portal Claims Deadline	BACS Payment Date
Jan 2026	20th Dec 2025	10th Jan 2026	10th Jan 2026	18th Jan 2026
Feb 2026	18th Jan 2026	12th Feb 2026	12th Feb 2026	20th Feb 2026
Mar 2026	20th Feb 2026	11th Mar 2026	11th Mar 2026	20th Mar 2026
Apr 2026	20th Mar 2026	10th Apr 2026	10th Apr 2026	19th Apr 2026
May 2026	19th Apr 2026	12th May 2026	12th May 2026	20th May 2026
Jun 2026	20th May 2026	12th Jun 2026	12th Jun 2026	20th Jun 2026
Jul 2026	20th Jun 2026	10th Jul 2026	10th Jul 2026	19th Jul 2026
Aug 2026	19th Jul 2026	12th Aug 2026	12th Aug 2026	20th Aug 2026
Sep 2026	**20th Aug 2026**	**12th Sep 2026**	**12th Sep 2026**	**20th Sep 2026**
Oct 2026	20th Sep 2026	10th Oct 2026	10th Oct 2026	18th Oct 2026
Nov 2026	20th Oct 2026	12th Nov 2026	12th Nov 2026	20th Nov 2026
Dec 2026	20th Nov 2026	12th Dec 2026	12th Dec 2026	20th Dec 2026

25

CHECK IT

KEEP IT

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26

Expenses

- NHS Pension Contributions
- Capital Expenditure
- Revenue Expenditure

£

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27

Expenses

- **Revenue Expenditure**
  - Fully Allowable
  - Partly Allowable
  - Not Allowable

28

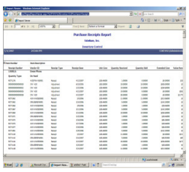
Record Keeping

- **Business Records**
  - Maintain
  - Retain
  - 6 Tax Years

29

Record Keeping

PAPER



EXCEL

*** MAKING TAX DIGITAL FOR ITSA - MANDATORY FROM 6 APRIL 2026 (income over £50k) ***

30

Making Tax Digital (MTD) for Income Tax

- Major reform to UK tax reporting for self-employed individuals and landlords
- Replaces the annual Self Assessment tax return with digital record-keeping and quarterly reporting
- Income and expenses must be recorded digitally using HMRC-compatible software (e.g. Xero, Sage, QuickBooks) or Excel with bridging software
- Four quarterly updates submitted to HMRC each year, plus a year-end Final Declaration

31

MTD for ITSA – Phased Rollout

- **From 6 April 2026 (NOW)** – Mandatory for sole traders/landlords with gross income over £50,000
- **From 6 April 2027** – Extends to income over £30,000
- **From 6 April 2028** – Threshold drops to £20,000 (approx. 900,000 additional taxpayers)
- Threshold based on GROSS income (before expenses) from self-employment and/or property
- As a new Associate starting Sept 2026 with modest income – likely in scope from April 2027 but START preparing now!
- Soft landing: no penalties for late quarterly updates in first year (2026/27), but annual obligations still enforced

32

MTD for ITSA – What You Need to Do

- **Record digitally from day one** – Use MTD-compatible software (Xero, QuickBooks) or Excel with bridging software; paper records alone no longer sufficient
- **Submit quarterly updates** – Summarise income & expenses every 3 months (Q1 due 7 Aug 2026 for those already in scope)
- **File a Final Declaration** – Replaces the annual SA tax return; covers all income (PAYE, dividends etc.); filed via MTD software by 31 January
- **New penalty regime** – Points-based system; accumulate 4 points = £200 fine; points expire after 2 years (replaces current fixed penalties over time)
- **Speak to your accountant early** – We can help you select software, sign up with HMRC and ensure you are compliant before mandation kicks in

33

Record Keeping

MAINTAIN & RETAIN

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34

Accounts

- Accounting Date
  - 31st March
- Sample Accounts

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35

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DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2026

		2026		2025
	£	£	£	£
Turnover				
Anytown Smile Centre		83,464		78,393
Goods and services for own use		210		255
Emergency dental clinic		902		941
Criminal injuries reports		160		124
Opening debtors and WIP		(250)		(250)
Closing debtors and WIP		250		250
		84,736		79,713
Cost of sales				
Laboratory fees	4,938		4,517	
NHS levies	455		320	
Other direct costs	255		190	
	5,648		5,027	
		(5,648)		(5,027)
Gross Profit		79,088		74,686

36

		2026		2025
	£	£	£	£
Gross Profit		79,088		74,686
Administrative Expenses				
Use of home as office	120		120	
Printing, postage and stationery	41		38	
Broadband	240		169	
Mobile Telephone	422		426	
Computer Costs	232		212	
Motor Expenses	1,544		1,874	
Travel and Subsistence	84		183	
Professional Indemnity Insurance	1,570		1,510	
Accountancy	510		510	
Sundry	45		106	
Protective Clothing	48		64	
Laundry and Cleaning	390		390	
GDC Subscription	890		890	
BDA Subscription	375		375	
Other professional subscriptions	60		96	
Courses	1,140		1,520	
Books and journals	70		65	
		(7,781)		(8,548)
Finance Costs				
Hire Purchase interest	763		763	
		(763)		(763)
Net Profit for the year		70,544		65,375
Total NHS pension contributions paid		2,666		2,597

37

DR A.S.SOCIATE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2026

1 Tangible fixed assets	Dental Equipment	Motor Vehicles	Computer equipment	Total
At 1 April 2025	*2,800	20,000	1,780	24,580
Additions	-	-	545	545
At 31 March 2026	2,800	20,000	2,325	25,125

* Library & Loupes

38

DR A.S.SOCIATE
BUSINESS PROFITS COMPUTATION
FOR THE YEAR ENDED 31 MARCH 2026

				£
Profit per financial statements				70,544
Add: Private element of business expenses in accounts:				
	Amount in	Private	Add	
Expense	Accounts	use %	back	
Accountancy	510	N/A	25	
Computer Costs	232	50%	116	
Broadband	240	90%	216	
Mobile telephone	422	85%	359	
Motor expenses	1,544	90%	1,390	
Hire Purchase interest	763	90%	687	
				2,793
Less: Capital allowances		See below		(626)
TAXABLE PROFITS FROM SELF EMPLOYMENT				72,711
Capital Allowances			Private use	Capital
			%	Allowance
Mini Cooper Car				
Tax value brought forward		16,928		
Writing down allowance @ 8%		(1,354)	90%	(135)
Tax value carried forward		15,574		
Equipment				
*Tax value brought forward		-		
Digital camera		545		
Annual investment allowance		(545)	10%	(491)
Tax value carried forward		-		
TOTAL CAPITAL ALLOWANCES				(626)
*AIA Claimed therefore nil tax value				

39

National Insurance

- ~~Class 2 Contributions~~
- Class 4 Contributions

£££

40

National Insurance

- ~~Class 2 Contributions~~
  - ~~£3.50 per week (£182pa)~~
- Class 4 Contributions
  - Charge based on profits
    - 6% on profits between £12,570 and £50,270
    - 2% on profits over £50,270

£££

41

Income Tax

- **Self- Assessment**
- Annual Tax Return
  - Deadline 31st January
  - **INTEREST & PENALTIES!!!**

42

Tax reliefs

Paying into registered pension schemes and overseas pension schemes

Do not include payments you make to your employer's pension scheme which are deducted from your pay before tax or payments made by your employer. If your contributions and other pension inputs are more than the Annual Allowance, you should also fill in boxes 10 to 12 on page Ai 4 of the 'Additional information' pages.

1 Payments to registered pension schemes where basic rate tax relief will be claimed by your pension provider (called 'relief at source'). Enter the payments and basic rate tax

£ . 0 0

2 Payments to a retirement annuity contract where basic rate tax relief will not be claimed by your provider

£ . 0 0

3 Payments to your employer's scheme which were not deducted from your pay before tax - this will be unusual - read the notes

£ . 0 0

4 Payments to an overseas pension scheme, which is not UK-registered, which are eligible for tax relief and were not deducted from your pay before tax

£ . 0 0

Charitable giving

5 Gift Aid payments made in the year to 5 April 2016

£ . 0 0

6 Total of any 'one-off' payments in box 5

£ . 0 0

7 Gift Aid payments made in the year to 5 April 2016 but treated as if made in the year to 5 April 2015

£ . 0 0

8 Gift Aid payments made after 5 April 2016 but to be treated as if made in the year to 5 April 2016

£ . 0 0

9 Value of qualifying shares or securities gifted to charity

£ . 0 0

10 Value of qualifying land and buildings gifted to charity

£ . 0 0

11 Value of qualifying investments gifted to non-UK charities in boxes 9 and 10

£ . 0 0

12 Gift Aid payments to non-UK charities in box 5

£ . 0 0

Blind Person's Allowance

13 If you are registered blind, or severely sight impaired, and your name is on a local authority or other register, put 'X' in the box

14 Enter the name of the local authority or other register

15 If you want your spouse's, or civil partner's, surplus allowance, put 'X' in the box

16 If you want your spouse, or civil partner, to have your surplus allowance, put 'X' in the box

Other less common reliefs are on the 'Additional information' pages.

43

Business expenses

Please read the *Self-employment (full) notes* before filling in this section.

Total expenses	Disallowable expenses
If your annual turnover was below £77,000 you may just put your total expenses in box 30	Use this column if the figures in boxes 16 to 29 include disallowable amounts
16 Cost of goods bought for resale or goods used £ . 0 0	31 £ . 0 0
17 Construction industry – *payments to subcontractors* £ . 0 0	32 £ . 0 0
18 Wages, salaries and other staff costs £ . 0 0	33 £ . 0 0
19 Car, van and travel expenses £ . 0 0	34 £ . 0 0
20 Rent, rates, power and insurance costs £ . 0 0	35 £ . 0 0
21 Repairs and renewals of property and equipment £ . 0 0	36 £ . 0 0
22 Phone, fax, stationery and other office costs £ . 0 0	37 £ . 0 0
23 Advertising and business entertainment costs £ . 0 0	38 £ . 0 0
24 Interest on bank and other loans £ . 0 0	39 £ . 0 0
25 Bank, credit card and other financial charges £ . 0 0	40 £ . 0 0
26 Irrecoverable debts written off £ . 0 0	41 £ . 0 0
27 Accountancy, legal and other professional fees £ . 0 0	42 £ . 0 0
28 Depreciation and loss/profit on sale of assets £ . 0 0	43 £ . 0 0
29 Other business expenses £ . 0 0	44 £ . 0 0
30 Total expenses (total of boxes 16 to 29) £ . 0 0	45 Total disallowable expenses (total of boxes 31 to 44) £ . 0 0

44

Net profit or loss

46 **Net profit** – *if your business income is more than your expenses (if box 14 + box 15 minus box 30 is positive)*

£ . 0 0

47 **Or, net loss** – *if your expenses are more than your business income (if box 30 minus (box 14 + box 15) is positive)*

£ . 0 0

Tax allowances for vehicles and equipment (capital allowances)

There are 'capital' tax allowances for vehicles, equipment and certain buildings used in your business (you should not have included the cost of these in your business expenses). Please read the *Self-employment (full) notes* and use the examples to work out your capital allowances.

48 Annual Investment Allowance

£ . 0 0

49 Capital allowances at 18% on equipment, including cars with lower CO_2 emissions

£ . 0 0

50 Capital allowances at 8% on equipment, including cars with higher CO_2 emissions

£ . 0 0

51 Restricted capital allowances for cars costing more than £12,000 – *if bought before 6 April 2009*

£ . 0 0

52 Agricultural or Industrial Buildings Allowance

£ . 0 0

53 Business Premises Renovation Allowance (Assisted Areas only) – *read the notes*

£ . 0 0

54 100% and other enhanced capital allowances – *read the notes*

£ . 0 0

55 Allowances on sale or cessation of business use (where you have disposed of assets for less than their tax value)

£ . 0 0

56 Total capital allowances (total of boxes 48 to 55)

£ . 0 0

57 Balancing charge on sale or cessation of business use (only where Business Premises Renovation Allowance has been claimed)

£ . 0 0

58 Balancing charge on sales of other assets or on the cessation of business use (where you have disposed of assets for more than their tax value)

£ . 0 0

Calculating your taxable profit or loss

You may have to adjust your net profit or loss for disallowable expenses or capital allowances to arrive at your taxable profit or your loss for tax purposes. Please read the *Self-employment (full) notes* and fill in the boxes below that apply.

59 Goods and services for your own use – *read the notes*

£ . 0 0

60 Total additions to net profit or deductions from net loss (box 45 + box 57 + box 58 + box 59)

£ . 0 0

61 Income, receipts and other profits included in business income or expenses but not taxable as business profits

£ . 0 0

62 Total deductions from net profit or additions to net loss (box 56 + box 61)

£ . 0 0

63 Net business profit for tax purposes (if box 46 + box 60 minus (box 47 + box 62) is positive)

£ . 0 0

64 Net business loss for tax purposes (if box 47 + box 62 minus (box 46 + box 60) is positive)

£ . 0 0

45

Late filing penalties

Day 1 late → £100 fixed penalty (even if no tax is owed)

3 months late → £10 per day for up to 90 days (max £900)

6 months late → £300 or 5% of tax due (whichever is greater)

12 months late → £300 or 5% of tax due again (up to 100% if deliberate)

Maximum filing penalties after 12 months: £1,600+** | **Penalties apply even if you owe NO tax!

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46

Late payment costs

Interest on unpaid tax → 7.75% p.a. (BoE base rate + 4%) — accrues daily from due date

30 days late → 5% penalty on unpaid tax

6 months late → further 5% penalty

12 months late → further 5% penalty (max 15% total)

Interest is also charged on the penalties!

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47

Income Tax

Save to pay tax, NIC & student loan (NOT ALL YOURS ☹)

- **Tax & NIC** **13% - 30%**
- **Student Loan** **0% - 6%**
- **Both** **13% - 36%**

NO TAX FREE PERIOD

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48

Tax Savings

Monthly Income	Tax & Class 4 NIC	Student Loan	Total
Up to £2,000	13%	0%	13%
£2,000 to £4,000	19%	4%	23%
£4,000 to £6,000	24%	5%	29%
£6,000 to £8,000	28%	6%	34%
Over £8,000	30%	6%	36%

49

Income Tax

Tax Return Payments Example

New Associate

September 2026 Start

Has Student Loan

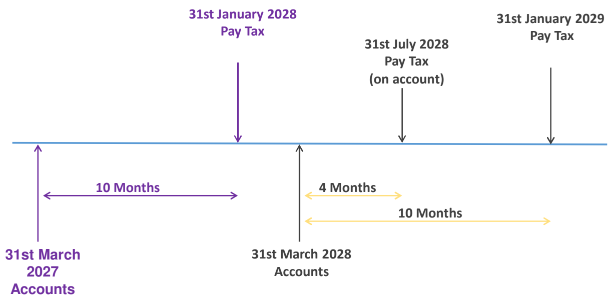
First Tax Return

2026-27

Tax year ended 5 April 2027

50

Tax Timeline



51

Tax Return Payments

Date	Nature of Payment	Amount	Total Payment
31 January 2028	2026/27 Tax & NIC	6,000	
	2027/28 Instalment (1)	3,000	
	Student Loan Repayment	1,000	£10,000
31 July 2028	2027/28 Instalment (2)		£3,000
31 January 2029	2027/28 Tax & NIC Balance	8,000	
	2028/29 Instalment (1)	7,000	
	Student Loan Repayment	2,300	£17,300

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52

Save for tax

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53

Professional Advisors

Use someone who knows what they are doing!

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54

THANK YOU FOR LISTENING!

ANY QUESTIONS?

My Contact Details:
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Email: paula.donnelly@miscampbell.co.uk

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55