



## How long should you keep your records?

This is a question that many people are unsure about. Here we hope to clarify how long you should keep your records – whether you run a business, are self-employed or simply want advice as an individual.

### Limited Company

If you run your business as a limited company you must keep records for six years from the end of the last company financial year they relate to, or longer if they show a transaction that covers more than one of the company's accounting periods; the company has bought something that it expects to last more than six years for example equipment or machinery; you sent your Company Tax Return late; or HMRC has started a compliance check into your Company Tax Return.

### Self-Employed

If you are self-employed and obliged to submit a self-assessment tax return, you must keep your tax records for at least five years after the 31 January submission deadline of the relevant tax year. For example, if you send your 2017-18 tax return online by 31 January 2019, you must keep your records until at least the end of January 2024. These records should also include anything that you used to complete your tax return – such as bank statements, receipts, invoices and so on. If you send your tax return more than four years after the deadline, you will need to keep your records for fifteen months after you submit the return.

This may seem like a long time but it is the sensible option as HMRC have up to six years in which to investigate past tax affairs so this preparation is advisable in order to avoid a large fine should this happen.

If you keep your tax records on a computer, make sure you have sufficient backups of your data to meet these requirements. If you change software during the record retention period, you may need to print relevant reports if you are unable to maintain access to data backups.

### Individuals

Some individuals need to fill out a self-assessment tax return but are not classed as self-employed, for example due to receiving rental income above £2,500 or income in excess of

£10,000 from savings and investments. If this is the case you should keep your tax return and back up information for at least twenty-two months after the 31 January filing deadline and at least fifteen months after if filing later.

If you don't need to complete a tax return there are no hard and fast rules as to how long to keep records for. It would be advisable though to keep bank statements, payslips, credit card bills, utility bills, relevant receipts, etc for a year or longer. These may be needed to prove identification or requested if applying for a mortgage.

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