

FIVE TOP TAX TIPS

FOR COMPOSERS AND LYRICISTS

Records, plumbers, sunny days, expenses and talking – **ERIC LONGLEY**, Director of Taxation at Prager Metis, London, shares his top tips for beating the taxman.

1 KEEP GOOD RECORDS

A well-ordered record-keeping system that provides easy access to information is the backbone of any profitable business. If you don't have good records you will incur unnecessary professional fees, make more mistakes which could possibly trigger tax and VAT penalties, and you will never really know how well you are doing. If in doubt pay a professional experienced bookkeeper to keep your books. A well-kept recording system with filing cabinet (electronic and/or manual) is a sign of a well-ordered and profitable business – it is also one HMRC are less likely to combat with.

2 HIRE AN ACCOUNTANT WHO UNDERSTANDS WHAT YOU DO

Choose a professional accountant with experience of your business – and someone who is capable of dealing with the level of complexity you actually need. Would you get a divorce lawyer to deal with your house move or a painter to do your plumbing? Make sure your advisers do have experience of the entertainment business and understand what you do.

3 PLAN FOR THE FUTURE

Sit down with your accountant and review your business. Think about what plain vanilla tax planning is possible and what you think the business will do over the next year. Most accountants would not know a B flat if they tripped over it on a sunny day, but a good accountant will be able to give you effective business advice to help plan your

financial future. If you do not talk to your professional advisers they cannot respond to your needs. It's better to talk to your advisers before you undertake significant expenditure or changes to your business. Planning is about doing things before the event, not clearing up the mess afterwards.

4 KNOW WHAT YOU CAN CLAIM

It's always better to tell your accountant what you've spent your money on – and the reason why – so that they can advise on whether it's allowable for tax purposes. If you don't tell them, they can't claim the expense for you. But if you do tell them what you bought and why you bought it, there is a fighting chance it might be allowable.

5 TALK AND KEEP TALKING

Make sure your advisers talk to each other. There's no point drawing up a contract if it's tax disadvantageous, and it wouldn't make sense to undertake tax planning if there is a legal barrier to it. Advisers who live and work in a silo, deaf to the world outside, are not going to be able to give you competent business advice. The single most important piece of advice is talk. Talk to your professional advisers and get them to talk to each other when necessary.



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