

## ULTRA ACCESS

### What is Corporation Tax?

Key information to know (and plan for) for when the Taxman comes knocking

**DISCLAIMER:** *Ultra Access is not an accountant, tax expert, or financial advisor in any way whatsoever, but...*

... we are however able to gather and articulate official (and credible) sources of information, like the **HMRC** (His / Her Majesty's Revenue & Customs) UK.Gov website into more understandable language.

So... what is Corporation Tax in the UK?

**Corporation Tax** is a tax that is paid by organisations (usually Limited / "LTD" Companies) on the profits earned within a specific 12 month period - the companies "accounting year".

The amount of tax is variable and scales upwards based on the amount of profit, and as of 2025 it is set between 19% and 25%, depending on profit earned after turnover less expenses.



**Corporation Tax** is calculated by taking a companies official "Turnover" - which is the total monies they generate from sales / services, etc, otherwise known as **Revenue** - as a monetary figure.

A companies Turnover / Revenue could be a very substantial sum of money, but this does not necessarily mean that this money is any indication that a company is financially successful...

**Expenses** (and tax deductibles - which could be a on number of things) are subtracted from the **Turnover**, and the amount thats left is the companies **Net Profit**, which will either mean that corporation tax is then required to be paid to the HMRC, or a rebate is due...

The amount of **Net Profit** a company has is is a good indication of how successful a company is (at least financially), with any non-declared incomes, like for instance cash not being included within a companies Net Profit. Although, non-declared cash COULD be deemed as tax evasion.

**NOTE:** the HMRC (basically part of the Government) doesn't like paying money back to companies as "refunds" / rebates as this means that they will have less money raised from taxation.

If you are thinking of starting up a business yourself (scaffolding or otherwise), we would highly advise that you make sure to acquire the services of, appoint a competent (and knowledgable) **tax accountant** who knows the upto date taxation laws, and whatever loopholes there are to avoid paying too much tax...

... because not only are HMRC notoriously difficult to contact, they are also VERY slow in repaying back what they consider as "their money" to your company.

**Ultimately, a good tax accountant is worth their weight in gold, and in some cases literally.**