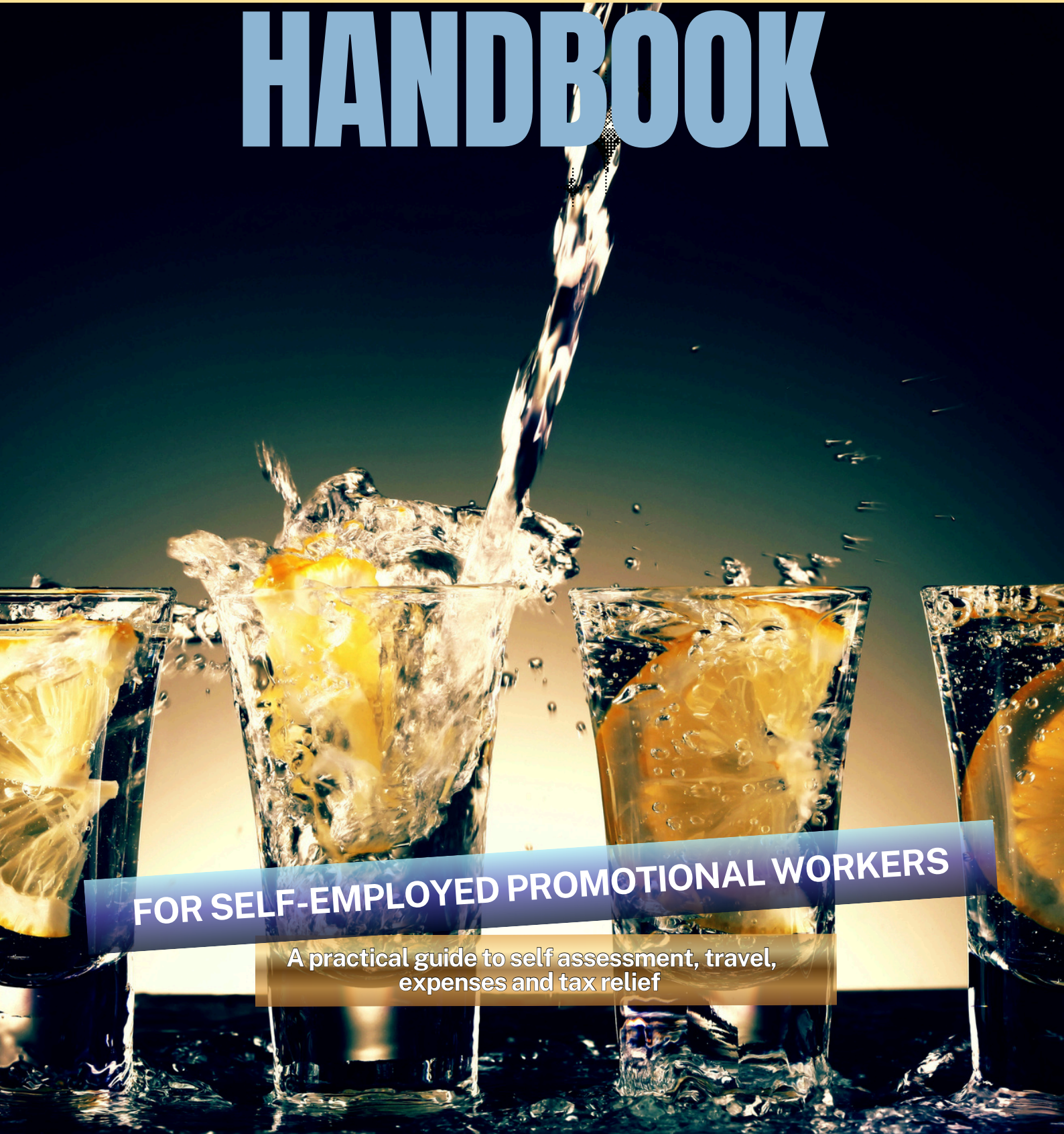
equity accounting

2026/27 EDITION

TAX REFERENCE HANDBOOK



FOR SELF-EMPLOYED PROMOTIONAL WORKERS

A practical guide to self assessment, travel, expenses and tax relief

equity accounting

A modern accountancy practice with a personal approach. We combine expert advice with practical support to help our clients succeed

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LOCAL OFFICES, PERSONAL SERVICE

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CLIENTS LOCALLY, NATIONALLY AND INTERNATIONALLY

We work with both individual and corporate clients across the local area, the UK and around the world. Wherever you are, we are here to help.



HOSPITALITY SECTOR EXPERTS

We are specialists in the hospitality sector, offering a full range of support services tailored to the unique needs of your business.

- ACCOUNTS & TAX RETURNS
- TAX PLANNING
- PAYROLL
- MANAGEMENT ACCOUNTING
- BUSINESS ADVICE
- START-UP SUPPORT
- GROWTH PLANNING
- VAT & COMPLIANCE

HOSPITALITY SECTOR CLIENTS INCLUDE

- RESTAURANTS
- BARS
- PUB GROUPS
- CAFES
- TAKEAWAYS
- DJS
- PROMOTERS

NPCS - A DIVISION OF EQUITY ACCOUNTING

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NPCS is the hospitality division of Equity Accounting, offering specialist services to the hospitality sector as part of the Equity Accounting range of professional services.

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- Payroll Services
- Auto Enrolment
- HR Support
- Workplace Pension Solutions

OUR PROMISE

We build long-term relationships based on trust, expertise and understanding. Your success is our priority.

THIS GUIDE AT A **GLANCE**

Working in the promotions and nightlife industry is unlike almost any other profession.

Many people work for several agencies, travel to different venues every week and earn money in a variety of ways.

Some also create online content through platforms such as OnlyFans, Instagram, TikTok or similar websites.





Unfortunately, there is a huge amount of incorrect tax advice online.

Don't rely on information given to you by others and assume it's correct. This can cost you later.

Your go-to reference guide
Know your stuff

IT'S ALL RIGHT HERE



What's in it for you

This handbook has been designed to explain the rules in plain English and help you:

- **understand your tax responsibilities;**
- **know what records to keep;**
- **understand which expenses are usually allowable;**
- **avoid common mistakes that attract HMRC attention; and**
- **maximise legitimate tax reliefs.**

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ASK ANYTHING

Talk to Us

Call us on 0191 233 6329 during normal office hours or message any time on 07434 312949 for quick queries and questions

Come & See Us

We have offices in Newcastle and Durham or we can arrange video meetings to suit.





Working through an agency does not make you an employee.

UNDERSTANDING YOUR BUSINESS

Although you may work through an agency, you are usually operating your own self-employed business.

Your business may involve:

- Selling promotional products
- Shot sales
- Brand promotions
- Event hosting
- Product launches
- Festival work
- Nightclub promotions
- Content creation
- Social media promotion

You may well have more than one income stream. such as:

- Promotional work
- OnlyFans
- TikTok
- Instagram
- Brand collaborations
- Appearance fees

Each income source should be recorded accurately.

REGISTERING AS SELF-EMPLOYED

If you earn more than the trading allowance, you may need to register with HMRC.

You should also:

- keep business records;
- retain receipts;
- keep copies of invoices;
- maintain separate business bank records wherever possible.





SELF-EMPLOYED vs. LIMITED COMPANY



Understanding your options and choosing what's right for you

For many promotional workers, operating as a sole trader is the simplest and most practical arrangement. You don't need to establish a company or become a company director. You simply register with HMRC when required, maintain business records and pay tax on your profits.

However, as your earnings increase, you might hear other people talking about setting up limited companies. You may even have been told that having a limited company means you'll pay less tax.

But is that actually true? The answer depends on how much you earn, how you use your money and what you want from your business.

What's the difference? As a sole trader, you and your business are legally the same person. You receive the income, pay your business expenses and pay Income Tax and National Insurance on your taxable profits.

A limited company works differently. It is a separate legal entity, registered at Companies House. The company earns the income, pays its expenses and pays Corporation Tax on its taxable profits. You can then receive money from the company, usually through salary, dividends or a combination of both. Importantly, money earned by your limited company doesn't automatically belong to you personally.

Before forming a limited company, speak to **Equity Accounting**. We can compare the likely tax liabilities and administration costs of both structures and help you decide which is appropriate for your circumstances.

AT A GLANCE

	Sole Trader	Limited Company
Setting Up	Relatively Simple	Companies House incorporation
Legal Identity	You/the business are the same	Separate legal entity
Personal Liability	Generally unlimited	Generally limited
Tax on Profits	Income Tax and applicable NI	Corporation Tax
Taking Money Out	Generally straightforward	Salary, dividends or other lawful payments
Administration	Usually simpler	More complex
Accounting Costs	Usually lower	Usually higher
Public Accounts	Not generally required	Accounts filed at Companies House
Retaining Profits	Profits taxed personally	Potential to retain post-tax profits
Mortgage Applications	Usually based on trading profits	Salary/dividends (and retained profits)
MTD for Income Tax	Applies when threshhold met	Not applicable to company profits

Which option is right for you?

There's no single answer. The right structure depends on your circumstances, including how much you earn, whether you have other income, how much money you need to withdraw and your longer-term plans.

If you're just starting out or working part-time, remaining a sole trader may be the simplest option.

If your earnings are increasing, you're developing a substantial content creation business or you're considering employing other people, a limited company may be worth exploring.

YOUR TAX RETURN: MORE THAN JUST PAYING TAX

If you're self-employed, you are responsible for telling HMRC about your taxable business income and paying any tax due.

Unlike someone employed through PAYE, tax is not normally deducted automatically from your earnings.

You must therefore make sure that you:

- Register for Self Assessment when required.
- Keep accurate records of your income and expenses.
- Submit tax returns by the applicable deadlines.
- Pay any Income Tax and NI contributions due.

Once you are required to submit a tax return, failing to do so can result in penalties, interest and problems with HMRC



Why keeping your tax affairs in order matters for your future

Remember:
Being paid in cash doesn't mean the income is tax-free.

Cash earnings must be recorded and declared in exactly the same way as payments received into your bank account.

APPLYING FOR A MORTGAGE

You might not be thinking about a mortgage today, but that could change in a few years.

Perhaps you're saving for a deposit, planning to move in with your partner or hoping to buy your first home together.

When you apply for a mortgage, the lender needs to be satisfied that you can afford the repayments. For someone who is employed, this is usually relatively straightforward. They can provide payslips and evidence of their salary.

When you're self-employed, things work differently.
Most mortgage lenders will want to see evidence of your earnings over a period of time.
Typically, this involves:

1. Your tax calculations (SA302s)
2. Your Tax Year Overviews
3. Your trading history (usually at least 2 years)
4. Your bank statements (personal & business)
5. Your existing financial commitments (loans, credit cards etc)

DON'T WAIT UNTIL YOU'RE READY TO APPLY!

❌ If you approach a mortgage lender without a reliable history of declared earnings, you may find your options limited.

✅ Building a properly documented trading history takes time

✅ Even if buying a home seems a long way off, keeping your tax affairs up to date now can make the process much easier when the time comes.



Your tax return isn't just about what you owe HMRC today. It's also part of building your financial future.

MUST-KNOW INFORMATION



UNDERSTANDING YOUR INCOME

This is one of the most misunderstood areas.

Most promotional workers do **not** own the products they sell.

Instead, they act as an **agent** introducing customers and facilitating sales.

For example:

- The venue owns the alcohol.
- Customers purchase drinks from the venue.
- You collect payment on the venue's behalf.
- At the end of the night you account to the venue for its share.
- The agency deducts its commission.
- You retain your agreed earnings.

Where you are genuinely acting as an agent, your business income is generally your commission or agreed earnings, not the total cash collected from customers.

Whether someone is acting as an agent or principal depends on the legal agreements and the reality of how the business operates.

HMRC places particular emphasis on whether ownership of the goods remains with the principal and whether the parties' conduct matches the contractual arrangements.





KEEPING GOOD RECORDS

Keep copies of:

- Agency bookings
- Event confirmations
- Venue instructions
- Mileage logs
- Parking receipts
- Hotel invoices
- Equipment receipts
- Bank statements

Good records make tax returns quicker, cheaper and far easier if HMRC asks questions.





ALLOWABLE EXPENSES

KNOW WHERE YOU STAND

Don't assume that something will be an allowable expense or take someone else's word for it. There are definite rules and guidelines issued by HMRC which determine what is allowable.



Green = Normally Allowable

These expenses will usually qualify if incurred wholly and exclusively for your business.

- ✅ Agency commission
- ✅ Mileage
- ✅ Parking
- ✅ Tolls
- ✅ Hotels
- ✅ Business meals while travelling
- ✅ Mobile phone (business proportion)
- ✅ Ring lights
- ✅ Cameras
- ✅ Laptops
- ✅ Business insurance
- ✅ Accounting fees
- ✅ Bank charges
- ✅ Advertising
- ✅ Website costs
- ✅ Props
- ✅ Genuine themed costumes

You may be surprised at some of the items that are not usually allowable. That's why we're here to advise.

Amber = Depends

These require judgement.

- ⚠️ Mobile phone
- ⚠️ Internet
- ⚠️ Home office costs
- ⚠️ Hair extensions for specific content
- ⚠️ Specialist makeup
- ⚠️ Wigs
- ⚠️ Temporary themed costumes

The answer depends on the facts and circumstances.

Red = Usually Not Allowable

- ❌ Everyday clothes
- ❌ Dresses
- ❌ Shoes
- ❌ Handbags
- ❌ Haircuts
- ❌ Hair colouring
- ❌ Nails
- ❌ Fake tan
- ❌ Perfume
- ❌ Ordinary makeup

These are generally regarded as personal expenses, even if your work requires you to look smart or glamorous.





Don’t be afraid to ask taxi drivers for a receipt if you didn’t pre-book on an app

TRAVEL FOR BUSINESS

Travel is one of the biggest legitimate claims available.

You can usually claim:

- Business mileage
- Parking
- Tolls
- Taxis/public transport
- Hotels
- Business travel meals

Always record:

- Date
- Venue
- Reason for journey
- Mileage

CLOTHING & APPEARANCE



This is probably the area where people receive the most incorrect advice online.

Usually NOT allowable

- ❌ Smart/party clothing (eg, black dresses)
- ❌ Heels/boots
- ❌ General cosmetics/skincare/perfume
- ❌ Hair appointments
- ❌ Hair extensions
- ❌ Aesthetic procedures (lip fillers etc)
- ❌ Spray tans
- ❌ Lash extensions
- ❌ Cosmetic procedures (breast enhancements etc)

Even if your agency requires a particular standard of appearance, ordinary clothing and grooming are generally treated as personal expenditure.



Usually allowable

Where you are genuinely required to portray a character, there may be a stronger case for claiming the cost of distinctive costumes that have little or no everyday use.

Examples might include:

- ✅ Pirate
- ✅ Cowgirl
- ✅ Police officer
- ✅ Angel/Devil
- ✅ Theatrical makeup/wigs
- ✅ Costume props

Keep the agency brief or event instructions as evidence.

BUSINESS EQUIPMENT

Examples of allowable expenses may include:

- Mobile phone network charges (business use)
- Business SIM or additional phone
- Portable charger / power bank
- Laptop/printer
- Stationery
- Business diary or planner
- Card reader (if personally used)
- Accounting software
- Cloud storage
- Bank charges
- Business insurance

Some promotional workers also purchase equipment to make carrying out their work easier.

Examples may include:

- Branded bags or storage cases used solely for transporting work equipment
- Display props
- Promotional accessories

GOOD EVIDENCE

Where possible keep:

- receipts;
- invoices;
- booking confirmations;
- bank statements.

Many promotional workers incur day-to-day business expenses that are separate from travel and clothing.

If an item has both business and private use, only the business proportion is normally deductible.



CONTENT CREATORS & Online Platforms



Many of our clients combine promotional work with online content creation.

Although both activities form part of your self-employed business, you should keep sufficient records to identify the income and expenses relating to each activity.

This makes preparing your tax return easier and helps demonstrate how business expenses have been calculated if HMRC ever asks.

Income Sources

- OnlyFans
- TikTok Creator Fund
- Instagram
- Facebook
- YouTube
- Patreon
- Fansly
- Brand sponsorship
- Affiliate marketing
- Subscription income
- Tips
- Pay-per-view content



Equipment

- Ring lights
- Cameras
- Tripods
- Memory cards
- Microphones
- Lighting
- Editing software
- Business software

Record Keeping

Keep separate records for:

- Platform income
- Platform fees
- Chargebacks
- Refunds
- Overseas income

Common Expenses

- Editing software
- Lighting
- Cameras
- Memory cards
- Microphones
- Subscription software
- Website hosting



COMMON HMRC MISTAKES



REMEMBER!

Do not assume that clothing, makeup or beauty treatments automatically become tax deductible simply because they appear in content or you bought them for work.

Ordinary clothing and personal grooming often remain non-deductible, whereas specialist props or distinctive costumes used exclusively for the business may be easier to justify depending on the facts.

AVOID THESE MISTAKES!

- ❌ Claiming all clothing because it is worn for work
- ❌ Claiming beauty treatments
- ❌ Claiming 100% of mobile phone costs
- ❌ Not keeping mileage records
- ❌ Mixing personal and business bank accounts
- ❌ Losing receipts
- ❌ Forgetting cash income
- ❌ Assuming advice on TikTok is correct

When in doubt, ask us before claiming. Correcting a tax return is always more expensive and time-consuming than getting the advice right first time.

MTD - A SIMPLE INTRODUCTION



MAKING TAX DIGITAL

Making Tax Digital (MTD) is a new system from HMRC that changes how people keep tax records and send information to HMRC. The aim is to make tax reporting more accurate and easier to manage online.

If MTD applies to you, you will normally need to:

- Keep digital income and expense records
- Use compatible accounting software
- Send quarterly updates to HMRC
- Submit a final yearly tax declaration

This replaces the older system of keeping paper records and only filing once per year.

MTD is being introduced in stages. Not everyone will join MTD immediately, but more self-employed people will gradually move onto the system over the next few years.

You *must* join MTD if your qualifying (self-employed) income exceeds a certain amount. Currently, that amount is £50,000 per year but from April 2027 it will be £30,000 per year and then £20,000 per year from April 2028.

If you work with us, we can help explain:

- Whether MTD applies to you
- What records you should keep
- Which apps or systems are easiest to use



IMPORTANT REMINDER

Even if tax feels confusing at first, it is your responsibility to keep records of what you earn, tell HMRC about your incomes and pay any tax you owe on time.

FREQUENTLY ASKED QUESTIONS



If you're ever unsure whether something can be claimed, ask before submitting your tax return.

Can I claim mileage?
Usually yes, where the journey is for business.

Can I claim hotels?
Usually yes if required for business travel.

Can I claim agency commission?
Yes.

Can I claim everyday clothes?
Usually no.

Can I claim makeup?
Usually no, unless it is specialist theatrical or otherwise genuinely incurred wholly and exclusively for the business.

Do I need to keep receipts?
Absolutely.

A little advice now is often much cheaper than correcting mistakes later.



EXPENSES CHECKLIST

Income

- Agency earnings
- Content income
- Brand collaborations
- Tips
- Promotional work

Travel

- Mileage
- Parking
- Hotels
- Trains
- Flights

Equipment

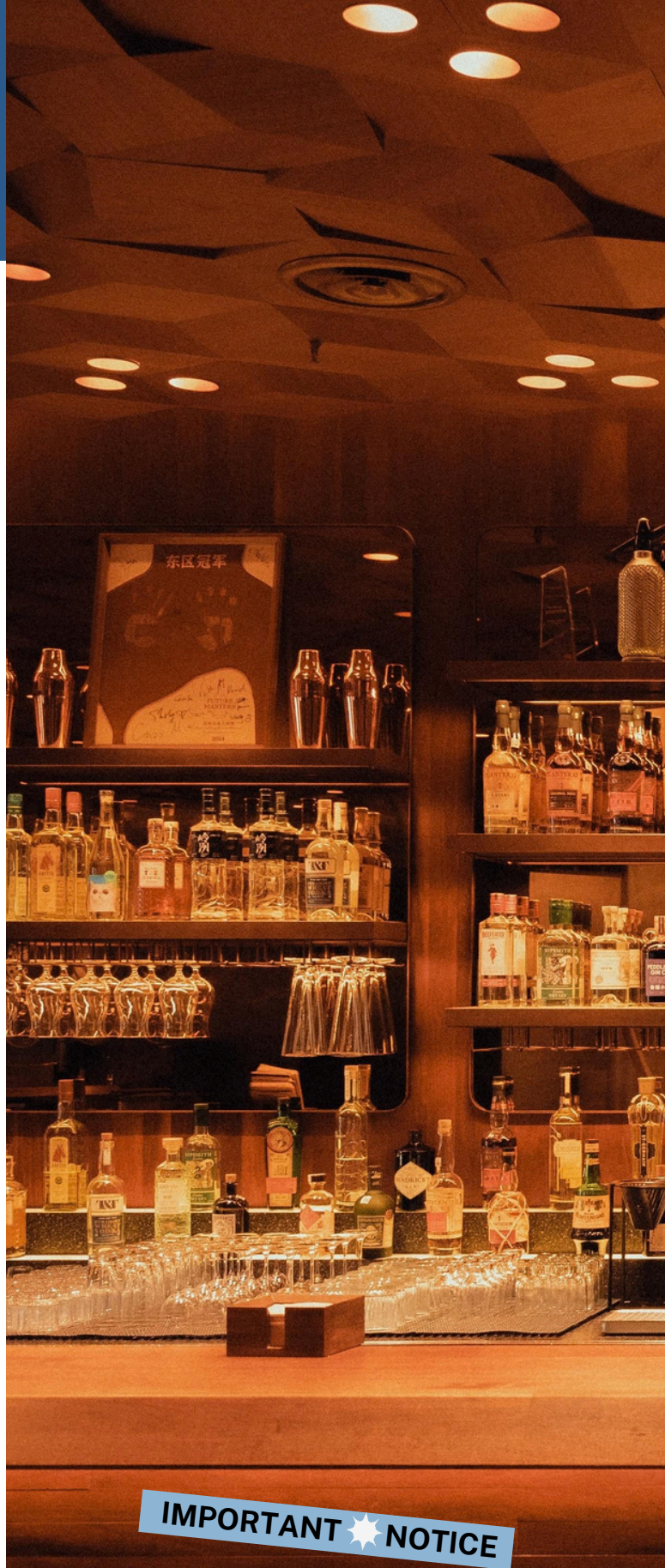
- Laptop
- Camera
- Lighting
- Phone
- Editing software

Office

- Internet
- Stationery
- Printer
- Accounting software

Professional

- Accountant
- Insurance
- Bank charges
- Advertising
- Website



IMPORTANT NOTICE

This handbook provides general guidance only and should not be relied upon as a substitute for professional advice. Tax legislation and HMRC practice can change, and the correct treatment will always depend on the individual facts and circumstances of each client.



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Leading experts in the hospitality sector