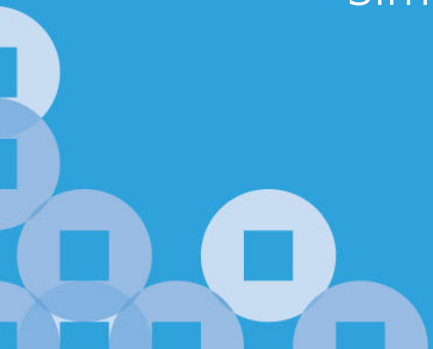




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# IRAS e-Tax Guide

## Simplified Record Keeping Requirements for Small Businesses (Fourth Edition)



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## 1. Aim

- 1.1. This e-Tax Guide provides guidance on IRAS' Simplified Record Keeping (SRK) requirements for small businesses. IRAS recognises that small businesses typically have simpler business and tax affairs. As long as they qualify for SRK, they can adopt the SRK requirements from 1 Jan 2014 for the Year of Assessment 2015. The qualifying conditions for SRK are defined in Section 4.

## 2. At a glance

- 2.1. All businesses must adhere to various record keeping requirements for tax purposes. To simplify record keeping for small businesses, IRAS has further streamlined these requirements. From 1 Jan 2014, small businesses (i.e., sole-proprietorships, partnerships and self-employed persons) that qualify for SRK will only need to keep **business records (e.g. registers, listings) and not source documents**, such as receipts and invoices, which directly contribute to the preparation of the business records. For verification purposes, IRAS may request for the original business records instead of the source documents. However, small businesses will still need to retain all other source documents such as contracts and correspondences that cannot be translated into a listing or register, and hence cannot be verified based on a business record.

## 3. Importance of Record Keeping for Businesses

- 3.1. It is important for all businesses to keep proper records. This will enable you to:
- a) Make better business decisions;
  - b) Be aware of the financial status of your business (e.g. profit or loss position, whether there is any internal fraud or theft);
  - c) Reduce the cost and effort required to accurately file the annual income tax return and to reply to IRAS' queries (if any).
- 3.2. Businesses need to meet all the record keeping requirements (e.g. keeping all source documents) specified in the following e-Tax Guides (whichever is applicable):
- ["Record Keeping Guide for Non-GST Registered Businesses"](#);
  - ["Record Keeping Guide for GST-Registered Businesses"](#).
- 3.3 You are required to keep records for a minimum period of 5 years after the date on which your company/ sole-proprietorship/ partnership is struck off/ dissolved/ wound up.

3.4 Non-compliance with record-keeping requirements may constitute an offence where a maximum fine of \$5,000 and / or a jail term of up to six months may be imposed<sup>1</sup>.

#### 4. Qualifying Conditions for Simplified Record Keeping

4.1 A small business (i.e., sole-proprietorship, partnership and self-employed person) that meets all the following conditions can qualify for SRK:

- a) The business' annual revenue<sup>2</sup> must be \$200,000 or less for the past two financial years;
- b) The business' assets<sup>3</sup> amounted to less than \$100,000 as at the end of the latest financial year;
- c) The business is not in the business of investment holding<sup>4</sup> or property development; and
- d) The business is not GST-registered.

4.2 A qualifying small business may adopt the SRK requirements (detailed in Section 5) once it has met the qualifying conditions (Paragraph 4.1). However, you should ensure that your business will be able to maintain its eligibility for the foreseeable future, as switching from SRK requirements to full record keeping requirements may incur significant business costs. If you do not foresee that your business will be able to maintain its eligibility<sup>5</sup>, it is advisable to continue meeting the record-keeping requirements specified in Paragraph 3.2.

4.3 A new business which has yet to file your first annual income tax return can choose to meet the SRK requirements right from the start of your business operations, if you expect to meet the qualifying conditions (Paragraph 4.1) in the foreseeable future.

4.4 You do not need to inform IRAS on your choice to meet the SRK requirements. Please refer to **Appendix 1** for examples illustrating Paragraphs 4.1 to 4.3.

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<sup>1</sup> Under Section 67 of Income Tax Act 1947 and Section 46 of Goods and Services Tax Act 1993.

<sup>2</sup> Refers to revenue before factoring in business discounts.

<sup>3</sup> Value of assets refers to the total gross book value of fixed and current assets.

<sup>4</sup> An investment holding company's principal activity is to own investments such as properties and shares for long-term investment and derive investment income such as dividends, interest and rental.

<sup>5</sup> Businesses may foresee that they would not be able to maintain their eligibility if they are currently engaged in the following activities e.g.:

- Negotiating a high-value business contract
- Acquiring a high-value piece of machinery or equipment
- Discussing a possible diversification of business operations into property development

## 5. Simplified record keeping requirements for qualifying small businesses

- 5.1 Qualifying small businesses should translate source documents such as receipts and invoices into businesses records and keep the following business records<sup>6</sup> (where applicable):
- a) Daily Revenue Record (please refer to **Appendix 2** for a sample);
  - b) Daily Purchases Record (please refer to **Appendix 3** for a sample);
  - c) Monthly Record of All Business Expenses<sup>7</sup> (please refer to **Appendix 4** for a sample);
  - d) Details of Daily Transport Expenses (please refer to **Appendix 5** for a sample); and
  - e) Details of Monthly Staff Remuneration Expenses (please refer to **Appendix 6** for a sample).
- 5.2 Business records kept for a financial year can be used to prepare the Statement of Accounts<sup>8</sup> (please see **Appendix 7** for a sample) and Balance Sheet<sup>9</sup> (please see **Appendix 8** for a sample). A business can refer to the Statement of Accounts and the Balance Sheet when preparing its annual income tax return. Please refer to Appendices 2 to 8.
- 5.3 Qualifying small businesses are required to provide receipts upon request by their customers. This is to allow customers who do not qualify for SRK to meet their record-keeping requirements. However, qualifying small businesses will not need to keep the source documents. IRAS has published record keeping guidelines and/or templates for selected industries<sup>10</sup>. If a qualifying small business belongs to one of these industries, it may choose to rely on the industry-specific guidelines and templates instead.

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<sup>6</sup> Besides maintaining business records, businesses opting for SRK requirements are also required to keep the relevant source documents if they wish to avail themselves of benefits under any cash payout scheme. Please note that under Sections 37R(24) and (26) of the Income Tax Act 1947, businesses claiming cash payout under the Enterprise Innovation Scheme must retain records for a period of 7 years.

<sup>7</sup> Business expenses are expenses incurred in the course of running a business e.g. staff remuneration expenses, rental, utility charges and telephone charges.

<sup>8</sup> Statement of Accounts shows the financial results of a business for a financial year and should be prepared on an accrual basis i.e. income is to be recorded on the date it is earned and expenses are to be recorded on the date they are incurred.

<sup>9</sup> Balance Sheet shows the assets and liabilities of, and money invested in a business as at the end of a financial year. It should be prepared on an accrual basis.

<sup>10</sup> For the list of selected industries (e.g. beauty and wellness operators, entertainers and entertainment organisers, hawkers, sharing economy players etc.), please refer to IRAS website at [www.iras.gov.sg](http://www.iras.gov.sg) (Taxes > Individual Income Tax > Self-Employed and Partnerships > Tax obligations by industry, trade or profession).

## **6 Tips for record keeping**

- 6.1 You should keep records from the commencement of your business operations. Failure to do so may result in more time and effort spent on record keeping subsequently. These are some tips for record keeping:
- a) Set up a record-keeping system which can be understood by any person familiar with the business operations, and not solely the accounts personnel. Ensure the system include alerts for following-up on debts owed to your business or taking action when payments are due;
  - b) Utilise digital systems, such as accounting software, to accurately and easily record transactions;
  - c) Record transactions daily to keep records up-to-date;
  - d) Verify the accuracy of all transactions; and
  - e) Set up a bank account for the business to enable clearer management of business funds.

## **7 For more information and clarifications**

- 7.1 For more information on record keeping, please visit IRAS website at [www.iras.gov.sg](http://www.iras.gov.sg) (Taxes > Individual Income Tax > Self-Employed and Partnerships > Tax obligations of Self-Employed Persons Keeping proper records and accounts).
- 7.2 For clarifications on this e-Tax Guide, please email IRAS through our secured email channel, myTax Mail by logging in to myTax Portal ([www.mytax.iras.gov.sg](http://www.mytax.iras.gov.sg)) using your Singpass or Singpass Foreign user Account (SFA).

## 8 Updates and amendments

|   | <b>Date of amendment</b> | <b>Amendments made</b>   |
|---|--------------------------|--|
| 1 | 20 Nov 2020              | <ul style="list-style-type: none"> <li>Updated the qualifying conditions for SRK in paragraph 4.1 by increasing the revenue threshold from \$100,000 to \$200,000 from 1 Jan 2020 (i.e. Year of Assessment 2021) onwards</li> <li>Updated the examples in Appendix 1 to reflect how the revised qualifying conditions can be applied.</li> </ul>   |
| 2 | 21 Apr 2022              | <ul style="list-style-type: none"> <li>Updated the qualifying conditions for SRK in paragraph 4.1 by clarifying that the annual revenue reported by the business concerned must be \$200,000 or less for the past 2 financial years from 1 Jan 2020 onwards (i.e. Year of Assessment 2021), to qualify for the SRK initiative.</li> <li>Updated the citations (i.e. title change) of the relevant tax acts in footnote 2 at page 1, to align with the changes introduced under the 2020 Revised Edition of Acts that came into force on 31 Dec 2021.</li> <li>Updated the website paths in pages 3 and 4 as well as Appendix 4 to facilitate the tracing of the website locations of the relevant information in IRAS website.</li> <li>Indicated examples of specific industries or professions where record keeping templates are provided in IRAS website in footnote 5 at page 3.</li> </ul> |
| 3 | 23 Apr 2024              | <ul style="list-style-type: none"> <li>Regular review: Made editorial edits for brevity.</li> <li>Updated the record keeping period required by businesses claiming cash payout under the Enterprise Innovation Scheme.</li> <li>Clarified circumstances where source documents are still required to be maintained.</li> <li>Updated the tips for record keeping.</li> </ul>  |



|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"><li>• Updated examples in Appendix 1 to reflect self-employed persons.</li></ul> |
|--|--|--|

## **Appendix 1 – Examples of how businesses may be considered to have qualified for SRK**

The following examples are discussed in the context of a taxpayer who is considering his/her record keeping obligations in relation to 2023 (i.e. Year of Assessment 2024).

### **Example 1**

A sole-proprietorship in the business of selling clothes was set up on 1 January 2022, with December being the business' financial year-end. The total assets of the business as at 31 December 2023 amounted to \$88,000 and the past business performance is as follows:

- Revenue for 2022: \$180,000
- Revenue for 2023: \$155,000

The sole-proprietorship can be considered to have met the qualifying conditions and can choose to adhere to the SRK requirements with immediate effect if it expects to meet the qualifying conditions in the foreseeable future.

### **Example 2**

A sole-proprietorship in the Food and Beverages (F&B) industry was set up on 1 January 2022, with December being the business' financial year-end. The total assets of the business as at 31 December 2023 amounted to \$150,000 and the past business performance is as follows:

- Revenue for 2022: \$218,000
- Revenue for 2023: \$95,000

The sole-proprietorship's total assets as at the latest financial year exceeded \$100,000 and its annual revenue exceeded \$200,000 for one financial year. It has failed to meet the qualifying conditions and thus, cannot choose to adhere to the SRK requirements.

### **Example 3**

A partnership selling hardware was set up on 1 January 2023, with December being the business' financial year-end. The total assets of the business as at 31 December 2023 amounted to \$80,000 and the past business performance is as follows:

- Revenue for 2023: \$195,000

The partnership has filed an income tax return for its first year of business. As the partnership has only been set up for one financial year, it has failed to meet the qualifying conditions and thus, cannot choose to adhere to the SRK requirements.

#### **Example 4**

A partnership in the business of investment holding was set up on 1 January 2022 with December as its financial year-end. The total assets of the business as at 31 December 2023 amounted to \$500,000 and the past business performance is as follows:

- Revenue for 2022: \$150,000
- Revenue for 2023: \$170,000

As the partnership is in the business of investment holding and its assets exceeded \$100,000, it has failed to meet the qualifying conditions and thus, cannot choose to adhere to the SRK requirements.

#### **Example 5**

A sole-proprietorship in the business of repairing computers is newly set up and has not filed its first annual income tax return yet. The business' financial year end is December.

The business can choose to meet the SRK requirements if it expects to meet the qualifying conditions in the foreseeable future.

#### **Example 6**

A commission agent (self-employed person) started deriving commission income on 1 Jan 2022. His total assets in relation to his commission income was \$20,000. His past commission income derived are as follows:

- Income for 2022: \$185,000
- Income for 2023: \$190,000

The commission agent can be considered to have met the qualifying conditions and can choose to adhere to the SRK requirements with immediate effect if he expects to meet the qualifying conditions in the foreseeable future.

#### **Example 7**

A hawker (self-employed person) started deriving business income on 1 Jan 2023. His total assets in relation to his income was \$50,000. His total income for the financial year 2023 was:

- Income for 2023: \$150,000.

The hawker has filed an income tax return for his first year of receiving business income. As the income was only for one financial year, the commission agent has failed to meet the qualifying conditions and thus, cannot choose to adhere to the SRK requirements.

**Appendix 2 – Daily revenue record**

**Name of Business / Taxpayer:** \_\_\_\_\_

**Financial Year:** \_\_\_\_\_

| S/N          | Month |     |     |     |     |     |     |     |     |     |     |     |
|--------------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|              | Jan   | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 1            |       |     |     |     |     |     |     |     |     |     |     |     |
| 2            |       |     |     |     |     |     |     |     |     |     |     |     |
| 3            |       |     |     |     |     |     |     |     |     |     |     |     |
| 4            |       |     |     |     |     |     |     |     |     |     |     |     |
| 5            |       |     |     |     |     |     |     |     |     |     |     |     |
| 6            |       |     |     |     |     |     |     |     |     |     |     |     |
| 7            |       |     |     |     |     |     |     |     |     |     |     |     |
| 8            |       |     |     |     |     |     |     |     |     |     |     |     |
| 9            |       |     |     |     |     |     |     |     |     |     |     |     |
| 10           |       |     |     |     |     |     |     |     |     |     |     |     |
| 11           |       |     |     |     |     |     |     |     |     |     |     |     |
| 12           |       |     |     |     |     |     |     |     |     |     |     |     |
| 13           |       |     |     |     |     |     |     |     |     |     |     |     |
| 14           |       |     |     |     |     |     |     |     |     |     |     |     |
| 15           |       |     |     |     |     |     |     |     |     |     |     |     |
| 16           |       |     |     |     |     |     |     |     |     |     |     |     |
| 17           |       |     |     |     |     |     |     |     |     |     |     |     |
| 18           |       |     |     |     |     |     |     |     |     |     |     |     |
| 19           |       |     |     |     |     |     |     |     |     |     |     |     |
| 20           |       |     |     |     |     |     |     |     |     |     |     |     |
| 21           |       |     |     |     |     |     |     |     |     |     |     |     |
| 22           |       |     |     |     |     |     |     |     |     |     |     |     |
| 23           |       |     |     |     |     |     |     |     |     |     |     |     |
| 24           |       |     |     |     |     |     |     |     |     |     |     |     |
| 25           |       |     |     |     |     |     |     |     |     |     |     |     |
| 26           |       |     |     |     |     |     |     |     |     |     |     |     |
| 27           |       |     |     |     |     |     |     |     |     |     |     |     |
| 28           |       |     |     |     |     |     |     |     |     |     |     |     |
| 29           |       |     |     |     |     |     |     |     |     |     |     |     |
| 30           |       |     |     |     |     |     |     |     |     |     |     |     |
| 31           |       |     |     |     |     |     |     |     |     |     |     |     |
| <b>Total</b> |       |     |     |     |     |     |     |     |     |     |     |     |

**Appendix 3 – Daily purchases record**

**Name of Business / Taxpayer:** \_\_\_\_\_

**Financial Year:** \_\_\_\_\_

**Month:** \_\_\_\_\_

| S/N          | Date of Purchase | Name of Supplier | Description of Goods / Services Received | Amount Payable | Mode of Payment (Cash/Cheque) |
|--------------|------------------|------------------|--|----------------|-------------------------------|
| 1            |                  |                  |  |                |                               |
| 2            |                  |                  |  |                |                               |
| 3            |                  |                  |  |                |                               |
| 4            |                  |                  |  |                |                               |
| 5            |                  |                  |  |                |                               |
| 6            |                  |                  |  |                |                               |
| 7            |                  |                  |  |                |                               |
| 8            |                  |                  |  |                |                               |
| 9            |                  |                  |  |                |                               |
| 10           |                  |                  |  |                |                               |
| 11           |                  |                  |  |                |                               |
| 12           |                  |                  |  |                |                               |
| 13           |                  |                  |  |                |                               |
| 14           |                  |                  |  |                |                               |
| 15           |                  |                  |  |                |                               |
| 16           |                  |                  |  |                |                               |
| 17           |                  |                  |  |                |                               |
| 18           |                  |                  |  |                |                               |
| 19           |                  |                  |  |                |                               |
| 20           |                  |                  |  |                |                               |
| 21           |                  |                  |  |                |                               |
| 22           |                  |                  |  |                |                               |
| 23           |                  |                  |  |                |                               |
| 24           |                  |                  |  |                |                               |
| 25           |                  |                  |  |                |                               |
| 26           |                  |                  |  |                |                               |
| 27           |                  |                  |  |                |                               |
| 28           |                  |                  |  |                |                               |
| 29           |                  |                  |  |                |                               |
| 30           |                  |                  |  |                |                               |
| 31           |                  |                  |  |                |                               |
| 32           |                  |                  |  |                |                               |
| 33           |                  |                  |  |                |                               |
| 34           |                  |                  |  |                |                               |
| 35           |                  |                  |  |                |                               |
| 36           |                  |                  |  |                |                               |
| 37           |                  |                  |  |                |                               |
| 38           |                  |                  |  |                |                               |
| 39           |                  |                  |  |                |                               |
| 40           |                  |                  |  |                |                               |
| <b>Total</b> |                  |                  |  |                |                               |

**Appendix 4 – Monthly record of all business expenses**

**Name of Business / Taxpayer:** \_\_\_\_\_

**Financial Year:** \_\_\_\_\_

**Month:** \_\_\_\_\_

| S/N          | Date Expense is Incurred | Description of Expense <sup>11</sup> (e.g. rental, transport <sup>12</sup> , staff remuneration <sup>2</sup> ) | Amount Payable | Mode of Payment (Cash/Cheque) | Amount Payable to |
|--------------|--------------------------|--|----------------|-------------------------------|-------------------|
| 1            |                          |  |                |                               |                   |
| 2            |                          |  |                |                               |                   |
| 3            |                          |  |                |                               |                   |
| 4            |                          |  |                |                               |                   |
| 5            |                          |  |                |                               |                   |
| 6            |                          |  |                |                               |                   |
| 7            |                          |  |                |                               |                   |
| 8            |                          |  |                |                               |                   |
| 9            |                          |  |                |                               |                   |
| 10           |                          |  |                |                               |                   |
| 11           |                          |  |                |                               |                   |
| 12           |                          |  |                |                               |                   |
| 13           |                          |  |                |                               |                   |
| 14           |                          |  |                |                               |                   |
| 15           |                          |  |                |                               |                   |
| 16           |                          |  |                |                               |                   |
| 17           |                          |  |                |                               |                   |
| 18           |                          |  |                |                               |                   |
| 19           |                          |  |                |                               |                   |
| 20           |                          |  |                |                               |                   |
| 21           |                          |  |                |                               |                   |
| 22           |                          |  |                |                               |                   |
| 23           |                          |  |                |                               |                   |
| 24           |                          |  |                |                               |                   |
| 25           |                          |  |                |                               |                   |
| 26           |                          |  |                |                               |                   |
| 27           |                          |  |                |                               |                   |
| 28           |                          |  |                |                               |                   |
| 29           |                          |  |                |                               |                   |
| 30           |                          |  |                |                               |                   |
| 31           |                          |  |                |                               |                   |
| 32           |                          |  |                |                               |                   |
| 33           |                          |  |                |                               |                   |
| 34           |                          |  |                |                               |                   |
| 35           |                          |  |                |                               |                   |
| 36           |                          |  |                |                               |                   |
| 37           |                          |  |                |                               |                   |
| 38           |                          |  |                |                               |                   |
| 39           |                          |  |                |                               |                   |
| 40           |                          |  |                |                               |                   |
| <b>Total</b> |                          |  |                |                               |                   |

<sup>11</sup> Only allowable expenses can be claimed for income tax purposes – please refer to IRAS website at [www.iras.gov.sg](http://www.iras.gov.sg) (Taxes > Individual Income Tax > Self-Employed and Partnerships > Business expenses and deductions).

<sup>12</sup> For transport and staff remuneration expenses, details have to be recorded. Please see Appendices 5 and 6 for sample templates.

**Appendix 5 – Details of daily transport expenses**

**Name of Business / Taxpayer:** \_\_\_\_\_

**Financial Year:** \_\_\_\_\_

**Month:** \_\_\_\_\_

| S/N          | Date | Purpose of trip | Destination | Mode of transportation <sup>13</sup> | Person incurring expense<br>(Name and Designation) | Amount |
|--------------|------|-----------------|-------------|--------------------------------------|--|--------|
| 1            |      |                 |             |                                      |  |        |
| 2            |      |                 |             |                                      |  |        |
| 3            |      |                 |             |                                      |  |        |
| 4            |      |                 |             |                                      |  |        |
| 5            |      |                 |             |                                      |  |        |
| 6            |      |                 |             |                                      |  |        |
| 7            |      |                 |             |                                      |  |        |
| 8            |      |                 |             |                                      |  |        |
| 9            |      |                 |             |                                      |  |        |
| 10           |      |                 |             |                                      |  |        |
| 11           |      |                 |             |                                      |  |        |
| 12           |      |                 |             |                                      |  |        |
| 13           |      |                 |             |                                      |  |        |
| 14           |      |                 |             |                                      |  |        |
| 15           |      |                 |             |                                      |  |        |
| 16           |      |                 |             |                                      |  |        |
| 17           |      |                 |             |                                      |  |        |
| 18           |      |                 |             |                                      |  |        |
| 19           |      |                 |             |                                      |  |        |
| 20           |      |                 |             |                                      |  |        |
| 21           |      |                 |             |                                      |  |        |
| 22           |      |                 |             |                                      |  |        |
| 23           |      |                 |             |                                      |  |        |
| 24           |      |                 |             |                                      |  |        |
| 25           |      |                 |             |                                      |  |        |
| 26           |      |                 |             |                                      |  |        |
| 27           |      |                 |             |                                      |  |        |
| 28           |      |                 |             |                                      |  |        |
| 29           |      |                 |             |                                      |  |        |
| 30           |      |                 |             |                                      |  |        |
| 31           |      |                 |             |                                      |  |        |
| 32           |      |                 |             |                                      |  |        |
| 33           |      |                 |             |                                      |  |        |
| 34           |      |                 |             |                                      |  |        |
| 35           |      |                 |             |                                      |  |        |
| 36           |      |                 |             |                                      |  |        |
| 37           |      |                 |             |                                      |  |        |
| 38           |      |                 |             |                                      |  |        |
| 39           |      |                 |             |                                      |  |        |
| 40           |      |                 |             |                                      |  |        |
| <b>Total</b> |      |                 |             |                                      |  |        |

<sup>13</sup> Expenses incurred on private cars are disallowable expenses for income tax purposes

**Appendix 6 – Details of monthly staff remuneration expenses**

**Name of Business / Taxpayer:** \_\_\_\_\_

**Financial Year:** \_\_\_\_\_

**Month:** \_\_\_\_\_

| S/N          | Name of employee <sup>14</sup> | Designation | Identification number | Remuneration | Employer CPF | SDL <sup>15</sup> | FWL <sup>16</sup> |
|--------------|--------------------------------|-------------|-----------------------|--------------|--------------|-------------------|-------------------|
| 1            |                                |             |                       |              |              |                   |                   |
| 2            |                                |             |                       |              |              |                   |                   |
| 3            |                                |             |                       |              |              |                   |                   |
| 4            |                                |             |                       |              |              |                   |                   |
| 5            |                                |             |                       |              |              |                   |                   |
| 6            |                                |             |                       |              |              |                   |                   |
| 7            |                                |             |                       |              |              |                   |                   |
| 8            |                                |             |                       |              |              |                   |                   |
| 9            |                                |             |                       |              |              |                   |                   |
| 10           |                                |             |                       |              |              |                   |                   |
| 11           |                                |             |                       |              |              |                   |                   |
| 12           |                                |             |                       |              |              |                   |                   |
| 13           |                                |             |                       |              |              |                   |                   |
| 14           |                                |             |                       |              |              |                   |                   |
| 15           |                                |             |                       |              |              |                   |                   |
| 16           |                                |             |                       |              |              |                   |                   |
| 17           |                                |             |                       |              |              |                   |                   |
| 18           |                                |             |                       |              |              |                   |                   |
| 19           |                                |             |                       |              |              |                   |                   |
| 20           |                                |             |                       |              |              |                   |                   |
| 21           |                                |             |                       |              |              |                   |                   |
| 22           |                                |             |                       |              |              |                   |                   |
| 23           |                                |             |                       |              |              |                   |                   |
| 24           |                                |             |                       |              |              |                   |                   |
| 25           |                                |             |                       |              |              |                   |                   |
| 26           |                                |             |                       |              |              |                   |                   |
| 27           |                                |             |                       |              |              |                   |                   |
| 28           |                                |             |                       |              |              |                   |                   |
| 29           |                                |             |                       |              |              |                   |                   |
| 30           |                                |             |                       |              |              |                   |                   |
| 31           |                                |             |                       |              |              |                   |                   |
| 32           |                                |             |                       |              |              |                   |                   |
| 33           |                                |             |                       |              |              |                   |                   |
| 34           |                                |             |                       |              |              |                   |                   |
| 35           |                                |             |                       |              |              |                   |                   |
| 36           |                                |             |                       |              |              |                   |                   |
| 37           |                                |             |                       |              |              |                   |                   |
| 38           |                                |             |                       |              |              |                   |                   |
| 39           |                                |             |                       |              |              |                   |                   |
| 40           |                                |             |                       |              |              |                   |                   |
| <b>Total</b> |                                |             |                       |              |              |                   |                   |

<sup>14</sup> Business owners' salaries are disallowable expenses for income tax purposes.

<sup>15</sup> SDL – Skills Development Levy

<sup>16</sup> FWL – Foreign Worker Levy



## Appendix 7 – Statement of accounts

NAME OF BUSINESS / TAXPAYER: \_\_\_\_\_  
 IDENTIFICATION NUMBER: \_\_\_\_\_  
 NATURE OF BUSINESS: \_\_\_\_\_  
 For Financial Year: \_\_\_\_\_

|   | \$                   | \$                   |       |
|---|----------------------|----------------------|-------|
| <b>REVENUE (Total Sales / Income)</b> <i>(Refer to Appendix 2 for daily business record template)</i>                               |                      | <input type="text"/> | Box 1 |
| Cost of Goods Sold  | <input type="text"/> |                      |       |
| {Opening Trading Stock + Trading Stock Purchased (Refer to Appendix 3 for daily purchases record template) – Closing Trading Stock} |                      |                      |       |
| <b>GROSS PROFIT / LOSS</b>  |                      | <input type="text"/> | Box 2 |
| {Revenue less Cost of Goods Sold}   |                      |                      |       |
| <b>BUSINESS EXPENSES</b> <sup>17</sup> <i>(Refer to Appendix 4 for monthly business record template)</i>                            |                      |                      |       |
| Telephone charges   | <input type="text"/> |                      |       |
| Entertainment expenses  | <input type="text"/> |                      |       |
| Utility charges   | <input type="text"/> |                      |       |
| Rental  | <input type="text"/> |                      |       |
| Stationery  | <input type="text"/> |                      |       |
| Advertising   | <input type="text"/> |                      |       |
| Transport expenses <i>(Refer to Appendix 5 for daily business record template)</i>  | <input type="text"/> |                      |       |
| Staff remuneration expenses<br><i>(Refer to Appendix 6 for monthly business record template)</i>                                    | <input type="text"/> |                      |       |
| Other business expenses:<br><i>(Insert description of expense and corresponding amount below)</i>                                   |                      |                      |       |
| i) _____  | <input type="text"/> |                      |       |
| ii) _____   | <input type="text"/> |                      |       |
| iii) _____  | <input type="text"/> |                      |       |
| iv) _____   | <input type="text"/> |                      |       |
| Total Business Expenses   |                      | <input type="text"/> | Box 3 |
| <b>NET PROFIT / (LOSS)</b>  |                      | <input type="text"/> | Box 4 |
| {Box 2 less Box 3}  |                      |                      |       |

**Prepared by:**  
 Name: \_\_\_\_\_  
 Designation: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_

**Certified correct by:**  
 Name: \_\_\_\_\_  
 Designation: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_

<sup>17</sup> Private and capital expenses (e.g. expenses incurred on private cars, business owners' salaries and private medical costs) are disallowable expenses for income tax purposes.

**Appendix 8 – Balance sheet\*** (Sample below is for a sole-proprietorship)  
**BALANCE SHEET AS AT DD MM 20XX**

|  | \$ | \$ | \$         |       |
|--|----|----|------------|-------|
| <b><u>ASSETS</u></b>                           |    |    |            |       |
| <b>NON-CURRENT</b>                             |    |    |            |       |
| Motor Vehicle                                  |    |    |            |       |
| Less: Accumulated Depreciation                 | X  | XX |            |       |
| Machinery                                      | X  |    |            |       |
| Less: Accumulated Depreciation                 | X  | XX | XXX        |       |
|  |    |    | XXX        | Box 1 |
| <b>CURRENT</b>                                 |    |    |            |       |
| Trading Stock                                  |    |    | XXX        |       |
| Trade Debtors                                  |    |    | XXX        |       |
| Prepayments and Deposits                       |    |    | XXX        |       |
| Cash and Bank Balances                         |    |    | XXX        |       |
|  |    |    | XXX        | Box 2 |
| <b>TOTAL ASSETS</b>                            |    |    | <b>XXX</b> | Box 3 |
| {Box 1 plus Box 2}                             |    |    |            |       |
| <b><u>LIABILITIES</u></b>                      |    |    |            |       |
| <b>NON-CURRENT LIABILITIES</b>                 |    |    |            |       |
| Long-Term Loans                                |    |    | XXX        |       |
|  |    |    | XXX        | Box 4 |
| <b>CURRENT LIABILITIES</b>                     |    |    |            |       |
| Trade Creditors                                |    |    | XXX        |       |
| Short-Term Loans                               |    |    | XXX        |       |
|  |    |    | XXX        | Box 5 |
| <b>TOTAL LIABILITIES</b>                       |    |    | <b>XXX</b> | Box 6 |
| {Box 4 plus Box 5}                             |    |    |            |       |
| <b><u>PROPRIETOR'S FUNDS</u></b>               |    |    |            |       |
| Capital  |    |    | XXX        |       |
| Retained Profits                               | X  |    |            |       |
| Current Year Profit                            | X  | XX |            |       |
| Less: Drawings                                 |    | XX | XXX        |       |
| <b>TOTAL PROPRIETOR'S FUNDS</b>                |    |    | <b>XXX</b> | Box 7 |
| <b>TOTAL LIABILITES AND PROPRIETOR'S FUNDS</b> |    |    | <b>XXX</b> | Box 8 |
| {Box 6 plus Box 7}                             |    |    |            |       |

**Prepared by:**  
**Name:** \_\_\_\_\_  
**Designation:** \_\_\_\_\_

**Certified correct by:**  
**Name:** \_\_\_\_\_  
**Designation:** \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

\* In a correctly computed balance sheet, total assets should equal to total liabilities and proprietor's funds. (i.e. Box 3 Should be equal to Box 8)