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WEBINAR · 28/10/2026

Basic Taxation in the UK

and the skills you need to work with UK businesses

What you already know in India → **What changes with a UK client**

Presented by Durga · Durga S Vhanbatte & Co

TODAY'S ROUTE

Nine stops, from India's system to a UK client's

01
Indian and UK regulatory authorities

02
CBDT / CBIC vs HMRC

03
GST vs VAT · ITR vs Self Assessment · TDS vs PAYE

04
Financial year vs UK tax year and accounting periods

05
AS / Ind AS vs FRS 102, FRS 105 and UK-adopted IFRS

06
Accounting policies, with practical examples

07
Xero / QuickBooks demo and Making Tax Digital

08
Government Gateway and the client compliance workflow

09
Skills needed to work with UK clients

01 · REGULATORY STRUCTURE

Who does what: India and the UK

INDIA		UNITED KINGDOM
Ministry of Finance Tax policy and administration	≈	**HM Treasury** Tax policy and fiscal matters
CBDT / CBIC Direct taxes / GST, customs and indirect taxes	≈	**HMRC** Direct and indirect tax, under one authority
MCA portal Company registration and statutory filings	≈	**Companies House** Company registration and filings
ICAI / NFRA Accounting standards and oversight	≈	**FRC / UKEB** UK accounting standards and IFRS endorsement

Functional equivalents, not exact matches. The two highlighted rows are the ones you will use daily.

THE KEY MESSAGE

HMRC is your practical starting point — not the UK version of the whole Ministry of Finance.

India splits direct and indirect tax between **CBDT** and **CBIC**, with state administration alongside.

HMRC administers most UK national taxes through its various services; Scotland and Wales have devolved arrangements.

02 · TAX TERMINOLOGY · DIRECT TAX

From CBDT and ITR to HMRC and Self Assessment

India	UK equivalent	What to explain
Income Tax Department / CBDT	HMRC	Main tax administration authority
Income-tax return (ITR)	Self Assessment tax return	Reporting personal and self-employment income
Income Tax Act	UK tax legislation, including the Income Tax Acts	The legislation governing the relevant income taxes
TDS	PAYE, or tax deducted at source — depending on the transaction	Similar broad idea of deduction; the systems and scope differ

02 · TAX TERMINOLOGY · INDIRECT TAX AND FILINGS

From GST and MCA to VAT and Companies House

India	UK equivalent	What to explain
GST	VAT	Both consumption taxes; law, rates, exemptions and reporting differ
GSTR-1 / GSTR-3B	VAT Return	Periodic indirect tax reporting; the forms and mechanics differ
GST portal	HMRC online services / VAT account	Registration, returns, payments and related records
MCA company filings	Companies House filings	Company registration and statutory filing obligations
Tax challan / outstanding demand	HMRC payment record / tax liability	Checking tax liabilities and payments

02 · TAX TERMINOLOGY · WATCH OUT

Four look-alikes that are not the same

GST ≠ VAT

Use GST as the introductory analogy, then teach the UK VAT rules separately.

PAYE ≠ TDS

PAYE is payroll withholding and reporting for employment income: Income Tax and National Insurance.

Companies House ≠ MCA

It keeps the company register and filings. UK tax returns go to HMRC.

No Section 44AB, no Form 3CD

Audit, tax return and accounts preparation each follow their own rules and the engagement.

03 · YEARS AND PERIODS

The individual’s year ends five days later in the UK

India · Financial year

1 Apr – 31 Mar

FY 2025–26 ended on **31 March 2026**

UK · Tax year

6 Apr – 5 Apr

The 2025–26 tax year ended on **5 April 2026**

Companies are different: a UK company picks its own year-end, often for a 12-month period.

03 · YEARS AND PERIODS

Years and returns, side by side

Particular	India	UK
Individual tax year	Financial year: 1 April – 31 March	Tax year: 6 April – 5 April
Company accounting year	Usually the financial year under company law, with permitted exceptions	Often 12 months, year-end chosen by the company
Individual tax return	Income-tax return	Self Assessment tax return
Company tax return	Income-tax return for the company	Corporation Tax return (CT600)
Indirect tax return	GST returns, by applicable filing frequency	VAT Return, commonly quarterly

03 · UK TAX RATES · 2026–27

The numbers you will use most

Income Tax

0%	up to £12,570
20%	to £50,270
40%	to £125,140
45%	above £125,140

Corporation Tax

19%	profits up to £50,000
25%	profits over £250,000

Marginal relief in between

VAT

20%	standard rate
5%	reduced rate
0%	zero rate

Register above **£90,000** taxable turnover

Dividends

£500	allowance
10.75%	basic
35.75%	higher
39.35%	additional

Tax year 6 April 2026 – 5 April 2027. Income Tax bands outside Scotland; Scotland sets its own. Source: GOV.UK.

03 · NATIONAL INSURANCE · 2026–27

National Insurance: a second tax on earnings

No direct Indian equivalent — the closest idea is PF and ESI contributions, but NI is collected by HMRC alongside Income Tax.

Who pays	On what	Rate
Employee · Class 1	Earnings £12,570 – £50,270 a year	8%
Employee · Class 1	Earnings above £50,270	2%
Employer · Class 1	Earnings above £5,000 a year	15%
Self-employed · Class 4	Profits £12,570 – £50,270	6%
Self-employed · Class 4	Profits above £50,270	2%

Class 2 is now voluntary (£3.65 a week). Employer thresholds are set per pay period. Source: GOV.UK rates and allowances.

03 · YEARS AND PERIODS

A Corporation Tax period is no longer than 12 months

So one long set of accounts can need more than one CT600. Example: an 18-month first period.

Company accounts

1 Jul 2025 — One set of accounts · 18 months — **31 Dec 2026**

Corporation Tax accounting periods

CT600 no. 1 · 12 months
1 Jul 2025 – 30 Jun 2026

CT600 no. 2 · 6 months
1 Jul – 31 Dec 2026

04 · ACCOUNTING FRAMEWORKS

AS and Ind AS meet UK GAAP and UK-adopted IFRS

India

Accounting Standards (AS)
Entities outside the Ind AS framework

Ind AS
IFRS-converged standards

Who sets them
MCA notifies under the Companies Act, with ICAI and NFRA input

United Kingdom

UK GAAP: FRS 102 · FRS 105 · FRS 101
Main standard · micro-entities · reduced disclosure

UK-adopted IFRS
IFRS Accounting Standards endorsed for UK use

Who sets them
FRC develops UK standards; UKEB endorses IFRS

Revised FRS 102: principal effective date 1 January 2026 — check which version applies to the client's period.

04 · ACCOUNTING FRAMEWORKS

Who sets and oversees the rules

Indian terminology	UK terminology	How to explain it
MCA	FRC, in the standard-setting context	Different legal responsibilities; not exact equivalents
ICAI Accounting Standards Board	FRC standard-setting function	Developing and considering accounting standards
NFRA	No exact one-to-one equivalent	The UK has separate reporting and audit oversight arrangements
Schedule III, Companies Act 2013	UK Companies Act presentation and disclosure requirements	Both sit within the wider statutory reporting framework

04 · AUDIT APPLICABILITY

Most small UK companies are exempt from audit

Exempt if it meets 2 of these 3

£15m	£7.5m	50
turnover or less	assets or less	employees or fewer

Financial years beginning on or after 6 April 2025 (earlier: £10.2m and £5.1m).

An audit is still needed if

- It is a public company
- It is in banking, insurance or similar regulated sectors
- Shareholders with 10% or more demand one
- Its articles require one

Contrast with India, where every company needs a statutory audit regardless of size.

Subsidiaries need an audit unless they qualify for an exemption. Source: GOV.UK, audit exemptions for private limited companies.

04 · WHO CAN AUDIT

Can a practising Indian CA sign a UK audit?

Who can sign a UK statutory audit

- A registered auditor under the Companies Act 2006
- Registered with a recognised supervisory body, such as ICAEW, ICAS, ACCA or Chartered Accountants Ireland
- Signed by a responsible individual holding a UK-recognised audit qualification
- Overseen by the FRC

The Indian CA's position

No — not on ICAI membership alone.

- Route: gain a UK-recognised qualification and join a registered audit firm
- Meanwhile: offshore audit support is widely outsourced — working papers, testing, file preparation
- The UK firm reviews and signs

Check ICAEW and ACCA for current exemptions or recognition routes for ICAI members.

04 · ACCOUNTING FRAMEWORKS

Where to look: Ind AS to FRS 102

Ind AS	FRS 102	Topic
Ind AS 1 / AS 1	Section 3 presentation; Section 10 policies	Presentation and accounting policies
Ind AS 115	Section 23	Revenue recognition
Ind AS 116	Section 20	Leases
Ind AS 16	Section 17	Property, plant and equipment
Ind AS 2	Section 13	Inventories
Ind AS 37	Section 21	Provisions and contingencies
Ind AS 12	Section 29	Income tax, including deferred tax
Ind AS 21	Section 30	Foreign currency translation

Learning cross-references only — not a statement that the requirements are identical.

05 · ACCOUNTING POLICIES

Five familiar issues, in UK terms

Topic	Familiar Indian concept	UK concept to introduce
Depreciation	Schedule II useful lives and AS / Ind AS	FRS 102 Section 17 or the relevant framework
Revenue	Ind AS 115 / AS 9, as applicable	FRS 102 Section 23, revised from 2026
Leases	Ind AS 116 or applicable AS	FRS 102 Section 20, revised lessee model
Bad debts	Expected credit loss (Ind AS 109) or AS treatment	Impairment of financial assets under the UK framework
Accruals and prepayments	Accrual basis; matching expenses to the period	Accrual accounting and recognition under the relevant FRS

05 · EXAMPLE: DEPRECIATION

Don’t carry Schedule II lives into UK accounts

THE HABIT

Applying Schedule II useful lives from the Companies Act, 2013 by default.

WHAT TO CONSIDER INSTEAD

- The applicable UK reporting framework
- The asset’s useful life
- Its residual value
- The depreciation method

05 · EXAMPLE: REVENUE RECOGNITION

Ind AS 115 gives you a head start on Section 23

WHAT TRANSFERS

- Identifying contracts
- Performance obligations
- Recognising revenue as obligations are satisfied

WHAT YOU STILL CHECK

- The detailed revised FRS 102 Section 23 requirements
- The transition provisions
- Which version applies to the client’s period

05 · EXAMPLE: TAX DEPRECIATION

In the UK, tax relief comes through capital allowances — not the depreciation charge.



Same mindset as India, where book depreciation and Section 32 depreciation are separate calculations.

06 · CASE STUDY · UK PRIVATE COMPANY · 31 DEC YEAR-END · FRS 102

From the books to two separate filings

1

Bookkeeping

Enter sales invoices, purchase bills and bank transactions in Xero or QuickBooks — much like Tally.

2

Finalise accounts

Reconcile banks, record accruals and prepayments, depreciate, and prepare the P&L and Balance Sheet.

3

Calculate Corporation Tax

Start from accounting profit, make tax adjustments and apply capital allowances.

4

Complete compliance

Statutory accounts to Companies House; Corporation Tax return to HMRC.

06 · CASE STUDY · YEAR ENDED 31 DECEMBER 2025

Separate obligations, separate deadlines

Obligation	Filed with / paid to	Due by
Statutory accounts	Companies House	30 September 2026 (9 months)
Corporation Tax payment	HMRC	1 October 2026 (9 months + 1 day)
Corporation Tax return (CT600)	HMRC	31 December 2026 (12 months)

Tax is due **before** the return is due — a common surprise for Indian professionals.

Assumes a private company that is not large and not filing its first accounts. Large companies pay by quarterly instalments.

06 · PENALTIES · VAT

Late returns earn points; late payments cost a percentage

Late submission: penalty points

One point per late return. Reach the threshold and pay a **£200** penalty — and £200 for every late return after that.

2	4	5
points · annual	points · quarterly	points · monthly

Reset: file on time for 12 months (quarterly) and clear all outstanding returns.

Late payment

Days late	Penalty
0 – 15	None
16 – 30	3% of VAT unpaid at day 15
31 +	+3% of VAT unpaid at day 30, then 10% a year, daily

Late payment interest also runs from the first day overdue.

VAT periods from 1 January 2023. Source: GOV.UK, HMRC VAT penalty guidance.

07 · LIVE DEMONSTRATION

Xero and QuickBooks, through a Tally user's eyes

What we'll look at	The Tally idea it maps to
Chart of accounts	Ledgers and groups
Sales invoices and purchase bills	Sales and purchase vouchers
Bank feeds and reconciliation	Bank reconciliation (BRS)
Dext / Hubdoc receipt capture	Scanning bills for voucher entry
VAT return from the software	GST reports feeding GSTR-1 / 3B
Profit and Loss, Balance Sheet	Final accounts reports

VAT returns are filed through Making Tax Digital–compatible software, so the books and the return stay linked.

07 · MAKING TAX DIGITAL

UK tax compliance is moving into software

MTD for VAT Already in place for all VAT-registered businesses: digital records, VAT Returns filed from compatible software.

MTD for Income Tax — sole traders and landlords, phased in by qualifying income

6 April 2026	6 April 2027	6 April 2028
Over £50,000	**Over £30,000**	**Over £20,000**
based on 2024–25 income · now live	based on 2025–26 income	based on 2026–27 income

Qualifying income = gross self-employment and property income. Partnerships follow later; some people, such as the digitally excluded, can be exempt.

Source: GOV.UK, HMRC guidance on Making Tax Digital for Income Tax.

07 · MAKING TAX DIGITAL FOR INCOME TAX

Four quarterly updates, then one tax return

Submission	Due by
Quarter to 5 July	7 August
Quarter to 5 October	7 November
Quarter to 5 January	7 February
Quarter to 5 April	7 May
Tax return for the year	31 January following

What the client must do

- Keep digital records of self-employment and property income and expenses
- Send quarterly updates — summaries, not tax returns
- Add other income (pensions, savings, dividends, partnership share) on the return

Standard tax-year quarters shown; software can also use calendar quarters. Source: GOV.UK, HMRC.

07 · HMRC GUIDANCE · CHOOSING MTD SOFTWARE

Choose the software before signing up

Record-keeping software

Builds records from bank feeds, scanned receipts or manual entry; usually meets every requirement.

Bridging software

Connects existing records, such as spreadsheets, and submits them to HMRC.

Checks HMRC suggests

- ✓ Covers every income source
- ✓ Sends quarterly updates and the tax return
- ✓ Allows multiple agents
- ✓ Fits the accounting period used
- ✓ Works with the client's VAT needs
- ✓ Has HMRC Assist error checks built in

One product per submission. Use HMRC's software finder; HMRC recommends no product. Source: GOV.UK, "Choose the right software for MTD for Income Tax".

08 · GOVERNMENT GATEWAY AND HMRC ONLINE

Answer four questions before any submission

Which tax?

Corporation Tax, VAT, PAYE or Self Assessment

Which period?

Tax year, VAT quarter or CT accounting period

What is due?

The filing obligation and its deadline

What is paid?

Payments made and the liability outstanding

As an agent, work through an HMRC agent services account with the client's authorisation — never the client's own sign-in details.

09 · WORKING WITH UK CLIENTS

Six skills to build before you work independently

UK tax basics

VAT, Corporation Tax, PAYE and Self Assessment

UK GAAP

FRS 102 and FRS 105, and UK accounts formats

Cloud software

Xero, QuickBooks, Dext, Hubdoc, HMRC online, Making Tax Digital

Deadline control

A client calendar for Companies House and HMRC dates

Professional standards

Engagement letters, anti-money-laundering checks, UK GDPR

Client communication

Clear written English, UK terminology, time-zone overlap

09 · WORKING WITH UK CLIENTS · GET CERTIFIED

Prove your software skills with free certifications



Xero certification

Xero advisor certification and product courses, through Xero Central.

central.xero.com/0/my/certifications



QuickBooks certification

QuickBooks Online ProAdvisor training and certification for accountants.

quickbooks.intuit.com/ca/accountants/training

A certification badge on your profile tells a UK firm you can work in their software from day one.

KEY TAKEAWAYS

What you bring, and what you must learn

TRANSFERS FROM INDIA

- Accrual accounting and reconciliations
- Ind AS 115 and 116 concepts
- Book vs tax depreciation mindset
- Compliance-calendar discipline
- Tally habits, now in Xero or QuickBooks

LEARN FRESH FOR THE UK

- VAT rules on their own terms
- 6 April tax year and CT periods
- Capital allowances
- FRS 102 detail and transition
- The Companies House / HMRC split

THANK YOU

Questions?

Start from what you know in India. Check what changes in the UK.

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