

This guide has been prepared by an independent third-party law firm. The guide is effective as of 1 October 2025 and will not be regularly revised. This guide does not provide tax advice. Instead, Rover/CIAF encourages you to seek tax advice from a qualified professional to learn about your tax obligations.

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UNITED KINGDOM – TAX CONSIDERATIONS FOR PET CARE SERVICE PROVIDERS

This guide provides an informative overview of potential tax implications for individuals and sole proprietors providing pet care services through the Rover or the Cat in a Flat (“CIAF”) platform. If you operate through a legal entity, different tax requirements may apply and are not covered in this document. In any case, we recommend you consult with a tax professional to determine your tax position.

Taxes can be complex, so it's essential to stay informed about your tax obligations and maintain compliance. Filing and paying taxes timely and accurately is your responsibility.

For UK (England, Scotland, Wales and Northern Ireland) pet care providers offering services through Rover / CIAF, it's crucial to understand the various taxes applicable to your income and remit the taxes that apply to you:

- A. Personal income tax and Social Security Contributions
- B. Value added tax (“VAT”)

Please be aware that the information in this tax guide is not exhaustive and is not intended to be legal advice. If you have any doubts about your specific tax obligations, we recommend that you consult official government sources or seek guidance from qualified tax professionals.

Please keep in mind that this information may not be current, so it's essential to confirm that the laws or procedures have not changed since this guide was written.

A. PERSONAL INCOME TAX AND SOCIAL SECURITY CONTRIBUTIONS

If you earn income in the UK, it is likely that you will have to pay a percentage of this income to HM Revenue and Customs (“HMRC”) in the form of taxation. **However, the first £12,570 of your annual income is tax free in the UK if (you are a British citizen or a citizen of a European Economic Area country or you have worked with the UK government at any time in the tax year (6th April to 5th April).**

Set out below is a brief outline of the tax that may arise on income earned from providing pet care service via Rover/CIAF in the UK and some information on how this tax can be paid to HMRC.

Obligation to pay UK personal income tax

You are required to pay personal income tax in the UK, broadly speaking, if you:

- carry on a trade in the UK
- have a source of income in the UK
- are employed in the UK or perform your employment duties in the UK
- you are resident in the UK

The **UK's tax year** runs from 6 April to 5 April (e.g., 6 April 2025 to 5 April 2026).

You do not have to file a personal income tax return or pay personal income tax if the tax due on the amount of your trading income does not exceed £1,000 (unless a tax return form is issued to you by HMRC in that case you still have the obligation to file a tax return). This is the trading allowance.

Depending on your individual circumstances, you may qualify for universal credits. These credits are benefit payments from the government to support people on no or low income with extra cash.

UK personal income tax rates

UK income tax is payable on your total income in a year, including profits you make from goods and services that you sell through websites or apps, like Rover/CIAF. For the 2025/2026 tax year, UK income tax rates were as follows:

- There is a tax-free personal allowance on the first £12,570 of income.
- The "basic rate" of 20% is charged on income £12,571 to £50,270.
- The "higher rate" of 40% is charged on income between £50,271 to £125,140.
- The "additional rate" of 45% is charged on income over £125,140.

If you're a high earner making more than £100,000, this allowance starts to shrink. For every £2 you rake in over £100,000, your allowance gets reduced by £1. You will not receive any allowance if you hit £125,140 and above.

If you live in Scotland or Wales, please note that different rate bands and rates may apply. You can find more information on Scottish taxpayers at (www.gov.uk/scottish-income-tax) and on Welsh taxpayers (www.gov.uk/welsh-income-tax). Welsh taxpayers currently pay income tax at the same rates as English and Northern Irish taxpayers (see the rates above).

In addition, you may have to pay Class 4 National Insurance Contributions liabilities on your trading income if your profits are more than £12,570. For the tax year 2025-2026, the rate is 6% on profits between £12,570 and £50,270 and 2% on profits above £50,270.

Reporting tax in the UK

If the profits of the trade are more than £1,000 in a tax year, one must register as a sole trader by registering for self-assessment (please see www.gov.uk/log-in-file-self-assessment-tax-return) by 5 October following the end of the tax year in which tax is due.

A UK self-assessment return should be filed online using the HMRC website. Sometimes an individual can still complete a paper tax return which must be posted to the appropriate office by 31 October. For complex tax returns, you may need specific software.

Reporting tax – filing deadline

The general deadline for filing an online self-assessment tax return and paying the UK tax due is 31 January following the end of the tax year. So, in respect of the 2025/2026 tax year the deadline is 31 January 2027. Penalties will arise if the self-assessment returns are not filed by the deadline.

Reporting tax – payment deadline

The deadline for final payment of tax in respect of a tax year is 31 January following the end of the relevant tax year. For example, for the tax year 2025-2026, the deadline for the final payment of the tax is 31 January 2027. This payment deadline applies to both returns filed online and paper returns.

The self-assessment income tax, generally speaking, is collected by two payments on account and a final balancing payment. If, in a previous year, the total tax liability was more than £1,000 and HMRC collected less than 80% of the total tax liability (for example, the collected tax on your employment income), a person is required to pay the income tax liability under two 'payments on account' and a final balancing payment. Such 'payments on account' are due on 31 January in the tax year and 31 July following the end of the tax year. The balancing amount is then paid by 31 January following the end of the tax year. If the 'payments on account' results in overpayment of tax, the overpayment is refunded to the taxpayer.

HMRC self-assessment contact details

The contact details for HMRC regarding self-assessment matters can be found at www.gov.uk/find-hmrc-contacts/self-assessment-general-enquiries.

Phone : (inside UK) 0300 200 3310
: (outside UK) +44 161 931 9070

Calculation of profits of trade and record keeping

Income tax is payable on the profits of the business. Profits are calculated by deducting allowable business expenses from the revenue generated from the business.

It is important to keep and maintain records of all income and expenses. Business records should be kept for at least 5 years after the 31 January self-assessment returns deadline. Further information on record keeping can be found at www.gov.uk/self-employed-records/what-records-to-keep. HMRC may check any taxes paid, accounts and calculations for tax, self-assessment returns etc. and it would be necessary to show the records as evidence.

B. VALUE ADDED TAX

*You do not need to register for UK VAT if your taxable turnover is less than £90,000 over the past 12 months, and you do not expect it to exceed £90,000 in the next 30 days. **If your income stays below this threshold, VAT registration is optional.***

VAT can be complicated and you should take the time to understand the rules as they apply to you and the particular situation of yourself and your customers and partners.

Broadly speaking, VAT is a tax on consumption. Most goods and services supplied in the UK are subject to VAT. A person who supplies goods and/or services in the UK may therefore have to charge and collect VAT and pay this VAT to the UK tax authorities (HMRC). If you provide goods and services in the UK for a consideration / payment, you should therefore consider your VAT obligations, as even a relatively small level of revenue can be regarded as a business activity for VAT purposes.

Specifically, if you are currently providing services via the Rover or CIAF platform, and exceed the VAT registration threshold (as to which see above), you as the supplier should determine whether you should charge UK VAT on the services offered by you via the Rover or CIAF platform – as the services you provide are not electronic, it remains your responsibility to account for VAT.

As with all taxes, we encourage you to consult with a tax advisor regarding your potential VAT obligations

Do I need to collect any VAT from customers if I am providing services via the Rover or CIAF platform in the UK?

You do not need to register for and charge UK VAT if your taxable turnover is less than £90,000 over the past 12 months, and you do not expect it to exceed £90,000 in the next 30 days.

It is important to note that **all** goods and services you are selling will count towards the £90,000 threshold – not just the revenue on services provided via the Rover and / or CIAF platforms.

This threshold may change, and we recommend you regularly check the government website or consult your tax advisor to ensure you have the most up to date information. We also encourage you to consult a tax advisor if you need assistance in determining whether you need to register and start charging UK VAT. If your revenue (excluding employment) remains below the VAT registration threshold, you do not need to register for or charge VAT but will be unable to recover VAT on costs.

Further guidance on registering for VAT can also be found on the HMRC [website](#).

VAT applies to me. How do I determine how much tax I need to collect from my customers?

VAT rates can change. We recommend you check with HMRC every now and then to make sure you're charging the right amount.

At the date of the issuance of this document, if you are supplying pet care services to UK based customers, the VAT rate is 20%, which reflects the prevailing standard rate of VAT in the UK.

The VAT rate on other goods and services you provide outside of the Rover / CIAF platforms may differ or could even be exempt from VAT. Therefore, we recommend that you confirm with your tax advisor what the applicable VAT rate is for you.

VAT applies to me. How do I collect VAT from customers?

If you are required to charge VAT on your services, you must report and pay that VAT to HMRC through your VAT return. Your VAT return shows both the VAT you've collected from your sales and the VAT you've paid on eligible business purchases and expenses. In most cases, you can recover the VAT paid on these costs, subject to certain exceptions (which are not relevant to your activity through the Rover and/or CIAF platforms). You'll only need to pay HMRC the difference between the VAT you've collected and the recoverable VAT you've paid.

Your VAT return is usually due after every 3-month period, but this can vary depending on how much you're selling, and the returns may be due monthly or even yearly in some circumstances (the period covered by your VAT return is known as your "accounting period").

You'll fill in your returns online via a special online HMRC account and some approved software. More information on setting up this account can be found [here](#). The deadline for submission of the return and payment is usually 1 month and 7 days after your accounting period ends. HMRC will give you their bank details so you can send them the VAT payment.

Information on how you can access data to prepare your VAT returns can be found [here](#).

Your pricing towards the customer should be VAT inclusive. Therefore, if you are supplying services which are subject to VAT at 20%, then the amount of VAT due should be calculated by dividing the agreed pet care services price by 120 and multiplying this by 20. For example, where you have charged a total of £150 for per care services to a customer, you will need to calculate the UK VAT on this as follows: $150/120 = 1.25$, $1.25*20 = 25$. Therefore £25 VAT is due to HMRC.

You only need to issue a full VAT invoice if a business is buying from you, not individuals. For individuals, a simplified invoice will be sufficient, unless a VAT invoice is specifically requested.

If you do issue a full VAT invoice there are some specific things you have to include on an invoice by law. We recommend that you check your VAT related obligations and the applicable invoice requirements with a local tax advisor. You can find more information [here](#).

You will also need to keep good records of your sales and business expenses, usually digitally.

Further guidance on filing returns can be found on the HMRC website [here](#).

Alternative options

If you are VAT registered and making less than £150,000 a year (without VAT), then, subject to a few criteria, you may be eligible for the Flat Rate Scheme. The Flat Rate Scheme aims to simplify record keeping. It allows you to apply a fixed rate percentage to your gross turnover. The flat rate you pay depends on your type of business, and ranges from 4% to 16.5%. If you're interested, you have to register with HMRC.

In order to select the “type of business” applicable to you, you should select the sector that most closely describes what your business will be doing in the coming year from the list provided by HMRC. For example, for services provided on the Rover/CIAF platforms, your “type of business” for the purposes of the flat rate scheme, may be “Boarding or care of animals”. In this case, a VAT flat rate of 12% would be applicable. HMRC will not challenge your “type of business” so long as your choice was reasonable and it is therefore important to keep a record of why you have chosen your sector.

More information can be found here: [VAT Flat Rate Scheme : Work out your flat rate - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/vat-flat-rate-scheme-work-out-your-flat-rate) and here: [Flat Rate Scheme for small businesses \(VAT Notice 733\) – GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/flat-rate-scheme-for-small-businesses-vat-notice-733).