



## Guide to Small Limited Companies

### 1. What Accounts and Returns Do I Need to File as a Small Ltd Company?

After your Financial Year End you will need to:

- Complete a set of full accounts and circulate to all shareholders / directors
- Complete a Corporation Tax return online by the HMRC, attaching an ixbrl tagged set of your accounts. Tax will be due 9 mths after and the return 12 mths after your year end. We suggest you do both no later than 8 mths after your year end to avoid penalties.
- Complete a set of accounts to Companies House within 9 mths of your year end
- Submit a Confirmation Statement to Companies House once a year

HMRC charge late returns a penalty of £100, increasing to £200 if more than 3 mths late. Late payment of tax will be charged interest. Companies House late returns are penalised from £150 - £1,500.

### 2. What Records Do I Need to Keep?

- A record of all sales and takings, including cash receipts – e.g. till rolls, sales invoices.

- A record of all purchases and expenses, including cash purchases, e.g. receipts, purchase invoices, staff costs, PAYE and NI payments, VAT returns etc.
- A record of all of these transactions in your bank account, e.g. bank and credit card statements, cheque book stubs, paying-in slips.
- Stock checks at least once a year.
- A Fixed Asset Register
- Incorporation Records, Share Certificates, and minutes of any meetings etc.

### **3. What Will Happen If I Don't Keep Accurate Records?**

The HMRC can ask to see your records up to 6 years after they are filed. If they find any missing documents or mistakes, they can demand the underpaid tax, and can also charge you heavy penalties. Companies House can also investigate returns and penalise directors for inaccuracies.

### **4. Why Get Clear Cut Accounts Involved?**

The HMRC have complex rules and regulations, but there are many allowable items that small businesses can claim on their return to reduce the tax they pay. For Small Limited Companies there are also rules about when and how much money you can withdraw from the company. We know the rules, and we can ensure that you claim for all your allowable expenses, to minimise the tax you pay, without breaking any rules.

At Clear Cut Accounts we realise that you should be spending your time running your business. By showing you the best way to attack your accounts and finances, we can reduce the time you take on paperwork - freeing you up to spend more time making money, and beating your competitors!

From day one - we will listen to you and set up the kind of system you are comfortable with - either paper, spreadsheet based or an easy-to-use accounting software.

### **5. What Core Services Do We Offer?**

We can create a Balance Sheet and Profit & Loss Account for you from your current records, and do your Corporation Tax Return and Company's House return, filing them online for you.

In addition to this we can also help you set up a streamlined system that will take a minimal amount of your time, but will give you regular data to help you run and grow your business;

Our systems ensure that:

- All cash and payments are controlled and quickly banked;
- You know what customers owe you money;
- You know what suppliers you owe money to;
- You know what's in the bank and you have a clear picture of your YTD profit on a daily basis;
- We can even show you the profitability of your key products, areas where you make a loss, cost reduction suggestions etc.

Having a new system for your books can seem daunting - but it can also revolutionise the way you run your business! It will help reduce the fees we charge you for future returns - as a lot of the preparation work will be automatically completed. Depending on your preference, we can provide paper schedules, spreadsheets or easy-to-use cloud-based accounting software such as FreeAgent or Xero.

Whichever option you choose, we will explain what your figures mean, what you can do to improve profit and minimise the tax you pay, and offer advice on how to grow and develop the company in the future. We'll even talk to the HMRC on your behalf!

Our rates are shown on our website [www.clearcutaccounts.co.uk](http://www.clearcutaccounts.co.uk).

## 6. Other Services We Can Provide

We realise every business is different, and have a wide variety of requirements. In addition to the above core services, we can also provide the following services:

- VAT Registration and Returns
- CIS Registration and Returns
- Employing People / Payroll
- Growing your business to a Ltd Co.
- Providing regular Business Information - P&L, Balance Sheet, Credit Control, Profitability.

Please get in touch for a no obligation chat.

