

**FREE GUIDE**

# **ACCOUNTING FOR LIMITED COMPANY OWNERS**

**UNDERSTAND YOUR FILING  
REQUIREMENTS AND YOUR OPTIONS  
WHEN IT COMES TO ACCOUNTING**



# Hello, I'm Anita

Thank you for downloading this guide!

If you came here via my website or Instagram account, then you probably already know that I used to be an accountant in my former life and now run my website [www.goselfemployed.co](http://www.goselfemployed.co) full time!

I am on a mission to simplify money and taxes for the self-employed community and lift the lid on complicated topics like business registration, pensions, budgeting, accounting and more.

I truly believe that, just because we are not taught about real-life money matters at school, it shouldn't prevent us from running our own businesses and creating a financially stable life.

I hope you enjoy and get something from this download and it alleviates any worries you have. And don't forget to connect with me on [Instagram](#), where I am always sharing more up to date information, reminders and going live!



**Disclaimer:** Whilst I am an accountant, I'm not your accountant. The information in this guide is legally correct but it is for guidance and information purposes only. Everyone's situation is different and unique so you'll need to use your own best judgement when applying the advice that I give to your own situation. If you are unsure or have a question be sure to contact a qualified professional. Guides & posts may contain affiliate links. This means I may receive a small commission, at no additional cost to you, if you click and decide to make a purchase.

# Limited Company Accounts Guide

## What is a Limited Company?

A Limited Company is a UK business structure that's responsible for its own liabilities. It gives its directors protection in the event those debts cannot be paid.

This separation of liability means your Limited Company is a separate entity from yourself. So, even though you might be the only shareholder and Director, it's really important to understand your Limited Company is its own 'person' with its own filing requirements and deadlines in addition to your own.

As a Limited Company Director, you are responsible for running the company and following all the rules when it comes to the administration of your Company. You'll need to satisfy the same obligations as a multi-million-pound Limited Company, even if it is your first year of business and your sales are low when it comes to reporting, accounts and even following strict rules when it comes to paying yourself.

Generally, accountants do not recommend forming an LTD until your business profits reach £50,000 - at this point, you'll benefit from tax savings which will outweigh the extra cost of using an accountant. I normally advise people to start considering an LTD when they see their profits reach £30,000 - that gives them time to make necessary arrangements with an accountant and still catch the tax savings as well as having the confidence their business is thriving.

## [Sole Trader or Limited Company? What's Right?](#)

# Limited Company Accounts Guide

## Filing Requirements for a Limited Company

Once your Limited Company is formed you must:

- File company accounts at Companies House (balance sheet, profit & loss account, notes) 9 months after your year-end
- File a corporation tax return with HMRC 12 months after year-end
- Pay your corporation tax 9 months after year-end
- Annual Confirmation Statement
- File a personal tax return by 31 January each year, detailing your ownership, directorship and salary you have taken, as well as paying any tax due.

There are automatic penalties and interest for failing to file returns and pay your tax, starting at £100. These can be worrying to receive so make sure you make a note of all your filing deadlines now and leave yourself plenty of time to get your returns in.

## [How to Check the Year End of Your Limited Company](#)

# Limited Company Accounts Guide

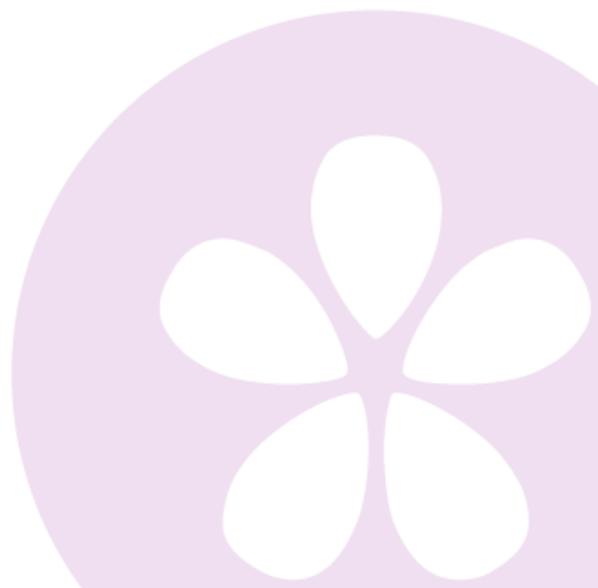
## Open Separate Bank Account

It is a legal requirement to open a bank account in the name of your Limited Company, ideally before you start trading.

Since it is a separate entity from yourself it must be responsible for collecting and paying money and you should not be using your personal bank account.



If you haven't opened a business bank account yet, then take a look at **Starling** which has become a popular option in the self-employed community. It's free to set up and has FSCS protection for money up to £85,000. [Try Starling for free >>](#)



# Limited Company Accounts Guide

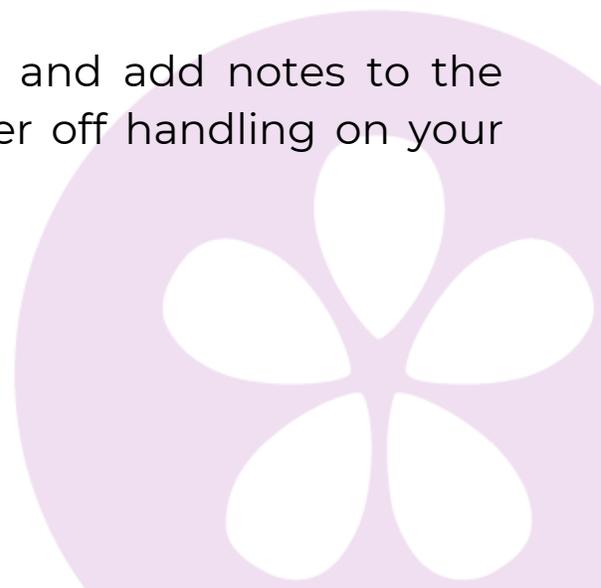
## Accounting for Your Limited Company

There are two main objectives when it comes to Limited Company accounting:

- 1.To stay on top of your numbers on a regular basis to show you what is happening inside your business, helping you to make better decisions;
- 2.To stay ready for tax-time and, in the case of a Limited Company, provides you with all the information you need to fill out your Companies House returns.

The advice I give to anyone that owns a Limited Company, who is not familiar with accounting is to hire an accountant. The reason for this is that producing Limited Company statutory accounts is more than just adding up your income and expenses.

You have to produce a Balance Sheet and add notes to the accounts, which an accountant is better off handling on your behalf.



# Limited Company Accounts Guide

## Accounting for Your Limited Company

If you are reluctant to hire an accountant, then your next best option is to set up an accounting software like Xero. These generate all the reports you'll need to produce Company Accounts from the information you enter, which you can then use to file your own returns.

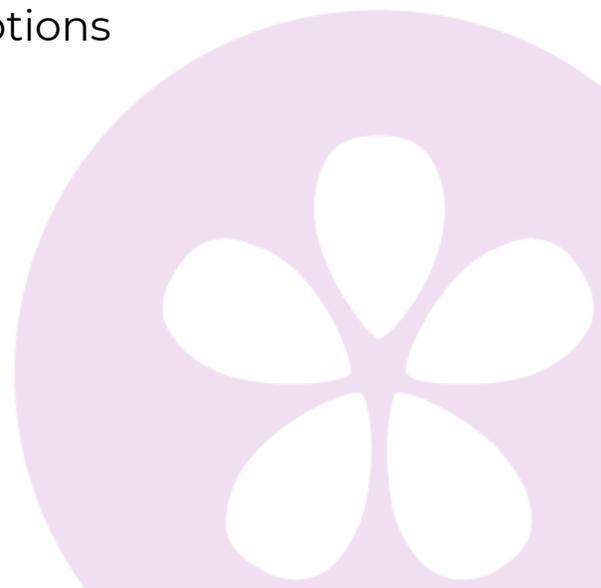
Some individuals, I know, prefer to use spreadsheets. They're easier to understand and free to set up, but when it comes to Limited Companies, they do have drawbacks.

I have put together a [bookkeeping spreadsheet](#), but this is geared towards Sole Traders because it only tracks income and expenses. The reason I have not designed a version for Limited Company owners is that the formulas would be extremely complicated and the price I would need to charge would not be viable when compared to automated options



Beautiful business

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# Limited Company Accounts Guide

## Accounting for Your Limited Company

If you would just like to track your income and expenses, as well as learn how to prepare a business budget, then my spreadsheet would be perfect for you. However it will not generate the numbers you need for your annual accounts, corporation tax return and the tax estimator will not provide an accurate estimate of what you owe.

Tax when you own a Limited Company is more complicated because you pay different types of taxes depending on what you pay yourself through payroll and dividend, so again, the formulas would be very complicated.

## Key Takeaways

- A Limited Company is a separate business entity, with its own filing requirements in addition to yours;
- You need to prepare statutory accounts and a corporation tax return each year for your Limited Company;
- You must declare the salary and dividend you draw from your Limited Company on your own personal tax return;
- Ideally, you should use an accountant to help you to manage your Limited Company returns but you can use a software like [Xero](#) to help produce the reports you need;
- Spreadsheets are generally not suitable for Limited Company owners because it is so time-consuming to set up them up correctly to give you the information you need to prepare statutory accounts.



# Thanks for Reading!

I hope you found this useful

## Useful Links

Here are some useful links to other guides you may find helpful when it comes to your Limited Company:

[Limited Company Tax Explained](#)

[Accounting Reference Dates Explained](#)

[How to Pay Yourself from Your Limited Company](#)

[Directors Loans and Repayment Rules Explained](#)

[How to Fill In Your HMRC Tax Return](#)

