



Nurturing Successful Businesses

Annual Compliance Services Guide - SME

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COMPLIANCE FOR LIMITED COMPANIES

The annual compliance requirements associated with operating your business through a limited company, and therefore the involvement of an accountant to manage the relationships with Companies House and HMRC, tend not to be viewed by many business owners as anything other than a 'compulsory purchase' and of little or no value.

However, in this guide we have attempted to highlight and explain what each of the main compliance issues for limited companies are and what is involved in managing them appropriately.

In practice, the aim is to ensure that the various compliance deadlines are met with the minimum of impact or disruption to normal business activities during the financial year, but obviously it is only where compliance issues are not dealt with on time, ***that the importance of getting it right becomes much more apparent !***


Overall we believe that the broader benefits of having an accountant managing your annual compliance is money well spent and good business sense, as follows:

- we have been trained over a number of years to be able to manage the various technical issues around VAT, payroll, company law, as well as bookkeeping
- although you may be a great entrepreneur, you are unlikely to be great at the administrative tasks involved (i.e. either be efficient at it or even really enjoy it !)
- it is unlikely that while enduring the unique pressures involved with a 'start-up' business, your time is best spent on administration, compliance and bookkeeping, rather than on sales, marketing or customer service
- dealing with correspondence from HMRC can be a disruption to the business, and can also become expensive with late filing penalties, surcharges and interest charges
- managing business compliance issues efficiently, provides a basic financial platform for the business

Should you have any further queries or questions, then please ask !



Damian Connolly FCCA
Managing Director

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are constructed with glass and metal, with their facades reflecting the sky. The perspective is from the ground looking up, making the buildings appear to converge towards the top of the frame. The sky is a clear, pale blue. A large, semi-transparent magenta shape is overlaid on the lower half of the image, containing white text.

Sometimes, all you
need is a new
perspective to see
things differently

REGISTERED AGENT SERVICE

WHY?

- 1 Provides a formal routine for the business owner to actively review business activities
- 2 It enables HMRC to contact the agent in order to resolve simple queries and issues, rather than contacting the client directly. Similarly it also enables the agent to deal with issues on behalf of the client directly with HMRC
- 3 With payroll now operated according to the 'Real Time Information' regulations, which requires monthly online submissions of payroll data to HMRC within specific deadlines, agent status allows these submissions to be made by the agent simply and efficiently
- 4 The registered agent status also enables corporation tax, VAT and Construction Industry Scheme (CIS) returns to be submitted online to HMRC on behalf of the client, as necessary
- 5 Copies of all correspondence between HMRC and the client is also forwarded to the registered agent
- 6 Change to a businesses' registered office address can be notified to HMRC without requiring the client to physically sign and return the necessary forms

BENEFITS

- 1 We take care of any queries, problems or ad hoc issues from HMRC on your behalf, preventing the extensive interruptions to your normal day-to-day activities, that trying to contact HMRC involves
- 2 There is no requirement for you to provide us with your HMRC online service details
- 3 The receipt of copies of all correspondence between HMRC and our clients can ensure that the loss of any key documents, changes in address etc., during the course of the year does not lead to missed deadlines, penalties or interest
- 4 As part of the registered agent service, we automatically include one hour of administration time to deal with occasional ad hoc queries from HMRC about a client's affairs which may arise from time-to-time
- 5 Avoid 'surprise' invoices during the year for fees relating to time which has been spent contacting and resolving issues with HMRC

COMPANY SECRETARIAL RECORDKEEPING

WHY?

1

Existing company legislation (Companies Act 2006) requires all limited companies to retain up-to-date registers of officers, shareholders, debentures/charges at all times

2

Each company director is legally and personally responsible for ensuring that all appropriate documents and returns are submitted on behalf of the business to Companies House within the specified deadlines e.g. confirmation statement (previously annual return), annual statutory accounts, changes to officers and/or their details, changes in registered office address, allotments of shares etc.

3

Recent recent changes to company legislation ('Part 21A Companies Act 2006' and 'Register of People with Significant Control Regulations 2016') now requires each limited company to identify all relevant PSCs associated with their business and also to maintain a formal PSC register

4

Legal requirements in respect of the provision of access to current statutory registers for third parties must be handled appropriately during the year

BENEFITS

1

Confidence that all legal responsibilities associated with your limited company are being handled appropriately

2

There is no need for you to keep up-to-date with changes in company legislation as they occur, as this is dealt with on your behalf

3

We proactively ensure that the appropriate processes are in place, whether to identify Persons of Significant Control (PSC), prepare and maintain the relevant minutes, share transfer confirmations or dividend warrants etc.

4

Avoid the stress, administration time (and cost) associated with recreating or updating historical company secretarial documentation e.g. in circumstances where there is a legal issue, a potential investment or a business exit

CONFIRMATION STATEMENT

(FORMERLY ANNUAL RETURN)

WHY?

1

As a confirmation statement is required to be filed once every 12 months, but must now be filed within 14 days rather than 28 days after the return date, confirming the accuracy of the details held on the public record and submitting the return quickly and efficiently is critical

2

In order to submit the return, either an account needs to be created with Companies House to enable payment of the filing fee to be taken online, or alternatively a cheque or postal order requires to be submitted along with the paper return

BENEFITS

1

Avoid any prospect of strike-off procedures being commenced by Companies House as a result of delays in submission of the confirmation statement

2

Given the recent PSC legislation, we ensure that the accurate PSC is obtained from you, added onto the public record at Companies House and maintained on statutory registers

3

As outstanding confirmation statement submissions will prevent other documents being filed at Companies House e.g. statutory accounts, we will save you any late filing fees, by ensuring that the confirmation statement is submitted on time, or by moving the filing date to a more suitable time of the year.

PAYROLL SERVICE

WHY?

- 1 Whether taking on your first employee or managing monthly payroll for multiple staff, there is substantial administration involved in processing the payroll run, outside of the contractual and employment law issues e.g. obtaining the necessary starter information, issuing P45s to leavers, ensuring accuracy of tax codes, implementing salary changes, bonuses, pensions or commissions onto the payroll each month
- 2 HMRC, as part of the 'Real Time Information' regulations, require the submission of monthly payroll data via a Full Payment Submission (FPS) within specified deadlines
- 3 The end of the tax year brings additional requirements including completion of the end of year online submissions to HMRC, update of data ahead of the new tax year as well as the preparation and distribution of P60s to all employees

BENEFITS

- 1 Delegate all of the administration around the processing of payroll to us and free up your own time at month end to focus on invoicing clients
- 2 Avoid the requirement to purchase, setup or use payroll software to process payroll for your business i.e. we use SAGE payroll software which is viewed as 'best practice' software
- 3 We ensure clients receive bespoke reminders/checklists ahead of the agreed payroll process date(s) each month, to avoid the prospect of inaccuracies or late submission of payroll data online
- 4 Avoid any likelihood of receiving late filed RTI surcharges as we ensure that each payroll run is submitted within the appropriate deadlines
- 5 Where there are additional payroll complexities e.g. share schemes, auto enrolment or cycle schemes etc., this can be managed with the minimum of fuss

STATUTORY FINANCIAL STATEMENTS

WHY?

- 1 Each company director is legally and personally responsible for ensuring that annual statutory financial statements (or accounts) are prepared, and at a minimum an abbreviated set of these accounts are submitted to Companies House within the specified deadlines
- 2 Statutory accounts must be prepared according to prevailing accountancy standards
- 3 The amount of corporation tax payable on company profits each financial year is determined by the results reflected in the annual statutory accounts
- 4 Ensure that the business has sufficient reserves in order to be able to issue dividends to shareholder(s)
- 5 Credit terms and facilities provided by suppliers are generally only offered following a review of a number of years of annual statutory accounts on public record

BENEFITS

- 1 An annual review of the financial statements of the business (at a minimum) provides an opportunity for the business owner to review the business activity for the year, and to understand what the main drivers of the business are
- 2 We also use this as an additional opportunity to meet with each client and discuss the results in detail, identify key issues and agree actions around potential cost savings, process improvements etc.
- 3 Where a business exit is planned for the medium or long term, then statutory accounts will form a core part of the information required as part of the overall process

CORPORATION TAX RETURN

WHY?

- 1 Every limited company is required to notify HMRC once it becomes chargeable to corporation tax i.e. once it commences to trade
- 2 Current tax legislation also requires limited companies to submit a corporation tax return and accounts to HMRC annually, with all returns now required to be completed and submitted online within specified deadlines
- 3 The calculation of taxable profits or losses on the corporation tax return can be quite different from the profits or losses in the statutory accounts for the business
- 4 Following submission of the corporation tax return to HMRC, the appropriate payment needs to be made with accurate reference(s) to ensure that it is received and allocated on time

BENEFITS

- 1 We will maintain detailed analyses and other records to ensure that we have the appropriate supporting information necessary to deal simply and easily with any subsequent queries from HMRC
- 2 Where there are substantial addbacks in your results i.e. non deductible expenditure, we will use the year end meeting as an opportunity to suggest changes to business activities to reduce the non deductibles for the next year
- 3 Following the submission of the corporation tax return we will provide the HMRC payment details and relevant reference to be added to the payment, plus provide a reminder service 4 – 6 weeks ahead of the final deadline
- 4 We will assist with highlighting any appropriate tax planning opportunities

FEE PACKAGES

(ANNUAL FEES - PAID MONTHLY)

Provision of annual registered Agent service for all HMRC correspondence

Management of company secretarial e.g. statutory registers, changes in address etc.

Preparation and submission of annual 'Confirmation statement' to Companies House

Companies House fees and disbursements

Preparation of annual statutory accounts and corporation tax return

End of year executive review i.e. discuss results, highlight issues, business improvements etc.

Submission of abbreviated statutory accounts to Companies House and corporation tax iXBRL return to HMRC

Confirmation of HMRC payment amounts, references and payment deadlines

Dropbox access for retention of sales/purchase invoices, bank statements, contracts etc.

Quickbooks Online (QBO) accountancy software monthly fees (with 'basic' setup)

Provision of 2 hour 'face to face' Introductory Training on use of QBO software

Registration as an Employer with HMRC for payroll purposes

Use of SAGE payroll software for processing payroll and online submissions (1-5 employees)

Processing of monthly payroll, issue of payslips and reports and online submissions (1-5 employees)

Management of payroll year-end processes including provision of P60s to employees (1-5 employees)

Preparation of required meeting minutes and issue of dividend warrants

Registration of limited company for VAT purposes

Preparation and submission of quarterly VAT returns to HMRC

Registration of Employer with the Pensions Regulator & submission of Declaration of Compliance

Setup of auto enrolment online pension scheme and pension contributions direct debit

Evaluation of each employee and input of information into the online pension scheme

Management of all employee communications, employee 'opt out' issues and/or contribution refunds (1-5 Employees)

Update of the existing payroll software with the pension scheme details (1-5 Employees)

Management of ongoing pension compliance as part of monthly payroll processes (1-5 Employees)

Provision of weekly/monthly bookkeeping service

SME EARLY STAGE

(For ambitious and growing SMEs)

SME GROWTH

(our most popular package)

SME PREMIUM

(for growing SME's i.e. higher staff numbers & VAT)



PRICING

SME EARLY STAGE (For ambitious and growing SMEs)	SME GROWTH (Our most popular package)	START-UP PREMIUM (for growing SME's i.e. higher staff numbers & VAT)
£275.00 P.M. (excl VAT)	£400.00 P.M. (excl VAT)	£TBC P.M. (excl VAT)

ADDITIONAL FEES

Preparation of prior year statutory accounts/corporation tax returns **£750.00/£1,500.00** (excl VAT)

Accountant reference (for Directors) **£150.00** (excl VAT)

Auto enrolment company pension scheme setup **£600.00** (excl VAT)

Monthly payroll service (1 -5 employees) **£55.00 pm** (excl VAT)

Monthly auto enrolment company pension admin service **£55.00 pm** (excl VAT)

Bookkeeping service **£155.00 pm** (excl VAT)

Certificate of Residence **£300.00** (excl VAT)

** Once a new online company pension scheme is setup for an employer e.g. People's Pension, NEST etc., separate fee is payable by the company directly to the scheme provider **£500.00/£750.00** (excl VAT)

OTHER RELATED SERVICES

- **Bookkeeping Services**
- **Executive Finance Review Meeting**
- **Tax Investigation Protection Service**

WHAT'S NEXT



Once you have decided to take the next step and become a client, we ensure that the process is as simple as possible:

- We obtain completed and/or signed copies of our letter of engagement, new client information sheet and accountant transfer letter
- We will obtain confirmation of the identity of each officer and/or shareholder from you e.g. copy passport and recent utility bill/bank statement
- We will forward a welcome pack with information about Sakura and what to expect from us as one of our clients
- We 'fast track' the transfer of company paperwork and information, online accounts access and HMRC agent status from your existing accountant, where necessary, to ensure that you are up and running as quickly as possible
- Assign you the details of your contact(s) in Sakura for routine day-to-day liaison and guidance

sakura 

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