



Orange Genie
Contractor Management Outsourcing
Accountancy



Your Self Assessment Guide and Checklist

For Limited company directors

*Your steps to a stress-free
Self-Assessment journey*

This guide is designed for anyone who is a director of a limited company.

Not sure that you've got everything covered in your Self Assessment tax return?

OrangeGenie Accountancy has your back. We have produced a guide and checklist to walk you through the Self Assessment journey and help you stay on top of things.



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Getting started and getting registered

Self Assessment is HMRC's method of collecting tax from self-employed people and company directors in the UK. Every year, business owners must file a return outlining their total income from the previous tax year, and pay any tax that they owe. Here are the key dates for Self Assessment for the upcoming 2018/19 tax return and the current tax year:

Self Assessment tax year	6 th April 2018 - 5 th April 2019
This is the period you are filing the tax return for.	(18/19)

Current tax year	6 th April 2019 – 5 th April 2020
	(19/20)

18/19 Paper filing deadline	31 st October 2019
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18/19 Online filing deadline	31 st January 2020
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19/20 Paper filing deadline	31 st October 2020
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19/20 Online filing deadline	31 st January 2021
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Do I need to file a Self-Assessment tax return?

Are you registered as a director of a limited company with Companies House?

☐ Yes ☐ No

Were you a company director at any point during the period between 6th April 2018 - 5th April 2019?

☐ Yes ☐ No

If you've answered yes to either of these questions, you need to file a Self-Assessment tax return by 31st January 2020. If you do need to file and fail to do so before the deadline, you'll be fined at least £100 by HMRC.

You don't need to file a Self-Assessment tax return (unless HMRC explicitly asked you to) if you're a director of a company that's a non-profit organisation (e.g. a charity) and the company is not paying you any money.

There may be other reasons to file and HMRC provide guidance on this.

<https://www.gov.uk/self-assessment-tax-returns/who-must-send-a-tax-return>

How many tax returns will I need to file?

Each director must file a tax return for him/herself, which will show his/her income from the company in the form of salary and dividends along with any other sources of income they may have. The company must also file a Corporation Tax return - but the timescale and deadline for Corporation Tax returns is different and not part of this checklist.

What registration do I need to do?

As a company director you need to register for Self-Assessment. As a client of OrangeGenie Accountancy we will make sure this is done. Once you are registered, HMRC will send you a letter that contains your 10-digit Unique Tax Reference, or UTR - and when you have that, we can register as your agent with HMRC to act on your behalf.

Your final checklist:

- You have confirmed that you need to file a tax return for the period 6th April 2018 to 5 April 2019
- You have registered for Self – Assessment with HMRC
- You have authorized OrangeGenie Accountancy to be your agent for Self-Assessment
- You have a Unique Taxpayer Reference (UTR)

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Your income

What income should I include in my tax return?

As a limited company director, the company might pay you one or two kinds of income that you have to put on your own Self Assessment tax return:

- ☐ Your salary ☐ Any dividends on your shares

If the company's paying you back money that you lent it (that is, you're taking money from your director's loan account), then as long as you don't take out more than you are owed, there are no tax consequences and you don't have to put that money on your tax return.

The company might also pay you back if you spent your own money on company costs - or in other words, if you incurred out-of-pocket expenses. These will need to be included on your self-assessment and will be picked up along with any benefits in kind from your P11d.

Salary

If you're the director of a company, it can pay you a salary as an employee, as long as the company has registered with HMRC as an employer. We'll assume here that it has.

You're taxed on salary that was due to you in the tax year, regardless of whether the company actually paid it to you.

Dividends

If you own shares in a company, then it can pay you dividends as long as it has enough profit to do so.

If you took money out of the company to pay yourself any dividends between 6th April 2018 and 5th April 2019 you should include these dividends on your tax return.

Reporting your income

Orange Genie Accountancy will have information with regards to your salary and dividends from your Limited company. You will need to tell us about any other income sources that we are not aware of. We will cover this in section 3

Your final checklist:

- Make sure you know your salary for the period 6 April 2018 to 5 April 2019
- Add up your dividends for the same period



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Other income

Your Self-Assessment tax return has other sections that cover areas like your basic information, self-employment income, rental income, and so on. This section will walk you through the common types of other income that you should consider. We may not have all the information we need for these areas so we will ask all clients to complete a Self-Assessment questionnaire to ensure we have full disclosure.

What other income do I need to declare?

Employment income from another job

Did you have another job in the period, where you're paid a salary? If so, you'll need to let us know and provide details from your form P60 or P45 from your employment for the year 2018-19.

If you've also received any benefits or any money from a second employer as well as your salary (including any expenses you incurred and were paid back for), your employer will also have given you a form P11D for the year 2018-19, we will need these details too.

Bank interest and taxes

At the end of the tax year your bank will usually send you a certificate showing how much interest you've received on each of your accounts and how much tax you've paid on that interest.

Collect bank interest and tax information from:

- Personal accounts owned just by you
- Personal joint accounts - take half the interest and tax for joint accounts

Don't include:

- ISAs - they are already tax-free
- Interest on the limited company's bank account(s) - this will go on the company's own Corporation Tax return.

We will need details of this income, via the questionnaire to ensure that the correct tax is paid.

Shares, dividends and other income

Finally, you will need to let us know about any other income that you have received. Here's a list of common types of other income to consider:

- Dividends on any shares you own in companies other than yours. Count any dividends received between 6th April 2018 and 5th April 2019. Let us know if these come from UK or foreign based companies.
- Profit from renting out a property.
- Income from a trust.

Allowable claims

We want to make sure you are not paying more tax than you need to., so we will also want to know about your pension contributions and charitable donations. Our annual questionnaire will collect all this data.

Your final checklist:

- If you have a second job, have your employment forms P60 and P11D to hand.
- Collect bank interest certificates for all of your bank accounts, apart from the limited company's business account(s).
- Add up any other income that you may have, like shares or rental profit.
- Complete the OrangeGenie Accountancy questionnaire to let us know about any other income and allowances you may have <https://www.orangeenie.com/tax-return-questionnaire>



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Filing

Once we have collected all the information to fill in your tax return, we will send you a draft copy for review along with a letter explaining what you need to do and how to pay.

Remember – we cannot file your return until we have your approval!

Once approved we will file the return through our software, directly with HMRC.

Handy facts

1. The filing deadline is 31st January 2020.
2. Don't leave filing till the last minute because HMRC's website gets very busy in the last few days of January.
3. If you file even one day late you will be fined £100!

How do I pay my tax?

We will let you know how much tax you need to pay. You won't be asked to pay when you file the return, you'll need to pay separately by bank transfer or another means. When you pay, make sure you enter your 10-digit Unique Tax Reference number in the reference field. We will provide details of how to pay.

Avoid interest and penalties by paying your tax and National Insurance by 31st January 2020. If your tax and NI bill is over £1,000, you may also have to make a payment on account on 31st July 2020.

Your final checklist:

- Provide OrangeGenie Accountancy with all details for your return
- Review and approve your return as soon as you receive it from us
- Be ready to pay your tax and National Insurance to HMRC





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Refer a friend or colleague
to **Orange Genie** and
you'll both earn a reward

Self Assessment, sorted

- OrangeGenie Accountancy can prepare and review your Self Assessment tax return.
- We will file the return on line and receive confirmation of receipt immediately
- We can advise on how to make payment and arrange payment plans if necessary.
- Detailed tax breakdown shows exactly how your tax liability is calculated.
- We can advise on payments on account and plan for the following year.

REQUEST
A CALL
BACK

www.orangeenie.com/accountancy

01296 468 185

accountancy@orangeenie.com

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01296 468 185