



ACCOUNTS DIRECT

A GATEWAY TO ACCOUNTING SOLUTIONS



How can you **ensure** that your new business will **succeed**?



idea

Call Us Now: **0800 0699507**



Limited Company Service

Accounts Direct is dedicated to helping contractors, Consultants, IT workers, Doctors and freelancers save time and money by handling their financial affairs. We can take care of all your paperwork and liaise with Companies House and HMRC on your behalf, and give you the expert advice you'll need to make sure you're not paying a penny more tax than you absolutely need to.

We operate on a completely transparent fixed monthly fee basis, so you'll never get hit with a surprise bill. For a monthly fee of just **£95 plus VAT** we can take care of all the following for you.

Company set-up

We can advise you on the most suitable business structure for you, and help you get up and running – within **three hours** if you apply before midday. We can also:

- ➔ Register a Limited Company with companies house and Set up your business free of charge
- ➔ Complete the necessary VAT and PAYE taxation registrations
- ➔ Act as your registered office, including full company secretarial support
- ➔ Assist in opening a suitable business bank account

Regular accounting

We'll keep track of your accounts, and file your returns with HMRC and Companies House. We will also:

- ➔ File your quarterly VAT returns
- ➔ Complete your personal tax return at no extra cost (worth £175)
- ➔ Provide a monthly payroll service including all year-end submissions
- ➔ Prepare your Annual Statutory Accounts
- ➔ File all statutory returns including Corporation Tax Returns
- ➔ Deal with any correspondence from HMRC & Companies House
- ➔ Provide advice on IR35 & S.660
- ➔ Give you as much advice as you need, whenever you need it
- ➔ Prepare and file your employer annual returns



Accounting made easy

Accounts Direct exists to take the headache out of managing your accounts and **to ensure you don't pay the tax man a penny more than you need to**. You can count on Accounts Direct to:

- ➔ Assign a dedicated accountant to you – contactable by phone and email as often as you need them
- ➔ Ensure your accounts are always up to date
- ➔ Handle correspondence with HMRC, Companies house
- ➔ Take care of administrative matters such as changes of address or other company changes
- ➔ Issue board-meeting minutes and vouchers for dividends
- ➔ Act as referees when you apply for a visa, mortgage or tenancy agreement
- ➔ Liaise with HMRC if they choose to investigate your accounts (as long as Accounts Direct has been handling your accounts and provided you have followed our advice in good faith)

What you need to do

We can do all this on your behalf – all you need to do is ensure we've got the information we need to do it. Just send us copies of the relevant information using our secure online portal and we'll do the rest:

- ➔ Ensure we have copies of your invoices and business bank statements
- ➔ Submit your monthly expense claims
- ➔ Keep in touch with us so we can help you

Leaving Accounts Direct

At Accounts Direct we believe that the best way to encourage you to keep using our services is to consistently save you time and money. We don't believe in locking you in through penalty clauses, so if you do decide to leave us you'll be pleasantly surprised how easy it is. There's no charge for transferring to another accountant, and all we ask is for one month's notice of your intention to leave.



Limited company vs. Umbrella company

The most important decision you will make when setting up business as a contractor, freelancer or consultant, is whether to do so as a limited company or under an umbrella company. Both have their pros and cons. We've outlined these below.

What is a limited company?

When you set up a limited company, it's your own business. Even so, you have limited liability, because the business is a separate entity from you, the owner. This applies even if you own all shares in the business.

What are the pros?

- Tax efficiency; retain more profits
- Claim on a range of expenses
- Established company name
- Limited liability
- Kudos of being a company director
- Make use of the Flat Rate VAT scheme
- Submit the majority of your admin to accountants like Accounts Direct
- Have control over your finances and tax planning, with the help of an accountant

What are the cons?

- A small amount of monthly paperwork
- Not recommended if you contract for short periods of time or make less than £25k per annum



What is an umbrella company?

When you set up as a contractor, freelancer or consultant under an umbrella company, they will effectively work as your employer.

What are the pros?

- Most paperwork is completed on your behalf. Tax is also automatically deducted.
- Ideal if you are contracting for short periods of time or make less than £25k per annum.

What are the cons?

- Obligation to pay full PAYE Tax and NI insurance. Ultimately this way, you do not retain as much of your profits.
- The Agency Workers Regulations (AWR) of October 2011 means that contractors working more than 12 weeks will now lose even more in profits.
- Dependence on the umbrella company to deal with your wages.
- Risk that the umbrella company may go into administration.

I would like to say a special thank you for the excellent service and I am glad to say you have exceeded my expectations and restored my faith in accountants.

Ms F Abalihi. (London)



Take home pay

Because of the tax relief and expenses claims, you will profit from more take home pay with a limited company than if working under an umbrella scheme.

- ➔ Limited company: retain **75-80%** of your contract value
- ➔ Umbrella company: retain **60-65%** of your contract value

To give you a clearer picture of the differences in take home pay, we've created this table.

	Limited Company	Umbrella Company
Rate per Hour	30	30
Hours per Week	38	38
Days per Week	5	5
Weeks per year	44	44
Salary	8,000	
Legitimate Expenses	10,400	10,400
Admin Fee	-	1,434
Contract Revenue	49,500	49,500
Company Expenditures		
Expenses	10,400	10,400
Admin Fee	-	1,434
Gross Earnings	-	37,666
Employer's NI	71	3,660
Gross Pay	8,000	34,006
Total Expenditures	18,471	-
Company Profit	31,029	-
Corporation Tax	6,206	-
Distributed Profit	24,823	-
Tax Calculations		
Taxable Income	32,823	25,901
Employees NI	47	3,168
PAYE	-	5,180
Additional Tax on dividends		
Personal Income		
Net Annual Income	32,776	25,658
Net Monthly Income	2,731	2,138
Annual Take Home Pay	43,176	36,058
Percentage of Total Income	87%	73%



As you can see, working under an umbrella company is ultimately more expensive, and puts you in a position of less control over your finances. This may suit you if you only want to work on short contracts, and have no long-term desires to build up your own business. Otherwise, a limited company is probably the right option for you.

Still unsure? For more information and advice, speak to Accounts Direct today. Call 0800 0699507 or email info@account-direct.com

Thank you for getting back to me so quickly! As you know, getting my tax return back on time was causing me to have a lot of sleepless nights, now that it has been submitted I am sleeping like a baby!

Dr M A Saleem. (Middlesbrough)



Our guiding principles

Five guiding principles govern everything we do at Accounts Direct, and along with our accounting experience, our integrity, and our understanding of contractors' needs, we think they're a major factor in our success.

We always put our clients first

At Accounts Direct, our clients are at the very centre of our business. We take the time to get to know you and understand your circumstances so that we can deliver the best service possible, and we love receiving constructive feedback.

We give our staff the room to grow

A well-trained, motivated team will always deliver the best results. That's why we invest heavily in training and developing our people, making sure they have all the skills, knowledge and support they need to serve you as effectively as you would expect. We also make sure they can see a pathway for their own progression. The net result? They're happy, you're happy, and we're happy too.

We can serve you better by working together

A great team is more than the sum of its parts. We make the most of our staff's huge diversity of skills, knowledge experience, using it to benefit all our clients. Working together also means ensuring that you're as engaged with the process as you want to be – and that you've every opportunity to get in touch with us when you need to tell us anything, or find something out.



We want to be good, and stay good

We are proud to offer an exceptional level of service to our clients, but if we rested on our laurels we'd quickly start to fall short. So to stay at the top of our game we keep our foot on the pedal, keep learning, and take every opportunity to push ourselves just that little bit harder. That means you'll keep getting top-notch service for as long as we work together.

We're in it for the long haul

Our business model is predicated on developing lasting partnerships with our clients. Since we know that the only way to get your loyalty is to earn it, you can trust us to keep your best interests firmly in mind at all times, and to be there whenever you need to talk to us.

Contact Us:

Accounts Direct Limited
37th Floor, 1 Canada Square Canary Wharf,
London, E14 5AA

Telephone: 0800 0699 507

Fax: 0207 183 1550

Email: info@account-direct.com