



# Company & Accounting Records



**When running a limited company you need to keep books and records of your business. There are strict record-keeping, accounting and reporting requirements for HMRC and Companies House.**



Failing to keep accurate and complete records can lead to penalty charges being implemented or disqualification as a company director.

### **Records about the company**

You must keep details of:

- Register of company directors, company secretaries and shareholders
- Results of any shareholder votes and resolutions
- Promises for the company to repay loans at specific dates in the future ('debentures')
- Loans or mortgages secured against the company's assets
- Directors indemnities
- Contracts relating to purchase of shares in the company
- Register of people with significant control (PSC register)

(see quick guide: <https://www.ouryclark.com/resource-library/quick-guides/corporate/the-persons-with-significant-control-register.html>)

### **Accounting records**

**You must keep details of:**

- All income and expenditure
- Assets owned by the company
- Stock the company owns at the end of each financial year
- The stocktakings used to work out the stock figure
- Company liabilities
- Amounts owed to or due to the company
- Who goods and services were bought from and sold to (the exception to this is retail sales)
- Financial records must be kept in order to prepare annual accounts and Company Tax Returns including bank statements, receipts, petty cash books, orders and delivery notes. Invoices, contracts, sales books and till rolls should also be kept.

- Companies registered as employers must also keep PAYE records to complete annual PAYE returns, calculate PAYE and NIC's and show employees are receiving all statutory pay to which they are entitled.

A good way of keeping records is within an accounting system. See our guide to [The Best Cloud Accounting Systems](#)

## How long to keep records

Records must be kept for 6 years from the end of the financial year they relate.

In essence this means you need to keep all records for 7 years (as it's 6 years plus a year to count for the financial year).

Note requirements to hold them longer can exist if for instance :-

- The company has bought something they expect to last longer than the 6 years
- The tax return was sent late
- A transaction the covers more than one of the company's accounting periods
- HMRC has begun a compliance check into your Company Tax Return.
- Companies House will assume all records are held at a company's registered office address unless otherwise notified.
- We would recommend that key contracts and documents are retained beyond statutory limits.

## VAT RECORD KEEPING?

- If you are VAT registered the requirements for record keeping are more imperative.
- Failure to be able to show a valid VAT invoice can mean you are disallowed a deduction.
- Copies of the actual VAT invoice itself are important, showing the VAT amount charged, not just proof of payment.

## EXPENSES RECORDS?

In short the UK takes a pretty prescriptive view of expenses records.

Although there are flat rate allowances and some scale rates which suggest you may not need to keep expense receipts, they must always been underpinned by proof of incurring sufficient costs.

**In short always keep all expense records**

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