EXPERT
ACCOUNTING AND FINANCE

LTD

A limited company's ownership is split up into equal pieces known as shares.

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Advantages

Shareholders own private limited companies in one or more instances. These shareholders are frequently obliging relatives.

Shareholders are the only ones who benefit from profits. This is paid to them as a dividend.

Limited corporations have two options for raising capital: borrowing and the share issue of common shares.

Investors in a limited company are safeguarded by the limitations on liability in the event of a company failure.

Disadvantages

- Limited companies must be incorporated at Companies House.
- You will be required to pay an incorporation fee to Companies House
- You cannot set up a limited company if you are an undischarged bankrupt or a disqualified director
- Personal and corporate information will be disclosed on public record
- Accounting requirements are more complex and time-consuming
- Strict procedures must be followed when withdrawing money from the business
- A Confirmation Statement and annual accounts must be filed at Companies House each year
- A Company Tax Return and annual accounts must be delivered to HMRC every year.
- You may need to appoint an accountant to help you with your tax affairs