

NODE



What records you should be keeping

Key deadlines:

https://online.businesslink.gov.uk/Horizontal_Services_files/TAX_deadline_calendar.pdf

It is especially important if you are starting a new business that you get a proper record keeping system in place from the beginning.

For information about setting up in business, including a video about record keeping, go to www.businesslink.gov.uk/taxhelp

For a guide to help you to set up a record keeping system, go to www.businesslink.gov.uk/startrecordkeeping

To find out what records you need to keep, go to www.businesslink.gov.uk/recordkeepingcheck

1. Your business income records

If you have to fill in and send a tax return, the law says that you should keep all the records and documents you need to enter the correct figures. If HMRC need to check your return, they may ask to see the records you used to complete it.

See our page on types of records you may need to keep in our guide on [record keeping \(individuals and directors\)](#).

If you maintain electronic records, ensure that they are safe and secure. It is vital that you keep a regular (weekly, if not nightly) electronic back-up, and ideally a paper copy elsewhere.

Records include:

- till rolls
- sales invoices
- bank statements
- paying-in slips
- accounting records

2. Your business expenditure records

You need to record all legitimate business expenses and apportion them for tax return purposes. See our page on business expenses in our guide on how to [set up a simple profit and loss account for your business](#).

- receipts
- purchase invoices
- bank and credit card statements
- cheque book stubs

3. Your financial and accounting records

Business assets

It's important that you keep your business and personal records separate, so that you can work out exactly what assets, goods and expenses relate to your business.

- By law, if your business is a limited company or a partnership whose members are limited companies, you must produce a profit and loss account for each financial year. But whatever the nature of your business, it is best practice to produce P&L accounts. If you are looking to grow your business, or need a loan or mortgage, for example, most institutions will ask to see three years' accounts. See our guide on how to [set up a simple profit and loss account for your business](#).
- Corporation Tax computation is a statutory record. See our guide on [records for Corporation Tax: what you need to keep](#).
- Dividend allocations and payments are statutory records.
- Records of share ownership. See our guide on [shares and shareholders](#).

Registered businesses - limited companies or limited liability partnerships – are required to produce all accounting records. But keeping these kinds of records is best practice for all types of business. See our page on what accounting records must include in our guide on [preparing accounts for Companies House](#).

If you keep stock, stocktaking records are essential. See our guide on [stock control and inventory](#).

As a limited company you have to:

- complete a Corporation Tax Return (including form CT600) every year
- supply your company's statutory accounts and any necessary Corporation Tax computations with form CT600
- complete an annual return to Companies House every year
- supply a signed set of accounts to Companies House every year

All limited companies are required to keep these records:

- Articles of association
- Dividend allocations and payments
- Details of company share ownership

4. Employment records

All employers are required to keep all PAYE records by law, including:

- payments made to employees
- deductions from your employee wages of Income Tax, National Insurance contributions (NICs) and Student Loan payments
- details of employee benefits and expenses
- all records of statutory payments (including sick pay and maternity pay)

These records allow you to:

- work out the right amount of PAYE and NICs that you and your employees need to pay
- complete your annual PAYE Return accurately
- show that your employees are getting any statutory pay they're entitled to

For further information including a breakdown of the records you must keep, see our guide on [PAYE record keeping](#).

As an employer, you need to keep PAYE records for three years (in addition to your current year). See our guides on how to [register as an employer](#) and [PAYE for employers](#).