

WHAT ARE THE AVERAGE ACCOUNTANCY COSTS FOR LIMITED COMPANY?



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Owning and managing a business can be tough. There are countless expenses and procedures that you have to have and with limited experience, it's almost impossible to tell if you're being fleeced or are getting a good deal.

That's what this guide is for. To let you know what accountancy every limited company needs and how much it should cost you.

What are the average accountancy costs for a limited company?

Okay, here's the rubbish answer: it depends.

I know that's not what you want to hear, but it's true. There are a range of factors that can affect your accountancy costs, **including your annual turnover, if you're VAT registered or not, your size and staff and so on.**

Not all limited companies are the same. Which means that accountancy costs for limited companies are going to be different. It also depends on whether you wanted to hire an accountant to take care of all of it for you, or if you plan on saving costs by doing it yourself.

A big factor that will affect how much you pay is how organised your books are. The more you have things in order, the less time it will take your accountant and so the less they'll charge.

That's why we strong recommend using accountancy software to keep your books in order.

[View Our Recommended Accounting Software](#)

Why do you need an accountant?

Limited companies, like every UK business, are under obligation to keep their accounts up to date and send records and tax reports to the HMRC before specific deadlines. **If you miss this deadline, you'll be fined a minimum of £100.** This fine increases the later it is, with added interest sprinkled in on top.

And that's just if it's late. If you've made a mistake or incorrectly filed your accounts, you could be put under investigation by the HMCR and seriously fined.



These are part of [your legal responsibilities](#) as a limited company. But when you're busy running your company – sometimes you just don't have time for it.

Working with an accountant takes that stress away even if it means you will be having accountancy costs for limited company. They have the knowledge and experience to look after your accounts and file in any tax returns before the deadline, so you know you'll never be fined by the HMCR. If you're not convinced, you can [discover more benefits of hiring an accountant here](#).

Just make sure that you choose your accountant wisely. [Ask these 5 questions before hiring an accountant](#) to ensure that you've got the right match for your limited company.

How much do accountants charge for limited companies UK?

Hiring an accountant to look after your accounts has its perks, but it might make the accountancy costs for limited company a bit higher than expected.

On average, you can get packages that start at around £80-100 a month for accountants. This would include basic services such as:

- Completing your company's annual accounts;
- Processing payroll for you and any other staff members;
- Submitting quarterly VAT returns (if you are VAT registered);
- Managing any correspondence from Companies House;
- Accounts & corporation tax return;
- Advice on business structuring or company set up;
- Registering your business with HMRC;
- Access to apps that help with your accounts.

These packages are recommended for smaller limited companies, or those just starting up.

If you need any more services, be prepared to pay up.



It can cost up to £200 a month to hire an accountant to complete the following services:

- Quarterly accounts management and planning;
- Employment contracts;
- Fee protection insurance;
- Completing tax returns for employees;
- Processing payments to HMRC.

Do I need an accountant to do my taxes?

The short answer is no. You don't need an accountant to do your taxes.

Accountants are great because they have the knowledge and experience to take care of your accounting requirements for you. But that doesn't mean you have to use them.

If you want to save some of your budget and take a more hands-on approach, there are [countless online accounting software](#) that's available for every beginner to do it themselves. This means you can keep your accountancy costs for limited company lower and have a higher degree of control.

How to do your own accounting

Want to cut costs? Here are the quick 3 steps to master DIY accounting.

1. Learn the basics of managing your own accounts

You can't take care of your own accounts without learning the basic knowledge first.

Every business has legal obligations to keep their accounts up to date and provide information such as:



- **Income and expenses**, which means receipts for expenses you have made and invoices for work that has been delivered.
- **Self-assessment income tax forms and assessments**, which is based on your income from your business.
- Quarterly **VAT-returns and payments** if you are VAT registered.
- **Income tax and national insurance** for any employees that you might have.

That may look like a lot, but once you break it down it's simpler than it looks. Learn how to keep on top of your accounts with our [basics of bookkeeping guide](#) here.

2. Find accounting software right for your company

If you're wanting to take your accountancy costs for limited company into your own hands, having your own accounting software gives you a place to securely store and manage your accounts without much effort.

Prices for accounting software vary but are roughly between £8-20 a month. That's a whole lot cheaper than hiring an accountant.

We recently put together a guide on the [best accounting software for self-employed businesses](#). We ranked these based on their features, price and ease of use, particularly as self-employed businesses are likely to have less time and experience to look after their accounts.

If you want to see the best and most affordable software on the market, that's the place to start.

3. Double-check and don't miss a deadline

Late or incorrect tax returns can lead to a whole heap of trouble. Once you've got a handle on bookkeeping and how to use your accounting software, remember to give your accounts a double or triple check to ensure everything is right.

That extra bit of time and attention now is a lot better than possible fines in the future.

So, how much can you expect to pay on accounting?

Again, the accountancy costs for limited company depend on the size of your business and the services that you need.

If you choose to hire an accountant for stress-free accounting, it can cost you between £80 a month for a standard package, up to £200 for added services.

If you choose to do it yourself instead, you'll just need to pay for the [accounting software](#) that you use. This will be between £8-20 a month – plus the time that you need to dedicate to inputting the data and making sure it's right.