

## Limited Companies – What being a Limited Company means

A limited company is an organisation that you can set up to run your business. It's responsible in its own right for everything it does and its finances are separate to your personal finances. Any profit it makes is owned by the company, after it pays Corporation Tax. The company can then share its profits.

A limited company has 'members' - people or organisations who own shares in the company. Directors are responsible for running the company. Directors often own shares, but they don't have to.

As a Director of the company, if you have a day to day operational role in the company you would normally be an employee of the company.

As a limited company you will need the services of an accountant.

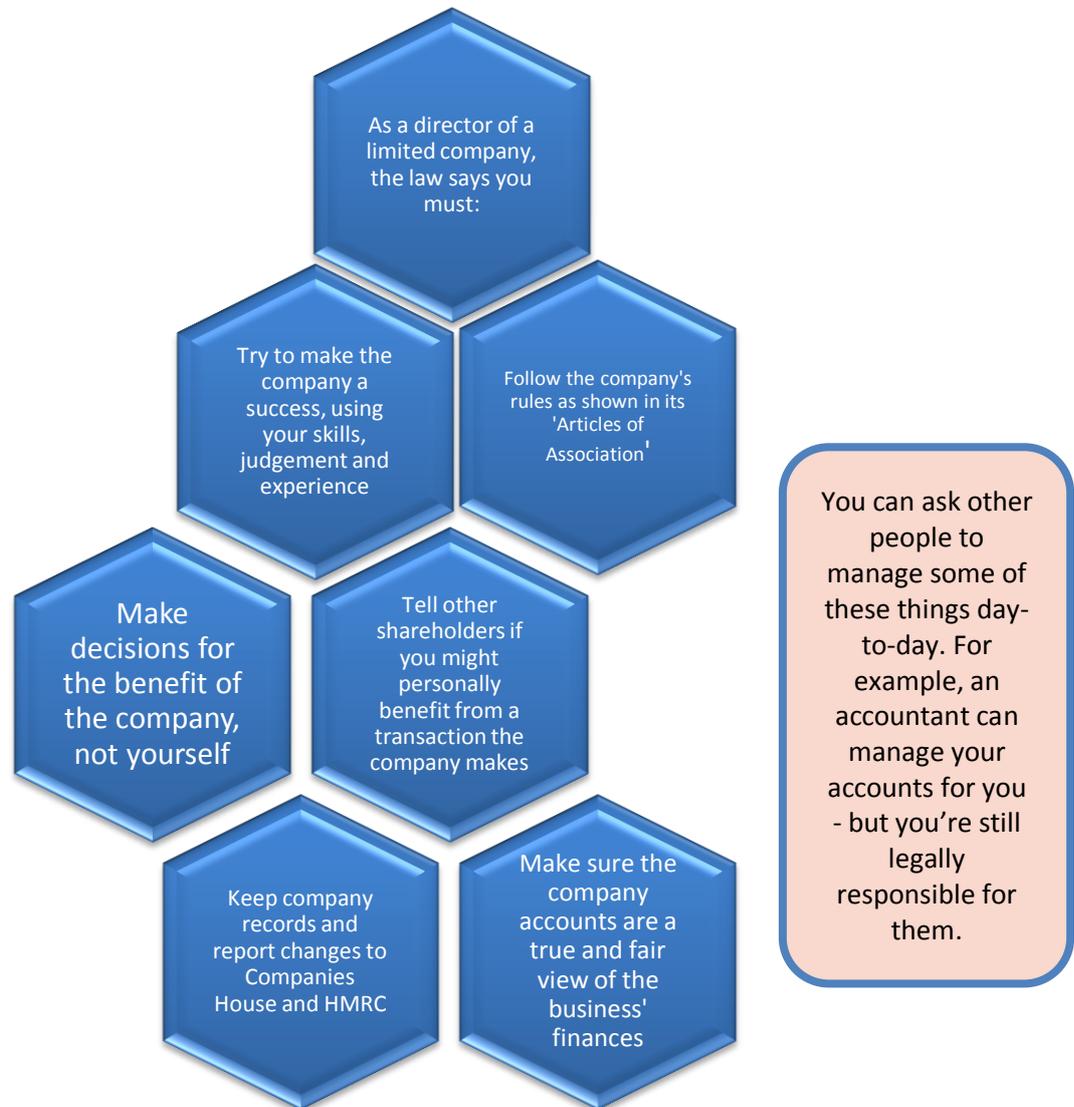
### Legal responsibilities

Being a director and running a limited company carries a number of legal responsibilities.

Most limited companies are 'limited by shares'. This means that the shareholders' responsibilities for the company's financial liabilities are limited to the value of shares that they own but haven't paid for. Company directors are not personally responsible for debts that the business cannot pay if it goes wrong, so long as they have not broken any law.

As a limited company you have to submit annual returns to Companies House

## Directors' Responsibilities



**Disclaimer:** Whilst every effort has been made to ensure the accuracy of the information contained in this document we cannot guarantee 100% accuracy and is only issued as a guide.