



**In their own words:**  
Five years as a limited  
company contractor

## Reflecting on five years as a limited company contractor

### A PayStream Q&A with David Clerihew

We recently spoke to David Clerihew, a contractor in the construction sector, who's been an accountancy client for five years.

We asked him how he came to embrace life as a contractor, what he's learned along the way, and what advice he would offer to others thinking of following in his footsteps and embracing the freedom that comes with being your own boss. David shares with us his experiences.

#### The need to stay on top of your finances

David says that while he found it relatively easy on the whole to make the transition to a limited company director, supported by PayStream's advice, he has experienced the occasional bump in the road that he had to overcome.

For instance, one year David decided to make a large one-off payment for a mortgage deposit that required him to take more money than usual out of the business, which resulted in a higher tax bill for that year.

He explains: "Because HMRC then forecast forward a year and make the assumption you're going to take out the same amount of money next year, I had a demand for another big personal tax bill the following year."

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Fortunately, the situation was easily resolved with the help of PayStream's expert accounting and tax team, who were able to explain to David exactly what had happened and recommended steps to resolve it. However, this does highlight how being a limited company contractor requires you to keep a close eye on your finances, as well as how having expert advice on hand - like that offered by PayStream - can help build your knowledge on running your business and understanding your responsibilities.

## The right mindset for contracting

Overall, David says he's very happy with life as a contractor and it's certainly something he would recommend to others, but he did advise that people moving into this area need to do so with their eyes open and be certain that it's the right move for them before they make the leap.

"Before going into it, I looked into the area and had done a fair bit of research, so I knew what to expect. There were no big surprises for me,"

David concludes:

"It's definitely important to have someone like PayStream that you can turn to if you have any questions. It certainly makes the tax side of things a lot easier, as well as expenses and things like that."

Speak to a member of our team today about our limited company and accountancy services.

Call us on **0161 516 5378**.



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