



Lloyd's Financial Q&A Column

Grantham-based tax and accountancy specialist Lloyd Stubbs gives advice on financial matters to small businesses

How do I calculate a Section 455 tax charge?

Q: My director's loan account was overdrawn for too long and now my company has to pay a Section 455 tax charge. What is this and how do I calculate it?

A: A Section 455 tax charge (S455) is a refundable charge to corporation tax that must be paid by close companies under the loans to participators rules.

Close companies are companies under the control of five or fewer participators, or under the control of their directors.

If a participator owes money to the company, in certain circumstances the company must pay a refundable S455 tax charge until the loan is repaid. At this point, the S455 tax is refunded to the company.

Let's look at an example:

Melanie is the sole director and shareholder of Lighting Limited. As the company is controlled by its only director, Lighting Limited is a close company.

Lighting Limited grants a loan of £20,000 to Melanie in March 2023, which is recorded in the director's loan account on the company's balance sheet. The company's year-end is 31st December 2023 and the company's corporation tax accounting period aligns with the financial year. By 1st October 2024, Melanie has not repaid the loan, so the director's loan account remains overdrawn. As this is more than nine months after the accounting period end for corporation tax purposes, a Section 455 tax charge is payable at 33.75% of the loan amount.

$33.75\% \times £20,000 = £6,750$

Lighting Limited declares a dividend of £25,000 in February 2025. Melanie uses

£20,000 of it to clear her director's loan account. Lighting Limited can now reclaim the £6,750 corporation tax.

Can I remove my date of birth from public records on Companies House?

Q: I noticed that new directors at our company do not have their full date of birth included when documents are uploaded to Companies House, whereas my full date of birth is showing. Can I ask for this to be removed from documents which include my date of birth?

A: Since 21st July 2025, you can apply to Companies House to remove the day from your date of birth. This may be beneficial for security and privacy reasons.

Companies House has not published the day of the date of birth on the publicly available register for directors appointed since 10th October 2015. The ability to remove the day therefore applies to documents filed before this date only.

It costs £30 per document to remove the day from your date of birth, or any other personal details which Companies House permits you to redact from the publicly available versions of documents e.g. home address, occupation, signature.

Instructions are available on the Companies House website.

Lloyd Stubbs specialises in managing tax and accountancy affairs for small business owners and can be contacted by phone or email

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