Director’s loan account record

Record every payment between the director and the company that is not salary, a declared dividend or a reimbursed business expense, with its date and bank or receipt reference. Work out the balance after each entry and mark it OD if the director owes the company or CR if the company owes the director. Write dates as DD/MM/YYYY.

Company name _____

Director’s name _____

Accounting period from _____

Accounting period to _____

Opening balance brought forward (£) _____

☐ OD (director owes) ☐ CR (owed to director) _____

Credit limit or shareholder approval, if any (optional) _____

CODE KEY W = withdrawn by director P = personal bill paid by company R = repaid by director I = director paid in E = business cost paid personally by director D = dividend or salary credited (say which)

Ledger

Date	Description	Code	Bank / receipt reference	Money to director or paid for them (£)	Money from director or credited to them (£)	Balance (£)	OD / CR

Date	Description	Code	Bank / receipt reference	Money to director or paid for them (£)	Money from director or credited to them (£)	Balance (£)	OD / CR

Year-end summary

Balance at the year end (£) _____

☐ OD (director owes) ☐ CR (owed to director) _____

Highest amount the director owed during the period (£) _____

Interest charged on the loan (£), if any (optional) _____

Repaid after the year end (complete only if the year-end balance is OD)

Date repaid	How repaid (bank transfer, dividend, salary)	Amount (£)	Any new borrowing within 30 days? Amount and date

Why the balance matters

If the director owes the company money at the year end and it is not repaid within 9 months of the year end, the company may have to pay extra Corporation Tax on the amount still owed (section 455 tax), which is refunded only after the loan is repaid. If the director owes more than £10,000 at any time in a tax year, there may be a taxable benefit to report. Loans to a director above £10,000 normally need the shareholders' approval. Speak to your accountant before clearing a balance with a dividend or bonus, or before repaying and borrowing again.

Prepared by _____

Director's signature _____

Date _____

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