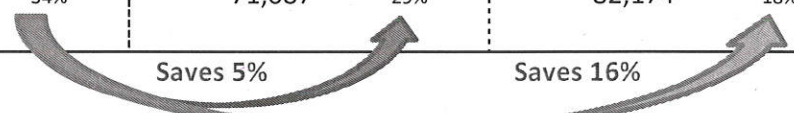


Sole trader v. Limited company

This table compares incomes after tax of the two different business structures taking into account income & corporation tax and national insurance contributions.

It also shows the effective tax rate paid by the owner to draw the income.

Business profits before owner's drawings and tax ↓	Sole Trader		Limited company 1*		Limited company 2**	
	Net Income	Composite tax rate %	Net Income	Composite tax rate %	Net Income	Composite tax rate %
£25,000	20,450	18%	21,815	13%	23,630	5%
£50,000	37,210	26%	41,087	18%	43,630	13%
£75,000	51,710	31%	56,087	25%	63,630	15%
£100,000	66,210	34%	71,087	29%	82,174	18%



*A limited company with single director on basic salary of £10,600 pa meeting the state pension requirement & receiving dividends

**A limited company with director & spouse on basic salaries of £10,600 pa meeting the state pension requirement & receiving dividends (shared between basic rate paying spouses)

These figures provide a general guide and we can confirm them for your personal circumstances when you provide us with any additional relevant information.

Figures produced April 2015 and relate to 2015/2016 tax year.

Call Mike Wilcox or Marie Maggs on 01225 445507 for a no obligation meeting