

LIMITED COMPANY VERSUS SOLE TRADER

Limited Company Versus Sole trader

Whether starting out as a sole trader or setting up your own limited company, deciding what structure to adopt is crucial when setting up a new business. From start-up fees to liabilities, there are a number of considerations to take. Have a look at our factsheet to determine what's right for you.

	Limited Company	Self-employed
Liability	Restricted (virtually nil)	Unlimited
Taxation	Complex but affording planning opportunities	Profit based
Filing	Full financial statements including a Profit and Loss/ Balance Sheet (to Companies House and HM Revenue and Customs). Electronic filing mandated.	Taxable profit entered into personal tax return (effectively a profit and loss going to HM Revenue and Customs). Electronic or paper filing.
Ownership	Versatile	One person/ simple
Income	Salary/dividends	Profit as realised

We de-risk owning a company leaving you to enjoy the benefits (by helping with your filing obligations).