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**David Beckman & Co Ltd**  
Chartered Accountants & Chartered Tax Advisers

## SOLE TRADER, PARTNERSHIP, LIMITED COMPANY OR LLP

Legal Entity	Forming	Ease of Running	Cost of Running	Extracting Funds	Possible Liabilities
<b>Sole Trader</b>	Easy  Cheap	Relatively easy	Quite cheap  £550 to £795 + VAT	Relatively easy	Unlimited liability
<b>Partnership (Psp)</b>	Quite Easy  Quite Cheap  Psp Agreement	Relatively easy	More expensive than Sole Trader  £695 to £1,000 + VAT	Relatively easy	Unlimited liability – joint & several liability
<b>Limited Company</b>	Costs more £150 -£645 + VAT  Formalities  Ownership versus Management	Formalities e.g. board minutes, resolutions, meetings, Annual Returns, Notepaper	More expensive than sole trader or psp  £1,750 to £3,750 + VAT	Salary or dividends	Possibly limited – but watch for personal guarantees
<b>Limited Liability Partnership (LLP)</b>	Needs to be registered at Companies House	Like a Psp but also needs Annual Return & minutes	More expensive than a simple Psp  £975 to £1,565 + VAT	Similar to a partnership  Tax higher than for a company	Limits the liability of members – can keep cars within Psp

**This information is intended for general guidance only. For further information or advice, please contact David Beckman, Director - MA (Cantab), ACA, CTA, FPC.**



Registered in England Registered Number: 04744238  
Registered Address: 62 The Street, Ashtead, Surrey, KT21 1AT  
Tel: 01737 844322 Fax: 01737 844162  
Registered to carry on business activities by the Institute of Chartered Accountants in England & Wales  
Factsheet  
Registered with the Chartered Institute of Taxation as a firm of Chartered Tax Advisers

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