

## Exceeding expectations 100%

- New to the world of self employment, our contractor client came to us with what he thought were realistic ambitions as to his desired level of net take home pay
- Proactive remuneration structuring and clever tax planning advice delivered an income level way beyond what he thought possible

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### The Situation

Andy had just received an offer for a 12 month contract and had handed in his notice to his employers when he was introduced to us. New to the world of contracting and self employment, he was considering setting up under an umbrella company via his agency.

He was expecting to invoice in the region of £96,000 per annum and wanted to involve his partner, currently a full time mother, in the administration side of the new business.

His goal was to achieve a monthly net income of £2,500 as tax efficiently as possible.

### Our Solution

We talked Andy through all the options available to him and then advised him on the best possible set up for both himself and his partner, as well as how to best manage his accounts ongoing in order to achieve his objectives.

We supplied him with templates for invoicing and expenses, and took care of all his accounting requirements on a monthly basis.

We provide him with monthly management accounts and advise how much to draw and what to put aside for tax each month so there are no nasty surprises at the end of the year. We review his situation prior to his year end and advise what “bonus” he and his partner should draw to maximise their tax band.

### Result?

The decision to run his business through a limited company rather than an umbrella saved more than £15,000 in National Insurance payments.

The additional remuneration strategies, Flat Rate VAT savings, pension planning, and claiming all the relevant allowable expenses, lead to a total increase in company profitability of almost £4,000 and further tax savings of around £5,000.

Moreover, the structuring of income for both himself and his partner in the most efficient manner, in addition to other strategies, allowed them to potentially increase their net take home pay by more than £30,000 between them.

“I find In Accountancy extremely helpful, their fee’s are very reasonable considering the wealth of experience that I have access to. They have advised me on more than one occasion about the best tax efficient way to save money, whilst staying firmly on the right side of the law ”

Andy Gale - MAL Professional Services Ltd