

# Helpful information

## Self-employed income guide

**Please note:** For self-employed customers we will accept the following:

- ▶ Latest 2 years' HMRC tax calculation + corresponding tax year overview **OR** accounts the most recent must be dated within the last 12 months. Where the latest figures provided are over 6 months, we will require business bank statements to reflect the income declared.

Self-employed type	Income types	Notes
<b>Sole Trader and Partnerships</b>	<b>Share of net profit</b>	We will accept 100% of the applicant's share of net profit, where there is a reasonable increase in net profit from the previous year (up to 20%), we will accept the latest figure. If there has been a decrease in net profit, we will take an average of the last two years.
<b>Limited Company</b> <small>(We do not accept net retained profit)</small>	<b>Share of dividends</b>	We will accept 100% of the applicant's share of the dividend payments.
	<b>Directors remuneration/salary</b>	We will accept 100% of the applicant's salary.
	<b>Directors car allowances*</b>	We will accept 100% of the applicant's car allowance.
	<b>Directors pension contributions*</b>	We can add 100% of the applicant's pension contributions to calculate their gross income.
	<b>Private health insurance*</b>	We can add 100% of the applicant's contributions to private health insurance to calculate their gross income.

\* Where confirmed in the accounts by a qualified accountant. We reserve the right not to accept these sources of income in individual circumstances.

For all loans, only accounts prepared by accountants with the following qualifications can be accepted: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA.

<b>DIP Tips</b>	The income figure to be keyed into the DIP should be: <ul style="list-style-type: none"> <li>▶ <b>Traditional</b> - Net profit</li> <li>▶ <b>Limited Company</b> - Salary/remuneration + Dividends + Company car + Pension contribution = Final income</li> </ul>
	If the applicant only has 1 year's figures the case can be considered subject to referral to an underwriter, where a decision will ordinarily be available within 2 (business) hours. Proof of income is required for the number of years that you key.
	If self-employed income is made up of <b>both</b> rental and self-employed income, this income must be entered onto the DIP separately. Self-employed income should be recorded under 'Self-employed Details' whilst rental income should be recorded under 'Other sources of income'.