PROFIT AND LOSS ACCOUNT (FORMAT 1) WITH CORPORATION TAX ESTIMATE

Line order of Format 1, Schedule 1 to SI 2008/409 and SI 2008/410. Turnover excludes VAT and trade discounts (Companies Act 2006 s.474). Yellow cells are inputs; costs entered as positive numbers.

Company and period	Sample Ltd · year to 31/03/2027

Line	£	% of turnover	Notes
Turnover	480,000	100.0%	Sales excluding VAT
Cost of sales	(288,000)	60.0%	Opening stock + purchases − closing stock, direct labour
Gross profit	**192,000**	40.0%	Turnover − cost of sales
Distribution costs	(18,000)	3.8%	Delivery, warehousing, selling
Administrative expenses	(96,000)	20.0%	Office, management, professional fees, depreciation
Other operating income	2,000	0.4%	Rent received, grants
Operating profit (subtotal)	80,000	16.7%	Not a statutory line; shown for analysis
Interest receivable and similar income	-	0.0%	
Interest payable and similar expenses	(5,000)	1.0%	Loans, overdraft
Profit before taxation	**75,000**	15.6%	
Add back: costs not allowed for tax	-		Depreciation, client entertaining
Less: capital allowances	-		Annual Investment Allowance, writing-down allowances
Taxable total profits	75,000		Estimate; your accountant computes the final figure
Associated companies (number)	0		Limits ÷ (associates + 1)
Tax on profit (corporation tax estimate)	(16,125)	3.4%	19% / 25% less marginal relief / 25% (FY2026 to FY2028, 12-month period)
Profit for the financial year	**58,875**	12.3%	

Effective corporation tax rate	**21.50%**

Corporation tax rates: gov.uk/corporation-tax-rates and HMRC marginal relief guidance (read 23/11/2026); short periods reduce the limits pro rata. Accounts are due at Companies House 9 months after the year end (private company); tax is due 9 months and 1 day after the period.