

### How we can help...

Setting up on your own is an exciting and challenging time. At McLintocks our aim is to help you start out on the right track to build a thriving business and avoid many of the common pitfalls that can affect new start-ups.

## Overview

### WHAT IS THE BEST WAY TO SET UP YOUR BUSINESS?

One of the first things to consider is the format in which to operate. If the business is run by an individual alone, the options are Company or Sole Trader. If several people are involved, the options are Company, Partnership or Limited Liability Partnership.

#### Limited Company

A limited company is a separate legal entity and gives limited liability to its members. Registration details must be shown on all business forms and order forms. To run your business as a company you need to issue shares and appoint directors. Directors must file statutory documents, such as accounts and annual returns at Companies House.

To set up a limited company, the name and address of the company must be registered at Companies House and the company's full corporate name must be displayed outside all places of business and on all stationery and electronic documents.

#### Partnership

Partnership is a common business format but remember many debts can be joint and severally liable. You should always consider a formal deed of partnership. It will cover ownership of the business assets, how you will share the profits and other responsibilities.

#### Limited Liability Partnerships (LLPs)

LLPs offer limited liability for the individual members. However, there is a requirement to publish the accounts at Companies House. We can advise when these structures are suitable. In most cases LLPs will be treated for taxation purposes as a partnership.

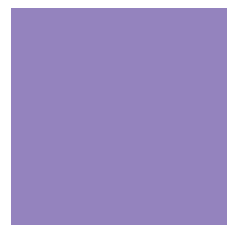
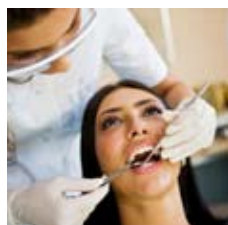
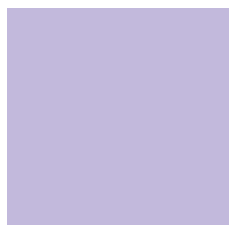
#### Sole Trader

You are very much on your own, but let McLintocks be your helping hand. Remember if you are a sole trader (an individual who is self-employed) and you choose to trade under a name other than your own (e.g. Smith Plumbers), you must display the name and address of the owner on all your stationery and at your business premises.

Call us now on

**0845 680 7800**

to discuss starting your own business venture



## The Details

### HAVE YOU GOT A BUSINESS PLAN?

A well thought out business plan will set out your short-term and long-term goals. It will identify strengths, weaknesses, opportunities and threats to your business.

You will need to prepare budgets and cash flow forecasts. If you decide you need to borrow money, a good business plan will be vital. McIntocks can assist you to prepare a business plan.

### HAVE YOU REGISTERED WITH THE HM REVENUE & CUSTOMS?

If you are self-employed and do not register with the HM Revenue & Customs within three months, you could be liable to a penalty.

### WHAT TAXES WILL YOU BE LIABLE FOR?

Tax is levied annually based on profits earned by your business. We will advise you on tax planning issues to alleviate its impact whilst also advising you in very good time when liabilities fall for payment.

### WILL YOU HAVE TO PAY BUSINESS RATES?

You should contact your local authority to find out what you need to pay and when.

### IS INSURANCE NEEDED?

It is essential that you have public liability insurance and it is good practice to have insurance to cover the loss or theft of your business property as well as other types of losses.

### SHOULD YOU REGISTER FOR VAT?

You will probably have to register for and charge VAT if:

- Your taxable turnover reaches, or is likely to reach, the VAT registration limit
- You have taken over a business as a going concern
- You acquire goods from other European Community countries

Even if you do not have to register, it may benefit your business to register voluntarily. There are several different schemes and McIntocks can help you decide which suits your business best.

### WILL YOU EMPLOY ANYONE IN YOUR BUSINESS?

If you are thinking of taking on someone to help with your business, there are some things that you must do:

- As an employer, you must calculate and pay your employees' tax and national insurance contributions. It is also up to you to pay the employer's national insurance contributions on the earnings of your employees and to sort out any tax credits due to your employees.
- You also need to know about the law on such issues as employee rights, working hours, minimum wage and equal opportunities. You will also have to establish whether you need to provide access to a pension scheme.

### HAVE YOU THOUGHT ABOUT INCOME TAX AND NATIONAL INSURANCE?

When you are self-employed, you are responsible for paying your own tax and national insurance contributions. Broadly speaking, after the first year in business, the tax you have to pay will be based on your profits of the previous year. A tax year runs from 6 April to 5 April.

You must start paying Class 2 national insurance contributions as soon as you become self-employed. These are payable in addition to any Class 4 national insurance contributions which may be charged on your profits.

### WHAT OTHER BUSINESS LAW AFFECTS MY BUSINESS?

Depending on what sort of business you are starting, you may be affected by law on:

- **Health and Safety** - you are responsible for the effect your business may have on the health and safety of your employees and members of the public.
- **Fire precautions** - you may need a fire certificate, particularly if running a guest house, hotel or nursing home.
- **The environment** - there are environmental regulations that may apply to your business, if you produce or recover waste.
- **Planning** - you must take action if you want to build a new building or change the use of an existing building.
- **Intellectual property** - you should protect your own company name and logo, along with inventions, product designs or copyrights. You should also respect other people's intellectual property rights.
- **Fair trading** - The Office of Fair Trading (OFT) is responsible for protecting consumers by promoting effective competition, removing trading malpractice and publishing appropriate guidance. The OFT issues consumer credit licences.
- **Data Protection Act** - if your business keeps information about other people, you may well be affected by the Data Protection Act and you may have to register to keep such information on a computer.
- **Licences** - Licences are required for many businesses, such as public houses, hotels, mobile shops and hairdressers. You need to check whether your business requires a licence to trade.

**FOR FURTHER ADVICE AND HELP ON STARTING YOUR OWN BUSINESS PLEASE CONTACT US ON 0845 680 7800.**