

Starting a Business



This newsletter is to help you and your business.

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Starting a business: what you need to know and how we can help

If you are planning to start your own business or have recently started one, do not let the risks and responsibilities overwhelm you. Forethought, planning and some professional expertise can help your business through its early survival phase and prepare it for future growth.



The business plan

A successful business starts with a sound business plan. Rather than being a mere formality, as some might think, your plan can be critical to the success or failure of your launch. A good plan can win over investors, lenders, partners, and employees, and it can help you clarify where your business stands and where it is heading.

A good business plan will not only map out your business objectives but also profile the staff you need, as well as your potential customers, suppliers, and competitors. Other key elements include short- and medium-term sales and marketing strategies and projected financials for a number of years into the future. We can provide experienced help and advice in all these areas.



Call us to find out how we can help you with planning, or to discuss any issues related to your new business.

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Registration

Starting a business can involve a lot of paperwork, and without professional help there is a danger that vital obligations might be overlooked. New businesses need to register with HMRC, implement a PAYE scheme where required, and register for VAT. You may also need to protect your brand or intellectual property with a trademark or patent, and your trading name will have to be checked to ensure it does not conflict with that of a pre-existing business. We can guide you through all the stages of the registration process.

Structure

It is important to establish an appropriate structure for your business from the outset because changing it later can sometimes be problematical. Sole trader status, incorporation, partnerships and limited liability partnerships all confer different advantages and disadvantages on several levels. In choosing the appropriate structure for your business you will need to consider tax exposure, public perception, owner control and running costs, as well as the projected growth outlined in your business plan. Again, we can provide you with objective and professional advice in this area.

Funding

Most businesses rely on some form of external funding to start up, and sound planning and thorough market knowledge is essential to secure this, especially in today's difficult economic climate. Primary sources of external funding include loans, overdrafts, share issues and venture capital. These can sometimes be supplemented by government, European, local authority and other more specialised grants. A combination of funding methods can allow for greater flexibility, although each channel will have its own tax and cost implications. Some will also require additional security on your part. A professionally-assisted approach to carefully selected sources will help you make the most of your funding opportunities and help to protect your own investment.

Tax

Tax is an important consideration for all businesses, but is especially important for start ups. Even a seemingly simple decision like when your year-end should be can have a direct effect on your bottom line: For example, for unincorporated businesses a date early in the tax year can mean that increased profits will take longer to reflect in an increased tax burden. Tax issues like capital allowances and research and development credits can also affect how and when you invest in your company.

The UK has the longest tax code in the world, and it can be very daunting for non-experts. The Association of Accounting Technicians recently calculated that Britain's small and medium sized businesses are failing to defer up to £7.2 billion of tax due to lack of advice and knowledge.

But with the right advice on matters such as the Business Payment Support Scheme, extended carry back loss relief and business rates relief there is no reason to let tax worries hinder your growth.

According to the Small Business Research Trust, 63% of small businesses find tax to be one of the main barriers to growth. Don't let it affect you: seek professional advice now.

Some questions as you start your new business

▾	<i>What are my prospects in the recession?</i>
▾	<i>Are you the sort of person who can succeed in business?</i>
▾	<i>Have you any funds you can put into the business?</i>
▾	<i>Are you familiar with the legal requirements that will be placed on you as a business proprietor?</i>
▾	<i>Have you considered how much you will earn during your first year?</i>
▾	<i>Do you need help raising finance for your business?</i>
▾	<i>After business expenses, including taxation and national insurance, have you estimated what your salary and profit could be?</i>
▾	<i>Have you considered how you can minimise your tax liability so that you keep more of what you earn?</i>
▾	<i>Have you considered how technology can benefit your business?</i>
▾	<i>Have you decided how the internet can be used to your advantage?</i>

Some essential considerations:

VAT	You need to register if you expect sales of more than £68,000.
PAYE and NIC	Be careful about who you regard as self employed.
Limited Company	There are advantages and disadvantages, please discuss with us.
When will you pay tax?	The self employed pay tax in two instalments on or before 31 January and 31 July.



From managing cash flow and credit, to tax minimisation and tax refunds we can advise you on your best strategy.