



What can you claim as expenses

To a degree, it depends on your business, so this is just a rough idea of what you can probably claim;

Materials and stock you will re-sell.

Employee wages and associated costs

Travel, toll and congestion charges, flights, hotels etc etc

Motoring expenses. There's a few options; a mileage rate, or actual expenses. Partly depends if you're sole-trader or ltd co as to which is best.

Office supplies, stationery, postage & carriage

Research and publications related to your trade

Rent, Rates, light and heat of premises (perhaps also some Use of Home as Office)

Insurance, bank charges and interest, legal fees

Advertising, posters, promotional material.

Protective equipment and clothing (but not just a suit unless it has your logo on it).

Equipment and tools, vans – you don't claim these against profits; you claim capital allowances. At the moment these could be 100%

There's just a few pointers which we hope will help out. Please remember that it's not exhaustive and you must **seek professional individual guidance** on any business and taxation matters.

If you would like to discuss this with us, please feel free to give us a call. We'll be happy to give you a **free hour no obligation and no pressure**.

We are specialists in business start-ups and we can discuss much more than just tax and accounts. We can go over many different aspects of starting and growing business. We have contacts covering all aspects of business; we can point you in the direction of good banks, printers, internet consultants and marketing specialists.

Whoever you approach to help with your accountancy, taxation and book-keeping make sure they are **qualified** to do the work you need. Anyone can set themselves up as an accountant – even if they are not qualified. With qualified accountants you get some assurance of quality, they must be properly insured and keep up to date with current issues. And if they get it wrong you have some come-back to their professional body.

Paul Roscoe & Co was formed in 1988 and is a small family run qualified accountancy practise. We are members of the Institute of Financial Accountants and Association of International Accountants. Serving clients from all over the UK and abroad we have a lot of experience in all aspects of accountancy taxation business start up and business development.

Paul Roscoe & Co

The Schott Building,
Drummond Road, Stafford ST16 3EL
United Kingdom

T: 01785 664925 F: 01782 880456

www.paulroscoe.com info@paulroscoe.com

 **paulroscoe&co**
accountants and business advisers

business start up information





Starting in business

So you're thinking of taking the plunge and starting your own business. Fantastic.

No doubt you're feeling rather nervous about the prospect with lots of questions.

Hopefully in this brochure you'll find a few tips and pointers. It's not exhaustive; It's no replacement for individual advice and guidance. And as things change there's a possibility it's out of date – so please remember it is just a guide and don't make any big decisions without proper individual advice.

Sole-trader? Limited Company? Partnership?

There are a few different types of business. A **sole-trader** is as it says; it's just you on your own. You can have employees of course, but only you make the final decisions and take final liability. Any liability and debts of the business fall to you personally. It's a simple structure, very flexible and can be dealt with easily and relatively cheaply.

A **Partnership**; it's a bit like a sole-trader in that the partners are liable for the business debts. But of course there's more than just you. So you can spread the load of responsibility in the business and share the profits. It could be a wife and husband, or with someone else or a

number of people. If you're nervous about the personal liability aspect you can form an **LLP (Limited Liability Partnership)** which limits any debts claimed on the partners personally.

Limited Companies are more formal and not quite as flexible as sole-trader or partnership; however they do benefit from **limited liability** (the debts stay with company) and if structured correctly can be quite tax efficient. You become an employee of the company and you can have a number of directors and shareholders or just one (you!). Companies cost a little more to run as there is more administration but it's not too onerous and shouldn't cost too much more. There are more filing deadlines and forms to get in on time, but as long you keep organised it should not cause any problems.

Starting up – what you should do

Well, choose your structure. Take advice on this to make sure it suits your needs. You can change later but better to get it right at the start.

Research your product / service thoroughly. Do some market research. Who are your competitors? Where will you be based? Do you need an office or can you work from home at first? Do you need any special licenses? Prices? Suppliers? Bank?.....

When you start to trade you need to tell **HMRC** that you are self-employed or in partnership. If you decide to be a limited company, then usually when the company formation agent has set it up, you'll automatically get HMRC paperwork through.

Will you have employees? If so, you'll need to register for **PAYE**. If you have a limited company, then as a director you are an employee so you'll need to register for PAYE.

What about **VAT**? Again, take **professional individual advice** to see what's best. If you're turnover goes over the VAT Threshold (in 2011 that's £73,000) then you have to register. Under this you can voluntarily register if you want to. It means you'll have to charge VAT to your customers, but can claim back VAT on purchases. That sounds good. But if your customers cannot claim the VAT back (for example, say you are a hairdresser) then it might make your prices expensive. There are flat-rate schemes and cash-accounting and various ways to help with VAT. Usually you will calculate and pay the VAT quarterly to HMRC.