

Useful information for start up businesses

Basic information and quick reference guide



What a start up business needs to know.

BPR Heaton, are delighted to be able to provide you with this free Quick Reference Guide for start up businesses.

Below, you will find all the information you need to know to get your business started on the right foot. Remember though, there is no substitute for quality professional advice and we would welcome the opportunity to discuss your business ideas and help you plan your success.

Key point

Contact us for a no obligation, initial consultation, we can help with advice and support and discuss your plans and options.

Should I consider incorporating?

Pros..

- Your personal financial liability is limited to a fixed sum. Commonly equivalent to your investment in the business.
- Your personal tax liability is based only on your withdrawals from the business rather than the total profits the business makes.
- Greater business succession planning options are available to an incorporated entity.
- Protection against potential personal law suit and litigation.
- Greater flexibility when considering tax strategies.
- Corporation tax is charged at 20% where as personal tax can be as high as 45%

Cons..

- Annual statutory accounts require submitting to Companies House (public register).
- Annual Return of directors and shareholders details will require Submitting to Companies House.
- Sole traders and Partnerships have no obligation to complete statutory accounts.
- Potential difficulty obtaining supplier terms due to no track record and limited liability.

Who do I need to tell about my business?

Incorporated entities

- HMRC form CT41G to register the business for corporation tax.
- Register with HMRC to set up the businesses PAYE scheme.
- Companies House to register the certificate of incorporation, the general company details, statements of officers, capital & shareholdings and the memorandum & articles of association.
- BPR Heaton can provide continuous guidance as your business develops

Unincorporated entities

- Inform HMRC of your self-employment status by registering online with HMRC (hmrc.gov.uk) for business taxes, including self-assessment, National Insurance and PAYE (if applicable).
- BPR Heaton can provide continuous guidance as your business develops

When do I need to register for VAT?

- Once your business turnover exceeds £83,000 in the previous 12 rolling months or you expect to exceed this within the next 30 days you are required to register with HMRC, either online or via the post using HMRC forms VAT 1 and VAT 2 (if the entity is a partnership).
- Once VAT registered, quarterly VAT returns will require submitting (this can be done online at hmrc.gov.uk) which declare the amount of VAT due for payment to HMRC or available to be reclaimed from HMRC.

What records do I need to keep?

- Record of all sales invoices and purchases invoices (ensure any VAT is clearly identifiable).
- Copies of all bank statements, VAT returns filed with HMRC and employee payroll records
- Car mileage records if you use your personal car for your business.
- Maintaining accurate records can be time consuming and prone to error, therefore why not let BPR Heaton take the stress away by allowing our bespoke back office services to process your records.

What do I need to know about running a company car or van?

- If you run a car which is owned by the business, you will need to inform HMRC of this and an income tax liability may arise on the benefit derived from its use (known as a 'Benefit in Kind'). We highly recommend you take professional advice if this is the case.
- If you use your own car for business purposes (other than your regular office commute) you are able to reclaim from the business £0.45p per mile for the first 10,000 miles, reducing to £0.25p thereafter.
- Alternatively if you run a van, rather than a company car, then the tax treatment applied will be different. This may be something you should seek advice on.

Do I need to do a personal tax return?

YES!

- You will always need to do a personal tax return if you run your own business.
 - If you are an unincorporated entity, you will need to complete and submit a personal tax return, included on this will be your share of any profits made, any salary you have taken and any Benefits in Kind from the business over the period.
 - If trading as an incorporated entity, you will still need to complete and submit a personal tax return. This will be based only on the earnings you have personally withdrawn from the business and not the business's profits in total.
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Do I need to prepare year end financial accounts?

YES!

- If you are an incorporated entity, these must be prepared inline with accounting standards and be submitted to Companies House annually, we recommend you take professional advice when preparing these accounts.
- If you are an unincorporated entity you still need to prepare basic records which must include an "Income Statement", these should be kept for a minimum of 5 years and 10 months.

What if I get stuck?

At BPR Heaton we know that laying the foundations for a successful business can be a daunting experience.

Our Start Up Business Team is available to provide you with all the guidance you need and can be contacted on [0113 257 4506](tel:01132574506) or info@bprheaton.co.uk

- VAT enquiries 0300 200 3700
- VAT online helpdesk 0300 200 3701
- Self employed National Insurance enquires 0300 200 3506
- Self Assessment textphone service 0300 200 3319
- Companies House enquiries 0303 1234 500 (enquires@companies-house.gov.uk)
- BPR Heaton 0113 257 4506 (info@bprheaton.co.uk)

Key point

We are always available and happy to help and our initial consultation is free, call an advisor for more information.

Dates for your diary...

- 31 January – Deadline for submitting online self-assessments to HMRC and payment date for 1st payment on account of any tax liability anticipated for the current tax year and the balancing payment of the prior tax period.
- 5 April – End of each tax year.
- 6 July – Deadline for sending completed forms P11D to HMRC.
- 31 July – 2nd payment on account of anticipated income tax liability becomes payable.

For a free no obligation initial discussion or consultation please contact our Start Up Business Team on [0113 257 4506](tel:01132574506) or via email at info@bprheaton.co.uk