

Setting up a small business

IN 60 SECONDS

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There are so many things to keep on top of as a small business owner and it can be overwhelming. This fact sheet aims to reduce your worries by providing a brief summary of the tax and accounting issues you should be considering.

Business structure

Before setting up your business it is important to consider what structure is best for you. Most small businesses will start out as either a sole trade or a partnership, with you declaring profits to HMRC under self-assessment and paying Income Tax on these.

Others may consider a limited company. A company has advantages and disadvantages, with lower Corporation Tax rates and limited liability protection against generally higher accounts and tax return costs and restrictions on how profits can be used.

HMRC / Companies House

Once you have decided on a business structure, you must comply with the relevant registration requirements with HMRC and Companies House (if a company).

VAT registration

Irrespective of your business structure, if you exceed £85,000 (2021/22) in sales in a twelve month period then you are liable for VAT and have to register with HMRC. Registration is optional below this level.

If you are VAT registered then you must comply with Making Tax Digital (MTD) and record and report via digital software.

Bookkeeping

Keeping accurate records makes your accounts and tax requirements much easier and also helps you see how your business is performing. Modern accounting software offers many benefits to business owners and can integrate with all parts of your business.

Payroll

If you have employees then you must comply with HMRC's reporting requirements.

Accounts and tax

Depending on your business structure, you will have different accounts and tax reporting requirements. It is important to ensure you are aware of the deadlines for submitting your accounts and tax returns as late submission and payment will result in financial penalties.

About Roake & Cook Limited

Roake & Cook Limited was founded to help business owners. With over 20 years experience of working with small and medium sized enterprises, we are able to offer advice and support to help your business thrive and grow.

Our services include:

- ✓ Bookkeeping and payroll
- ✓ Research & Development Tax Credits
- ✓ Cloud migration
- ✓ Accounts and Tax Returns
- ✓ Management reporting

How can we help your business?

Contact Roake & Cook Limited for a free consultation on whether your business can benefit from the services we offer.

Call us on 07944855189

Email us at admin@roakeandcook.co.uk

Visit us at roakeandcook.co.uk

