

Setting up in Business

1. How should my business be structured?

The choice of which forum to adopt to run your business will depend on numerous factors. You can run your business as a sole trader, a partnership, a limited liability partnership or a limited company. We can advise you on which will be most effective for you.

2. How will taxation affect my business?

The Inland Revenue will automatically send Form CT41G to your new company which requests information about the company and its directors for corporation tax purposes. This must be completed and returned to the Inland Revenue. You must also ensure that the Revenue is notified within three months of your company commencing to trade. In the event that you fail to notify within this time period a penalty will be payable by the company.

You will also be required to report all shares and options granted over shares issued to individuals who are employees of the company (including subscriber shares) by submitting Form 42 to the Inland Revenue. This form is not automatically sent to companies, but can be obtained from the Inland Revenue website. Failure to submit this information will result in a penalty being incurred.

The taxes that will be involved will depend on which business form you adopt. In any event, you will need to notify the following public bodies:

(a) Inland Revenue For further information regarding self-employment tax status, PAYE or corporation tax contact the National Advice Service Enquiry Line on 0845 010 9000 or write to Dukes Court, Duke Street, Woking, Surrey GU21 5XR. (www.inlandrevenue.gov.uk).

For further information on employment-related securities contact the Share and Securities Unit on 020 7147 2819 or write to Room G52, 1 Parliament Street, London SW1A 2BQ.

(b) VAT Office You must register for VAT if your business turnover exceeds the threshold of £60,000 per annum (with effect from April 2005). However registration may be voluntary if your turnover is less than this amount. For an application form for registration or further information contact the Customs and Excise National Advice Service Enquiry Line on 0845 010 9000 (www.inlandrevenue.gov.uk).

3. Technology and Data Protection

If you hold or intend to hold personal data or become involved in direct marketing in mailings to clients and potential clients on a computer in the course of your business you will need to register with the Data Protection Commissioner. Penalties for failing to register can include substantial fines so this is an important consideration that should not be overlooked.

For more information, contact the Data Protection Commissioner on 01625 545745 or write to The Office of the Data Protection Commissioner, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Alternatively visit the web site at: www.dataprotection.gov.uk.

(4) **What else will I need?**

- (i) In setting up or expanding your business you will also need to consider your business premises. You may wish to set up at home, but will need to be aware of restrictions on using dwellings for business purposes. Barlow Robbins' Commercial Property Team can assist you with these issues and advise on all business property considerations.
- (ii) If you intend to employ others, you will need to consider the terms of employment your employees will require. The legislation relating to employees can be a minefield and Barlow Robbins can advise you of the statutory rights you have as an employer and the rights of your employees.
- (iii) If your business is one which provides goods and services then, again, you will need to consider the terms and conditions upon which you will provide those goods and services. In the course of your business you will probably come across another business' terms and conditions. It is therefore important that you understand how these terms will affect you and the statutory implications of such terms.
- (iv) Depending on what your business is, there may be other relevant points to consider such as insurance, finance and licences. Barlow Robbins can assist you in making sure that all of these considerations and other concerns that you may have are addressed.

If you would like to discuss anything contained in this information sheet or would like to meet Barlow Robbins' Corporate Team, please contact either Michael Tinling on 01483 748500 or Denise Herrington on 01483 562901.