



Mitchell Charlesworth **Guide for New Start Up Businesses**

Supporting North West Owner Managed Businesses

Introduction to Mitchell Charlesworth

Mitchell Charlesworth are a leading North West based accountant and business advisor with offices in Chester, Liverpool, Manchester, Warrington and Widnes. The practice has a dedicated business start up team who can advise you during your formation and start up period.

As your advisor we will do everything we can to ensure your business is a success.

This booklet provides an insight into the necessary requirements when setting up a business, how Mitchell Charlesworth can add value and who are the key business start up specialists across the North West region.

Mitchell Charlesworth have the services to grow with your business.

Before you start your business you must consider...

- **Do you have a business plan and where do you want to be in five years time?**
- **What costs are associated with setting up the business?**
- **Have you considered the best structure for your business? Limited, Sole Trader or Partnership**
- **What are your prospects against the competition and what are your unique selling points?**
- **What is your long term goal? What are your milestone targets?**
- **Does the business need funding and when will it need a cash injection?**
- **Should you buy or lease equipment? (if required)**
- **What systems do you need to put in place to make your business efficient?**
- **How are you going to market your business?**
- **What are the legal requirements of being a business proprietor?**
- **Who is going to maintain the financial accounts whilst you are generating new business opportunities?**

There are many other questions you must consider before you start but as a client of Mitchell Charlesworth we can provide the advice and support you need as your plan develops and you establish your business.

Once you are set up, Mitchell Charlesworth can also help you to drive your business growth, improve profitability and ensure your business is tax efficient. If you need additional funding we can also help to produce the necessary data, budgets and projections for your business case. As a North West advisor we can also introduce you to solicitors, funders and bankers to save you time when choosing the best people to work for you.

Mitchell Charlesworth prides itself on a partner led service and is always on hand to discuss your funding requirements, business plan and any issues, however trivial, or can simply be someone to talk to for business advice.

Your step by step guide

A business idea is only the start of your business set up. Below outlines the steps Mitchell Charlesworth recommends:

TALK TO MITCHELL CHARLESWORTH TO...

- Plan the best structure for the business
- Discuss your marketing strategy
- Plan the most tax efficient profit extraction plan
- Consider the most VAT efficient date to register the business for VAT (intending trader status can significantly aid cash flow)
- Confirm which VAT scheme is the most appropriate

ORGANISE YOUR REGISTRATIONS

- VAT Registration

Company

- PAYE (and possibly CIS) registration

Individual

- Register for self assessment with HMRC

OTHER INITIAL ACTIONS

- Discuss and set up your accounting system which best suits the business
- Set up your bank accounts
- Organise your necessary insurance policies. Mitchell Charlesworth has a dedicated Insurance team who can present recommendations, organise quotes as well as complete the necessary documentation with you
- Consider your payroll processing, pension and P11d arrangements
- Consider a shareholder agreement if a limited company
- Claim your Employment Allowance entitlement to secure a reduction in Employers National Insurance contributions

First year of trading plan

Month	Action to be taken
Month One	Catch up on the first PAYE submission and review how your record keeping is going.
Month Two	Set up a tax investigation insurance policy with Mitchell Charlesworth. Let us review your accounting records to date and highlight any anomalies.
Month Three	Management accounts team provide support in order to submit your first VAT return.
Month Six	Further review of your accounting records.
Month Eleven	Pre year-end strategy meeting completed.

The deadlines for your diary

When	Action to be taken
Monthly	PAYE RTI returns due monthly.
1 month plus 7 days after quarter end*	VAT return submission. VAT payment due same day.
9 months after year end	First accounts due to Companies House.
9 months and 1 day after year end	First corporation tax liability due.
12 months after year end	First corporation tax return needs to be filed with HMRC.
Deadline 31st January**	Income tax returns.
Deadlines 31st January and 31st July	Income tax payments.

* Unless the 7th is a non-working day, in which case the payment and return must reach HMRC by the last working day before the due date.

** The need to pay this is dependent on the date you commenced trade. This can have an effect on when payments are due according to current legislation.

Mitchell Charlesworth support

Mitchell Charlesworth offers practical advice from experienced specialists on an array of areas including:

- Strategic planning
- Bookkeeping
- Preparation of annual accounts
- Preparation and filing of statutory accounts
- Income tax
- Self-assessment
- VAT and national insurance
- Pensions
- Business insurance
- Management accounts
- Grant funding
- Raising finance
- Payroll services

We also advise on the most suitable structure for your particular business; sole trader, partnership or limited company.

Whichever route you pursue, we will liaise with both your bank and solicitor where formal documentation or deeds are required, as well as establishing contact with various tax offices covering income and corporation tax as well as PAYE, national insurance and VAT.

OUR SERVICES IN SUMMARY...

BOOKKEEPING AND MANAGEMENT ACCOUNTS

Without efficient bookkeeping systems and reliable management accounts, even the most dynamic business will fail to perform at its most profitable. Using our bookkeeping and management accounts services will reduce the administrative burden, reduce costs and allow you to focus on business growth and development. According to company law, all businesses must abide by statutory rules and include certain information in their accounts.

Therefore, keeping your books and paperwork in good order additionally means you will have peace of mind when dealing with HM Revenue and Customs. Meanwhile, maintaining control over your business finances means you monitor whether you are trading profitably and take corrective action if necessary.

Our bookkeeping service includes:

- Sales invoice records
- Supplier invoice records
- Bank reconciliations
- Cash book records
- Petty cash records
- Debtor and creditors lists
- Complete nominal ledgers
- Trial balance
- VAT record maintenance
- Management accounts

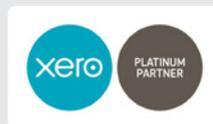
Our core bookkeeping service ensures automatic maintenance of your VAT records, enabling us to prepare and submit your VAT returns accurately and on time, thereby fulfilling your responsibilities to HM Revenue & Customs as well.

Finally, as part of our management accounts service we offer help and advice on the most appropriate method of maintaining your accounting records whether manual or computer based. If you would like to manage your accounts yourself we can advise on the implementation of the systems; train staff to operate the systems; and carry out reviews to ensure the systems are operating efficiently.

CLOUD ACCOUNTING SOLUTIONS

If you prefer to keep your accounting records yourself, then we can offer a cost effective online system that will help you manage your finances. As it is an online system we can have direct access to your records to monitor how you are performing and to advise on any obvious matters that need attention. We will tailor the set up to match up with the needs of your business.

Mitchell Charlesworth are Xero Platinum partners, meaning we are able to assist businesses of all shapes and sizes with a tailor made leading cloud accounting solution. The software will allow us to work more closely with you, as we will be able to access your financial information online to give real-time help and advice. As well as offering the digital software required, we will be able to provide you with the necessary software training, business advice and follow up support.



TAX

Our talented tax specialists help businesses of all sizes and sectors to maximise bottom-line performance by reducing the overall tax take, while alleviating the increasingly heavy regulatory burden.

This enables you to spend less management time grappling with tax complexities and more on boosting productivity. By giving you greater awareness of your tax position and enabling you to operate as tax efficiently as possible, we create significant long term cost savings.

Comprehensive tax advice dovetails with accountancy and audit services and encompasses all aspects of compliance. Our tax planning service allows businesses to take greater control of their tax costs through a broad service offer and sharp technical expertise.

Our tax experts deliver:

- Forecasts for future tax liabilities which are crucially important for management information
- Detailed capital allowance advice, essential in the changing legislative environment
- Advice on the optimum treatment of expenditure as capital or revenue
- VAT advice
- Assistance with claiming research & development allowances for corporate entities
- Advice on optimum profit extractions, both short and long term, including dividend policy
- Advice on the tax effect of planned capital acquisitions and disposals in the company, including capital gains tax, availability of roll over relief, and the impact of the intangible regime
- Exit and succession planning strategies

For more information contact,
Tim Adcock, Tax Partner at:
tim.adcock@mitchellcharlesworth.co.uk

INSURANCE

Your businesses will likely need some form of insurance as a legal requirement before you are even able to commence trading. This should be considered as early as possible so you have quotes available to accept once you are ready to trade.

Given that insurance premiums for a new start business are generally low, many commercial brokers focus their expertise and attention on the larger established clients instead, who are able to afford higher premiums. We can offer you an easy access insurance solution, meaning you don't have to spend valuable time trawling the business directories looking for an insurer willing to take on a new start business

Our in house general insurance business, Mitchell Charlesworth Insurance Solutions based in our Widnes office, specialise in supporting new start businesses and are happy to assist as part of the range of Mitchell Charlesworth services available to new start business. Our insurance specialists will spend the time you require providing advice and guidance on the types of insurance your specific business should consider, and those which you are legally required to have in place as a minimum.

They can provide free insurance quotations, allowing you to factor the likely cost of insurance in the early stages when formulating your business plan. Thereafter, when you are ready to proceed, they will prepare formal quotations ready for you to accept, as well as offering you access to competitive payment plans if required.

For a copy of our guide '**What insurance cover does my business need?**', or for more information, please contact: insurance@mitchellcharlesworth.co.uk

WEALTH MANAGEMENT

The Wealth Management team at Mitchell Charlesworth create strategies to meet personal planning requirements including pensions and investments. They are authorised by the Financial Conduct Authority to give independent financial advice, which allows the team to identify the most suitable policies and investments from the many options and possibilities available.

The Government's overhauling of pension tax relief, the introduction of auto enrolment and increased flexibility in retirement income options have all caused unprecedented changes to the pensions industry. Similarly, the array of investment options open to businesses and individuals are technically challenging and sometimes bewildering to the untrained eye which is where Mitchell Charlesworth can add value.

The experienced team help both personal and corporate clients define, implement and importantly maintain a coherent financial plan through:

- Creating appropriate, risk profiled and tax efficient investment portfolios
- Identifying protection needs
- Arranging pre and post retirement planning strategies

To learn more contact Mike Wall:
mike.wall@mitchellcharlesworth.co.uk
or Richard Penn:
richard.penn@mitchellcharlesworth.co.uk

CORPORATE FINANCE

Mitchell Charlesworth has a dedicated Corporate Finance team (MC Vanguard) who are one of the North West's leading Corporate Finance Practices and part of Mitchell Charlesworth LLP. MC Vanguard's experienced team has completed a wide range of transactions and works out of the Mitchell Charlesworth offices in Liverpool and Manchester.

MC Vanguard have strong contacts within the North West investor and Business Angel Community, which they have used frequently in order to put together funding packages for early stage businesses.

Services:

- Valuations and selling your business
- Grooming your business for sale
- Exit & Succession Planning
- MBO and MBI
- Merger & Acquisitions
- Raising Finance

To discuss your business ambitions, objectives or issues, please contact the MC Vanguard team via email: info@mcvanguard.co.uk or visit www.mcvanguard.co.uk

PAYROLL

Paying employees is among the most vital tasks any business must perform. Yet getting it wrong is all too easy, particularly with recent changes regarding Real Time Information (RTI) and the Auto-Enrolment requirements of the workplace pensions reform.

Mitchell Charlesworth's Payroll department has a large team of dedicated staff and our services include:

- Guidance on the formalities of employing staff
- Completing the necessary forms and registering employees
- Processing Payroll starters, leavers and amendments
- Calculation of Tax and National Insurance
- Calculation of Statutory Payments for Sickness, Paternity and Maternity leave
- Administration of student loans, pension contributions and attachment orders
- RTI submissions to HMRC
- Auto Enrolment administration
- Payments direct to employees

Our seamless operation ensures HM Revenue and Customs always has the information it needs and that employees are paid correctly on-time - every time.

Mitchell Charlesworth also offer a Unified Auto-Enrolment Solution for employers by considering both pension obligations and the day to day payroll processes under workplace pensions reforms to deliver a complete package tailored to your business.

To learn more contact Ken Davies at:
ken.davies@mitchellcharlesworth.co.uk

RESTRUCTURING

Poor trading conditions, increased competition, the loss of a large client or the result of creditor, HMRC or bank pressure can all cause financial difficulties and immense personal distress.

However, they need to be acted upon quickly so problems can be resolved as soon as possible. If action is delayed, the number of options available reduces dramatically meaning the survival of your business could be in jeopardy.

Mitchell Charlesworth has a dedicated restructuring team who can provide advice to turn your business around including:

- Liaising with your bank and acting as an impartial advisor
- Complete independent business reviews to identify your underlying problems
- Create a turnaround, business and action plan
- Help to secure additional funding or review your current funding arrangements
- Complete an accelerated sale
- Advise on the most appropriate insolvency procedure

If you are personally in financial difficulties Mitchell Charlesworth can also liaise with your creditors and help you decide on the most appropriate solution so you manage your debts as soon as possible.

For an impartial, confidential meeting, please contact the Head of Restructuring, Jeremy Oddie at: jeremy.oddie@mitchellcharlesworth.co.uk

Business Start Up contacts

Location	Name	Telephone	Email
Chester	Marlon Armstrong	01244 323 051	marlon.armstrong@mitchellcharlesworth.co.uk
Chester	Rob Hall	01244 323 051	rob.hall@mitchellcharlesworth.co.uk
Liverpool	Adam McGowan	0151 255 2300	adam.mcgowan@mitchellcharlesworth.co.uk
Liverpool	Mike Buxton	0151 255 2300	mike.buxton@mitchellcharlesworth.co.uk
Manchester	Alison Buckley	0161 817 6100	alison.buckley@mitchellcharlesworth.co.uk
Widnes	Rob Davies	0151 423 7500	rob.davies@mitchellcharlesworth.co.uk
Widnes	Lorraine Whittaker	0151 423 7500	lorraine.whittaker@mitchellcharlesworth.co.uk

Chester | Liverpool | Manchester | Widnes



Whilst the information is believed to be true, the communication may not be comprehensive and recipients should not act upon it without seeking professional advice.

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The Wealth Management division of Mitchell Charlesworth is authorised and regulated by the Financial Conduct Authority for investment business.

Mitchell Charlesworth Insurance Solutions Limited is authorised and regulated by the Financial Conduct Authority.

MC Vanguard Corporate Finance Ltd is the Corporate Finance division of Mitchell Charlesworth and is licensed by the Institute of Chartered Accountants in England and Wales for the provision of certain investment services.

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