

LAWPACK



Do-it-yourself Kit

Self-Employment

Guidance Manual

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This is an excerpt from Lawpack's *Self-Employment Kit*.

To get more expert tax advice and self-employment information, [click here](#).

Important Facts about this Lawpack Kit

This Lawpack Kit contains information, instruction and documents to help you, as someone who is either self-employed or is planning to go self-employed, manage your accounts and business administration more effectively.

The documents included in this Lawpack Kit cater for the most common situations, but we cannot cater for all circumstances. This Lawpack Kit is for use throughout the UK.

The information contained in this Kit has been carefully compiled from professional sources, but its accuracy is not guaranteed, as laws and regulations may change or be subject to differing interpretations. The law is stated as at 1st February 2012.

Neither this nor any other publication can take the place of an accountant on important tax and accounting matters. This Lawpack Kit is sold with the understanding that the publisher, author and retailer are not engaged in rendering accounting or legal services. If accountancy advice or other expert assistance is required, the services of a competent professional should be sought.

Common sense should determine whether you need the assistance of an accountant rather than relying solely on the information and forms in this Lawpack Kit.

We strongly urge you to consult an accountant if:

- you do not understand the instructions or are uncertain how to complete and use a document correctly; or
- what you want to do is not precisely covered by the documents provided.

Note: throughout this Manual, for 'he', 'his' and 'him' read 'he or she', 'his or her' and 'him or her'.

The 'Self-assessment questionnaire' section is taken from 'Running Your Own Business Made Easy' by Roy Hedges, published by Lawpack.

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Loose-leaf sheets

- Analysis of Cash & Cheques Paid Out
- Cash Flow Forecast
- Income and Expenditure Account
- Notice of Particulars of Ownership (Companies Act 2006)

Forms to download

- Break Even Analysis
- Business Plan Outline
- Analysis of Cash & Cheques Paid Out
- Cash Flow Forecast
- Financial Resource Audit
- Income and Expenditure Account
- Investor Aspiration Form
- Marketing Forecast
- New Product Cash Flow
- Notice of Particulars of Ownership
- Organisation Analysis Form
- Personal Skills Resource Audit Form
- Profit and Loss Forecast

31-point checklist for completing before going self-employed

1 Test yourself - Am I made of the right stuff to run my own business?

See page 7 Done

2 Have I made a written plan for what I hope to achieve?

Done

3 Do I have a Vision Statement for this business?

A vision is a short paragraph describing what you want your business to become

Done

4 Do I have a Mission Statement for this business?

A Mission Statement is a one sentence that describes what the business does

Done

5 Do I need to make a Business Plan?

If you don't need to borrow money then you may not need one of these

Done

6 Have I prepared a cash flow forecast?

You really should prepare one of these or get an accountant to help you

See page 12 and loose-leaf sheet Done

7 Do I understand the six steps to financial control?

See page 34 Done

8 Do I know the main reasons for business failure?

See page 37 Done

9 Will I trade through a limited company, partnership or as a sole trader?

If in any doubt consult an accountant

See page 11 Done

10 Do I understand the basic rules of running a business?

See page 10 Done

11 Have I opened a business bank account?

See page 12 Done

12 If I need to borrow money, what sources are available?

See page 13 Done

13 Have I registered with HMRC?

See page 20 Done

14 If I am employing anyone, have I told HMRC of that?

See page 34 Done

15 Have I registered for National Insurance contributions?

See page 20 Done

16 Should I register for VAT?

See page 16 Done

17 Do I understand what to do about a trading name?

See page 18 and loose-leaf sheet Done

18 Have I contacted a Chartered Accountant?

See page 20 Done

19 Do I need help with marketing?

See page 21 Done

20 Do I need help with design?

See page 21 Done

21 Do I need to contact the local authority?

See page 21 Done

22 Do I need any special insurance cover?

See page 21 Done

23 Should I contact a solicitor?

See page 22 Done

24 Do I know what business stationery I need?

See page 18 Done

25 Do I know what office equipment I need?

See page 22 Done

26 Have I contacted the local paper for publicity?

See page 22 Done

27 What will my accountant need in order to prepare my accounts?

See page 33 Done

28 What expenses can I claim against tax?

See page 35 Done

29 Do I know the rules for employing people?

See page 34 Done

30 Do I know how to keep records for VAT?

See page 24 and loose-leaf sheets Done

31 Do I understand accounts?

See page 39 Done

Getting it right, from the start

Going into business (which is what self-employment is) needs careful thought. Yes, you will be independent, in control and free to make all sorts of decisions. But most people who go into self-employment fall into three traps: they find they end up working all hours, they have poor quality of life and they do not make very much money - do you want this to be your lot?

Make a proper plan

One key thing to remember to do is make a plan for your business. If you have no plan and, coupled with it, no strategy to achieve that plan, you are almost certain to fall into the traps mentioned above. There is a telling maxim that goes, 'Most people aim at nothing in life and hit it with tremendous accuracy'. If you have no aim with your business, how can you expect that business to go anywhere?

Now the sort of plan we are talking about here is not one of those indigestible plans that cost thousands and is sent to impress (hopefully) bank managers and investors. No, all it needs to be is something as simple as a single sentence that reads:

'In X years time I want to grow this business into one that is worth a substantial sum (you name your price), so that, at that stage, if I want to, I can sell it and enjoy the fruits of my labour.'

In fact, to create a business worth a substantial sum does need a little more preparatory work than simply saying it, but the principles do not involve rocket science and so long as you have an aim like this, and you keep revisiting the plan to see how you are getting on in terms of achieving it, you will achieve far, far more than if you do not set yourself a target at the outset.

Employ help and take time out regularly each week

There are two other key issues that you need to consider, and they fit in very closely with the one just mentioned. They go together and they go like this: If you build your business around your own skills, with you doing all the work on your own, you will find it very hard indeed to avoid the three traps mentioned above. In other words, as part of your plan, you must build in two very important elements. First of all you must plan to employ help - for the simple reason that the richest people in the world tend to employ large workforces. Secondly, you must take time out during the working week, to build, revisit, tweak and measure progress against your plan. This time away from the business will achieve far more than you would ever dream. The reason being that the work done today in the business only fulfils the sales you won yesterday. The planning by management, away from business interruptions, lays the foundations for tomorrow's sales and a profitable future.

If you are not prepared to embrace these key issues and adopt this sort of purposeful approach, the author would strongly advise you against going self-employed. Unless, that is, what you are contemplating is employing yourself to earn the family crust, rather than having someone else employ you. However, it's still the same as having a job - the job of running a business.

Self-assessment questionnaire

Are you made of the right stuff to run your own business? Use the following questionnaire to discover to what degree you possess these needed traits. Be honest with yourself when answering the questions. Nothing is gained by being untruthful; the only person you hurt is yourself.

Read each question or statement carefully. Reflect on how strongly you either agree or disagree with it. Show how you identify with each remark by scoring from 1–10 at the end of each statement. For example, 1 will indicate you disagree with the question. On the other hand 10 will signify that you strongly agree, i.e., it sums up your character precisely.

In respect of the question: Do I perform well under pressure? If you concur that you do perform well when under pressure, enter 10. If you feel your work deteriorates under pressure, enter 1. If you believe working under pressure makes you feel uncomfortable, but your work doesn't suffer, enter 4, etc.

	Your score out of 10
1. Do I perform well under pressure?	_____
2. Do I stay calm and not get stressed?	_____
3. Do I persevere when influences over which I have no control affect my life?	_____
4. Can I work with, and lead, a team?	_____
5. Am I prepared to make a plan for the future of my business and to revisit it regularly to see how things are turning out against this plan?	_____
6. Does making decisions come easily?	_____
7. Are the decisions I make usually the right ones?	_____
8. Am I positive, and do I enjoy taking risks?	_____
9. Am I prepared to delegate the work my business does to employees, so that I can concentrate on managing the business?	_____
10. Do I work well using my own initiative?	_____
11. Do I bounce back from setbacks and work at a problem until it's solved?	_____
12. Does the thought of learning new skills and the responsibility of being my own boss excite me?	_____
13. Do I have the ability to change my mind when it's obvious an earlier decision was wrong?	_____
14. Does explaining things to others come easily, and am I patient if I am misunderstood?	_____
15. How much might my spouse/partner object to my business interfering with our private lives? (no objection = 10)	_____
16. Am I a good listener, and can I take advice from others?	_____

17. Do I prefer to stand alone, than to be one of a crowd?	_____
18. Do I enjoy meeting and dealing with different people?	_____
19. Is having my success recognised by others important to me? (not important = 10)	_____
20. Am I at present in good health, and rarely get sick?	_____
TOTAL:	

When you have answered all of the questions and statements, total your score. Look below to see how you shape up to becoming an entrepreneur. If in doubt give your completed assessment questionnaire to a friend or relation you trust. Ask them for a fair appraisal of your abilities. Don't be afraid of criticism. Learning to accept your faults is another trait you'll need in your armoury. Learning to conquer your failings is the bedrock of successful businesses.

Assessment results

Look for the group into which your score falls. In addition, also reconsider any scores which were either extremely high or low; assess how accurate you have been.

- 180 to 200** If your score lies in this band, stress and pressure spur you on. You are dedicated and prepared to work hard to achieve your goals. The risk and insecurity of running your own business will motivate rather than worry you. You have every chance of success with the right business idea and sound planning.
- 140 to 179** Certain aspects of running your own business may give you problems. The severity of these will depend on your determination to overcome adversity. Concentrate on improving those areas where you did not have a high score. However, you seem to have the right frame of mind to deal with the day-to-day pressures of running a business. Your business should flourish and you'll probably enjoy the rewards more than those with a higher score.
- 100 to 139** If your scores varied wildly, such as a lot of 1, 2, 8 and 9s, you must try and improve the lower scores. Otherwise those regions could be the source of severe problems if you are unable to change them. If this score was reached with reasonably consistent scoring, you should have no cause for concern, but you must ensure that you have a good business plan and are prepared to make use of the various training schemes.
- 60 to 99** If your responses were born out of uncertainty, contact your local enterprise agency for details of training courses. While you may have the ability to run your own business, there are strong indications that you will not enjoy it. Not enjoying your business could cause you to give up under the slightest pressure. Think long and hard about whether you really want to run a business. If you still think going into business is for you, make use of the help and training that are readily available.

Under 60 Running your own business will be a strain – one you may not wish to endure for long. Running a business requires confidence, self-reliance and the competence to handle stress and pressure. Without these traits it would be unwise to set up your own business. You should find out about training courses in your local area to develop the skills you lack.

The above assessment results are only a general guide and only useful if you are frank and truthful. It is not an appraisal of your technical and commercial proficiency, but of your personal attributes, which could affect your business. It's basic and is only intended to give a broad idea of your aptitude. Contact your local Business Link for details of courses in your area, since even with the right personality and attitude, some skills instruction may be beneficial.

Where will you work?

The answer to this question may not be that straightforward. An office close by to where you live might seem ideal, but that costs money; can you afford it? Making space at home (by taking over a spare room) is less expensive; but how will the family react? And what if you need warehousing space? It may be difficult, if not impossible, to store stock at home.

Before making any decisions about where to set up your new business, ask yourself the following:

1. Can I afford to rent/lease some office space close by?
2. What about transport links? Do my customers or I need good road/rail services in the area?
3. If I am selling goods and they are expensive, do I need extra security?
4. Do I need warehousing in addition to an office?
5. If I am working from home, are there regulations I need to consider?
6. Do I need a workforce and if so can I get suitable people in the area?

If you do not need space for storing stock, then you may feel that it's best to work from home. You'll certainly save money in your 'start-up' stage and it can be a good choice for a lot of people, but don't dismiss the benefits of sharing premises with other small businesses. You'll often find that there are shared 'administration facilities' - reception, email, fax and secretarial - that you can call upon. And all this can look very professional to customers visiting you.

If you do decide that an office away from home is the way to go, then contact your local authority planning department; they will have a list of the area's small business units and you may even find that some have financial incentives and are designed for start-ups like yours. But don't be persuaded by incentives alone; the location needs to fit your plans.

Deciding to work from home

Let's look at the practicalities. First, if you are a home owner with a mortgage, check with your lender that there is nothing in your mortgage agreement that prevents you from working from home; there may be some regulations you need to meet; likewise if you are a tenant, your landlord may need to know.

Next, check your household insurance. Are there any clauses relating to home-working? Do you need to increase your cover for business equipment or stock?

If you intend to have customers visiting your home office, there are health and safety considerations. It is also recommended that a 'risk assessment' be carried out. It's a straightforward practice and you can get full guidance from the Health & Safety Executive (www.hse.gov.uk); this site is full of very useful information and whilst much of it relates to companies employing many people, there is useful guidance, help and advice for the one-man-band start-up business. So check it out.

Another factor that you may have to consider is one of planning permission. If running your business from home affects your neighbours or the residential area (such as noise, number of visitors, increased traffic, extra parking spaces), then you need to discuss this with your local authority.

Separating business from home life

It's really important to keep your business life separate from your home life. Arrange for a dedicated area in which to work; a spare bedroom is ideal. Avoid working from the kitchen table or dining room. If you have to share your workspace with your family, then ensure that at the end of the day your work activities are filed away, out of sight.

It's going to be very useful to install a business telephone line. Firstly, it enables you to keep business calls separate from personal calls and therefore makes it easier for you to claim tax relief on business telephone costs. Secondly, it avoids any younger members of the family using the phone (or worse still, answering it in an unprofessional manner) during the business day.

The basic rules of self-employment

If you become self-employed you must be responsible for your legal and other obligations. You have to realise, for instance, that you are likely to have to pay tax on your profits; so you must keep proper records, which HMRC can follow if they decide to check them. It is very important that, once you are self-employed, even if you are still in employment elsewhere at the same time, you must keep careful records and be aware of and properly fulfil your legal responsibilities.

Sales

The most important thing to remember as a self-employed person is that you are not earning money, but selling goods and services. You are not being given a payslip by an employer; instead you give your client or customer an invoice.

Thus, if you do work for someone you must give them an invoice or other appropriate record setting out what it is that you have sold - it may be hours worked (although charging by the hour can carry the risk that HMRC consider you to be an employee and not self-employed), or goods or services or expenses - and you must keep a copy of that record. If your self-employment consists of running a shop or restaurant then you should have a till which produces a record of your sales; this record then becomes your record of sales for tax purposes. It is thus vital that you keep a careful and complete tally of all your sales.

Expenses

Whenever you incur expenses in connection with your self-employment business, you must always ask for and keep a piece of paper which gives evidence of your expense. If you do not keep a physical record of your expenses you will probably not be allowed to deduct the expense from your sales when working out your profit.

Choosing a business structure

Starting to go self-employed is a major decision in life, and before you jump from whatever you are doing at present into self-employment, it is important to choose the right sort of surface to land on.

Sole proprietor/sole trader

The commonest sort of business is a sole proprietor. Its chief features are:

- a)** The businessman or woman trades under his or her own name, or under a trading name.
- b)** The trader keeps his own accounts or employs an accountant and submits financial accounts to HMRC; this Kit is designed to help such a trader fulfil all these requirements.
- c)** It is essentially a very simple structure to operate.

Partnership

A variation of the sole proprietorship is the partnership. If you have a spouse or friend with whom you wish to enter a business association then a partnership is the commonest sort of business structure for achieving this arrangement. In this instance you should arrange for a solicitor to draw up a partnership deed or you may decide to prepare your own using Lawpack's *Business Partnership Agreement F211* (see 'Further reading' at the end of this Manual). Not only does this legal document give a proper foundation to this business relationship, but the deed also forms part of the evidence that HMRC requires in order to satisfy himself that a partnership is in existence. However, beware of the pitfalls of a partnership - you may be held liable for your partner's debts. Partnerships, like marriage, are not to be entered into lightly.

Limited company

As an alternative to the first two types you might decide to form a limited company. There is one main advantage in doing this, namely that normally your liability is limited to the share capital of the company. In other words, in theory you personally cannot be made bankrupt for the actions of the company. However, if you have given guarantees, or if you have not properly fulfilled your duties as a director, then you certainly can be made to pay for the company's debts.

However, if what you are going to start is only a small concern, you should not normally consider a limited company initially. If your business grows then there might be tax and other advantages from incorporation. In principle, avoid forming a limited company at the outset, because of the burdensome administration. How to set up a limited company is explained in Lawpack's *Limited Company Formation Kit P201* (see 'Further reading' at the end of this Manual).

Banking arrangements

Very few businesses operate without using a bank account, and it is strongly urged that you open an account if you do not have one already.

Whether you keep two accounts, one for your business and one for private use, is up to you. If you maintain one account only to be used for both purposes, your accountant will naturally see all the private expenditure which goes through it. You might not want him to be privy to all your private financial affairs. If you keep two accounts then this problem does not arise, but there is a separate problem - namely you must be very careful to process all your business payments through the business account. If you pay for the odd business bill through your private account then, unless you tell your accountant about it, he will never pick it up and your accounts and VAT Returns - discussed further under 'How to keep records for VAT and Income Tax' - will be inaccurate and there will be a muddle.

On the whole, it is recommended that all sole traders operate a separate business account. Having opened a business account and kept your bank manager abreast of your business performance, he will be a sympathetic ear to talk to if extra finance is required. In general terms, and excluding alternative private sources, banks usually are the cheapest source of credit.

Cash flows and budgets

It is all very well having accounts prepared, but unless they are prepared fairly frequently (i.e. more than just once a year) they are not much use as a management tool. This is because:

- annual accounts arrive too late for any management decisions to be taken before the financial year end;
- they are only historical; they do not give prior warnings of things going wrong.

Management of a business's financial performance consists of:

- i)** deciding on a course of action, and then
- ii)** monitoring the performance so that the progress (or otherwise) can be measured.

Unless both these exercises are undertaken (I stress both), any financial management is a hit-and-miss affair. If you have no targets, how do you know where to head for? If you do not have a map, how do you know whether you are going in the right direction?

What should be done:

- 1.** You should prepare a Cash Flow Forecast (a sample layout is included in this Kit). Using last year's figures as a guide and adjusting for any subsequent trends and developments (or projected figures if you are just starting up), forecast for the next year your sales figure 'a', your figures for costs 'b', your figures for expenses 'c'; ($a - b - c = \text{net budget profit}$).
- 2.** Having got your annual figures, you should then break them down so that you know what the cumulative results are expected to be at the end of each month or quarter.

Now you have got a Cash Flow Forecast; so all you have to do is:

- 3.** Compare your forecast with your actual performance by (a) keeping a proper record on the Analysis of Cash & Cheques Paid Out document provided and (b) taking the cumulative figures from this record and setting them down beside the forecast figures for the appropriate period.

It is really quite a simple concept and you need not necessarily involve an accountant in getting such a system going. However, if he is already doing your VAT figures, it is a fairly straightforward exercise for him to take your VAT figures and develop them into a budget performance statement.

Possible sources of finance

- Your family
- Your bank
- Leasing (beware of the pitfalls) and hire purchase
- Venture capital - again there are pitfalls
- Grants - Small Business Service/Business Link, see below
- Pension funds and insurance companies
- Others - the list of individual organisations is very, very long

Seeking Government support

Borrowing money from a bank to start your business will be expensive and there are lots of tales of banks being 'fair weather' friends. Another source of finance could be a grant from the Government to help with start-up costs.

Now, the Government isn't in the business of giving grants to every small business that comes cap-in-hand to it. There are lots of factors (even limitations) that need to be adhered to.

Most grants are limited to the size of the business (in terms of employees). Location is also an important consideration and a grant may mean locating to another part of the country where special financial assistance is targeted.

Grants can be valuable, so it's worth checking out through your nearest Business Link office. Their helpline is 0845 600 9006 or go to the 'Finance and grants' section of their website, www.businesslink.gov.uk.

How to approach a possible lender with a request for finance

The following steps are recommended if finance is being sought from a third party for any new project or business expansion:

- 1.** Assemble up-to-date financial information, including where appropriate:
 - Accounts for the most recent year
 - Management accounts for the current period comparing actual results with budget
 - Profit forecasts for future years
 - Cash flow forecasts
 - Projected balance sheets

If the latest accounts are out of date, the potential lender is not going to be impressed (see section 'Understanding accounts' for more on this)
- 2.** Consult a market research professional for his views on any new product you are considering. These experts see so many products fail and their experience in this field will either confirm or contradict your views and perhaps save a lot of time and money. The potential lender will be very interested in the result of this research.
- 3.** Arrange an informal meeting with the potential lender at an early stage. Sound him out and, if he shows interest, tell him that a detailed report will be prepared.
- 4.** Consider alternative sources of finance, such as:
 - Sale of unwanted assets
 - Existing cash balances (business or private)

- Leasing, hire purchase, renting, etc.
5. Prepare a short report for a potential lender. All reports will differ in content but the basic format should be one that the lender or an investor finds easy to grasp. The following is a suggested layout:
- a) Amount of money required and how it will be used**
Give very brief details of purpose, to introduce the reader to your needs. Also mention here the security you have available.
 - b) Brief business history**
 - c) Products or services**
 - i) Existing (if any).**
Say when the business was established.
Give description (including standard publicity and handouts).
 - ii) Proposed.**
Give here the full details of what you are proposing to do.
 - d) Names of professional advisers**
Mention accountants/auditors, solicitors, bankers, stockbrokers, design and marketing consultants. Give their contact details as an attachment to the report and state which of them have been consulted in preparing the report.
 - e) Audited accounts (if relevant)**
Attach accounts for at least the previous two years or a shorter period if the business is younger. If the latest accounts are not finalised, include figures subject to audit.
 - f) Information on current trading position (if relevant)**
Attach:
 - i) Management accounts comparing actual and budget for both revenue and capital.**
 - ii) Cash flow compared to budget.**
 - iii) Comments on variation.**
 - g) Forecasts**
Show forecasts and projections for existing business for subsequent years with existing products and existing finances (see the Cash Flow Forecast document included in this Kit).
 - h) Forecasts to show the impact of the new venture or business expansion**
Demonstrate exactly when and how borrowings will be repaid.
 - i) Market research**
Mention briefly findings and conclusion of report.
 - j) Competition**
Briefly comment on competitors.

k) Major customers

Identify them and indicate level of interest in project, product or expansion as the case may be.

l) Major suppliers

Identify and mention reliability.

m) Production and distribution plans

Refer to separate report if relevant and changes that are to be made.

n) Contingencies

Build into forecasts any likely risks and how they have been allowed for, e.g. 'We hope the product will be launched in September but we are allowing for a delay until December'.

Should you register for VAT?

If you register for VAT you will find that you gain from one immediate benefit and possibly suffer from one immediate disadvantage. In addition to this disadvantage you must also realise that being registered for VAT involves certain legal responsibilities.

So, before an explanation of the pros and cons of voluntary registration, you have to ask yourself the following question: 'Am I prepared to take on the responsibility of writing up my accounting records in accordance with certain legal standards, and doing so every quarter?' If you are the sort of person who finds administration, filing and bookwork a chore, you probably should not register for VAT as it will become an extra problem for you.

However, you could avoid this extra problem by employing an accountant to prepare the VAT Returns, but this will cost extra money.

For those of you who are unsure about the answer to this question, it should be emphasised that there are many thousands of VAT-registered traders and, when you consider that many are small businessmen and women with no training in book-keeping, it should become apparent that keeping proper VAT records is not an insuperable task. If you are prepared to learn the simple VAT accounting rules and stick to them, then you should certainly consider registering for VAT.

If your turnover is to be above the annual VAT threshold from the start (£73,000 is the 2011/2012 figure), then you have no choice in the matter: registration is compulsory in your case. So keep a constant eye on your annual sales figure to ensure that you register in time.

What is the benefit of registering? It is so that you can reclaim VAT on most business purchases. If you are not registered, then no reclaim can be made.

What is the possible disadvantage? The possible disadvantage is that you have to add VAT to all your VAT-able sales. This means that all such sales are automatically more expensive than they would be if you were not registered. This might put you at a disadvantage against your competitors if they are not registered for VAT. However, if your customers themselves are registered for VAT (i.e. if you are dealing with other

businesses rather than the public) they will in turn be able to reclaim any VAT that you charge and so this would not disadvantage your business.

If you feel that you are prepared to treat VAT registration with the due respect that it requires, and that your sales will not suffer unduly as a result, then you should consider registering.

Two final points on this introduction to VAT: (i) if your business is one that will attract a regular refund of VAT, you will be offered the chance of receiving your repayment monthly and not quarterly. Unless the sums are considerable (i.e. more than £500 a month), you are advised to resist monthly VAT Returns because attending to them monthly rather than quarterly can become a nuisance; (ii) you may apply to be registered under the Annual Accounting Scheme whereby you fill in just one annual VAT Return and pay your VAT over nine months with a balancing payment at the end.

How to register for VAT

The easiest way is to do this online at www.hmrc.gov.uk – go to the VAT page on the website where there is an online registration service. Alternatively, contact your local HMRC office and arrange for an application form to be sent to you.

VAT Invoices

Design an appropriate VAT invoice, based on the simple example shown below, if any of your sales are to be made to credit customers, i.e. not for cash at point of sale.

Date 2.1.12		VAT Invoice No.001				
A. Trader						
22 North Road, Tavistock, PL19 9NC						
Telephone: (01822) 12345 Fax: (01822) 54321 Email: atrader@uk						
VAT Registration No 123 4567 89						
To	A. Customer 10 Oakdale Road, Tavistock, PL10 2NP					
Quantity	Description	Cost		VAT		
		£	p	%	£	p
1,000	Torches @ £15	15,000	00	20	3,000	00
2	Radios @ £120	240	00	20	48	00
1	Battery		25	20		05
Total Sales		£ 15,240 : 25		3,048 : 05		
Add Total VAT		£ 3,048 : 05		←		
Net Total of Invoice		£ 18,288 : 30				