

**BE YOUR
OWN BOSS**

Be Your Own Boss

Bitesize Session One

Is running a business right for you?

17th March 2022

<https://bbf.uk.com/event/be-your-own-boss-bitesize-session-1>

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Welcome and Agenda

Lesley McKie
Business Support
Buckinghamshire Business First

BYOB Bitesize – Session One Agenda

	Welcome & Introductions
6.00pm	Group introductions
6.05pm	Is running a business right for me?
6.50pm	Break

	Welcome back
7.00pm	Key Finance & Accountancy session
7.30pm	Describing what my business does
8.00pm	Session ends

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About you:

First Name		
<p>Your Business Idea</p> <p>Tell us about your business venture – in a single sentence</p>		
Physical Goods	Both	Services
Thinking about starting	About to start my business	Already trading

.....countdown **Time up!**

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‘Is running a business right for you?’

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Latest stats up to Dec 2021

4.2%

Growth in new companies

1843

Companies founded every day

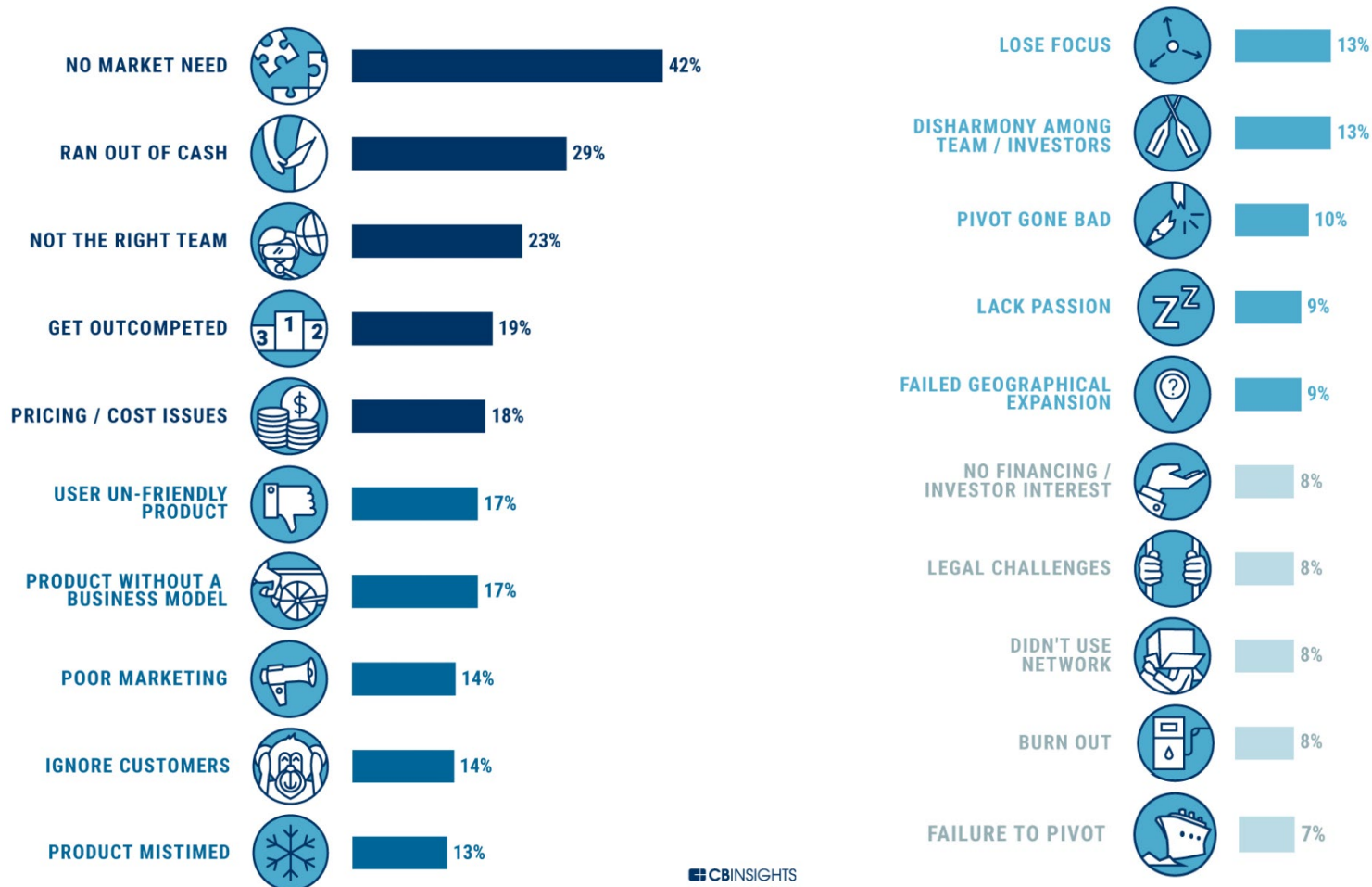
672,890

New companies founded

77

Companies founded every hour

BASED ON ANALYSIS OF 101 STARTUP POSTMORTEMS
Top 20 Reasons Startups Fail



Let's be straight with you



Poll 1: Will I have to work long hours?

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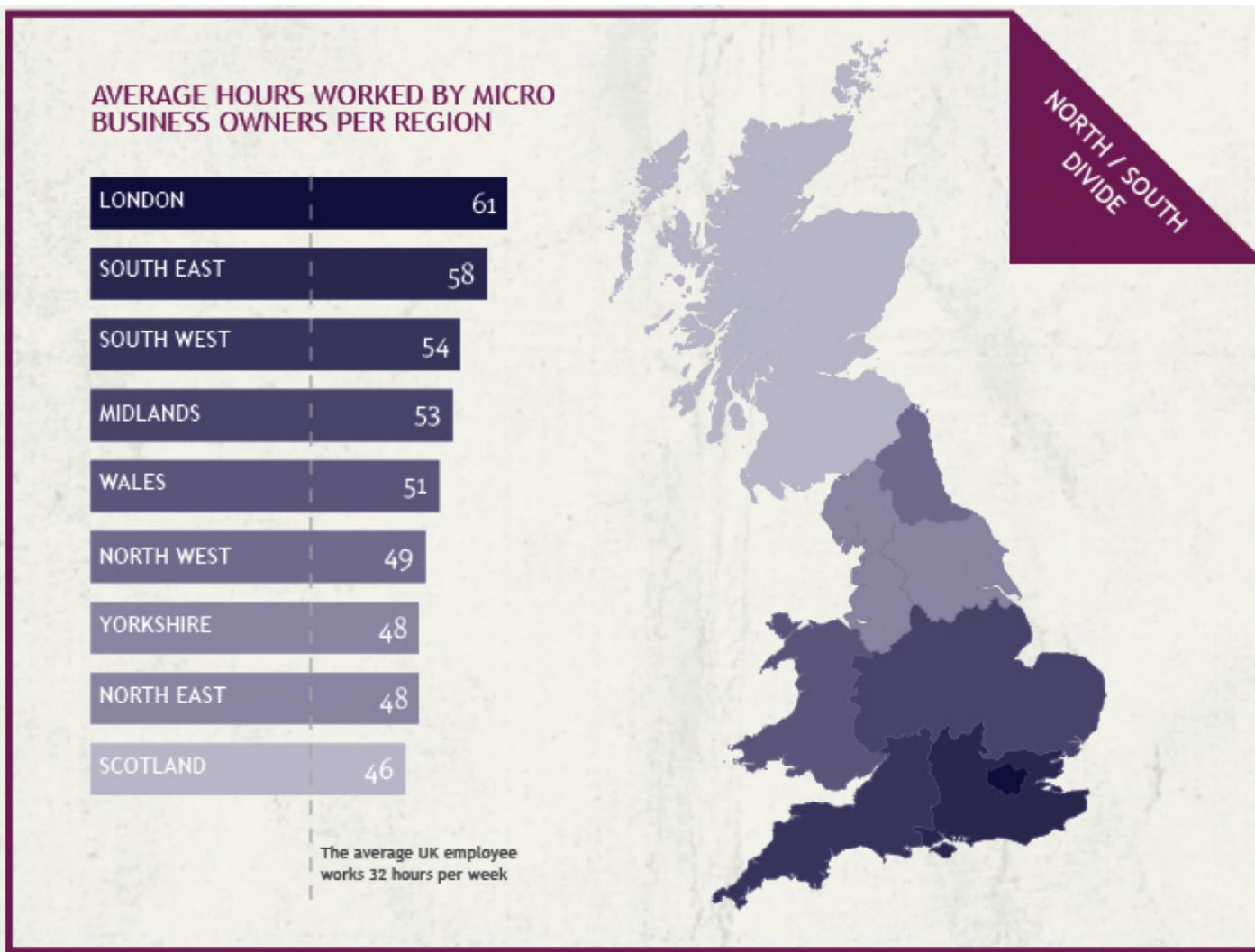


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Money Penny Virtual PA

Survey of customers, Jan 2020



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Pill 2: Will I need working capital to seed my idea?

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MYTH ONE: STARTING AN ONLINE BUSINESS IS COSTLY

FACT - Opening a physical shop can be bank-breaking. But with an online store, you can be ready to sell and make money **without** having to secure a hefty loan.

**AVERAGE COST OF STARTING
A BRICKS-AND-MORTAR STORE**

£94,000



**AVERAGE COST OF
AN ONLINE START-UP**

£325



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Let's be straight with you



Poll 3: Do I need to understand the flow of money?

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Xero's Small Business Insights Dashboard

Small business platform Xero, boasts over **1.8 million** small business customers. Their [Small Business Insights](#) is a dashboard that reveals the health of SMEs across the UK. For June 2019, only **52%** of small businesses were cash flow positive, on average, small businesses were paid 9 days late.

[Research](#) from Xero & PayPal reveals over 1/3 (**37%**) of small business owners have considered closing their businesses in the last year alone due to problems with late payments. Further insights for the last year include:

- **52%** of small business owners have used personal savings or borrowed money from friends and family to keep their businesses alive
- **26%** stated their physical health would be better if late payments was no longer an issue
- **43%** admitted that late payments affected their mental health, causing sleepless nights
- **27%** felt that they would be in a stronger position to grow their businesses if the late payment problem came to an end

<https://www.smeloans.co.uk/blog/cash-flow-statistics-uk/>

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Poll 4: Is my business model resilient?

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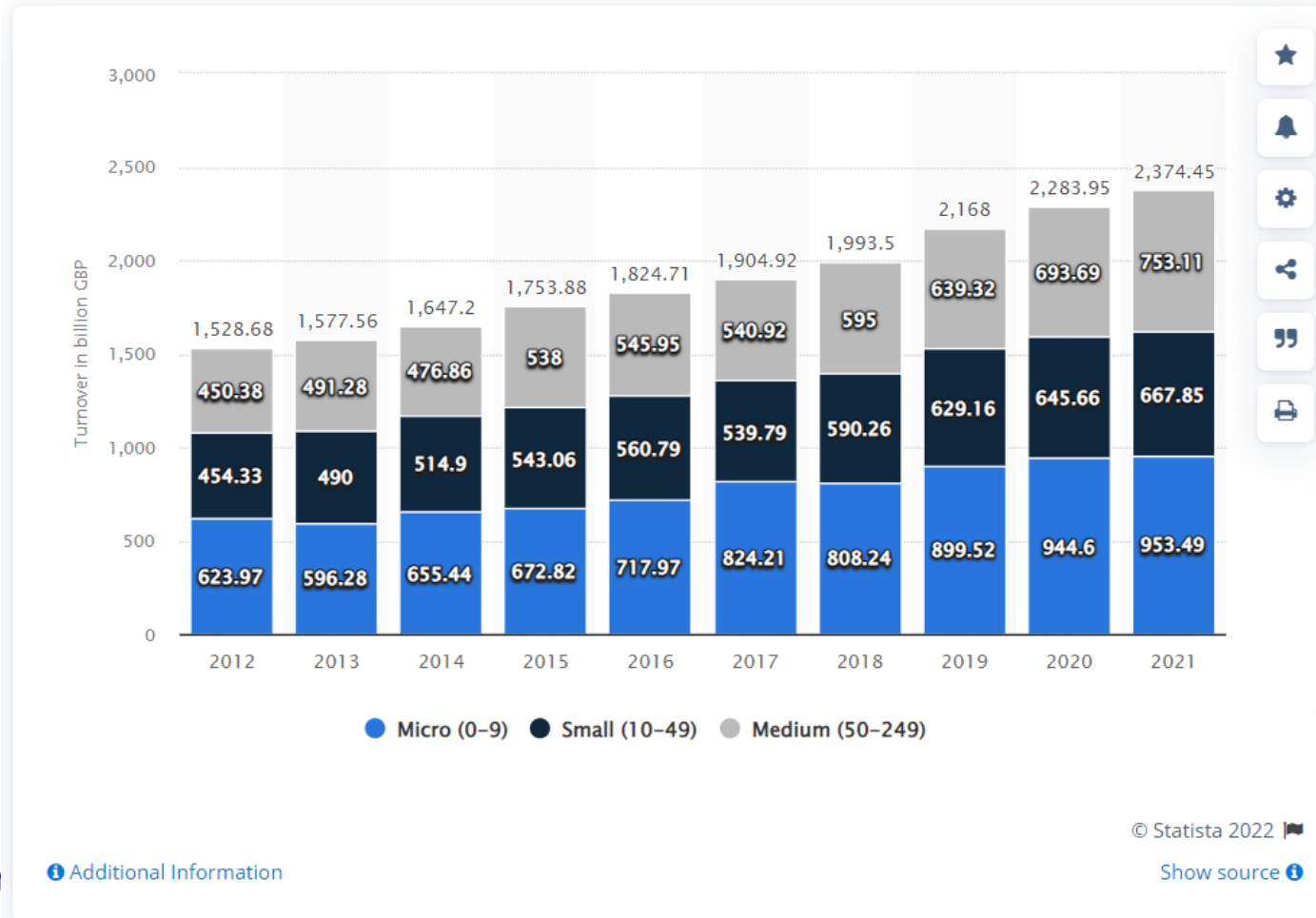
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In 2021 more business closed than were created

Turnover of small and medium-sized enterprises (SMEs) in the United Kingdom from 2012 to 2021

(in billion GBP)



Turnover of SMEs in the UK 2012-2021

In 2021 small and medium-sized enterprises in the United Kingdom had a combined turnover of over 2.3 trillion British pounds, with businesses that had less than ten people working there contributing the most, at 953 billion pounds.

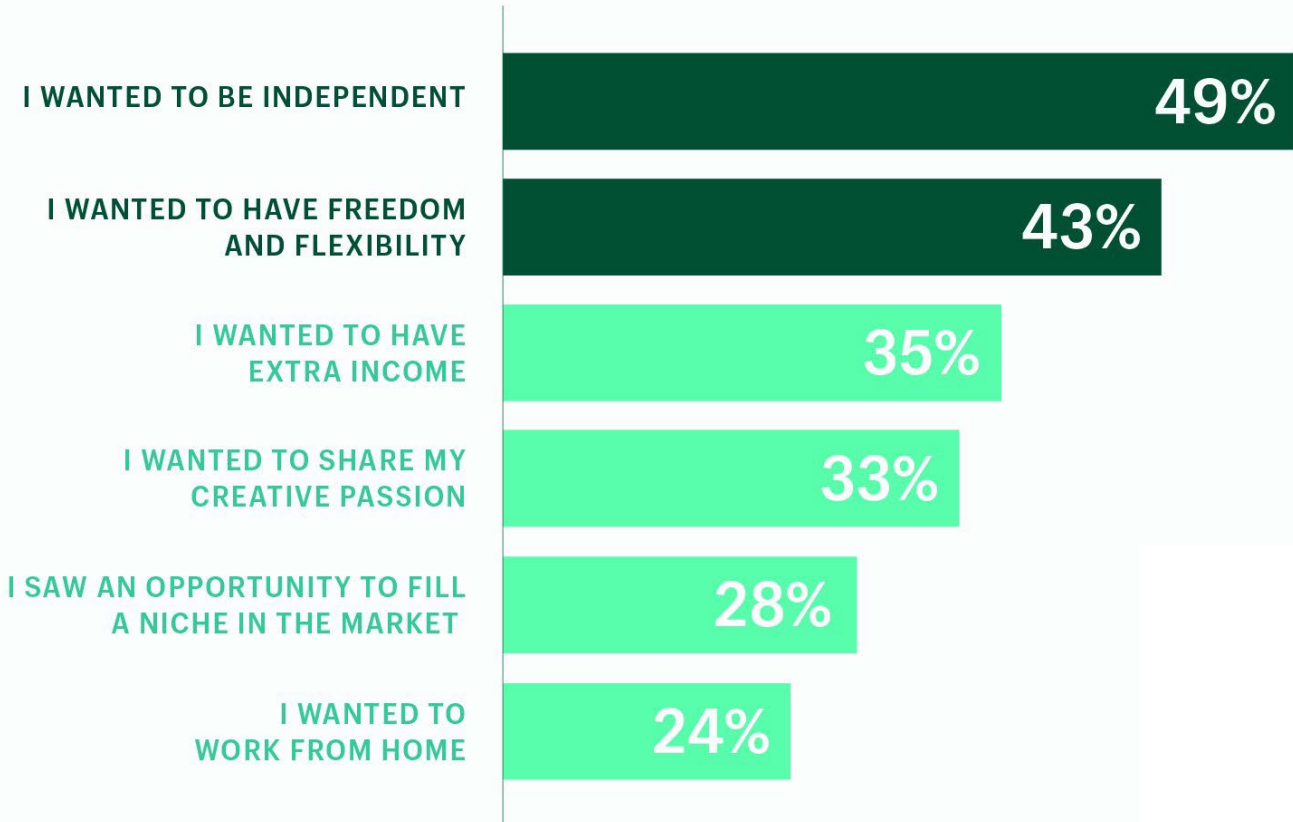
Published by [D. Clark](#), Nov 15, 2021
<https://www.statista.com/statistics/687367/uk-sme-turnover/>

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Additional Information

Motivations for starting a business



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~~Tea~~^v Break – back in 10 mins please

Coffee



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Key Finance and Accountancy Session

We start again at 7.10pm

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What can an accountant do for you?

- Support in start up
- Help choosing a structure – Sole Trade/Partnership/Limited Company
- Tax – advice, planning & payment deadlines
- Statutory Compliance – Companies House, HMRC, record keeping
- Management Information
- Software training

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5 Frequently Asked Questions

1. Sole Trader or Limited Company?
2. When is my tax due?
3. What records do I need to keep?
4. Should I be VAT registered?
5. How much is it going to cost me?
6. Common pitfalls on start up



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1. Sole Trader or Limited Company?

What is a sole trader?

- essentially a self-employed person who is the sole owner of their business.
- It's the simplest business structure - which is probably why it's the most popular
- you can set up as one via the [GOV.UK website](https://www.gov.uk) (you need to do this for tax purposes).

What is a limited company?

- a type of business structure that has its own legal identity:
 - separate from its owners (shareholders), and
 - its managers (directors).
 - This remains the case even if it's run by just one person, acting as shareholder and director.

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1. Sole Trader or Limited Company?

Sole Trader / Partnership	Limited Company
You are the business	Separate legal entity
You own the business	You own shares in the business
Liability is personal	Liability is limited to company assets (personal guarantees)
Minimal reporting requirements	Companies Act, HMRC, iXBRL
Profits are all yours	Profits need to be distributed – salary / dividend
Tax free benefits not available	Tax free benefits available

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1. Sole Trader or Limited Company?

So... which should I be?

- it's vital to weigh up the difference between sole trader and limited company
- which structure you choose could impact on everything:
 - from profits to paperwork.
- Don't rush into any decision and speak to an accountant if you're unsure

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2. When is my tax due?

- Corporation Tax
 - 9 months and 1 day after your year end
- Self-Assessment
 - January & July (2 x 50% of last years tax bill)
- Limited Company & Directors – Need to do both?

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3. What records do I need to keep?

- Separate bank account
- Software? MTD for VAT, then yes!
 - Invoicing/photos
- Receipts
 - 6 years
- Mileage records
 - Record your trip today?

& what else can I claim for?

- Working from home?
- Business phone
- Training
- Staff Entertaining
- Trivial Benefits?

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4. Should I be VAT registered?

- Thresholds
 - £85,000 turnover
- Advantages of voluntary registration
 - Image
 - Reclaim vat on your purchases

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Describing What My Business Does

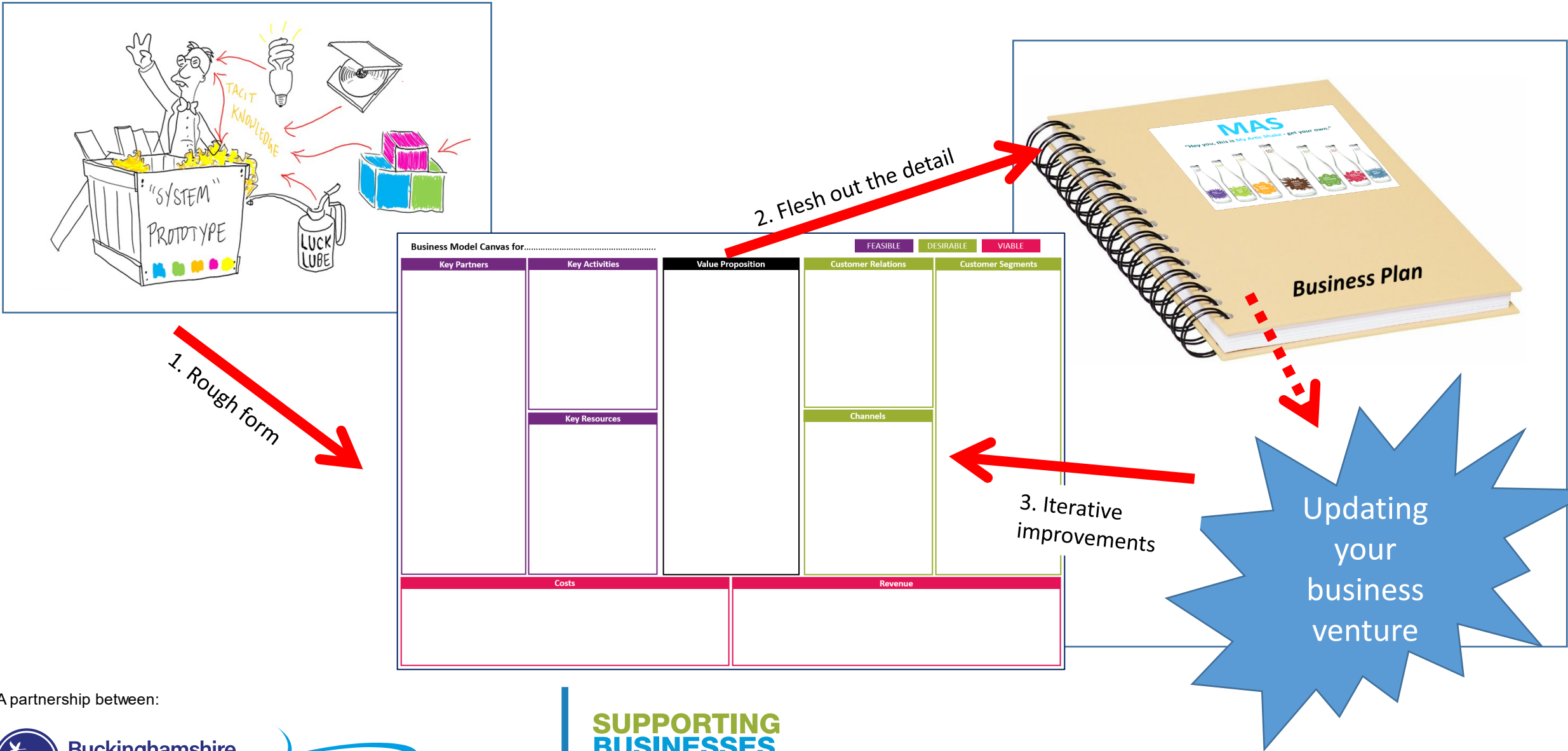


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Your Business Model Canvas – Let’s talk about your business



Find out more about the Business Model Canvas by visiting the authors website: <https://strategyzer.com/>

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Thank You

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Keep in contact



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