



# Accountancy Co-operative

*the Approachable & Friendly accountancy service*

tel: +441202621622 web: [www.accountancy.coop](http://www.accountancy.coop)

## Company Vs Self Employed

One of the most often asked questions is; 'what business form should I use?' Most people only consider how much money a company can save them. However there are many considerations to look at before making a decision.

### Advantages:

- Limited liability - as long as the company is run properly your personal finances are kept safe if the business fails
- The Company's name is protected
- Employees can acquire shares
- The payment of taxation is only once per year with no payments on account (assuming a company not paying the full rate of corporation tax).
- Can help with succession planning and sale of business
- Customers may have a higher perception of a company than of a sole trader.

### Disadvantages

- The requirements for record keeping are more stringent
- The ability to withdraw funds from the company by the Director need careful consideration
- If it is an existing business incorporating - there may be trade associations to re-apply to or to comply with
- Administration expenses tend to be higher than a sole trader/partnership
- Accountancy fees tend to be higher due to extra work required to be completed
- Some company information will be accessible by the public
- Possible Audit needed dependent on size of company, or requirement by lender or regulation

Overall a company can be the right decision for many businesses, if you are unsure why don't you arrange for a free consultation to discuss it.



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