

## Sole trader

If you're just starting out on your own, then the sole trader route often the most suitable. A sole trader runs and owns the business with no legal distinction between the owner and the business. Whatever you trade in or call yourself doesn't matter as the tax implications are the same.

As a sole trader you won't have to pay registration fees when you set up so it is easy to get up and running quickly. Sole traders are also generally registered as self-employed with HMRC, which means that you will have to submit a self-assessment tax return but don't have to submit company accounts.

As a sole trader you will have total control over your business and can run it how you wish, but this also carries risk and responsibility so we always caution our clients to consider the options carefully.

For example, there are liability issues involved in being a sole trader as you are personally liable for any debts within the business. The liability is unlimited and in worst case scenario, your house and other assets can be at risk.

One benefit is that - providing the right amount of tax is paid on the profits – not much attention is focused on how the profits were spent because there are no benefits in kind to worry about.

You can always become a Limited Company in the future when the time is right.

If you do decide to operate as a sole trader there are also certain legal formalities you will need to keep on top of but we'll be on hand to provide the advice, help and support you need whenever you need it.

For advice on setting up as a Sole Trader, please call us today or email us on [U2us@tad-as.com](mailto:U2us@tad-as.com)

