

SHOULD I INCORPORATE MY BUSINESS?



When you start a new business there are a handful of basic but crucial decisions that need to be made at a very early stage.



Incorporation results in improved commercial perception of your business and the comfort of limited liability. More often than not, it has other benefits such as better tax planning opportunities and a lower overall tax burden for your business. That's not to say that incorporation is always the right answer.

Some of the drawbacks of incorporation include the financial details of your company (as well as personal details of its directors and shareholders) being publicly available and less flexibility over tax relief for any losses that the business may incur. There's also a small degree of additional administration involved, but this factor is often exaggerated and can be mitigated through establishment of efficient, streamlined back office and financial reporting systems.



It's surprisingly easy and quick to incorporate a new business. A basic incorporation can be processed at a relatively low cost (under £100 + VAT including Companies House fees) and electronically submitted incorporations are often turned around by Companies House in less than 24 hours if not on the same day.