
 **RA Accountants^{LLP}**
Chartered Certified Accountants
Auditors & Tax Advisors

Financial & Business Management

Your Money & Your Business

Presented by Riz Akhtar
Sunday 11th October 2009



RA Accountants^{LLP}

Agenda

- Choosing a business structure which is most financially advantageous to you
- Financing the business in a tax efficient manner
- Extracting profits and making investments
- Finance for non-financial people




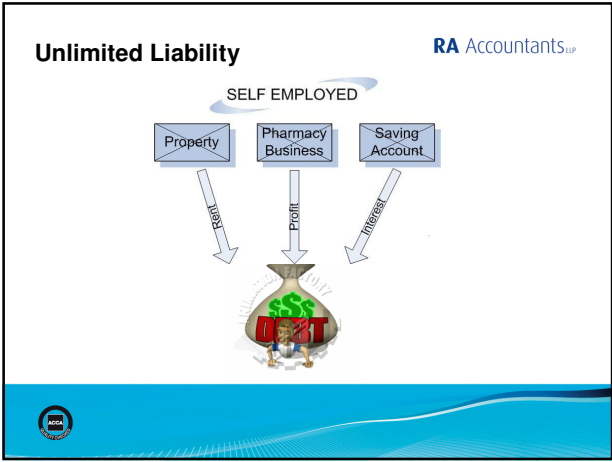
RA Accountants^{LLP}

Business structure

Advantages & Disadvantages of

- Sole Trader
- Partnership or Limited Liability Partnership (LLP)
- Limited Liability Company (LTD)

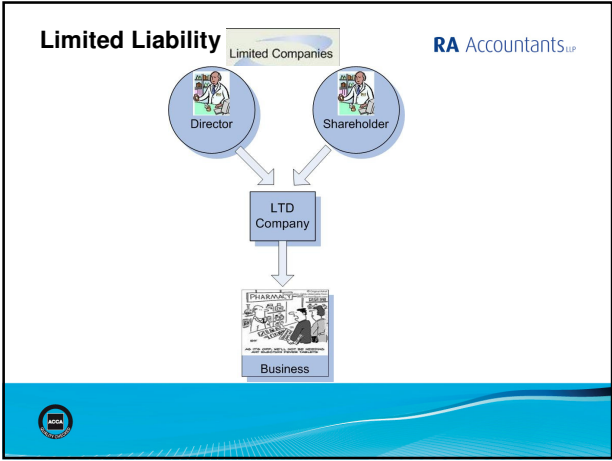




Business structure RA Accountants^{LLP}

Advantages & Disadvantages of

- Sole Trader
- Partnership or Limited Liability Partnership (LLP)
- Limited Liability Company (LTD)



Financing

Financing the business in a tax efficient manner

- Security – Mortgage/Home
- Wholesaler Loans
- Bank Loans
- E.F.G. Scheme (Shouldn't need it)
- E.I.S.



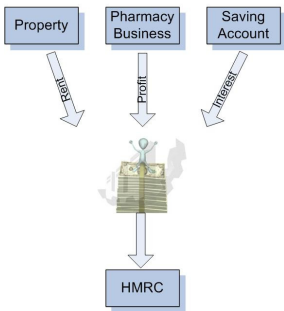
Extracting Profit

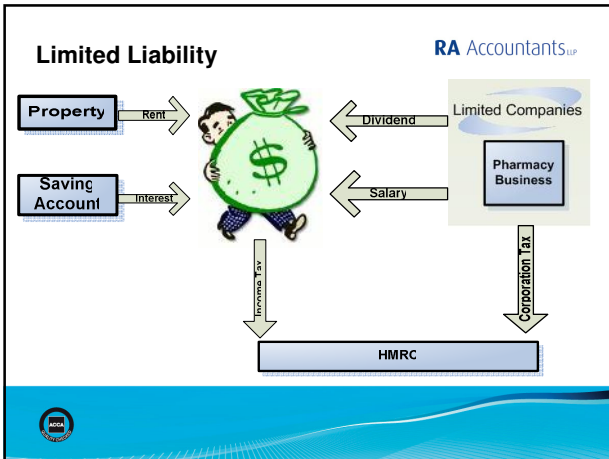
- Sole Traders
- Limited Liability Partnerships/Partnerships
- Limited Liability Companies

Changing your legal status
(More on this in Tax Tips)



SELF EMPLOYED





Property Acquisition RA Accountants^{UP}

Who should own it?

- Pension fund
- You
- Company

A small logo is in the bottom left corner.

Lord Clyde in Ayrshire Pullman Motor Services – v- CIR RA Accountants^{UP}

“No man in this country is under the smallest obligation, moral or other, so to arrange his legal relations to his business or to his property so as to enable the Inland Revenue to put the largest possible shovel into his stores”.

A small logo is in the bottom left corner.

Accounting for non-accountants RA Accountants_{UP}



	Current Year	% of Sales	Last Year	% of Sales
Sales				
Prescription - Sales	800,000.00	80.00	600,000.00	75.00
OTC - Sales	200,000.00	20.00	200,000.00	25.00
Total Sales	1,000,000.00	100.00	800,000.00	100.00
Less				
Cost of Sales	700,000.00	70.00	600,000.00	75.00
Gross Profit	300,000.00	30.00	200,000.00	25.00

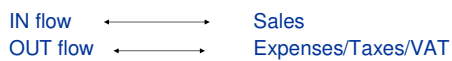
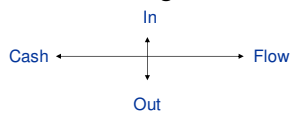


Accounting for non-accountants RA Accountants_{UP}

Overheads			
Salaries	115,000.00		75,000.00
Rent & Rates	22,000.00		20,000.00
Light & Heat	20,000.00		18,000.00
Depreciation	8,000.00		10,000.00
Profit From Operations	135,000.00		77,000.00
Less			
Bank Interest	10,000.00		7,000.00
Profit Before Tax	125,000.00		70,000.00
Less			
Taxation	25,000.00		15,000.00
Profit After Tax	100,000.00		55,000.00
Less			
Dividends	xxx		xxx



Profit & Cash Management RA Accountants_{UP}



- Red Light System**
- Costs
 - Stocks
 - Bank overdraft



Top Tips

- Understand gross profit margin
- Understand your cost base (fixed vs variable costs)
- Understand your profit & loss and balance sheet
- What do you need to grow your business
- Reduce your income taxes and business taxes
- Investment strategies
 - Is pension for you?
 - Freehold properties



"The Inland Revenue is not slow – and quite rightly to take every advantage which is open to it under the taxing statutes for the purpose of depleting the taxpayer's pocket. And the taxpayer is, in like manner, entitled to be astute to prevent, so far as he honestly can, the depletion of his means by the Revenue."

Lord Clyde in Ayrshire Pullman Motor Services –v- Ritchie – v- CIR



Disclaimer

These presentation notes are for guidance only and professional advice should be obtained before acting on any information contained in them. No responsibility can be accepted for loss occasioned to any person as a result of action taken or refrained from as a result of reading these notes.

RA Accountants^{LP}

Financial & Business Management

Good Luck

Please come and visit us at stand D41



Riz Akhtar
020 8429 7474