



Got a product or an idea?

Preparing for investment?

Can you answer some basic questions ...

... and get the right answers?

When you're setting up your business, you need to ensure that all of your bases are covered. Creating a solid business plan is vital to your success - you need to know where you expect to go long before you get there.

Many issues facing the new business are well rehearsed by the High Street banks in their standard start up documentation. However, there are a number of matters that need to be considered by management in a more sophisticated start-up environment, many of which require the assistance of a professional accountant before mistakes are made, which may have far reaching consequences.

We have set out overleaf a number of questions that highlight issues which may need to be addressed prior to committing yourself and your business.

Once you have had a chance to consider the issues raised please do not hesitate to contact Paul Randall or Chris Poston with any queries that you may have.

We are always happy to help.

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Management accounts and reporting

- Do your current accounting systems allow you to prepare management accounts information within two weeks of a month end?
 - Do you have a management reporting pack which reports profit and loss, cash flow and balance sheet information?
 - Have you identified your financial and non-financial key performance indicators which monitor business performance, and are these reported in your management reporting pack?
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Financial forecasts and models

- Do you have a financial model which reflects the key areas of your business plan?
 - Can your financial model be easily followed based on a series of primary assumptions?
 - Can your financial model be easily updated for actual information?
 - Can your financial model be easily updated if assumptions change and if sensitivities to your plan are required?
 - Does your financial model contain profit and loss, cash flow and balance sheet information?
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Taxation

- Have you considered the most tax efficient way for management and investors to extract profits from the business?
 - Have you considered the rates of corporate tax that your business will be subject to if your plan is achieved?
 - Have you considered the VAT issues that your business will be subject to both in the UK and internationally?
 - Have you considered making a research and development tax credit claim for any costs incurred in developing your product to date?
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Key management and investor issues

- Have you considered establishing share option schemes to retain your key employees?
- Have you undertaken a current valuation of your business?
- Have you applied for HMRC advance clearance to ensure that potential investors qualify for EIS relief?