

Company Start-Up Guide

Practical advice and ideas for anyone wanting to set up a new business ... and give it the best chance to be successful.

This guide is based on cloudBuy's experience from over 300,000 company registrations.

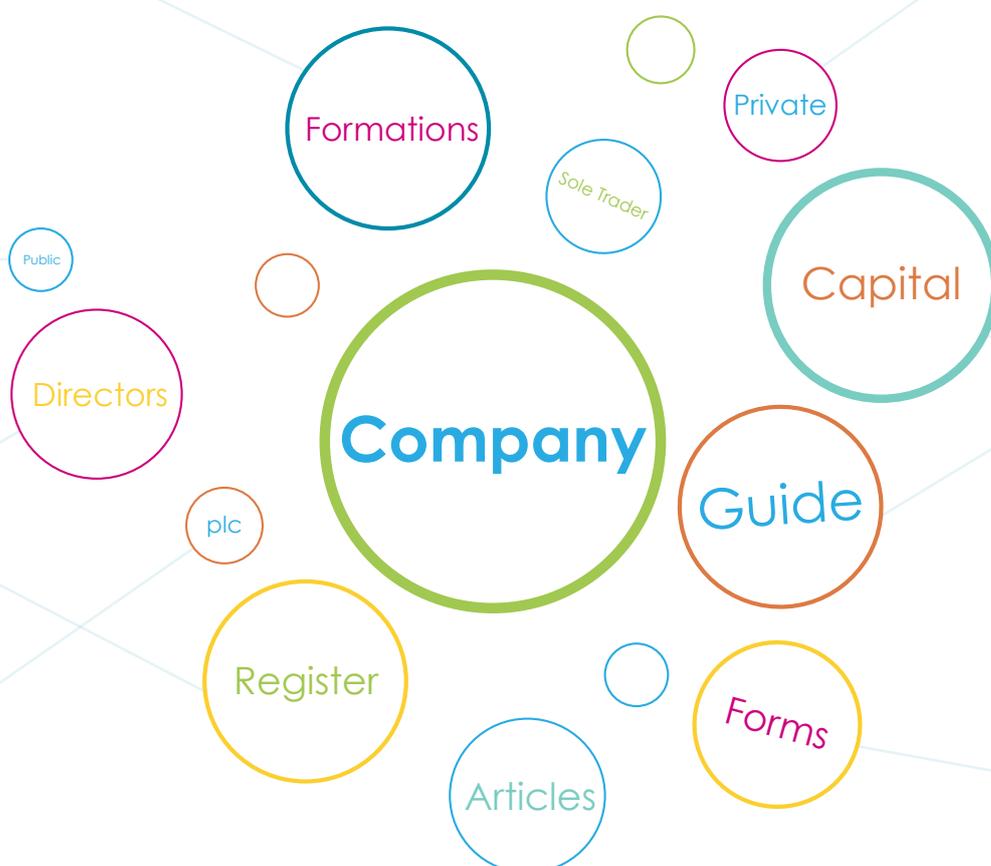


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INTRODUCTION

Congratulations! You have made the decision to start your own business. Whether you have come up with a truly innovative idea or simply want to be your own boss, forming your own company is a life changing decision.

It may not always be an easy journey, and there may well be hard work and sacrifices along the way, but success can bring great opportunities and rewards – and the satisfaction that you made it happen. It's important to give your company the best chance of success and that begins from the decisions you take at the very start.

cloudBuy's [@UKplc company formations](#) division has helped set up over 300,000 companies. For over a decade our team has provided a full range of services for start-ups, from initial company registration, through website creation, options for secure e-commerce, and related business services through a network of trusted partners.

We have built up a wealth of experience along the way and are committed to share our knowledge to help give your business the best possible chance to succeed. This start-up guide lays out some of the options ahead and gives you the information to make the right decisions to best meet your needs.



CHOOSING A COMPANY TYPE

When starting a business, a key decision is to decide which company type best suits your opportunity and situation.

There is a range of options with different requirements and implications. Most companies registered in the UK are Private Limited Companies, but you may find that a different business structure is suited to your company needs.

PRIVATE LIMITED COMPANY

Incorporating a Private Limited Company involves registration with Companies House and administrative aspects such as the filing of an Annual Return and Annual Accounts. However, trading as a Limited Company has many benefits:

▶ **LIMITED LIABILITY**

The Limited Liability means your personal assets are being protected. All you are at risk of losing is the money you have invested in the company.

▶ **ADDED REASSURANCE TO CUSTOMERS**

Customers sometimes prefer dealing with companies rather than individuals. It provides them with the added reassurance of a long standing, well established business. A Limited Company's information is publicly available, which helps build up a track record of its performance and reliability.

▶ **ADDED REASSURANCE TO BANKS**

Opening a bank account with a limited company's certificate of incorporation is really straight forward, unless you have encountered financial issues in the past (i.e. declared bankrupt), there should be no reason for a bank to decline your application. Applying for a loan through a Limited Company is also more likely to be approved & the regular reporting required for a plc enables a company to build up a record of its performance and reliability, which will be appreciated by the banks.



SOLE TRADER

This option only requires a phone call to HMRC, whereas incorporating a company requires registration with Companies House and administrative aspects such as filing of an Annual Return and Annual Accounts. However, you do not get all of the benefits associated with a Limited Company.

Being a Sole Trader give you flexibility and control over your business, but makes you personally liable for any debts you may occur during the running of the business.

LIMITED LIABILITY PARTNERSHIP (LLP)

This option will suit those looking to setup a business with a colleague or partner. It combines the Limited Liability protection available to Limited Companies with the tax structure in place for partnerships.

Limited Liability Partnerships are suitable for a minimum of 2 people and are widely used by anyone wishing to form a professional partnership.

PUBLIC LIMITED COMPANY (PLC)

The main purpose of a plc is to have the ability to sell shares to the public through a stock exchange. Many are however setup for the extra financial status. They provide limited financial liability but have strong legal requirements. For example, a plc has to have a minimum of £50,000 of shares with at least 25% of these 'paid up' (i.e. fully funded by shareholders) before it can start trading.



CHOOSING A NAME FOR YOUR STARTUP

Once you have chosen the type of company you would like to incorporate, you will need to choose a Company Name and check its availability. Remember that a name is a crucial part of your business and it is therefore essential to spend time choosing it wisely.

In many cases your name will be the first impression people have of your company. Make sure it reflects the brand and the type of product or service you offer. Here are a few pointers:

- **Decide what your business is about.** When looking for a Company Name, you should first determine what you are going to sell and who you are going to sell it to.
- **Identify the qualities of your business.** Try to gather a list of all the qualities that could define your business.
- **Identify what you would like to convey through the name.** Do you want to give an idea of the products or services which you sell, or what you feel makes your business unique within the name?
- **Come up with names.** Try to identify as many names as possible when doing this exercise. Don't hesitate to ask family and friends for inspiration. Are these names easy for people to spell and pronounce?
- **Consider the online world.** It is likely that your company name will form part of your website address? Is this address still available? If you search online for proposed names, what comes up already – it will be very difficult for people to find you if you use a very common word as a company name. Also think how a name might appear on social media.
- **Think about where you will trade.** Does your company name mean something good or bad in another language used in a country where you want to do business? If you need country specific URLs (e.g. .co.uk; .in for India; .cn for China) how does the company name work with these?

- **Keep about 5 names after elimination process.** You may have come up with tens of names, but it should be fairly easy to eliminate a vast majority of them. It may be because of market research, personal preferences, or simply because they don't sound right or are too long.
- **Check availability.** This can easily be done online
- **Choose a name.** It is likely that not all names will be available, which may facilitate your choice.
- **Register your Company.** This can be done online through a Company Formation agent.

INCORPORATING ONLINE: THE ESSENTIALS

When incorporating a company, you will be required to provide a certain amount of information. A Limited Company only needs a minimum of 1 person, who can act as Director, Secretary and Shareholder.

▶ APPOINTING A DIRECTOR

A Limited Company must appoint a minimum of one Director. At least one of the Director's appointed must be an individual and needs to meet the following requirements:

- Be at least 16 years of age
- Not have been disqualified from acting as a Director
- Not be under an undischarged bankruptcy

The Company Director will be responsible for the day to day running of the business and is expected to exercise his/her duties with care and skill, and act in good faith in the interest of the company.



▶ REGISTERED OFFICE ADDRESS

The Registered Address can be different from the Business Address. It does not have to be your trading address, but it has to be a physical address - It cannot be a PO Box. This is the address all official post will be sent to. It can be your home address or you can decide to purchase a Registered Office Address in order to protect your personal one.

Note that you would still have to provide Companies House with your personal address, which can remain anonymous, as long as you provide a separate Registered Office Address.

▶ SERVICE ADDRESS

The service address is an address that can be used for the Director/Member to receive third party communications regarding the company. This address can be the same as the director's residential address or if you wish to protect your privacy, it can be the same as the registered office address, or it can be a different address. This is the address that will be visible on the public register for the Director.

PLAN YOUR ROUTE TO SUCCESS – HOW TO WRITE A BUSINESS PLAN

A business plan is vital for the good running of a business, and will be essential if you want to raise external funds.

A business plan needs to be as clear, brief and factual as possible, without overstatement and exaggeration. It is important to keep to the truth.

Ensure you customise the business plan to your audience; a plan aimed at raising finances will be presented very differently from one drafted for in-house use.

Consider including the following information in your business plan.

EXECUTIVE SUMMARY

The Executive Summary will briefly highlight the key elements of the entire Business Plan. It will have to be kept short – 1 page, 2 at the most. The aim is to interest the readers and entice them to read further. Although presented first in the document, it makes sense to write it last as it needs to summarise what's in the rest of the document rather than present unique information which is not substantiated in the body of the plan.

Its purpose is to describe the business, its objectives, products, and business strategy. It will also highlight the core elements of the Financial Summary as well as putting forward the skills and experience you (& partners or employees) will bring to the business.

▶ DESCRIBE YOUR BUSINESS

This section will describe the business itself as accurately as possible. It will incorporate the following key points:

- The business sector
- When the company started trading
- The type of company it is (Limited, Partnership...)

- 
- What it offers (Products / Services). It is often a great advantage if you can get an expert independent appraisal on your products or services.
 - How it is different from the competition. Do you have something unique such as a new invention; method of production; or route to market?
 - The structure of the business.
 - The Management Team including their roles, experience & qualifications. The idea is to demonstrate that you have a very well balanced management team to make your business successful.
 - List key employees and if you are looking to outsource or partner on some of the work.

This is your chance to put forward the Unique Selling Proposition (USP) of your business, to explain to a potential investor what will make your business successful and worth investing in.

▶ THE MARKET RESEARCH

The Market research section of the Business Plan will not only look at the market, but also its environment. It should include the following points:

- *Market* size and potential growth
- *Customer* base and anticipated numbers for the future
- *Competition* – Who the competitors are and what their market share is
- *Environment* – Any external factors that could influence the market itself or any forecasted changes



► **OBJECTIVES AND PLANS**

You will first have to determine your budget & resources in order to decide on its allocation. You should ideally give at least a 12 month action plan.

It should set clear objectives and describe the way you intend to market and sell your products.

- *Objectives* – the sales figures you forecast to achieve
- *Sales & Marketing* – How you plan to position your products / services, what your pricing policy is, the ways you will use to promote your products / services & reach your customers. It is also important to determine and explain clearly your proposed sales methods.

► **FINANCIAL ANALYSIS & FORECAST**

This final section of the Business Plan needs to incorporate both summary and forecast (for the next 5 years) of the company's financial data. This will include:

- Audited accounts (if available),
- Profit and loss,
- Monthly cash flow
- Balance sheet

You will have to justify the assumptions behind the forecasts and define the risks which could affect the given data.

It is also essential to identify Strengths, Weaknesses, Opportunities and Threats to your business – this is called a SWOT Analysis and is an essential part of your business plan. You will also have to run through the finance needed, the purpose of it, possible Return on Investment (ROI) and the benefits to the investor. What will they get by taking the risk to invest in your business?



FUND YOUR BUSINESS

The first step is to determine your financial needs, which include your start-up costs and running expenses.

It is best to schedule enough capital for trading for at least 6 months to cover the eventuality of late payment by customers.

Financing your business can be a combination of several options:

1. Savings / Personal borrowing
2. Family & friends
3. Outside investors
4. Crowdfunding
5. Bank loan
6. Grant
7. Other source of finance

SAVINGS / PERSONAL BORROWING

This is the easiest and most likely option for anyone starting a new business. You will have to plan and spend very carefully as your own money is at stake. It should however give you greater rewards should the business succeed. There are several ways to get personal finance:

- Mortgage / Re-mortgage
- Private loan
- Credit cards
- You could even sell some personal possessions

FAMILY & FRIENDS

There are two possible options in this case. They could simply lend (or gift) you some money or buy shares in your company. You will have to consider this option very carefully as it could put a real strain on your relationship should your business struggle.

OUTSIDE INVESTORS

They would usually give you money in exchange for a share in your business. You will need a strong business plan to secure such types of investment.

CROWDFUNDING

When looking at outside investors, Crowdfunding is becoming an ever more popular way to finance a business. You simply have to create a project & pitch on one of the crowdfunding websites in exchange for some incentives/rewards. This can be a specific reward you decide to give away on sites such as www.crowdfunder.co.uk, a straight forward business loan (e.g. www.fundingcircle.com), or incentives through giving away shares in your business (e.g. www.crowdcube.com). If interested in crowdfunding you will have to choose the option that best suits you and your business.

BANK LOAN

Banks tend to need a lot of reassurance before they are ready to lend you money:

- The more money you already have invested in the business (via personal means, friends, family, or outside investors), the more likely the bank is to lend you extra money.
- A thorough, credible business plan will help the bank (and any investors) understand how your business will make money, and therefore how the bank will recoup its money (& interest!).
- Your own track record. Any investor (including banks) invest in the person as well as the business. It is therefore important to prove that your skills and experience will be a great asset for the running of the business.
- Security. Banks will want you to provide some form of security, should the business fail. It may ask for business assets or personal guarantee.



GRANT

A grant can take three forms:

- Outright cash
- 0% interest loan
- Subsidised loan

There are very specific criteria to meet before being eligible for a grant. However, due to their nature and attractiveness, there is fierce competition throughout the application process. You are therefore likely to have to devote a lot of time and effort to apply for a grant and most applicants will be unsuccessful if funds are limited. Consider the ROI of your effort and if this time is more likely to produce results elsewhere

You will of course need a credible and viable Business Plan if you want to stand a chance of succeeding.

OTHER SOURCES OF FINANCE

There are also other sources of funding available to specific projects or groups of people. There are for example finances aimed at women, deprived areas or ethnic minorities.

PROTECT YOUR BUSINESS

PROTECT YOUR COMPANY NAME

▶ REGISTER YOUR COMPANY NAME

Registering the name as a Company Name will automatically prevent someone from registering the same name, but it will not prevent them from registering a slight variation of the name.

▶ REGISTER SIMILAR NAMES

You may consider it useful to register a few variations of your Company Name in order to prevent someone else doing so. These companies can then be left as dormant for years without too much cost or administration. This can be done through a [Name Reservation Service](#).

▶ REGISTERING NAMES AND LOGOS AS TRADEMARKS

Registering your name and logo as a trademark through the [Intellectual Property Office](#) can give it further protection.

▶ REGISTERING THE NAME AS A DOMAIN NAME

Even if you are not trading online, it is always worth, as a precautionary measure, to register your domain name at the time of the Company incorporation. Consider the countries where you will focus now and also where your business might expand in the future. You may wish to purchase the .com only to cover the world; .co.uk as you are based in the UK; plus domains to cover your major markets like .in for India or .cn for China. Consider some of the newer types of domains such as .tv or .london.

PROTECT YOUR HOME ADDRESS

If Directors wish to protect their home address, they need to supply 2 addresses to Companies House:

- Their residential address – which does not appear on the public record
- A Service Address which is shown in the public record



A Director can choose any address as the service address, including the Registered Office Address of the company. The address must be where documents can be delivered and an acknowledgement or receipt can be provided if required. The address cannot be a PO Box. If the Director chooses to use his residential address as the service address, the fact that the two addresses are the same would not be apparent from the public record.

TRADEMARK YOUR COMPANY

Many businesses spend time and money establishing their brand so that it becomes recognisable as part of their corporate image, and branding forms part of their strategy to build a successful business reputation. The legal definition of a brand is a trademark and your brand can consist of your unique company logo, a form or wording or a combination of both of these. In the UK, trademarks can be registered online with the Intellectual Property Office, which is an operating name of the Patent Office.

Some of the benefits of registering your brand as a trademark are that it protects your corporate identity throughout the UK and prevents other people using your brand name and, in cases of infringement you do not have to rely on the common law of 'passing off' as you have already legally registered and protected your rights to your brand. Additionally, your brand is a valuable asset of your company and can be licensed, franchised or sold on. Your trademark needs to be renewed every ten years at the Intellectual Property Office but unlike Patents, Registered designs and Copyrights can last forever.

For more information on Trademarks take a look at www.ipo.gov.uk/tm.htm

COPYRIGHT YOUR WORK

Copyright is the protection given to authors of 'original works' such as music, literature, drama and art. Despite looking like it is aimed at more artistic work, all businesses should copyright their work, even if it's only their website's copy.

There is no official registration system for copyright in the UK, once a work has been created, if it fulfils the criteria for copyright in that it is an original work and the author has expended more than negligible labour, skill and effort in its creation then copyright is automatic.



Although not mandatory, it is advisable to mark your work with the © symbol, the name of the owner and the year in which the work was created to protect your copyright. Another suggested method of protection is to post a copy to yourself and keep the unopened dated envelope to demonstrate that the work was in your possession at a certain date if a dispute later arises.

Copyright is an asset which can be bought, sold or transferred. For example, copyright can be assigned for a fee or royalties so that permission can be given for use of original music in a television advertisement or an author can allow his book to be made into a film.

Copyright is granted for a limited time period, the term of protection for an original literary, dramatic, musical or artistic work is the life of the author plus 70 years while copyright in the typographical arrangement of a published edition lasts 25 years and copyright in a broadcast expires after 50 years.

For more information on copyright marks go to: www.gov.uk/topic/intellectual-property/copyright

PATENT YOUR PRODUCT

If your business is based on an innovation, make sure you patent it to avoid anyone copying you openly.

A patent is a protection for a new product or process that has been invented which gives the exclusive right of use to the owner for a period of 20 years. The Intellectual Property Office publish the patent 18 months after registration of the invention so that the public get advance knowledge of new technological developments but they are not allowed to make use of them until the expiry of the patent period. The invention to be patented must be kept confidential until the patent's application has been processed and the patent granted. The application is a lengthy process and requires a full description of the invention and the payment of fees.

Patents are territorial rights so it is necessary to register a patent in each country where it is to be protected although it is possible to file a single European patent giving protection in a number of European countries.



It is possible to object to a patent if you have a dispute about ownership or you have concerns about the validity of a patent. In the UK the Intellectual Property Office can settle disputes about ownership, licences and other technical issues.

For more information on patents go to: www.gov.uk/topic/intellectual-property/patents

PROTECT YOUR COMPANY FROM CORPORATE IDENTITY THEFT

Companies House “Protected Online Filing” PROOF scheme is there to prevent fraudulent changes to be made to your company. It is a free service that prevents paper filing of some documents. This includes changes to the Registered Office Address, changes to the officers (appointment, resignation & personal details) as well as the Annual Return.

MARKET YOUR BUSINESS

When trying to market your business, you will have to first understand your customers' needs, respond to those needs and show your customers you have the product or service they need.

It is essential to first identify your target market, by understanding:

- what you are selling
- to whom you want to sell
- why they should buy from you

It will then be easier to focus your marketing effort in a productive way. There are an increasing number of ways to market your business and it is important to focus on those that will give the best returns for the effort expended.

Keep an eye on evolving data protection and privacy laws in your different markets to ensure you have permission to contact your target audience.

OFFLINE MARKETING

Almost half of online purchases are influenced by an offline channel, so even if your business is primarily online, don't neglect offline tools such as mail and events. There are many ways to promote yourself offline, some more obvious than others.

Whichever marketing channel(s) you choose, make sure you know your market well in order to drive your marketing efforts in the right direction. Also make sure to test the creative before it gets published.

▶ DIRECT MAIL

It is true to say that marketing by sending letters and materials through the post went out of fashion as we entered the digital age. Recently the tide has turned somewhat and direct mail can be highly effective if targeted to specific groups, as many people are now swamped by emails and they receive so few physical letters. Direct mail can allow you to reach thousands quickly at a good rate with a good chance they will open your mail – if you get it right!



▶ **PR**

Write and submit articles and press releases. Think about what value your information adds to journalists and your audience. If you can make it easy for a time-poor journalist to use your material you will often get coverage. Also supplying a relevant image increases the chance of your written content being used. Always ensure a reader can contact you in some way by providing your website's home page URL, a more specifically relevant web page, your Twitter handle, email address etc.

▶ **BUSINESS ASSOCIATIONS, CHAMBERS OF COMMERCE**

Speak at every opportunity. Also use these events and meetings for networking. Make sure people have a way to contact you and keep a good supply of business cards with you to hand out at events.

▶ **ADVERTISING**

This will depend on your budget. Local radio stations or targeted TV channels can be affordable to small businesses. Magazine, newspaper, billboard and poster advertising can also be adaptable to the size of your budget, going national or staying local depending on your company's needs and the money you have available. It's all about knowing your audience and advertising where they are most likely to see and respond.

▶ **PROMOTIONAL MATERIALS**

Give away free branded items. Make sure items are printed with your contact details such as your URL, email or phone number. Try to stand out from the crowd. Aim for long term visibility with items people will keep with them or on their desks. Useful items and novelty items are equally good options.

▶ **JOINT VENTURE**

Join forces with a business selling complementary products to yours. You can then contribute to each other's marketing efforts – and may enhance the offering to your customers.

▶ **WORD OF MOUTH**

This often forgotten channel is a very important one. Ensure you take every opportunity to talk about your business. Never forget that satisfied customers are the most valuable source of recommendation. So maybe your best 'marketing' investment is to improve customer service?

ONLINE MARKETING

The Internet has made trading more accessible than ever to existing and new businesses. Even if e-commerce is not your main trading channel, you probably can't afford to ignore it. There are many ways you can get noticed online and hopefully boost your sales.

▶ MAKE YOUR WEBSITE ATTRACTIVE TO SEARCH ENGINES

The first step is to let search engines such as Google, Bing or Yahoo know you exists. This will enable them to index your site and hopefully rank it highly, providing they find fresh, interesting and unique content. You shouldn't stop at submitting to major search engines though. Many online directories are also available and should be used, especially small directories targeting your market.

▶ PR

This is a quick, cheap and effective way to spread the word. The abundance of online news distribution services makes announcing a new product, service or any major company news easier than ever.

▶ E-NEWSLETTERS

Don't underestimate the power of e-newsletters. They may be seen as "old fashioned" by some, but their power is undeniable. The conversion rate from e-newsletters is higher than any other form of social medium IF the content is valuable to the readers. Remember to include a response mechanism to make it easy for the readers to follow-up with you in the way you want – e.g. a link to download a white paper; a hotline number to call.

▶ BECOME A SOURCE OF AUTHORITY IN YOUR FIELD

As a business owner, it is likely that you already have a wealth of knowledge in your field. Sharing it can help you become a source of authority in this particular domain. There are several ways to achieve that. For example, you could write and post content, share your thoughts in discussion groups, host webinars or workshops.

▶ VIDEOS

Videos can also be used for demos, feature customer case studies, or to promote individual products and services. Most of us find it easier to watch something rather



than read an article, which makes videos more palatable and memorable. Done very well, some have even gone viral – a marketer’s dream!

▶ **GIVE-AWAYS AND DOWNLOADS**

Something for nothing is always popular! You could provide online give-aways, special offers, free downloads, competitions with prizes, or offer donations to charity for responses. These not only promote your products, but also provide you with many contact details you could market to in the future. Always ensure you collect respondents’ email addresses and additional useful information during the process, with permissions for you to contact them again, so that you could send them newsletters in the future.

Give-aways can also help you acquire more “likes” if you target the promotion towards social networking. You will need an external application to run a sweepstake on social media sites such as Facebook. Sites such as www.rafflecopter.com make the process very easy.

▶ **AFFILIATE PROGRAMS**

Creating an affiliate marketing programme can really increase your sales with minimal marketing efforts. Once setup, you will pay your affiliate with a small commission on each of the sales they make for you. They invest their marketing efforts in your products and you pay them only if they sell on your behalf: a win-win situation!

▶ **LOCAL LISTINGS AND DIRECTORIES**

Many search engines and directories have created tools to enhance local listings. Make the most of them! You can pinpoint your business on a map, add your opening hours (+ add more features on some websites). This should help you stand out on local searches, even on search engines such as Google, who are now focusing more of their efforts on returning local search results.

With the increase in the use of mobile devices and wearable technologies such as i-Watches, which can pinpoint where a person is at any moment, the importance of making relevant products and services location relevant can only increase.

▶ PRODUCT DATA FEED

This is a must-have if you're selling individual products. A product data feed is a file that generally contains a product image, title, product identifier, marketing copy and product attributes. This file will be submitted to websites, price comparison websites and should be picked up by search engines.

SOCIAL NETWORKING

Although part of online marketing mix, social networks are now an element of everyday lives in today's society. They therefore deserve special consideration. Facebook, Twitter, LinkedIn, Pinterest, Instagram, Reddit, Digg – they are everywhere. You hear about someone tweeting an outrageous picture of themselves, liking a funny video about a cat on Facebook, or ending a sentence with a hashtag. The fact is, social network sites like Facebook and Twitter have shaped the way customers interact with each other and businesses. They play an important role in your communication channels. That is why businesses need to utilise social networks as well as their traditional ones. But where do you start?

With any social media outlet, it's all about the conversations, communication and engagement you create with others. The channels to use will depend on what products and services you want to sell, if these products and services are consumer or business focused, as well as the age of your audience and their location.

Here's are some pointers on using the three big players in social networking.

▶ FACEBOOK

If you create a Facebook page (different from a Facebook profile) for your company, you can monitor "fans" by the number of likes you get. From this you create a community of fans where you can create interaction and see posts that get shared via your Facebook fans. Think of this as a virtual word of mouth channel of communication, a very powerful method in marketing your business.

It's safe to say, that in the UK at least, Facebook is thought of as more for personal and consumer use than for B2B conversations – so, for example, heavy handed pitching of B2B products via Facebook might at best be a waste of effort and at worst alienate potential purchasers by encroaching on their personal time. In some other countries Facebook is more widely used for business interactions. Once again, it's all about knowing your target audience and choosing the right tools accordingly.



► **TWITTER**

Known as a ‘micro-blogging’ site where users post messages in 140 characters or less, great for short announcements and opinions. Some companies use it to engage in conversation with their followers as tweets are updated in real time and people see them happening in real time too. With the option to “follow” users and by keeping your profile open, you get a list of followers and at the same time create a “network” of people.

For your company Twitter profile, make sure you follow the right people such as industry influencers and customers. Align your following list to build your brand. Also make sure you use relevant ‘hash tagged’ key words – starting # - in your tweets, as Twitter users search for these looking for others interested in the same things as they are.

An increasing number of users are now using Twitter to reach out to companies over problems they encounter, which makes the company’s response and the issues very visible. Excellent customer service and quick response time is key to success. Any shareholders you have may also be talking about you via Twitter; Make sure you monitor your company name regularly and respond quickly to any mentions if need be.

► **LINKEDIN**

LinkedIn is your online professional network. Connect with people who you do business with or connect with others you think will help with your professional image. As with other social networks you can also get your own company profile, so keep this up to date and sounding great and encourage your professional networks to follow you there as well, to build a stronger business community.

Join discussion forums and participate in the debate on relevant business topics – just make sure you listen as well as post your own comments. Social media is all about a conversation – not a one-way broadcast.

You can also advertise on LinkedIn and send targeted ‘Inmails’. If you are after a business audience LinkedIn allows very specific targeting and can often be very cost effective.

LEGAL ASPECTS – REGISTRATION & FILING

As a limited company, you have a duty to file a number of documents throughout the life of the company. Below is some guidance as to the type of documents needed. It is always best to seek professional accountancy advice if you are not qualified in this area. Penalties incurred through late filing or mistakes can be hefty.

HMRC

Let HMRC know that you're self-employed and if your company is liable for Corporation Tax within 3 months of starting any business activity. Your company may also need to register for other taxes such as PAYE (Pay As You Earn) as an employer, and VAT.

Self-employed tax and National Insurance: You will be responsible for paying your own tax and National Insurance contributions. You'll need to keep business records and details of your income so you can fill in an annual Self-Assessment Tax Return. (You may also need to register for VAT).

Register your company at Companies House. Companies House will tell HMRC whenever a company registers with them and HMRC will create a computer record and allocate a Unique Taxpayer Reference (UTR) for you, and then send form CT41G to your company's registered office for completion and return.

In the event that your company is a partnership, you will have to notify HMRC. You and each of your partners will have to register for Self-Assessment and National Insurance. The company and each partner will receive their own UTR.

Upon starting your business detailed records must be kept. Records which are inadequate or incorrect may lead to penalties being levied if, during the course of an HMRC investigation you cannot provide adequate proof of invoices and expenses claimed on your returns.

ANNUAL RETURN

Not to be confused with Annual Accounts, the [annual return](#) provides a snapshot of information about your company at the time. This document, which is to be filed at Companies House, includes the following:

- 
- Name of the company
 - Registered number
 - Type of company it is, for example, private or public
 - Registered office address of the company
 - Address where certain company registers are kept if not at the registered office
 - Principal business activities of the company
 - Name and address of the company secretary
 - Name, usual residential address, date of birth, nationality and business occupation of all the company's directors
 - Date to which the annual return is made-up (the made-up to date)

And if the company has share capital, the annual return must also contain:

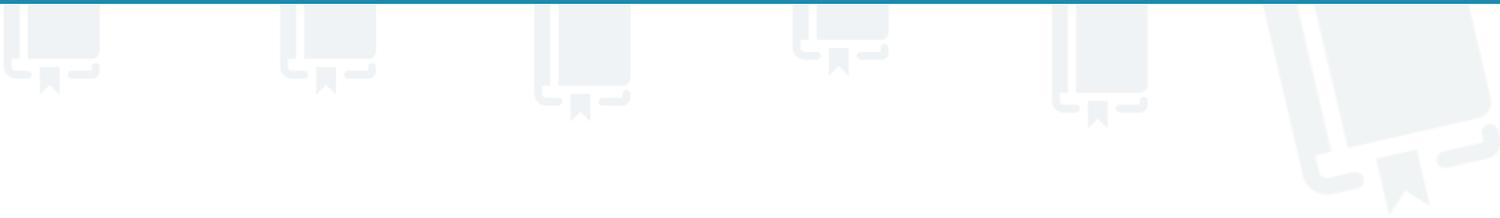
- Nominal value of total issued share capital
- Names of shareholders and the number and type of shares they hold or transfer from other shareholders

ANNUAL ACCOUNTS

An abbreviated set of accounts must be filed at Companies House. A full set of accounts that includes profits & loss must be filed at HMRC.

CORPORATION TAX RETURN (CT600)

This is to be filed at HMRC. Best to seek professional advice on this one.



ANNUAL SELF ASSESSMENT

All company directors should complete a self-assessment that shows the totality of their income.

ANNUAL EMPLOYER RETURN

Any business with employees has the duty to report their payroll to HMRC online on or before each payday.

QUARTERLY VAT RETURNS

If your business's turnover exceeds the [VAT threshold](#) in the previous 12 months (not the accountancy year), you must [register and account](#) for VAT.



CONCLUSION

As you can see from this guide, there's a lot to think about when setting up a new company – but it's a great opportunity and adventure. You will greatly increase your chances of success by being aware of all the options and some of the potential pitfalls which we've outlined in this document. We are proud to help so many companies on the way to success. To ensure this carries on, we offer lifetime support services to all our company formation customers.

[cloudBuy](#), through its company formations division @UKplc, has helped set up over 300,000 companies. Directly, and via a community of trusted partners, we can also offer a range of products and services to help make your business more secure and more successful, including:

- Registered office facilities
- Barclays Business Current Account
- Business insurance

At cloudBuy we are also experts in e-commerce. As you are establishing your business, we can help you get online and trading around the world. We offer a range of products to help you achieve this:

- A range of websites packages with functionality to suit your company size and ambitions
- Secure online payments
- Internet Merchant Accounts
- Access to a growing number of e-marketplaces around the world

If you are looking to expand your business outside the UK, we have also started a new service to enable company formations in the United Arab Emirates (UAE). This can provide a gateway to the attractive Arab market.

Visit www.uaecompanyformations.com for more details.

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[cloudBuy](#) plc provides cloud solutions for buyers and sellers – and brings them together to trade securely and ethically via an increasing number of public e-marketplaces and private purchasing portals that are powered by cloudBuy technology.

cloudBuy solutions for buyers help B2B purchasers understand and control their spend, to reduce costs and increase value.

Our cloudSell solutions enable sellers of all sizes, from start-ups to corporates, reach new customers and grow their business.

cloudBuy's technology platform powers web sites, public marketplaces and private purchasing portals that enable all types of online interactions and relationships including, citizen and business to government; consumer to business; and business to business.

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