

2 *Getting Started*

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***These are guidelines and every park may be different and require additional advice and guidance.
Please refer to Appendix 9.1 for the OPDS Preferred Suppliers List.**

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2.1.1 YOUR BUSINESS STRUCTURE

OPDS recommends that Park Owners establish a *new limited company* to operate the lodge park.

A limited company is a legal entity whose legal existence, 'personality', rights and obligations are distinct from those of its shareholders. Like an individual, a limited company can hold assets, employ people, engage in contracts and sue and be sued – all in its own name. Like an individual, it is obligated to pay taxes (including Corporation Tax) and obey laws and regulations governing its behaviour.

As a business structure, the limited company offers significant advantages over partnerships or sole proprietorships. These are:

- **Limited liability:** Shareholders' (the owners') responsibility for corporate debt is limited, and they are insulated from judgments against the company.
- **Transferable shares:** Shareholders can change without affecting the company's status as a legal entity.
- **The capacity for perpetual succession:** The business can continue to exist even after the death or withdrawal of its shareholders.
- **Protections:** The assets of a limited company cannot be taken by the personal creditors of its shareholders.

SETTING UP A LIMITED COMPANY

- Select a name for your company.
- You or your accountant will need to set up a new limited company and register it with Companies House. **Your company must not have traded or incurred any liabilities previously.**

2.1.2 APPOINTING AN ACCOUNTANT

Omar Park Development Services (OPDS) recommends that you nominate a chartered or certified accountant to produce your accounts.

A qualified and experienced local chartered accountant will get to know you and your business and will provide you with essential support. Ultimately your accountant is someone you should be able to regard as a trusted business advisor.

As you are starting out, your accountant can also help you to evaluate your ideas, plan for a successful future and make sure that you keep proper financial records.

Never underestimate the importance of well-maintained accounts. They are a representation of your company and should help inform your business decisions at every turn. It is crucial that you keep accurate records from the start. Remember that you will need to produce them for HMRC, your bank and any investors in your lodge park business.

As a limited company, you will also be subject to property tax, payroll tax, and value added tax. Your accountant can help you to meet your obligations for each.

A good accountant can help you:

- **Pay no more tax than you must:** A qualified accountant will ensure your tax liabilities are kept to a minimum.
- **Improve profitability:** An accountant will take care of your accounts, can help you with budgeting and forecasting your cash flow, be able to offer advice on how to free up cash flow and point out where you can make

savings. As your business grows, they can advise you on how to manage the growth to help maximise your profits.

- **Save yourself time:** Keeping accounts can be time-consuming. Using an accountant allows you to save time so that you can concentrate on other affairs.
- **Enable you to produce accurate accounts:** Accurate financial information will help you analyse your business performance, enable you to assess what you have achieved, and forecast and plan for the future. Accurate accounts will also prove advantageous with your bank manager if you decide you need to raise capital for expansion.
- **Reduce the risk of getting the figures wrong:** The under-declaration of income and underpayment of tax can have ruinous consequences. An accountant will be aware of all the relevant current legislation and will make sure that your company meets its legal obligations in the most efficient manner.

2.1.3 REGISTERING WITH HMRC

Please note that as a limited company you will have to pay Corporation Tax to HM Revenue & Customs (HMRC) on your profits each year.

When your limited company is formed and registered at Companies House, Companies House informs HMRC that this has happened. This applies whether you start your business as a limited company or change from a sole trader or partnership to a limited company. It also applies whether or not your company is active or has begun trading.

HMRC will send you an Introductory Pack within six weeks of being told by Companies House that your new company exists. This pack contains Corporation Tax forms and explanatory notes for new companies – including form CT41G (Corporation Tax – Information for New Companies). The pack is usually sent to your company's registered office, which may or may not be the same address as your lodge park.

You should complete and send form CT41G to your Corporation Tax Office as soon as possible. If your company is dormant you should complete form CT41G (Dormant company insert) instead.

It's important to complete these forms as HMRC uses the information you provide to work out your Corporation Tax paying and filing deadlines. They'll send you form CT610 (Corporation Tax Important Dates) to confirm these deadlines, unless you've told HMRC that your company is dormant.

If you don't receive the introductory pack from HMRC, or you've lost it, you can download form CT41G from the HMRC website, fill it in and return it to HMRC. Visit: www.hmrc.gov.uk.