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FREE

**Expert impartial advice for
worried directors of companies or
Limited Liability Partnerships**

Foreword - The Ultimate Guide For Worried Directors*

*Or designated members of Limited Liability Partnerships

In truth it is easier for a person to become a director of a limited company than to learn how to drive a car. There are no examinations to pass or qualifications needed, form the company and off you go. Literally anyone can form a limited company in the UK, it is usually simple, a company formation agent can arrange this online in under 20 minutes. Then the rest is less easy. There must be at least one director and it must be a human. It is possible to have a corporate director on the board of directors too, but at least one person must be on the board. So, that's the easy part, you formed a company congratulations!

Now what about the compliance, annual reporting to Companies House, management and annual accounting, tax, insurance, human resources, landlords and leases, products and employees.... well you get the point. This guide is designed to speak to directors in layman's terms wherever possible, to help ensure that you, the director, are able to understand the basics of being a company director in good, bad or difficult times.

If you are an director and you do **not** worry about:

- Starting up your business or growing your existing business
- Employment compliance and pensions, recruiting people to help it grow
- Marketing and product/ service delivery
- Producing meaningful management accounts on time
- Keeping up to date with tax reporting and legislation changes and filing annual accounts or tax returns
- Dealing with banks investors, online lenders, raising working capital
- Leasing or renting property
- Poor cashflow?
- What a personal guarantee means for you
- When your customers will pay your company
- How to pay HMRC
- How to win new work
- How to pay wages on pay day
- Wrongful trading or being made personally liable for company debts
- Suffering from stress or losing your property because of a badly performing business

Then you needn't read any further and well done!

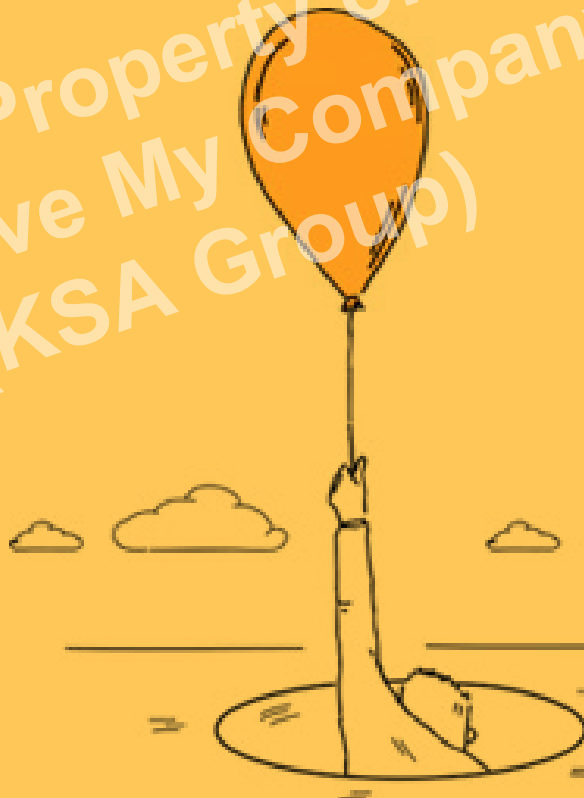
However if ANY of the above issue are causing you concern or sleepless nights, then read on and we hope our guide will help you. Obviously it is a general guide, so if you want to talk to any of the expert contributors to this guide, please see **CONTACT DETAILS ON PAGE 77**. They will be happy to help or answer a burning question.

About KSA

We take hundreds of calls from directors of struggling businesses and every time they say they are worried about x, y, z. So we decided to write the definitive guide to the main worries that directors can and will have and help explain what the position is, any personal implications and what can be done about it!

In this guide we strive to answer every question a worried director might have about their new or growing business and the impact of the turnaround and insolvency processes.

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introduction

and our service to you and your company

For 18 years now professional advisors at KSA Group and its associated companies have been helping worried company directors. We have helped one man band companies with a single director who is the only employee, the chief cook, bottle washer, accountant and salesmen all rolled into one; through to boards of directors of plc companies owing hundreds of millions to creditors and pensions. All have similar issues just in differing scales and complexity.

Now we, KSA Group, are delighted to provide free of charge, this 80 page Experts Guide to the main things that might worry you as a director of the company (or as a designated member of a limited liability partnership (LLP for short).

Other contributors to this guide are practicing accountants, qualified solicitors, experts in the production and interpretation of management information & accounts, marketing experts, business growth planning experts. We have great content from expert non-executive directors, experts in raising new finance for companies, corporate finance brokers. All of us want to help grow and or turnaround good businesses, we want to ensure that inexperienced directors get the help they need either from this guide or hands on consultancy support on projects or the whole company.

KSA Group Ltd

We are very proud of the online service that we provide to thousands of companies every week in the United Kingdom. We don't talk to most of those people but we do know that we provide a service that they find helpful, useful and accurate - please visit www.companyrescue.co.uk or www.ksagroup.co.uk KSA has offices in London, Edinburgh, Berwick Upon Tweed, Gateshead, Manchester and Birmingham. See our contact details on PAGE 77.

"It sure is a risky business running a business nowadays, isn't it?"

Well in truth it always has been since introduction of the first Companies Act called the Joint Stock Companies Act 1844 which was soon followed by the Limited Liability Act 1855. This introduced the process that led to the concept of directors, members and officers of the company had LIMITED LIABILITY

Company legislation is tedious and we are not going to go into it too much detail in this guide. However, every company director must be aware of what it means to actually be a director or officer of the company. You don't need to know the thousands of pages of text of the legal acts and case law and so forth, but what you MUST know are the basics. All of it is basically common sense: if it seems right it probably is right – but if it seems wrong then it probably IS wrong. Often

when things go badly wrong for a company there are lots of grey areas.

Our aim

Our aim here is to provide all company directors with a handy easy to access and read guide to their obligations, the duties, what happens when a company is formed, growing, needs working capital, people and properties. It is also important to know what to do when things go wrong in the company and to answer the commonly posed questions to us every day.

Our Guide

We hope this Guide answers all of your questions and concerns. But we know that running a business creates new problems and unusual issues on a regular basis therefore we are happy to provide, readers of this guide, a free support line service. This is open five days a week from 9 AM to 5 PM. Just call **0800 9700539**

We also offer a premium service where one of our 10 directors or managers can be available to answer questions about any of these topics in this guide on the telephone or conference call or face-to-face. The only cost to the premium service is that you register with KSA Group as a premium customer and agree to receive our update emails and we determine we can help the business on an initial call.

Our other contributors will also provide support initially free of charge and then on an agreed fee basis. Why not give them a call! They've given their time and knowledge and expertise to allow us to build this guide for directors like you.

Keith Steven; 2018

*Other charges may apply for travel to face to face meetings, but no time costs are charged for initial meetings. See! We even provide great face to face advice free if you qualify!

a full independent business review

As a director you might be worried about the future of your business but not actually thinking that it is about to become insolvent. However, you feel that there might be a chance that it could if certain things occur such as:

- loss of sales/contracts
- loss of court case
- unexpected competition
- directors/shareholders dispute
- theft from the company or fraud
- rising costs etc.

As insolvency and turnaround practitioners we have seen the circumstances that can lead to insolvency and also we talk to many company directors that think their business will go insolvent but doesn't. We are therefore in a good position to "reality check" your business. So what does this actually involve? If you can provide us with as much financial information as possible we can stress test management's business plans against real commercial, operational, and financial challenges, and evaluates the risks of meeting forecasts and potential upsides. Key focus areas will be, cash burn rates, payables and receivables, working capital, funding and corporate structures, product profitability, management financial skills, and processes.

We can also do "what if" scenario planning following on from sensitivity analysis on the business and processes. The review will help the business manage any risks and allow it to plan for any upset. Almost all of our clients say "I wish we had spoken to you earlier!" It is also worth remembering that if there are problems, then being able to move quickly when required greatly increases the chances of a solution and lowers any costs.

Call us on 020 7887 2667 if you are worried about your businesses future and think that your business could benefit from a reality check and an independent business review.



Author: Keith Steven



Special thanks to our contributors



Garry Mumford - Insight Associates

Garry is a highly experienced finance manager/director and one of the founding partners of Insight Associates, in 1992. He has held a number of senior financial roles in a variety of organisations, including Finance Directorships in both independent and family owned businesses. Garry is a Fellow of the Association of Chartered Certified Accountants (FCCA), member of the Institute of Directors, and a long standing Director of the Turnaround Management Association in the UK. He has significant experience in change management, turnarounds, systems development and implementation, company acquisitions and disposals, as well as being a skilled facilitator in strategic planning and development situations. Insight Associates can take control of your entire finance function. The Outsourced Finance Department professionalises your financial management so that it runs like clockwork – and helps your business thrive, instead of holding it back.

For more details go to www.insightassociates.co.uk

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Financial Management Centre - Bookkeeping

At The Financial Management Centre we are professional bookkeepers and we can save you time and money by assisting or taking over your bookkeeping and accounts. Working with us eliminates the time-consuming and often expensive recruitment process. We work with businesses of all shapes and sizes and exist to help take the burden and worry of looking after the financial element of your business. Not only do we have our range of services to support you, but we also have an app packed with useful features to help you run your business. We can be your bookkeeper, accountant, accounts department, finance manager, financial controller or even ad-hoc finance director. You can outsource your entire accounts function to us or maybe you just need us to look after a particular part or work alongside your own accounts staff.

You can contact the The financial Management centre on 0800 470 4820 or 0333 202 7198 or visit the website at www.tfmcentre.co.uk.



Robert Moore - Company Funding Options

Company Funding Options Limited is a specialist FCA Authorised firm that can advice you on raising finance for your business! The founders have been involved with SME businesses for over 40 years. In that time we have seen a large number of banks being absorbed into 3 or 6 huge monolithic clearing banks, some of which as we all know how to be rescued during the financial crisis by the government. Interestingly since the financial crisis of 2008-10 we have seen an enormous number of new funding options made available to UK businesses. In fact that there are so many that we decided it would be sensible to build a database to keep tabs on the various products, services and options available for businesses.

"Company Funding Options Limited (Co Reg No: 09313307) Company Funding Options Limited is a Credit Broker and not a Lender. Authorised and Regulated by the Financial Conduct Authority. Reference Number 773468." www.companyfundingoptions.co.uk 0207 760 7524



George E Davis Worcester Black

George is a director of Worcester Black Limited and a regional manager of KSA Group covering the Midlands. He has also worked as a Growth Coach on the former DBIS Growth Accelerator programme, and as a coach and mentor on the Aston University Growth Voucher scheme and MBA programmes. These programmes were designed to help small business to grow, and worked with a number of SME's their owners and directors.

Originally from a marketing background he is a highly experienced brands marketing and PR professional with wide-ranging national and international experience, including senior general management, project and interim management and internal/external consulting.

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Julian is managing director of James Rosa Associates Ltd – a firm specialising in “tailored financial reconstruction” which involves debt advice to individuals and businesses, insolvency support, assisted personal bankruptcy, and negotiated settlements. James Rosa Associates Ltd also offers civil and commercial mediation services. Julian is an expert in personal guarantees and has negotiated on behalf of individuals in this respect.

You can call him on 0845 680 7217



Darryl Woodhouse, Advantage Business Partnerships

Darryl is a mentor, coach and speaker to small and medium sized business. He founded ABP in January 2012, motivated by the alarming research which evidences how many businesses fail and how hard it is for businesses to find the right advice and suppliers that they need to survive

and thrive. The quality, affordability and credibility of the business advice, coaching, training and consultancy services available to businesses is generally very disappointing.

You can find more info at www.darrylwoodhouse.com or call him on 0203 384 0276



Margaret Sheppard Rosebud Consultancy Ltd

Margaret Sheppard is a Chartered Certified Accountant Rosebud Consultancy do Book Keeping, Accountancy, Company Secretarial and Payroll that becomes an internal finance function externally located for all our clients.

We will carry out all book keeping, vat, company secretarial and payroll, including auto enrollment, and other tasks as required.

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Tim Clark Partner - Clarke Mairs

Tim qualified as a solicitor in 1987 and practised in London before moving to Newcastle upon Tyne in 1990. He was a partner at an established practice for 15 years before leaving to set up Clarke Mairs LLP in October 2007. Tim deals almost exclusively with commercial property transactions, acting in all types of commercial property acquisitions and disposals, together with general commercial matters – share acquisitions, buy-backs, company and partnership formation etc.

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John Vause

John is a Certified Accountant having qualified, in 1988, whilst working in a leading provincial accountancy practice where he was responsible for his own portfolio of clients.

John has more than 35 years of experience working both in private practice and industry: in recent years working with a small number of companies in Finance Director / Financial Controller roles, where he is prepared to adopt a “hands on” approach and get involved in a project.

Contact John on 07967 68136 e: john@johnvause.com

1

being a company director



What does being a company director really mean for you?

If you are a director of a limited company, or a designated member of a limited liability partnership you are an officer of the incorporated vehicle². So what does that mean in English?

*What it means is that if you act reasonably and responsibly then you as a director have limited liability if the company enters into insolvency or fails. **PROVIDING YOU ACT PROPERLY.** It also means that you have a number of compliance requirements to ensure that the company is properly run and hopefully grows into the future.*

Why be Limited?

Well it often looks a little more professional than simply being a sole trader. It affords limited liability protection as above, which is not available to sole traders. Tax wise it may be slightly more advantageous (at the time of writing HMRC reviewing this Jan 2018) to be paid dividends from company profits than being employed on PAYE. As in life, there are pros and cons to every form of business status. No single method is perfect to all. You should weigh up the pros and cons on a two column sheet of paper and then decide what's best for you. Getting basic advice from experienced directors and

professional advisors is also a good and usually cost free investment.

If you choose to be a sole trader then much of this guide will be of little use to you. Trading through a limited company then means, the company and the directors need to co comply with many different laws but have a 'veil of incorporation' protecting them.

Let's start at the very beginning; if you are an experienced director you can skip this section.

How do you Register a Limited Company or a LLP?

You can approach a solicitors or accountants in your area and they will probably be happy to help you form the company or LLP and register it at Companies House in Cardiff or Edinburgh if forming and registering a Scottish company. In fact they do this on a pretty regular basis and will certainly ensure that you carefully check all the pro forma and future compliance requirements. These professional often act as a company secretary - although not normally needed for startups - and possibly help with accounting if you think it will trade quite soon. But it is actually very easy to do online.

Before you do go to a company formation agent, like our friends at www.rapidformations.co.uk we think you should set out a brief plan.