

Business Services - Starting a Business

Business Structure

When commencing a business, one of the most important decisions to be made concerns choice of organisational structure. It is suggested you consult your accountant or other professional adviser for advice in the choice of an appropriate structure.

The options are:

- Sole trader- easiest to start Owner personally liable for debts.
- Partnership - See Partnership Act available from State Law Publisher A Partnership Agreement is strongly recommended Partners personally liable for debts.
- Proprietary Ltd company- one, two or multiple shareholders but more expensive to set up and maintain. Protection from personal liability with this structure. Accountancy/Legal advice needed here. Most common procedure is to acquire a Shelf Company at an approximate cost of \$1,500.
- Trusts- A useful tool in business and estate planning. Costs usually in the vicinity of \$550 to set up.
- Combinations of some of the above

There are costs associated with the formation of partnerships, trusts and Proprietary Limited Companies. Your choice will need to take into account the following:

- The anticipated profit of the business.
- The involvement of family in the business.
- The financial status of the individuals who will be part of the business.
- The tax liability of the business owners and their dependents.
- Exposure to financial risk.
- The cost/benefit associated with the establishment of the chosen structure.

Bentleys is an association of independent accounting firms in Australia that specialises in developing long term strategic partnerships with clients. Bentleys offers a broad range of services including business advisory, taxation, corporate recovery and audit.

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