

BENEFITS OF A COMPANY STRUCTURE

Limited Liability:

As a business owner, your personal assets are protected. If the company faces financial issues, you're not personally responsible for its debts.

Tax Benefits:

Companies often pay lower taxes than individuals, and there are opportunities to claim various business expenses.

Professional Image:

A company can appear more professional to clients, suppliers, and investors, which can help grow the business.

Funding Opportunities:

It's easier to attract investors or secure loans as a company than as a sole trader.

In short, operating as a company can protect your personal finances, offer tax advantages, and help grow the business more easily.

HERE ARE THE BASIC STEPS TO CREATE A COMPANY:

- 1. Choose a Business Name:** Pick a unique name for your company that isn't already taken.
- 2. Apply for a Director Identification Number:** This is required to prove your identity to ASIC.
- 3. Register the Company:** We register your Company through ASIC and pay the first year registration.
- 4. Apply for TFN and ABN:** Get a unique identification number for tax purposes (required in many countries).
- 5. Open two Business Bank Accounts:** Set up a separate bank account for your company's finances. You will need the ABN. Open one transactional account and one Savings account.
- 6. Decide how you want to be paid:** Dividends is a share of profit after Company tax is paid. Wages requires Superannuation and Workcover to be paid— but the Company wears these expenses and withholds tax from your pay.
- 7. Setup an Accounting Software:** A Company has higher reporting requirements so it's important your bookkeeping is looked after by an Accountant from the very beginning. An Accounting software is also required for processing Payroll.
- 8. Separate your Finances:** Have all your income and expenses flow through your new Company business account. Keep personal expenses in your personal account.

Once these steps are complete, your company is legally set up!

The Empire Team

