



A clear guide to working for yourself
with ClearSky

So you're thinking of setting up on your own



Making the decision to set up on your own is a big deal; and one you should be justifiably proud of. But however excited you might feel right now there's a few extra responsibilities you need to be aware of.

That's where a specialist comes in

A specialist small business accountant (we do of course mean ClearSky) can handle just about everything for you, from setting up, to the day-to-day running of your company. Taking the weight off your shoulders and the paperwork off your desk.

We'll work with you not for you

But it's not all about the bottom line. A good (dare we suggest, enjoyable) working relationship is also a top priority. So we promise no nonsense all the way, from a bunch of genuinely friendly people who truly want to do their best for you. Yes, it's all about numbers, but you'll never be made to feel like one.

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So you're thinking of setting up on your own



The practical benefits of our specialist accounting services include:

- Advice and assistance to help you legitimately maximise your earnings.
- In depth knowledge of specific industries, including IT, construction, oil and gas.
- Full compliance with HMRC with regular IR35 safety checks.
- No joining or exit fees.
- Fast and seamless set up of your business.
- A choice of easy to use accountancy systems.
- A tailor-made service working in harmony with your business with a choice of options so you only pay for what you need.
- 24 hour messaging with real (and rather nice) people on the end of the phone.
- All your VAT, tax and year end returns completed for you.
- As much help and advice as you need for a fixed fee, so you never feel the meter's running when you talk to us (unlike many high street accountants).
- Lots of convenient ways to contact us, by email, phone, face-to-face or via our accountancy portal.
- Access to comprehensive financial services through ClearSky Wealth Management.
- Proactive advice about how you can save time and money.
- Up to £17m worth of professional insurance cover if you opt for our most comprehensive Assure package.

Proactively putting your interests first

Working for yourself is a lifestyle as much as a career choice. So why not make the most of your new found freedom and trust in a specialist to take care of the things that can sometimes take the shine off being your own boss? Things like that never-ending pile of paperwork, looming financial deadlines and the constant worry of keeping HMRC compliant. ClearSky can take all these troublesome tasks off your to-do list,

so you can concentrate on what really matters: keeping your clients happy, and in turn, your bank balance healthy.

We pride ourselves on our proactive approach to accountancy, which means while you're busy doing what you do best, we'll be doing the same – looking into new ways we can save you even more time and money. With a dedicated Wealth Management team on-hand to talk through all the bigger picture concerns

that come with working for yourself – things like income protection, pensions, health insurance and savings – we can be busy working behind the scenes to supplement your take-home pay; all the while making sure both your and the tax man's interests are looked after.

If you're not sure where to go from here, look at your options in more detail [click here](#).

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Understanding your options



If you are just starting to weigh up your trading options, we can give you the no nonsense accountancy advice you need to make informed decisions.

In a nutshell your options are:

- **Work for yourself as a sole trader**
- **Work for yourself as a Limited Company**
- **Set up a Limited Liability Partnership**

From deciding which route is best for you, to setting up and on to the ongoing day-to-day management of your finances, we're always on hand to help you get the most out of what you do.

Working for yourself?

If you're just starting out on your own, then the sole trader route is probably the most suitable. You may consider yourself a contractor, freelancer or consultant. It doesn't matter – the tax implications are the same. If you decide to operate as a sole trader there are certain legal formalities you need to keep on top of. But don't worry, with your ClearSky Personal Accountant proactively taking care of your finances and the use of our online portal to generate and manage all your invoices, you can forget about the tax man and be confident your business account is performing as profitably as possible.

If you've already established your services, then you probably want to think about registering as a limited company. Operating in this way brings certain tax advantages for higher earners, as well as the status of being a bona fide Director of your own company. We can handle all the administration for you, as well as advising you on other financial considerations for company directors – things like tax efficiency, pensions planning, income protection and professional insurance.

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Starting or running a business?

If you're venturing out on your own, dealing with all the decision making and financial legalities can be a daunting prospect at the outset.

One of the biggest causes of confusion for many start-ups, SMEs and micro businesses is keeping on top of the various tax schemes that need be on your radar as an owner-manager.

As a starting point here's a quick overview of your HMRC obligations, depending on how you have structured your business:

- Corporation Tax is calculated on your profits and determined at the end of the financial year. If you operate as a limited company you'll need to pay this within nine months of year-end.

- Value Added Tax (VAT) is added to most goods and services within the UK, and is collected at every stage of production and distribution. You need to account for this either monthly or quarterly.
- PAYE is relevant if you're a limited company director or have employees. This ensures that tax is deducted from each employee's pay on a weekly or monthly basis, rather than via self assessment (which applies to sole traders).
- National Insurance rates will vary accordingly to your trading structure. If you employ staff, you'll be liable to calculate and deduct their NI contributions (NICs) as well. Self-employed people - known as sole traders - pay Class 2 and Class 4 NICs, whereas directors of limited companies will pay Class 1 contributions on their salaries. This is the same as the NI you pay if you are currently an employee of someone else.

Working in partnership?

If you've made your mark in your chosen field and gained a lot of contacts along the way, you and your professional peers could be considering entering into a limited liability partnership (LLP).

An LLP is similar to a normal partnership but its members benefit from reduced personal responsibility. So - unlike sole traders and more straight forward partnerships - the LLP itself and not the individual members is responsible for any business debts.

While this offers more security, it also comes with added complications. Consulting a financial adviser in the early stages can help ensure you meet all the necessary requirements and are fully up to speed with the legal requirements of operating as an LLP.

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Setting up as a sole trader

To make your life as easy as possible here's a checklist of all the things you need to consider as a new business venture:

- First things first you need to decide which is the best way for you to legally operate. Should you set up as a sole trader, limited company, or a partnership? What are your options? A good accountant will be able to guide you through this decision making process and put you on the right path.
- At this stage you're probably considering whether or not you need to employ the services of an accountant. Well, as you've probably realised, going it alone isn't as straight forward as you perhaps first thought and, actually, attempting to keep on top of your accountancy affairs single handed is a false economy - simply because of the sheer time involved.
- Now's a good time to set up a business bank account, so you can separate your personal finances and keep tabs on your expenses easier. We can introduce you to a number of banks who have a proven track record in supporting small business start-ups like you.
- So you're good to go but keeping on top of your HMRC obligations can be a job in itself – especially during your first financial year when everything's new. If words like self assessment tax returns (SATRs), national insurance contributions (NICs), year-end accounts, Value Added Tax (VAT) and PAYE schemes seem a scary prospect, fear not. At ClearSky we'll take care of everything, prompting you well in advance as to what needs doing by when. Our job is to take as much of the administration off your hands as possible.

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Setting up as a Limited Company

There's no getting away from it, there is a lot to think about when you're setting up a limited company and it can be a bit nail biting. But it's such an achievement, we really hope you enjoy the excitement that comes with it. There's no need to feel on your own though; if you have any questions or concerns, or you're just not sure where to start, you know where to come.



First off – what is a limited company?

- A limited company is a legal entity in its own right. It can generate income, own property and incur expenses and debts just like any individual.
- It's owned by its shareholders, run by its Directors and Company Secretary and the day to day work is done by its employees.
- The Directors, Shareholders and Company Secretary are all known as Company Officers.
- A limited company operates according to the rules you set out in a scary sounding document called Memorandum and Articles of Association. This document has an important role in setting up your company, but don't worry, we can explain exactly what it means and help you write and submit it.

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Setting up as a Limited Company

How much does it cost to set up?

It costs £120+VAT for ClearSky to set up your Company or just £50 + VAT if you choose our Assure product. We'll talk you through everything, and help fill in and send off all the mind-boggling legal forms you need to file with Companies House. We'll also talk tax with you, and offer advice on how to set up your company so that you're operating legally, but as tax efficiently as possible.

If you're happy to do it by yourself, you can save money by going direct to Companies House. But if you'd like an expert on your side, pointing you in the right direction, just shout.

Job 1 - Decide on the Company Officers

Legally, you have to name Company Officers from the outset and enter their names and addresses on the registration documents. All private limited companies must have a Director and a Company Secretary, although one person can take on both roles. You'll be appointed as a Director, and you'll need to decide if you want to appoint another person, such as your partner, as the Company Secretary.

Job 2 - Choose a name for the company

Before you fill out your registration documents, you need to decide on a name for your business, and there are a few regulations to bear in mind:

- Your company name must feature the word 'limited' or 'Ltd' at the end.
- It mustn't contain certain sensitive words listed by Companies House.

- It can't imply a connection with central or local government.
- It mustn't be offensive.
- It can't be the same or similar to a company name that already appears in the Index of Names kept by Companies House. You can search the index on the Companies House website free of charge to make sure. If an existing company feels the name you register is too similar to their own, they can lodge an objection within 12 months of the incorporation of your company and you could be forced to change it.

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COMPLIANT

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Setting up as a Limited Company

Job 3 - Appoint an accountant

A lot of people just setting up as a limited company don't think they're a big enough concern to need an accountant. Then the words 'tax' and 'national insurance' loom large and they wonder what on earth they were thinking.

Finding a good accountant from the outset will save you a lot of time, stress and hassle – and should save you plenty of money too, in the long run. By setting you up to operate in the most tax efficient way, we can help maximise your income. And by taking a lot of the complex paperwork off your desk and offering essential support along the way, we can make running your own business a complete doddle.

Job 4 - Register your business

You can of course register your limited company yourself. But to be totally honest, unless you know what you're doing, it can be a real headache. The legal paperwork you need to fill in includes the Memorandum and Articles of Association. The forms contain important legal information about how your company will be run and need to be signed by Directors and submitted to Companies House.

It's vital that all documents are legally correct, because it can be time-consuming and costly to make changes after you've filed them. We have extensive experience and can give you all the help you need to get up and running smoothly. That's what we call fast, effective pain relief.

Job 5 - Start handing out the business cards

The proud moment's arrived - you're now the Director of your own company! Time to start handing out your business cards and getting stuck straight in.

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Setting up in Partnership

You and your partners will need to register with Companies House and then, once you've received your incorporation certificate, you can start operating as an LLP. But, before you do, there are certain things you need to be aware of in order to keep on the proper legal footing and maintain your LLP status. Here's a top level overview of what you need to do:

- **Fill in a partnership tax return** to declare the partnership's income and expenses for the tax year. This includes a partnership statement, showing how profits or losses have been divided among the partners.
- **Appoint a 'nominated member'** to fill in the partnership tax return and send it to HMRC. The assigned person should also make sure that all members of the partnership are given copies of this statement to help them complete their own personal tax returns. Remember though that, while the nominated member is responsible for the partnership tax return, all members are jointly liable for any penalties that result from it being submitted late or incorrectly.

- **Display your LLP's name** on the outside of all its offices or other places of business; as well as any business stationery (letters, invoices, receipts and cheques etc). You should also make sure that your LLP's place of registration, registered number and registered office address are on any letters, order forms and electronic business communications and these details, along with your VAT number and an email address, feature on the company website.
- **Keep Companies House informed** by submitting an annual return every year so your records are kept up-to-date. You must also make sure you let them know of any changes to partner membership and/or registered office details.
- It's important that each member of the partnership registers as self-employed with HMRC. This means each of you will need to include details of any profits on your individual self assessment tax returns (SATRs) each year. Self-employed partners are also responsible for paying their own NI contributions.
- It is possible for LLP members to be companies or other LLPs, rather than individuals. If this is the case, companies that are LLP members will have to pay corporation tax on their profits from the LLP and should include the relevant details on their company returns.
- If the LLP has, or expects to have, turnover of more than £70,000 per year, it will need to charge VAT to its customers and pass this onto HMRC.
- LLPs with employees must collect and pay income tax and NICs from them, which means operating a PAYE system.

What tax do you need to pay as an LLP?

- Profits are shared among members of an LLP and it's these individuals – not the LLP – that pay income tax on the profits.
- Unlike limited companies, LLPs don't have to pay corporation tax.

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IR35 explained

If you're thinking of going down the contractor, consultant or freelancer route it's especially important that you have a clear understanding of what IR35 legislation could mean to you and your clients...



It's a murky pool that's landed many limited company operators in hot water and with a hefty tax bill to boot, but you can - of course - count on us to put you in the picture...

In the 80s and 90s, there was a steady growth in freelancers operating via personal service companies (PSCs). However, IR35 is an issue if you operate through a limited (or personal service) company.

IR35 is the Government legislation that was implemented to put a stop to this behaviour. It doesn't outlaw PSCs or limited companies, or imply that they're not legitimate ways to operate. What it does is apply a special tax calculation and liability in certain circumstances, where a contractor's skills are provided in a way deemed to be the same as employment.

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IR35 explained

If you operate through an umbrella company, you are effectively an employee paying PAYE so IR35 is not a concern.

However, IR35 is an issue if you operate through a limited (or personal service) company or LLP.

If you are deemed employed, you are inside IR35 and subject to higher tax.

If you are deemed self employed, you are outside IR35, and pay lower tax.

Understanding the differences, particularly when different industries have different peculiarities takes some doing, but we've attempted to simplify the explanation with the Bricklayers example [click here](#).

So how do you maximise your take home pay?

Ideally, to maximise your take home pay, you want to be deemed outside IR35. However, this requires careful management and planning to ensure your services are provided on the right basis. This is where ClearSky come in, and where we really excel.

We have the experience and in-depth knowledge needed to make a thorough assessment of your personal circumstances and specific contract to determine your IR35 status and offer accurate advice. [Click here for more advice](#).

Each time you change contract we'll reassess your status and keep on top of any changes to legislation that may affect you. As things change, we can relook at the structure of your business to help you operate compliantly and as efficiently as possible.

Basically, with ClearSky, IR35 is not something you need to worry about. Phew.

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TRANSPARENT

Who does what? It will all become clear

Working for yourself brings responsibility (but don't let that put you off). We can take a lot of it off your hands, but there are still some basic things you'll need to do for us to be able to do our job most effectively.

We've set out your responsibilities here, so they're absolutely clear, and we've detailed exactly what you can expect from us. The general consensus is that a little input from you gets a lot of benefits in return. That's clearly the way to go.

Your responsibilities as a Director

The main thing you need to do is keep details of every time money changes hands. It's pretty straightforward; you simply need to enter all payments, deposits and expenses into our easy-to-use systems. It's even simpler if you keep on top of it and fill it in as you go.

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Working with ClearSky

Just about everything else you need to do simply involves sending us the right thing at the right time.

- We rely on you to submit all your accounting information to us. We know it can seem daunting at first but we'll give you a check list detailing exactly what we need, such as VAT returns.
- You also need to forward on any other accounting transactions on a monthly basis via email or post, such bank account statements and sales invoices.
- We'll need to see a copy of your services contracts so we can check your IR35 status, if required.
- Whenever you get anything through from HMRC to do with tax and PAYE, forward it straight to us.

Of course, if there's anything you're unsure of, especially in the first few months, you can call your personal accountant at any time to talk things through.

Our responsibilities as your accountant

The first thing we focus on has nothing to do with your accounts; it's to do with confidence and peace of mind. It's important that you have complete trust in us and understand that we're not just going through the motions. We're a team of personable individuals who genuinely want you to succeed, and will proactively manage things for you with your best interests firmly in mind. So, while we're setting out the 'call of duty' here, you can be sure we'll always go beyond it.

- We'll make sure your business runs as tax efficiently as possible, offering advice on things like how, and how much, to pay yourself. We'll make sure you're set up in the most appropriate way from the start and, as well as analysing your transactions, we'll have regular chats with you about how the company is being run to see if we can spot any opportunities for improvement.
- We'll look after all your wage and PAYE admin, including form filling and making any necessary changes.

- We'll give routine advice on your IR35 status, as necessary.
- If you choose our Freedom service ([click here](#)) we'll also assess each new contract to check whether you're in or outside IR35.
- If you choose our Assure service, you can count on proactive advice. What's more, we'll commit to completing your accounts within two months.
- We'll handle all your VAT returns.
- We'll give you advice on Corporation Tax and deal with any general correspondence on your behalf.
- We'll prepare your financial statements and send them off to HMRC and Companies House.
- We'll determine what profit the company has made and help you decide what your dividend payments should be.
- We'll advise you on the best share structures and set them up.
- And we'll do it all with a smile.

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A day in the life of being your own boss

If you're currently working in a full time position or even contracting through an umbrella, taking the plunge and going limited means a whole new lifestyle change and you may be wondering what lies ahead. We hope this quick snap shot of a typical day working for yourself should clear a few things up...

8.00 am Time for a cup of tea and a quick bit of admin before I head off to work. I log on to My ClearSky and input all the last week's receipts into the spreadsheet, then scan them and email them to Craig, my accountant, on the way to work. Now I'm used to doing it, it's really quick and easy.

9.30 am Call Craig to ask what to do with the Corporation Tax reminder that arrived in the post. He tells me to file it, but not to worry as nothing's due for another 9 months. Glad someone knows what's going on!

2.30 pm Meeting with my client. My current contract is coming to an end but they're considering extending it. The project I'm working on is running to schedule but there may be another project I can get involved with. Very pleased they're impressed with my work, but must remember to speak to Craig about the IR35 implications.

4.30 pm Email Craig. I know my VAT returns are due and I haven't a clue where to start. He replies to say they've got everything they need – they've got my bank statements and the online portal is up to date. They'll email me the figures I need so I can file my VAT return and make the payment on HMRC website. Easy – what a relief!

8.00 pm On my laptop, beer in hand, looking into starting a pension. With business going so well, I want to invest some of the profits and get any tax breaks I can. I'm not entirely sure if this is the right move, but I want to do some background research before I speak to ClearSky Financials. Craig put me in touch with them a few weeks ago. We had a quick chat and I have arranged to see them at my house to go through a financial health check at no extra cost.

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Case study – clearly a happy client

Hakan Hastekin

Cylinder Design Limited

It only took an hour for Hakan Hastekin to feel convinced that ClearSky was the clear way forward. Having already run his own limited company in Australia, he moved to England and took a permanent position with a large financial company, but missed the freedom and flexibility of working for himself.

Hakan began looking at the option of contracting and, knowing it would be a different ball game to working in Australia, knew he needed some sound advice before making any decisions. A former colleague had recommended ClearSky's sister company Parasol, and while browsing the Parasol website, he followed a link to ClearSky, and never looked back.

Within 15 minutes of emailing an enquiry, Hakan received a call from our new business manager, Alison. She spent 45 minutes talking through the options, giving him a really clear picture of all the different legislation that affected him and answering his many questions.

'By the end of the conversation, I was completely confident that I wanted to work with ClearSky. Alison had all the answers, and she was so enthusiastic and inspiring, she convinced me that setting up a limited company was the way to go. In fact, she made my day! I had felt ClearSky were more expensive than other accountants, but Alison impressed me so much with her confidence, professionalism and expertise, I'd have been happy to pay double. You can't put a price on peace of mind.'

Hakan chose the Freedom service option, and found the registration process very straightforward and simple.

After completing a quick online form, his personal accountant, Jonathan, was able to help with the rest. Jonathan then went on to work closely with him to set up his company, Cylinder Design Limited, which designs and builds web based applications including CMS systems and e-commerce sites, in a way that maximised his profit, as well as giving him good advice about which bank account to go with.

'I must admit, I was worried initially. I have no head for finance, I just want to get on with doing the job I love. Now I know I can leave that side of things to ClearSky and they'll take care of everything for me. It's a huge relief to know that Jonathan and his team are at the end of the phone, and that I can call anytime to talk things through without clocking up extra charges. I couldn't be happier.'

Hakan has only been set up for 3 weeks, but feels sure that his relationship with ClearSky will last for years to come.

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What our clients say about ClearSky

Manoj Bhatt

Manra Limited

You've made the whole experience more of an education than anything else. I have learnt so much over the last year through your support, patience and help. I have recommended you to a number of people and can see myself working with ClearSky for the foreseeable future.

Rael Bethlehem

Bedrock Solutions Limited

I have been nothing but impressed with you and your team. You have been fantastic in your service, manner and promptness in response to any queries or problems I have had. I would - and do - recommend you to all contractors I meet.

Nigel Bolger

NB Project Consulting Limited

You really won't go wrong if you sign up with ClearSky. They will set up your company for you, advise on IR35, take care of your monthly accounts, VAT and sort your business and personal returns all within their fee. I've been using them for about 10 years and have never had a problem. I couldn't praise them highly enough - worth every penny!

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A choice of services is all part of the service

The whole principle behind ClearSky is that we are good to work with, as well as being good at our work.

The accountancy services we offer have been meticulously thought through to provide exactly what you need, and more besides. Everyone works a bit differently, so we work a bit differently for each client, but our services fall into 2 general categories to make sure you only pay for what you need.

The service that best suits you will depend on things like your set up, how much responsibility you want to take on and so on. To help you figure it out, go through these questions:

If you answer 'No', our Essential service is the one to go for.

If you answer 'Yes' to any questions, Freedom or Assure probably offer the way forward.

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A choice of services is all part of the service



1 Would you like an IR35 review every time your contract changes?

What does this mean?

Your IR35 status can change with each new contract, and it can affect what tax you pay. We advise contractors to have a review each time their contract changes to make sure they're operating legally and tax efficiently, and to avoid any unexpected tax bills.

2 Do you need your accounts to be prepared every 3 months?

What does this mean?

If you really need to be aware of the exact amount of money your business is taking, how much tax you have to pay and how much you can pay yourself as a dividend then you may need to see your full accounts more frequently.

3 Other than yourself, do you intend to employ another person?

What does this mean?

You may need to take on another person to help you cope with your workload. If so, you need an additional employee payroll.

4 Would you like to maximise your take-home pay by structuring your company around share and dividend options?

What does this mean?

Choosing to pay yourself in dividends and shares is a legitimate way of maximising what you earn while minimising your tax liability.

5 Is your annual turnover more than £30,000?

Why is that important?

If your turnover is below £30,000 your tax return is a lot more straightforward and you'll more than likely be sent a Short Version Tax Return. However, if your turnover is over £30,000, you'll probably need a more lengthy and complicated Full Version Tax Return.

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If you've answered 'No' to every question, we recommend Essential

Why?

- It looks like you only need the basics so our Essential service will, quite simply, provide all the essentials.
- As you don't employ anyone, don't need quarterly management accounts, only need a Short Version Tax Return and one IR35 review a year, going for Essential means you're not paying for services you don't need.
- As you're happy to take responsibility for your accounts, you'll cut down our workload, and our charge. But we'll still make it easy for you, with access to an online spreadsheet where you can enter all your account information.
- If you decide you'd like an extra IR35 review at any time, we can arrange it for a one-off fee. And if you'd like to upgrade to Freedom, just let us know. You're not tied in to Essential, you can simply play it by ear and change at any time.

If you've answered 'Yes' to any question, we recommend Freedom or Assure

Why?

- It sounds like you'd feel more comfortable with some expert support to help run your business as tax efficiently as possible.
- It's best to have an IR35 review whenever your contract changes, and with Freedom, it's all part of the cost.
- As you employ another person, managing their PAYE gets a bit more complicated, but we'll be able to sort everything out for you.
- Unless you're really into it, a Full Version Tax Return is pretty complex and tedious – so just leave it to us.
- We'll structure your business around shares and dividend payments so you operate as tax efficiently as possible.
- We're always looking for ways to maximise your tax efficiency, so we'll make suggestions as you go along if we spot any opportunities.
- You can concentrate on running your business, without any financial worries or responsibilities weighing you down. We'll take it all off your shoulders.
- You can use our online accounting system or Excel spreadsheet to send us your accounts and scanned files of all your supporting paperwork. We'll wade through everything and tell you what needs to happen next.

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With costs this transparent your choice is clear



There aren't many times in life when you get more than you pay for. But we think this is one of them. What you pay for is accountancy services. What you get is support, advice, dedication, attention to detail, integrity, honesty and a very real desire to help you achieve your life's goals.

We come at costings with a tiered approach, so that you only pay for what you need, and you can scale up or down as appropriate. And they're fixed prices, so even if you're calling five times a day the price stays the same.

Essential £95 a month

Essential is ideal for clients who only need the basics. It's designed for those of you who don't employ anyone, don't need quarterly management accounts, only need a Short Version Tax Return and one IR35 review a year. If you're happy with a hands-on approach and have the time to take responsibility for your paperwork, then this stripped down service package will do you just fine.

- Access to an online spreadsheet to manage all your account information yourself
- Monthly payroll
- Annual IR35 review

Get 12 months for the price of 9*

- End of year returns and access to our tax portal
- Quarterly VAT returns (flat rate) Full statutory accounts, corporation tax (CT) returns and submissions
- Routine HMRC correspondence
- Financial services review
- Short version self assessment tax return and employment supplement
- Dedicated Personal Accountant and team
- 24 hour helpline and unlimited phone calls and emails to answer questions or offer advice

[read more](#)



*If you pay for 12 months upfront

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With costs this transparent your choice is clear



Freedom £120 a month

Get 12 months for the price of 9*

The majority of our clients need more input from us, such as an IR35 review whenever their contract changes. If you employ another person, such as your partner, need a Full Version Tax Return, want to structure your business around shares and dividend payments and want to maximize your tax efficiency, this is the option for you.

- Administration of all your businesses' paperwork by a ClearSky accountant
- Standard Rate and Cash Accounting VAT options

- Additional employee payroll
- Quarterly management accounts
- IR35 review for each new contract
- Dividend documentation support
- Share issues
- HMRC compliance visits
- Full version self assessment tax return for up to 2 people
- Income and status references

We also offer key services as one-offs:

- Full IR35 review – from £95 per contract
- Full Companies House Service – from £120
- Additional packages specially tailored for sole traders, starting with Simple at £80 per month; Assist at £200 per month; and Annual at £500 per year

Now you've got a clearer picture of our costs and what we offer, [appoint us today click here](#)

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*If you pay for 12 months upfront

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Assure £195 a month

Get 12 months for the price of 9*

For those clients looking for the complete business package, Assure gives you faster service levels, comprehensive business insurance and proactive tax planning across the year.

As an Assure client you have peace of mind that your company is set up and managed to generate as much profit as possible. In fact, from day one we'll take all the extra admin off you by setting up your company and sorting out your insurance cover as part of the fee.

Assure includes all the services in our Freedom package, plus:

- £17m+ professional insurance cover – worth £742 per year, provided by Hiscox:
 - Professional indemnity insurance - £2m
 - Employers' liability - £10m
 - Public liability - £5m
- Statutory Accounts completed within 2 months of submission of all information
- Guarantee: If your accounts are not completed within 2 months, your next 3

months accountancy services will be free

- No fee to pay for Companies House
- Annual Return submission - worth £14 per year
- Monthly management accounts
- Quarterly proactive tax advice and planning from your Personal Accountant
- Company incorporation for £50+VAT - worth £120

Now you've got a clearer picture of our costs and what we offer, appoint us today [click here](#)

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What taxes do I need to be aware of?

There are mainly two types of taxes which will affect you as a limited company contractor. The first is Corporation Tax. Corporation Tax is paid on the profit and gains of your company. The rate is variable, based on a tiered structure according to profit levels, how the company is owned and whether the profits are paid out as dividends or not.

Most companies operated by contractors that pay out profits as dividends are taxed at 19%. The second type of tax is monthly PAYE for you and any employees of the company. PAYE includes income tax and national insurance which are deducted from the wages of your employees, together with your own national insurance contributions on employee wages. This is paid to HMRC on the 19th of every month or if you qualify, on a quarterly basis. Other forms of taxes that you will need to be aware of include VAT returns and IR35.

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How do I get money out of the company?

If you just want to pay yourself you can simply make a transfer from the company account to a destination account; usually your own personal account. However, we can offer advice on how to manage your income, to make your profits as profitable as possible.

Your options include taking a salary, paying yourself in dividends, or a combination of the two – but the best option for you will depend on your specific circumstances.

If you're inside IR35, for example, then the money would be all treated as salary as there would be no scope for dividends. If you're outside IR35 however, then a combination of salary and dividends would probably be most beneficial. We'll talk through everything in detail and let you know the tax consequences of each option.

Can I have another person as a shareholder?

Yes you can. A shareholder receives a reward for their investment in the company through the payment of a dividend. Dividends are paid from the company's profit after tax has been deducted, and are paid to the shareholders according to the number and type of shares held by them. If you're the only shareholder then you'll receive 100% of the dividends.

However, you can set your company up with more than one shareholder and one could be your spouse. This can be a bonus, but not necessarily all the time. We'll look at your individual circumstances and preferences before we set you up as a company and advise you on the best (ie most profitable) way of structuring your business.

What expenses can I claim?

There are a number of expenses that you can legitimately claim as part of running your business, such as travel and subsistence, Companies House fees, new office software, stationery, postage, printing and repairs to office equipment.

However, HMRC is very strict in stipulating that all expenses claimed must be wholly and exclusively for the purpose of the business. This can be difficult to quantify, so if you're ever unsure, it's worth checking with us. There's also a different set of rules for expenses claimed back from the business by employees. We can give you a clear list of the things you can claim for, and whether they're tax deductible.

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Appoint ClearSky

If your decision is clear, appoint ClearSky today

To appoint ClearSky, simply go online. We promised you no hassle, so appointing us is as easy as completing a simple registration process.

Once we've reviewed your details, one of our experts will get in touch to talk things through. Things are about to get a whole lot clearer with:

- Advice and assistance to help you legitimately maximise your earnings
- As much help as you need for a fixed fee
- In depth knowledge of contractor industries, such as IT, engineering, oil and gas
- Full compliance with HMRC including regular IR35 safety checks
- No joining or exit fees
- Fast and seamless set up of your business
- A tailor-made service working in harmony with your business with a choice of options so you only pay for what you need
- A 24 hour helpline with real (and rather nice) people on the end of the line
- All your VAT, tax and year end returns completed for you

If you'd like to talk things through a bit more first, just give us a call on 08000 325 326.

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About ClearSky

Clear thinking. Clear communication. We are ClearSky

ClearSky has been providing no nonsense accounting for 12 years. Formerly known as Quay Accounting, the company now has offices across the country and over 60 staff. Having looked after more than 8000 clients, we believe the company's success is down to the emphasis we put on client relationships, combined with our fixed fee approach.



In 2008, Quay Accounting joined forces with Parasol, the biggest umbrella company in the UK. Both companies share the same values and vision for looking after clients, and both specialise in the freelance industry, offering services that complement each other perfectly.

In 2009 the company's name was changed to ClearSky, to reflect the clarity of our company vision and the transparency of our services and costs. The whole premise of ClearSky is to provide specialist accountancy services for those wanting to work for themselves in a no nonsense, hassle-free way.

Everyone at ClearSky is highly experienced and very well trained, with impeccable credentials. But it's our attitude to service that really makes us who we are. We don't want to bog you down with financial jargon or technicalities, we simply want to offer honest, straightforward and very, very good advice.

Because we believe in clear communications and focus on each individual in their own right, we make sure the service we provide is specific to you and your business situation. Another reason we're so different to other accountants is because we care enough to really take time to get to know you and your circumstances, and work with you to manage your business in the most tax efficient, cost effective way. And because our fees are fixed, you have the extra reassurance of getting the help you need without paying over the odds or being landed with sneaky hidden charges.

Your choice is clear. ClearSky.

Our credentials

- We have Professional Contractors Group (PCG) accreditation



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