

## Selecting a Legal Structure for Trading

Liberty Accounts supports the following legal structures:

- ◆ Limited companies
- ◆ Limited liability partnerships
- ◆ Sole Traders
- ◆ Not for Profit Organisations

In setting up the system for use, you will need to indicate which of these structures your business operates under and provide some details. Most likely however, your accountant or advisor will have already set it up for you.

### Limited Companies

Limited Companies have shareholders and are managed by directors. The company name ends in either Limited, Ltd. or PLC. Liberty Accounts deals with all aspects of a company's accounting and administration.

### Limited Liability Partnerships

Limited Liability Partnerships (known as LLP's) are partnership entities that have been granted limited liability structure. Partners are known as members. Liberty Accounts deals with both membership administration and the required accounting requirements.

### Sole Trader

Sole Trader, is usually someone who is self-employed and not a member of a partnership. Sole traders are required to prepare a set of accounts of their trading activities when completing their tax self assessment forms. Liberty Accounts will provide that set of accounts.

### Not for Profit Organisation

Not for Profit Organisation will most likely be a charity (Registered with the Charities Commission and holding a registration number) or a faith based organisation (Church, Mosque etc). The nature of the chart of accounts and the format of profit reporting is different to that of businesses and that is recognised within Liberty Accounts.

If you are unclear which legal structure your business operates under, please ask your accountant or advisor.