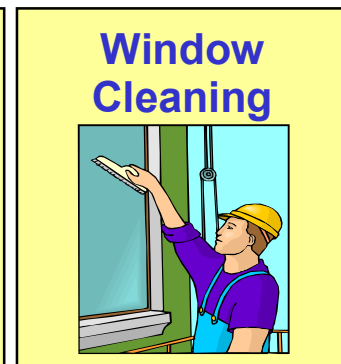
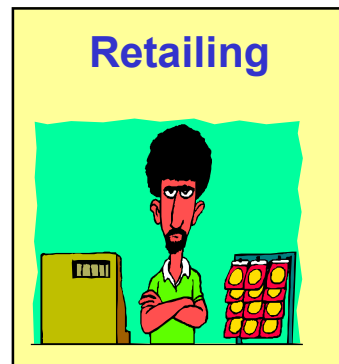




Sole Traders

- Sole traders are the smallest type of business in the UK. They can be identified by the following features:

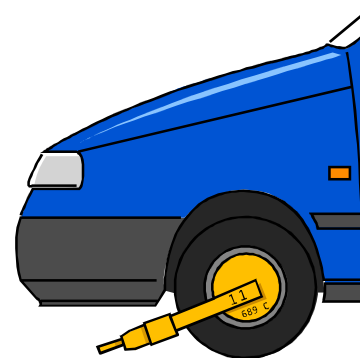
- Owned & controlled by **one person**
- They do not require a lot of money to set up
- Money is usually provided by the owner
- They are easy to set up
- They are **unincorporated**
 - This means that legally the owner and the business are the same
- They have **unlimited liability**
- Examples include:





What Does Unlimited Liability Mean?

- Liability is important when deciding what type of business to set up
- If a business has **unlimited liability** then the owner:
 - Is responsible for **ALL** debts
 - Must pay off these debts using their own money if the business cannot afford to pay them
 - May have to sell their own house/car in order to pay these debts





Should We Be a Sole Trader?

Yes!

1	Easy to set up
2	Usually small, so less money is needed
3	Owner can make all of the decisions
4	Owners can keep all the profits
5	Business accounts can be kept private
6	Can provide specialist services
7	Can respond to the need of the customers

No!

1	Unlimited liability
2	Money can be difficult to obtain
3	Costs are usually higher
4	Prices are usually higher
5	Holidays may be difficult to take
6	Ill health may close the business
7	Owners must work long hours