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# The Legal and Financial Aspects That Will Affect the Start-up of the Business

For P4, I will be describing the legal and financial aspects that will affect the start-up of the business. In this document. Below are the Legal and financial aspects that will affect the start-up of my business: Health and safety Health and safety is an aspect that every business needs. Health and safety are regulations and rules that are put in place to prevent accidents or injuries in workplaces and public environments. We will need these regulations because it is essential that all the staff in our business stay safe and that there is very slim chance of anyone being injured. By having health and safety it will have a positive effect on our business because our business will be able to run smoothly and safely.

## Legal status

The legal status of any business depends on the type of business and size of business that is being set up. The different types of legal status include: Sole trader, Partnerships and limited company. The status of our business is a partnership. This is similar to sole trader, however, the ownership is shared between the partners.

The partners, who are the people involved in the business will have a document that shows the rights and responsibilities of all the partners that are involved in the business? The reason we have chosen to be in a partnership is that all the partners will share the rewards, risks, and responsibilities. This means the people in the business will be able to help each other and develop their careers and they also help with the risks.

## Record keeping

Record keeping is organising and storing all the documents and files related to the company and staff. I will also be following the record keeping method in order to keep all the relevant documents because these can be useful in the future for example for providing references, staff and students history background, what the business has purchased etc. Records enable a person to keep track of deductible expenses as well as preparing tax returns and financial statements. Records are also important in monitoring a business.

## Contracts duties and responsibilities

Contracts duties and responsibility means a business has to follow everything according to the

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contract and should also be responsible for performing the duties they need to. Relating this to my business, I will also need to follow this. As the legal status of my business is partnerships, I will need to split the responsibilities and duties among all my business partners, so that everyone has equal responsibilities.

## **Licenses**

A license is a permission from an authority to own something or use something or carry on trade. Usually, every business will have a license, however, every business will have different types of licenses. For example, for a cooking-related business, I will need the following licenses. A business license is when I have to make sure my business exists as a legal entity at the local, state and federal level.

### **Another license is food handling and safety.**

Some states require cooking businesses to complete mandatory food handling and sanitation training before earning the privilege to serve the public or students.

## **Financial aspects**

### **Equipment**

Equipment is the necessary items needed for a particular purpose. As my business is a cookery school, I will need more equipment in order to teach students how to cook. The equipment that my business requires is the following: cooking hobs, knives, chopping boards, scale, cleaning health and safety such as mops, tables and sinks and dishwasher etc.

### **Profit and loss budgets/ accounts**

Profit and loss can be used to compare how well a business is performing each year by comparing ratios. In addition, the figures will indicate to a business what they need to do in order to perform better. If the business is not performing to the standard expected I can consider to: increase their price set for products/services and also saving cost.

### **Pricing policy**

Pricing policy is by which a company determines the wholesale and retail prices for its products or services. I will also be using this strategy in order to set the prices for my cookery classes. The prices I set may not be permanent and could eventually change depending on circumstances.

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## Suppliers

Suppliers are whose business is to supply products or services to companies or stores. Every business has suppliers, where they receive their products. I will also have suppliers that will supply fresh ingredients to my cookery school that can be used to cook by students.

## Employing staff

Employing staff means recruiting suited and capable people for a particular job. There is a particular department in the business specially designed for this purpose, which is the HR team. It is their responsibility to employ a staff and go through the whole recruiting process. I will also have a team for my business, which will have the responsibility of employing candidates for my cookery school. However, the beginning of my business, I may decide to interview candidates myself as I will be starting a small business and need to budget my money effectively.

## Running costs

Running costs is the amount regularly spent to operate a business. Running costs include salaries, utilities, and rent. Like other businesses, my business will also have running costs. I will need to make sure I pay these costs on time. In addition, I need to generate enough profit, in order to pay for the running costs. Some running costs are paid monthly such as rent and salaries, therefore I will need to stay alert and make sure the right amount is paid.

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