

Sole Trader Fact Sheet

Who owns the business?

Number of owners?

Size of business?

Who controls the business

Who finances the business

Who has legal responsibility?

What type of liability is there?

Who keeps the profit?

How is the business established?

How many employees?

Continuity – what happens if the owner dies?

SOLE TRADER

A sole _____ is the typical one man or one woman band.

One person owns and _____ the business.

There are a number of advantages to being a sole trader, these include.

Easy and _____ to set up. The owner simply needs to inform the tax man that he or she is self _____.

Decision making.

The owner can make decisions without the need to consult others and the owner chooses own _____ hires who they can work best with.

But there are also disadvantages.

Being a sole trader can involve a great deal of hard work and responsibility - no-one to share problems with.

The sole trader needs to have wide range of _____ such as accounts, marketing, management to make business a success.

He or she also has _____ liability. The sole trader is liable for any of the business, and can be made to sell assets, such as family home to pay them.

Sole Trader

ADVANTAGES

DISADVANTAGES

Limited chance of getting bigger

Owner keeps all the profit

Little money needed to set up

If the owner dies business no longer exists

Financial information kept private

If owner is ill no one can run the business

Easy and cheap no complicated forms

Difficult to get loan as seen as risky

Owner makes all decisions

Have to work long hours to make business success

New and small businesses set up like this

Owner might not have specialist skills

Owner has to sell personal possessions if business goes into debt