



CONTRACTS & AGREEMENTS

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Depending on your business structure there are many varied legal issues that must be considered, especially when starting up a new company. Therefore it is important for your business to seek the support of commercial law experts.

Although there are no legal formalities required for sole trader, they will be personally liable for all of the company's debts and it will be their own possessions such as the house, car, savings etc. which the creditors could take in order to settle any money owed to them. Solicitors will advise you on the best way to protect your assets.

It is essential that commercial law experts are consulted to draw up a "partnership deed" for a business that is run by one or more people. This will cover how the business partnership will work on a day-to-day basis and how it can be developed, improved or even ended, should the need arise. Usually each of the business's partners are personally responsible for all the businesses liabilities and therefore it is vital that the lawyers are used to design agreements, documents and lay down procedures to protect everyone involved. You could consider trading as a Limited Liability Partnership.

Setting up a limited company need not be costly to set up and they do limit your liability to the amount of share capital invested in the business. Commercial law solicitors can help the process of complying with the Companies Act legislation which requires accounts, records and returns to be submitted to Companies House. As directors are no longer self-employed in this structure they must deal with National Insurance and PAYE Income Tax matters and have legal obligations and duties to look after.

Commercial law also governs consumer transactions and therefore if a your business is going to be supplying goods and services to the public then you are going to need a lawyer who is able to deal with areas of consumer legislation - such as the Sale of Goods Act and the Trade Descriptions Act.

Solicitors specialising in commercial law will also draft the Terms of Business if the company is dealing with the public or other businesses. These regard the contractual relationships with customers and suppliers including work estimates, payment terms and transfer of goods. Failure to use experts in this field could lead to potential

disputes within the organisation and those with whom it operates. Lawyers will also draft the terms on which a company trades as they will make them as beneficial and as unique to the business as possible.

The abundance of employment legislation the business must comply means it makes perfect sense to bring in solicitors who will lead you down the right path. For example employment contracts must be comprehensively drawn up which provides all statutory requirements such as minimum wage, sick pay, parental and maternity leave. If there are employees the business must take out Employers Liability Insurance and also deal with their National Insurance Contributions.

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