

# My first six months owning a limited company

## A PayStream Q&A with Tabatha Rose

PayStream recently had the pleasure of speaking with Tabatha Rose a Programme Manager working within the Global Marketing Division of HSBC, who has taken the exciting step of setting up a limited company and, as a result, is now a director of her own business.

Tabatha shared with us the ups and downs of contracting, as well as the challenges and excitement of transitioning from working with an umbrella company to running her own business, which marked a significant change in the way she operates.

But what has becoming a limited company contractor actually been like? Tabatha shares with us her story.

### Contracting lets you pursue your own goals

The first thing we asked was what initially prompted Tabatha to become a contractor. She noted that getting away from “office politics” and the pressures of being urged to train and develop in a certain way were her chief concerns.

It was a decision based on her own frustration with working in a permanent position. Indeed, she felt that the needs of the business would often supersede her own and that was something she was keen to change.

“Contracting gives me the freedom to be who I am, to explore things if I want to, but without having that pressure. In many ways, it was about pursuing my own goals and not those pre-set for me by a business,” she stated.

“Being steered in a specific direction wasn’t really for me. And trying to say ‘no’ when a company is trying to push you to progress in a certain way isn’t easy. Contracting made sense rather than being pushed into doing something I wasn’t sure on, potentially ending up not liking it, but then already being committed.”

## Easier to set up than expected

She described the whole process of becoming a contractor and subsequently setting up her own limited company as being “much easier” than expected, while she was also adamant that the support of PayStream had played a crucial role in this.

“I wasn’t sure how easy or not it would be to open a business bank account, to register with Companies House, etc. I expected it to be horrendous,” she noted. “I can be extremely cautious and nervous about these kinds of things, so having the step-by-step guidance and regular catch up with the PayStream consultant was very, very helpful.”

PayStream helped Tabatha at every stage of the setup, from understanding the costs and process of registering her business, right through to the expenses she is now able to claim.

“PayStream helped to make the process as straightforward as possible... Knowing that the person I was speaking to actually knew what they’re doing - that alone alleviated half of my anxiety.”

## Less stress and more freedom

Next, we asked Tabatha if she had noticed any difference in her day-to-day life since becoming a limited company contractor. While she noted there’s “more paperwork”, there have been a number of positive changes as well.

“Generally speaking, I have less stress - especially from a financial perspective”. Overall, using PayStream means that her focus can remain on serving her clients to the best of her ability.

The difference in day-to-day working is therefore not a factor for her, as Tabatha appears to have taken in her stride the shift to owning and running her own company. Overall, it was a step, she argued, which she simply had to take.

“Being [director of] a limited company really doesn’t impact my thinking. It’s just what’s necessary to let me do what I enjoy.”

## Plenty of positives for Tabatha

In the end, it’s been a highly positive experience for Tabatha in setting up her own business. She has more freedom to pursue her goals, has improved her work/life balance and is less stressed overall. Becoming a limited company contractor was clearly the right choice for her.

At PayStream, we understand that taking the leap to setting up your own limited company is a big decision for anyone. As a result, if you’d like to know more about the process and why this might be the best course for you, please download our guide ‘[Advantages of setting up a limited company](#)’ or give us call on 0161 516 5378.

To find out more about Tabatha’s experiences setting up a limited company, read the interview in full, overleaf.

Speak to a member of our team today about our limited company and accountancy services.

Call us on **0161 516 5378**.



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# Q&A with Tabatha Rose

## P: Why did you decide to work as a contractor?

**T:** For me, it was a combination of financial benefits and psychological factors. I've found that when you work in a permanent environment, there's usually a drive to push you towards growing in a certain direction and to progress within the business, and that was something I wanted to move away from.

I've found that the whole appraisals process can also be a little bit ridiculous in that sense. You may be showing great performance, you're doing a great job, but your peers or your boss must find something negative to tell you. Sometimes I find that the delivery of those things is a little bit unfair. I mean, you know it's unfair, but you also know they have to [do it].

In contracting, I could move away from all that. I figured I'd have less exposure to office politics, I wouldn't have to worry about that whole appraisal business, and I could actually focus on doing the job that I enjoy.

If I want to progress, I can do so at my own pace and in the direction of my choosing. If I want to take a training course or expand my skills then I'm free to do so, but ultimately it will be something I want to pursue.

Contracting gives me the freedom to be who I am, to explore things if I want to, but without having that pressure. In many ways, it was about pursuing my own goals and not those pre-set for me by a business.

## P: What challenges or limitations did you have before you became a limited company contractor?

**T:** As I mentioned, being steered in a specific direction wasn't really for me. And trying to say 'no' when a company is trying to push you to progress in a certain way isn't easy and can make things a little awkward.

However, now, if I wanted to look at cyber security, for example, I could do that in my own time and at my own pace to see if it's something I actually enjoy doing and then do it, or not.

For me, contracting made sense rather than being pushed into doing something I wasn't sure on, potentially ending up not liking it, but then already being committed.

## P: Why did you decide to work as a limited company contractor?

**T:** I previously tried working with an umbrella company in the past, simply because I presumed the whole limited company thing would be far too difficult and tricky. I know who I am as a person, and I don't like admin. I despise admin.

So, originally I went with an umbrella company and I began to really enjoy the aspect of not working permanently with any single business, and having more time to manage my own workload and the extra freedom [it gave me].

At that point, I was like, maybe I should consider the limited company thing again. Let me see how difficult, or not, it would be to set up.

## P: What did you expect becoming a limited company contractor would be like?

**T:** As far as the actual mechanics, I wasn't sure how easy or not it would be to open a business bank account, to register with Companies House, etc. I expected it to be horrendous; all that really not fun stuff, and I was genuinely dreading it.

In the past, because I've set up a limited company before, it was difficult. However, that was mainly because I didn't have the support that I have now. I was expecting the same headaches I had the first time, but it was much easier this time around; I actually felt that PayStream were a lot more supportive than the first company I went with and I'm now really recommending them to people

## **P: What was the process of becoming a limited company contractor actually like?**

**T:** I really expected the same apprehension that I felt the last time when setting up my new limited company, but this time there was none and that was really down to the support of PayStream and, in particular, my rep Lee.

Some of the specific ways PayStream helped to make the process as straightforward as possible, which really helped me, was having things mapped out to me clearly, and knowing that the person I was speaking to actually knew what they're doing - that alone alleviated half of my anxiety.

Lee would let me know if I was doing anything stupid, he'd ping me an email and ask if we could catch up about X, Y, Z, and that was exactly what I needed.

PayStream showed me all the steps I needed to take; this is how to set up your company, how to register with Companies House, this is how much it's going to cost; you need a company bank account, so here's the link to who we recommend and here's the documentation. They explained the whole process of being a VAT-registered business.

I can be extremely cautious and nervous about these kinds of things, so having step-by-step help and the chaser every once in a while was really great. It was actually very, very helpful.

## **P: Did you notice any changes immediately?**

**T:** I have more paperwork to do, but it's all straightforward. There's no issues there. For example, I have a business bank account that I have to keep an eye on, but for the most part it's just a matter of keeping up with everything.

I would genuinely say that the admin work is now

present where it wasn't before. Previously would wake up, start work, submit my timesheet to my umbrella company, they pay you and that's it. Now, I do have more paperwork, but it's absolutely no hardship.

Overall, the process [of setting up a limited company] has been much easier than I thought. Even when it comes to things like filing my expenses; yes, I know that it's work I need to do, but it's work that actually benefits me, so I can't complain. Having those things explained to me by Lee, him reminding me that if I don't do it then X, Y, Z are the things that I'll be missing out on, that's the kind of encouragement that really helps.

## **P: What did it feel like to be the director of a company for the first time?**

**T:** You know, I didn't think about it too much. For me, it's much more about the actual day-to-day work that I need to do. It was just something that needed to happen. It didn't make me feel any different.

## **P: Have you found that the quality of the contracts you're now exposed to have increased since becoming a limited company contractor?**

**T:** Not really. It's more about your individual skills and abilities. How you're billed or how you invoice, that comes after the contract sign up, so it doesn't really impact the types of contracts that are available to me.

I understand why you'd ask the question, but for me it's not really been relevant. I've seen roles where [being a director of a limited company] has had an influence, but for me, no, that's not an issue.

## **P: Do you understand how IR35 affects you as a limited company contractor?**

**T:** I've contracted for years and I also worked full-time for businesses. I know and understand that I'm a contractor and I don't expect to be treated like an employee.

The fact there's legislation that defines what makes you an employee vs what makes you a contractor is really helpful. But as I said, I've contracted and been my own boss for years and I've always viewed myself as a contractor.

I know I don't have the same benefits [as permanent employees], but equally I know I can do my time and leave. From a psychological perspective, being a limited company contractor is absolutely not an issue for me. I know that I'm compliant with IR35.

## **P: Have you found that it's easy to understand what expenses you can and can't claim as a limited company contractor?**

**T:** Lee has been very clear about this as to what I can and can't claim.

And to be fair, if I have any questions, I'll just pick up the phone [to PayStream].

## **P: How has your working life changed since becoming a limited company contractor?**

**T:** I would say that, generally speaking, I have less stress - especially from a financial perspective, as I can see exactly what's going on in my own bank account. That's definitely a plus.

I'd say I probably have a bit less personal time, because obviously I have to do a little bit of paperwork. For me, having to spend five minutes filling in more than just a timesheet makes me groan. But really, it's not that bad. Apart from that, I wouldn't say that my working life has changed considerably.

## **P: Has working as the director of a limited company made you feel any different?**

**T:** I consider having a limited company just a mechanism to doing what I do. I consider it just part and parcel of what needs to be done. I don't really have any other feelings about it apart from it being just a few more tasks that I need to do. It is what it is.

I wouldn't say I feel any different now than before, but I would say I am more knowledgeable. I can be more confident about taking on new things; there's much less apprehension there, I can think 'what are the steps, what do we need to do next?' rather than feeling overwhelmed.

Just having the support of PayStream has helped to make me more confident in this regard; I'm comfortable doing what I'm doing, I don't have to worry, I can just go 'yeah'. That said, being [director of] a limited company really doesn't impact my thinking. It's just what's necessary to let me do what I enjoy.