

Starting a Business – Checklist

Prepared by K&R; Accountants Ltd

STARTING A BUSINESS CHECKLIST

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BEFORE YOU START

- ☐ Research your market and competition
- ☐ Write a simple business plan
- ☐ Check if you need any licences or permits
- ☐ Decide on a business name
- ☐ Choose your business structure

BUSINESS STRUCTURE DECISION

SOLE TRADER

- Simple to set up, no registration fee
- You keep all profits (after tax)
- Personally liable for business debts
- Pay Income Tax and Class 2/4 NI
- Best for: Low-risk businesses, testing an idea

LIMITED COMPANY

- Separate legal entity from you
- Limited liability (protects personal assets)
- £ 50 to register (online)
- Corporation Tax on profits
- Dividends taxed separately
- Best for: Higher earners, those wanting liability protection

PARTNERSHIP

- Two or more people sharing profits/losses
- Each partner pays tax on their share

- Consider a partnership agreement
- Best for: Businesses with multiple owners

REGISTRATIONS REQUIRED

FOR ALL BUSINESSES:

- ☐ Register for Self Assessment with HMRC
- Do this within 3 months of starting to trade
- Online at gov.uk/register-for-self-assessment

FOR LIMITED COMPANIES:

- ☐ Register with Companies House (£ 50 online)
- ☐ Register for Corporation Tax within 3 months
- ☐ Get a company UTR from HMRC

IF EMPLOYING STAFF (including yourself as director):

- ☐ Register as employer with HMRC
- ☐ Set up PAYE payroll
- ☐ Get employers liability insurance

IF VAT REGISTERED (or turnover over £ 90,000):

- ☐ Register for VAT with HMRC
- ☐ Set up MTD-compatible software

IF IN CONSTRUCTION:

- ☐ Register for CIS (contractor or subcontractor)
- ☐ Verify subcontractors before paying them

FINANCIAL SETUP

- ☐ Open a business bank account
- ☐ Choose accounting software (Xero, QuickBooks, FreeAgent)
- ☐ Set up a system for tracking income and expenses
- ☐ Consider getting a business credit card
- ☐ Set aside money for tax (25-30% of profits)

INSURANCE TO CONSIDER

- ☐ Public liability insurance (essential for most)
- ☐ Professional indemnity (if giving advice)
- ☐ Employers liability (if you have staff)
- ☐ Business contents insurance
- ☐ Business interruption insurance

FIRST 90 DAYS

- ☐ Invoice your first customers
- ☐ Track all expenses from day one
- ☐ Keep business and personal finances separate
- ☐ Start a mileage log if using your car
- ☐ Meet with an accountant to plan for tax

ONGOING COMPLIANCE

MONTHLY:

- ☐ Reconcile your bank account
- ☐ Submit VAT return (if quarterly)
- ☐ Submit CIS returns (if contractor)
- ☐ Process payroll (if you have staff)

QUARTERLY:

- ☐ Review your management accounts
- ☐ Submit VAT return (standard scheme)

ANNUALLY:

- ☐ Submit Self Assessment tax return (31 Jan)
- ☐ Submit company accounts (if limited)
- ☐ Submit confirmation statement (limited companies)
- ☐ Review your business plan and goals

KEY DEADLINES FOR NEW BUSINESSES

- Register for Self Assessment: Within 3 months of starting
- Register for VAT: Within 30 days of exceeding threshold
- First tax payment: 31 January following your first tax year

MISTAKES TO AVOID

1. Not keeping receipts from day one
2. Mixing personal and business money
3. Forgetting to register with HMRC
4. Not setting aside money for tax
5. Waiting until year-end to do bookkeeping

Starting a business in Stoke-on-Trent or Staffordshire?

Contact K&R; Accountants Ltd for a free consultation

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