THE BUSINESS STARTUP CHECKLIST NOBODY HANDS YOU

Everything to actually set up before you take your first client. Skip the perfectionism, get the boring bits right first.

BEFORE YOU DO ANYTHING ELSE

You don't become a real business once it looks right. You become one the moment you register.

Most people delay starting because they're waiting to feel ready. A better logo. A finished website. A business plan nobody will ever actually read. None of that makes you a business. Registering with HMRC or Companies House, opening the right bank account and knowing what you owe does.

The paperwork isn't the boring bit you do later. It's the bit that makes everything else legal.

Here's what actually needs doing, in the order that actually matters.

THE ORDER OF OPERATIONS

Six things to sort, in the order that saves you the most hassle

1

Choose your structure

Sole trader or limited company. Get this right first, everything else follows from it.

2

Make it official

Register with HMRC or Companies House. This is the step that legally makes you a business.

3

Sort your money admin

Separate bank account, a way to invoice, somewhere to log income and expenses from day one.

4

Learn the tax basics

VAT threshold, what counts as an expense, and the dates you can't afford to miss.

5

Protect yourself

Contracts, insurance, and knowing your responsibilities if you've gone limited.

6

Ignore the rest for now

The logo, the branding, the platform you haven't launched on yet. All optional at this stage.

01

Choose your structure

- [ ] **Sole trader vs limited company**
  Sole trader is simpler to set up and run. A limited company can be more tax efficient once profits grow and gives you liability protection. Know the difference before you register, not after.

- [ ] **If you're not sure, start as a sole trader**
  It's cheaper and far simpler to move from sole trader to limited company later than to unwind a company you didn't actually need yet.

- [ ] **Check IR35 if you're contracting**
  If most of your income comes from one client and looks like employment in all but name, this changes which structure genuinely makes sense for you.

- [ ] **Decide who owns what if there's more than one of you**
  A partnership and a multi shareholder limited company split liability, profit and control very differently. Agree this before you start trading, not after a disagreement.

02

Make it official

- [ ] **Register with HMRC for Self Assessment**
  If you're a sole trader, you must register by 5 October the year after you started trading. Don't wait until January, the online setup can take a couple of weeks.

- [ ] **Register with Companies House if going limited**
  Takes about a day online. The digital incorporation fee is currently £100. You'll need a registered office address, it doesn't have to be your home.

- [ ] **Check your business name is actually available**
  Search the Companies House register and the trademark register before you print anything or build a website. A name clash later is expensive to fix.

- [ ] **Register for anything trade specific**
  Some trades need a licence or professional registration before you can legally operate. Check this before you take your first booking, not after.

STEP THREE

03

Money admin from day one

- [ ] **Open a separate business bank account**
  Even sole traders should. Mixing personal and business money is the single fastest way to lose track of what you actually earn.

- [ ] **Set up bookkeeping before your first invoice**
  A spreadsheet is fine to start with. The point isn't the tool, it's starting before the receipts pile up somewhere you'll never find them.

- [ ] **Decide how you'll invoice and get paid**
  Put your payment terms in writing upfront. Chasing money later is much harder than being clear about it before the work starts.

- [ ] **Put tax money aside as you earn it**
  A rough rule of thumb is 20 to 30 percent of profit into a separate account. That way January isn't the month you find out you can't pay your bill.

Tax basics you can't skip

- [ ] **Know the VAT threshold**
  Currently £90,000 of taxable turnover in any rolling 12 month period, not just the tax year. Check it monthly, not annually, so it doesn't catch you off guard.

- [ ] **Know what counts as a genuine business expense**
  Keep every receipt from day one. You can decide later what's actually claimable, but you can't claim what you didn't keep.

- [ ] **Understand payments on account**
  If you're on Self Assessment, HMRC can ask you to pay next year's estimated tax in advance. Know this exists before your first bill arrives.

- [ ] **Know your filing deadlines before you need them**
  Self Assessment is due 31 January. Limited companies have separate deadlines for annual accounts and Corporation Tax. Write them down now.

05

Protect yourself

- [ ] **Get basic contracts or terms in writing**
  Even a one page agreement beats a verbal understanding when a client disputes what was agreed. Have something before your first job, not your first disagreement.

- [ ] **Look into business insurance**
  Professional indemnity or public liability, depending on what you do, is often cheaper than people expect and covers a genuinely painful gap if something goes wrong.

- [ ] **Understand your responsibilities as a director**
  A limited company comes with legal duties, not just tax advantages. Know what you're signing up for beyond the numbers.

- [ ] **Back up your business records properly**
  Losing your records isn't just inconvenient. If HMRC ever asks and you can't produce them, it's a compliance problem too.

06

What to genuinely ignore for now

- [ ] **A perfect logo**
  Nobody has ever chosen an accountant, a plumber or a coach because of their logo. Get a decent one later, don't let it delay you now.

- [ ] **A forty page business plan**
  Genuinely useful if you're seeking investment. Dead weight if you're not. Write a one page version of your plan instead and get moving.

- [ ] **Every social platform at once**
  Pick the one your customers actually use, do it properly, then add more once the first one is working.

MYTH
"I need to look established before people take me seriously."

REALITY
People take you seriously when you're clear, respond quickly and know your numbers. Not because your website has a parallax scroll.

WHAT WE SEE MOST

The mistakes new business owners make, over and over

MISTAKE 01

Mixing personal and business money from month one

It feels harmless at first. By year end, nobody can say what the business actually made. **Fix: one separate account, used for everything, from day one.**

MISTAKE 02

Not tracking turnover against the VAT threshold

Growth feels good until you realise you crossed £90,000 two months ago and didn't register in time. **Fix: check your rolling 12 month turnover monthly, not at year end.**

MISTAKE 03

Registering as a limited company before it's needed

More admin, more cost, more filing, for a tax benefit that often doesn't exist yet at low profit levels. **Fix: start sole trader, switch when the numbers actually justify it.**

MISTAKE 04

Spending the VAT and tax money before it's owed

Cash in the account feels like profit. Some of it was never yours to spend. **Fix: move your tax percentage out the moment you get paid.**

MISTAKE 05

Waiting until the deadline to ask for help

By the time it's urgent, the cheap and easy fixes are usually already off the table. **Fix: ask the question the week you're unsure, not the week it's due.**

QUICK REFERENCE

Dates worth writing down now

5 Oct

Register for Self Assessment
If you became a sole trader in the previous tax year and haven't registered yet.

31 Jan

Self Assessment tax return and payment
Online return and any tax owed for the previous tax year, plus first payment on account if it applies.

30 days

VAT registration window
From the point you cross, or expect to cross, the £90,000 rolling 12 month threshold.

Annually

Confirmation statement (limited companies)
Filed with Companies House every year to confirm your company details are current.

9 months

Corporation Tax payment deadline
After your company's year end, though the return itself is due 12 months after year end.

Figures and deadlines correct at time of writing. Rules and thresholds change, always confirm the current position at gov.uk or with your accountant before relying on a date.

You don't need to have this figured out alone.

Starting is the hard part. Getting the setup right the first time means you're not paying to fix it eighteen months from now.

BOOK YOUR FREE STARTUP CALL

30 minutes. We'll look at what you're planning and tell you straight what order to do it in.

Click here to book your slot →

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