

I've Become a Sole Trader... Now What?

What's Changed?

As a sole trader, there's no legal separation between you and your business. That means you keep all the profits, but you're also personally responsible for any business debts and taxes. You're now in charge of your own business admin - but don't worry, it doesn't have to be overwhelming.

What You Need To Do Now

- **Register with HMRC.** You need to register for Self Assessment as a sole trader so you can file a tax return each year. This should be done as soon as you start trading.
- **Keep proper records.** You must track all income and expenses from day one. This makes completing your tax return easier and helps you know how your business is doing.
- **Set aside money for tax.** As a sole trader, no one deducts tax for you. It's a good idea to save around 20–30% of your profits to cover tax and National Insurance.
- **Use a separate bank account.** It's not a legal requirement, but keeping your business and personal finances separate will make life much easier - especially when claiming expenses.
- **Claim allowable expenses.** These reduce the tax you pay. You can claim for things like business travel, phone bills, office supplies and more - I can help you understand what counts.
- **Stay on top of deadlines.** You'll need to file a tax return each year (usually due by 31 January) and pay any tax you owe.

How I Can Help

I can:

- Register you with HMRC for Self Assessment
- Help you track income and expenses properly
- Make sure you're saving the right amount for tax
- Complete and file your tax return for you
- Give ongoing advice as your business grows

Easy Mistakes to Avoid

- ✗ Forgetting to register with HMRC
- ✗ Mixing personal and business money
- ✗ Leaving everything to the last minute
- ✗ Not keeping receipts or proper records
- ✗ Missing out on expenses you're entitled to claim

Need a hand?

Starting a business is exciting, but it's easy to feel unsure in the early days. If you want someone to keep you on the right track from the start, get in touch - I'm here to help.