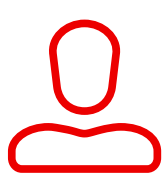


It can be easy to overlook certain steps when starting up your business. Try using this checklist to keep you on-track.

Before you get started setting up your business, you need to decide on a business structure. Check out our **recommended reading** for guidance on choosing a business structure.



Sole trader

You run your own business and are self-employed. This is the most straightforward way to start, but does mean you'll be personally liable for any business debt.

Limited company

A business that's managed privately, owned by shareholders and run by directors. Limited companies legally have separate finances from the founder's personal finances.

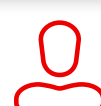
Partnership

Two or more people agree to start a business and each have a share in the profits and losses of the business.

Social enterprise

A social enterprise is an organisation that uses their profit to create a positive social change. If you want to set up a social enterprise business, you can set up as a limited company, a sole trader or a business partnership.

Setting up as a sole trader



Consider trademarking your business name

There are rules for choosing a sole trader business name - find out more [more about sole traders at gov.uk](#). Once you choose your business name, you can apply to register a trade mark to prevent other people from trading under your business name.

Register for tax

You'll need to register for self-assessment tax returns. If you're worried about managing your tax returns, there are a number of digital finance tools that can help you with this. Check out our **recommended reading** or suggestions.

Find out what business records you need to keep

As a self-employed individual, you'll need to keep a record of business income and expenses for your tax return. You can find out more about your business records [here](#).

Setting up a limited company



Check what records you will need to keep

You'll need to keep records about the company, including financial and accounting records. You can find more information on what you need to [record and keep at gov.uk](#).

Choose directors

Directors have a number of responsibilities such as keeping company records, reporting changes, filing company tax returns, and much more.

Choose shareholders

You'll need at least one shareholder; shareholders can also be directors. You'll also need to identify the people with significant control over your company.

Register your company

You'll need to register an official address for your company, along with a SIC code. A SIC code identifies what your company does. [You can check what your SIC code would be at gov.uk](#).

Prepare documents for directors and shareholders

The documents will detail agreements on how your company will be run. You'll need to prepare:

- Memorandum of Association: A legal statement signed by all shareholders agreeing to form the company
- Articles of Association: A set of rules about the running of the company, agreed on by shareholders and directors.

Choose a name

Before you decide on a name, [check the rules at gov.uk](#). You can then check if the name you want is available and investigate any existing trademarks.

Setting up a partnership



Choose a name

You can use your own names, or a business name. If you decide to use your own names, you don't need to register this as a trademark. If you use a business name, you must follow the rules for business partnership names.

If you've created a unique name for your business, you should register it as a trademark.

Choose a 'nominated partner'

The nominated partner is responsible for keeping business records and managing tax returns.

Register the partnership

If you're the 'nominated partner' you will need to register with HM Revenue and Customs (HMRC) for a self-assessment. This means you're responsible for sending the partnership's tax returns.



Have you already decided what type of business structure is right for you? Use the government website to research each type in more detail and ensure your chosen business structure is right for you. Links can be found in the **recommended reading** section.

Next steps

Let's look at further steps to take, no matter what the business structure you decide on:

Protect your intellectual property

Patent protection, trade secrets, trademarks and copyrights are all forms of intellectual protection you can apply for to prevent anyone from claiming your idea as their own.

Apply for licences or permits

You can find out what licences and permits are relevant to your business on the government website at [gov.uk/licence-finder](#).

Consider where your business will operate from

Do you plan on renting or buying a premises? Or maybe you're considering setting up an online business.

Business insurance

This will depend on the type of business you are starting. You can also tailor your policy according to your needs.

Banking

Think about opening a business current account. Find out more [here](#).

Securing funding

A business plan will give you a clear vision of what you are aiming to achieve and how, which is essential when looking to secure funding.



Practice your elevator pitch. Have a go at confidently describing your business idea in to another person in 30 seconds. Ask them to provide you with feedback: Do they understand your idea clearly? Is there anything missing from your pitch?

Thinking of employing people? There are a few things you need to consider:

- Payroll
- Health and safety
- Employer insurance

You can find more guidance on this in our Recommended Reading section.

Want to find out more about employing others?

BrightHR resources, webinars and blogs provide further tips and insight: [brighthr.com/resource-centre](#)

Recommended reading

Deciding which business structure is right for you

[gov.uk/set-up-self-employed](#)
[gov.uk/set-up-limited-company](#)
[gov.uk/set-up-business-partnership/register-partnership-with-hmrc](#)
[gov.uk/set-up-a-social-enterprise](#)

Digital finance tools to help you manage your banking

[xero.com/uk](#) Xero is an accounting software with a range of features such as calculating VAT, helping you to track and pay bills on time, and accepting online payments. You can even connect your bank to Xero and set up bank feeds.

[withplum.com](#) Plum is aimed at personal budgeting to help you get a real time view of your daily spends.

[zoho.com/uk/books](#) Zoho Books is an online accounting software available in the UK that can help you manage your finances, prepare your audit reports and VAT returns, and automate business workflows.

[netsuite.co.uk](#) Netsuite is a financial management system that can streamline accounting tasks, manage billing processes and help with financial reporting.

Thinking of employing people? Check out these government resources:

[gov.uk/payee-for-employers](#)
[hse.gov.uk/workers/employers.htm](#)
[gov.uk/employers-liability-insurance](#)

Santander resources:

[Side Hustle Toolkit](#)
[Female Entrepreneurs](#)
[Realising the value of patenting your product](#)