

STARTING IN BUSINESS CHECKLIST



Use this "10 steps" checklist to ensure you are starting your business on the right foot

This advice is considered accurate at the time of publishing but please do not wholly rely on the information provided.

STEP 1:

SAVE YOURSELF £100 BY EARLY REGISTRATION WITH THE INLAND REVENUE



REGISTER FOR SELF EMPLOYMENT WITH HMRC

As a chiropractor starting a new business, you will need to register this change of trading status with the HM Revenue and Customs (the people who deal with tax and VAT)

This can be done by downloading or completing a hard copy of the Form CWF1

THIS MUST BE DONE WITHIN 3 MONTHS OF STARTING SELF EMPLOYMENT OR A PENALTY OF £100 IS LIKELY TO BE ISSUED BY THE H.M.R.C

REGISTER CLASS 2 NATIONAL INSURANCE (N.I)

Now that you are self-employed there will be some changes to how your tax and N.I is dealt with

Class 2 N.I must be paid if you are self employed and over the age of 16, below state retirement pension age and have not been excepted from liability to pay. The 2009 amount payable is £2.30 per week.

Class 2 contributions give entitlement to a range of contributory benefits including incapacity, maternity allowance, basic state pension and bereavement benefit.

Class 2 NI can be paid by direct debit by downloading or completing a hard copy of the Form CA5601

DONE

WE OFFER:

The forms and help and assistance with completing the forms

STEP 2:

GET ORGANISED!



When starting self employment you will need to keep books and records for a number of reasons:

- o to pass to an accountant to prepare your financial accounts and tax return for the year. This will help identify all possible tax deductible expenses and ensure the tax bill is as low as possible
- o to keep for a minimum of 5 years after the filing date to satisfy H.M.R.C should they wish to investigate your tax return
- o to run your business in an organised and effective manner and provide you with valuable information



You can choose to keep manual records but electronic ones are preferred by most accountants to prevent duplication of work.

DONE

WE OFFER:

Several electronic software solutions. Training and support

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STEP 3:



DON'T RELY ON TYING KNOTS TO REMEMBER THE IMPORTANT DATES

There are lots of important dates to remember when you are self-employed and it may pay to do some research now so that important deadlines are not missed.

Some personal tax dates to start with:

5th April	tax year end
31st January	tax payment due and first payment on account
31st October	tax return due for filing with the Inland Revenue
31st July	second payment on account due

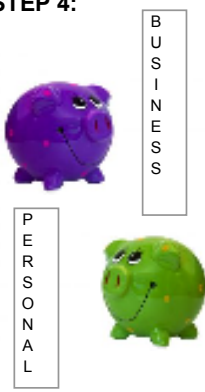
Your accountant will also require your books and records sent to them in order to prepare your accounts (usually between May and October for 5 April year ends)

Your year end

An accountant can help you to establish what your business's year end will be. It is a good idea to find this out sooner rather than later though as it will determine how you keep your books and records (see above). Most of our chiropractic clients who are self-employed operate using a 31st March year end to co-incide with the tax year end on 5 April.

WE OFFER: A personalised calender to help you schedule your important dates
Reminders by text or email when deadlines are coming up DONE

STEP 4:



DON'T MIX BUSINESS WITH PLEASURE!

It is very important that now you are starting in business that you arrange to have a separate bank account for business income and expenses

Having a separate bank account * will mean that it is easier to track business income and expenses than if they are combined within your personal bank account. Also at the end of the financial year, your accountant will need to reconcile and agree the balance on your business bank to satisfy the Inland Revenue.

This does not have to be a business account / credit card, just a separate bank from your personal transactions.

WE OFFER: Details of a recommended business bank DONE

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STEP 5:

USE SOMEONE WITH EXPERIENCE TO BE A HELPING HAND ON YOUR ROAD TO SUCCESS



Although appointing an accountant may seem like a cost you do not want to incur in your first year of business, your accountant will be not only be able to make an accurate calculation of your tax but they can also ensure that you are not missing out on valuable tax savings, often resulting in saving you money in the long run. Your accountant can explain the way in which the tax system for self-employment works, describe tax terms to avoid confusion, help determine your year end and answer any initial queries you may have. They can then be relied on to contact with questions throughout the year.

A good advisor will also be aware of "tax breaks" that other ones will not be.

WE OFFER:

A specialist graduate package to ensure costs are low in your first three years of business

DONE

STEP 6:

DON'T FEAR THE ARRIVAL OF THE TAX BILL.... SAVE IN ADVANCE



Now that you are self-employed it is necessary to plan for future tax bills.

We suggest saving about 15% of your gross income in a separate bank account for the tax bill

WE OFFER:

Tax planning. 6 monthly tax estimates. A speedy tax service

DONE

STEP 7:

DON'T LET YOUR BUSINESS BE A GAME OF CHANCE



Even if you are starting in business as an associate and not in your own practice, it is still a good idea to have an idea of the targets you would like to reach in terms of income and net profit levels.

Also if you have plans to set up your own clinic, it is useful to have an idea of when you would like to do this so that steps can be made to ensure that your plans are met. It is therefore a good idea to document your initial goals and ideas for expansion on a business plan. This plan may also evolve as your business does.

WE OFFER:

Free business plan software. Advise and guidance on business plans

DONE

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STEP 8:



PROTECT YOUR SELF AND LOVED ONES IN THE EVENT OF BEING UNABLE TO WORK

As a business owner, have you considered what will happen if you were suddenly unable to work? As you are not employed, your income would effectively fall to zero!

There are a wide range of covers and insurances to ensure you are paid an income whilst unable to work or paid to your family in the event of death.

Income protection / Permanent Health Insurance ensures that if unable to work for medical reasons, you will be paid an income through the insurance company (subject to terms)

Critical illness pays out a lump sum in the event that you are diagnosed with a critical illness (subject to terms)

Life cover pays out a lump sum in the event of death of the nominated individual. This can be used if you have financial dependents.

WE OFFER:

A Free Wealth Review to assess if these would benefit you

DONE

STEP 9:



PROTECT YOUR BUSINESS AGAINST THE COST OF TAX INVESTIGATIONS

Unfortunately, the Inland Revenue investigate a certain number of tax returns each year. Some of these checks are based on the statistics of the returns filed and others are purely random checks.

Either way the accountancy costs of an investigation can amount to thousands of pounds so we recommend insuring yourself against these potential costs.

If you are a member of the BCA or UCA then some insurance cover may be included with your annual membership costs. It is best to check and ensure the cover is sufficient for your requirements

WE OFFER:

Insurance cover from £150 per year

DONE

STEP 10:



ASK QUESTIONS! UNTIL YOU UNDERSTAND

Knowledge is the key to success.

Ask questions about your bookkeeping, tax, accounts, business until you understand how it works.

WE OFFER:

Lots of handouts and links to articles on our website
Email and telephone support (dependent on the service)

DONE