



Simple guide to questions for Sole Traders

There are so many different questions around running a sole trader business. Here are a few of the essential ones you may have:

1. How do I set up a Sole Trader Business?

This needs to be done with HMRC. Call or visit the Website. Alternatively we can set up your business for you for just £50 + VAT.

2. Do I need a separate bank account?

No, not officially however it could be beneficial to have a business bank account. Firstly it keeps your business separate from your personal affairs. You will also benefit from having a business manager to advise and guide you and possibly create referrals for you, essentially forming part of your sales team.

3. Can I VAT register?

Yes, VAT registration is related to sales not status. Take a look at my 'Guide to early VAT registration' for more information.

4. Do I need to do a tax return?

Yes, you must detail all income and certain taxable expenditure both business related and personal.

5. When do I pay tax?

The deadline to file your return and pay any tax owing is the 31st January annually following the previous tax year. It may be likely that as your business grows you may also need to make contributions towards your tax in January and July annually. These are known as payments on account. Take a look at my Video, 'When to pay taxes' for more guidance: www.inca-accountants.co.uk.

6. What can I claim?

You can claim expenses directly related to the running of the business. This would be different for different types of businesses. Typically though it could include travel, materials, equipment and insurance. You might also claim for: Professional fees and subscriptions, bank charges, and marketing. With mobile phones you can claim for the business proportion of your bill.

7. Can I claim for food and meals?

Generally no! As a Sole Trader you can only claim for meals when they are related to an overnight business stay.

These are just a few of the questions you may have about being a sole trader. I'd be delighted to hear any other questions you may have which I can add to this guide. If you need any guidance on being a sole trader please feel free to give me a call. We would love to support and guide you. That's why we call it "Caring Accounting".



Call Me - Graham at Inca
on
01235 868888 or email
gcarson@incauk.biz