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FREE RESOURCE · UPDATED NOVEMBER 2026

The UK Startup Toolkit

Everything you need to go from idea to first customer: a step-by-step UK startup checklist, a startup costs calculator and 50 ready-to-use AI prompts.

1

Startup Checklist

40 practical steps across six stages, with UK rules, deadlines and fees.

2

Costs Calculator

Spreadsheet that works out your startup budget, runway and break-even point.

3

50 AI Prompts

Copy-and-paste prompts for planning, marketing, sales and admin.

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START HERE

How to use this toolkit

Work through the checklist in order, but don't let it slow you down. Stage 1 matters most: prove people will pay before you spend serious money. Tick items off as you go and come back to the key dates page every few months.

Sole trader or limited company? Page 3

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Key UK tax dates Page 7

50 AI prompts for your business Pages 8 to 10

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Using the AI prompts: paste them into ChatGPT, Claude, Gemini or Copilot and replace everything in [square brackets] with your own details. The more specific you are, the better the answer. Always check facts, figures and anything legal or tax-related before relying on it.

Please note: this toolkit gives general information about starting a business in the UK, checked in November 2026. Fees, thresholds and rules change, and your situation may differ. It isn't legal, tax or financial advice. Check GOV.UK, HMRC and Companies House for the latest position, and speak to an accountant if you're unsure.

YOUR FIRST BIG DECISION

Sole trader or limited company?

Neither is "right" for everyone. Many people start as a sole trader to test an idea, then move to a limited company once profits grow. If you're unsure, a one-off chat with an accountant is money well spent.

	Sole trader	Limited company
Setting up	Register for Self Assessment with HMRC. Free.	Incorporate at Companies House (£100 online), then register for Corporation Tax.
Liability	You're personally liable for business debts.	The company is a separate legal entity; liability is usually limited to what you invested.
Tax	Income Tax and Class 4 National Insurance on profits.	Corporation Tax on profits; directors pay personal tax on salary and dividends.
Admin	Lower: one Self Assessment return a year (plus MTD updates once it applies).	Higher: annual accounts, a confirmation statement (£50), a company tax return and payroll.
Privacy	Your details aren't on a public register.	Directors and shareholders appear on the public Companies House register.
Good for	Testing an idea, low-risk services, simple side hustles.	Higher profits, taking on risk or investment, contracts that require a company.

KEY NUMBERS (NOVEMBER 2026)

£1,000
Trading allowance: below this, you usually don't need to register as self-employed.

£90,000
VAT registration threshold (taxable turnover in any rolling 12 months).

£50,000
Making Tax Digital for Income Tax applies above this from April 2026 (£30,000 from April 2027; £20,000 from April 2028).

£100
Companies House online incorporation fee.

£50
Annual confirmation statement fee for limited companies (online).

£52
ICO data protection fee, tier 1 micro business (£47 by Direct Debit).

PART 1

The UK Startup Checklist

Six stages, from first idea to first customers. Tick each box when it's done.

1 Test the idea before you spend

Most new businesses fail for lack of customers, not lack of paperwork. Prove someone will pay first.

- [ ] **Write one sentence on who you help and what problem you solve**
  If you can't say it in one line, customers won't get it either.
- [ ] **Name your first 20 likely customers**
  Real people or businesses you could contact this month.
- [ ] **Check three competitors**
  Note their prices, what reviewers praise and what they complain about.
- [ ] **Talk to at least 10 potential customers**
  Ask about the problem and what they do now, not whether they like your idea.
- [ ] **Get a first sign of commitment**
  A pre-order, a deposit, a paid pilot or a waiting-list sign-up.
- [ ] **Set a test budget and a deadline**
  Decide what you'll spend and by when you'll decide to go, change or stop.

2 Choose your structure and register

Most people start as a sole trader or a private limited company. See the comparison opposite.

- [ ] **Pick sole trader or limited company**
  You can start as a sole trader and incorporate later.
- [ ] **Check your business name**
  Search the Companies House register and the IPO trade mark search before you buy a domain or print anything.
- [ ] **Sole trader: register for Self Assessment**
  Deadline: 5 October after the end of the tax year you started. Not needed if your trading income is under the £1,000 trading allowance.
- [ ] **Limited company: incorporate at Companies House**
  £100 online. You'll need a registered office address, director(s), shareholders, people with significant control and a SIC code. Directors and PSCs must verify their identity.

- [ ] **Limited company: register for Corporation Tax**
  Within 3 months of starting to do business (trading, buying, selling or advertising).

- [ ] **Pay the ICO data protection fee if it applies**
  Most businesses that hold customer data electronically must pay. Tier 1 (micro) is £52, or £47 by Direct Debit. Use the ICO's self-assessment to check.

- [ ] **Check licences and permissions**
  Food, alcohol, street trading, childcare, taxis and some home-based work need a licence or council registration. Food businesses register with the council at least 28 days before trading.

- [ ] **Working from home? Check your lease or mortgage and home insurance**
  Some agreements restrict business use; tell your insurer.

3 Sort out the money

Separate, simple, digital. Set this up before your first sale.

- [ ] **Open a business bank account**
  Required for a limited company; strongly advised for sole traders so records stay clean.

- [ ] **Choose bookkeeping software that's MTD-compatible**
  Making Tax Digital for Income Tax applies to sole traders with qualifying income over £50,000 from April 2026, over £30,000 from April 2027 and over £20,000 from April 2028.

- [ ] **Work out your startup costs and runway**
  Use the Startup Costs Calculator in this toolkit.

- [ ] **Set your prices from costs, not guesses**
  Cover direct costs, your overheads and a fair wage for your time, then check against competitors.

- [ ] **Open a separate tax savings pot**
  A common rule of thumb is to put aside 20 to 30% of profit. Your accountant can give you a figure for your situation.

- [ ] **Watch the VAT threshold**
  You must register if taxable turnover passes £90,000 in any rolling 12 months, or you expect it to within the next 30 days. You can also register voluntarily.

- [ ] **Keep every receipt and invoice**
  Sole traders keep records for at least 5 years after the 31 January deadline; companies for 6 years.

- [ ] **Decide who'll do your accounts**
  DIY with software, a bookkeeper, or an accountant. Get a quote before your first year-end.

4 Protect the business

A few low-cost steps that stop small problems becoming expensive ones.

- [ ] **Get the right insurance**
  Employers' liability is compulsory once you employ staff (with limited exceptions). Public liability and professional indemnity are optional but many clients ask for them.
- [ ] **Write simple terms and conditions**
  Cover payment terms, cancellations, refunds and what's included.
- [ ] **Use a written agreement or proposal for every client job**
  Even a one-page email confirmation beats a handshake.
- [ ] **Publish a privacy policy and cookie notice on your website**
  Required under UK GDPR and PECR if you collect personal data or use non-essential cookies.
- [ ] **Secure your accounts**
  Use a password manager and two-factor authentication on email, banking and payment accounts.
- [ ] **Hiring? Register as an employer before the first payday**
  Run payroll through PAYE, check right to work, and set up a workplace pension for eligible staff.

5 Get found online

You don't need an expensive website on day one. You need to be findable and credible.

- [ ] **Register a domain that matches your business name**
  .co.uk and .com if you can.
- [ ] **Set up a professional email address**
  you@yourbusiness.co.uk looks more trustworthy than a free address.
- [ ] **Build a simple website**
  Home, services, about, contact, plus your privacy policy. Clear offer, clear call to action.
- [ ] **Create a free Google Business Profile**
  Essential if you serve a local area.
- [ ] **Claim your social media handles**
  Focus on the one or two platforms your customers actually use.
- [ ] **Ask your first happy customers for reviews**
  Make it easy: send a direct link.

6 Win your first customers

Do things that don't scale. Your first ten customers come from conversations, not adverts.

- [ ] **Tell everyone you know what you now do**
  A short, specific message: who you help, how, and what to do next.
- [ ] **Contact your list of 20 likely customers**
  Personal messages, not a mass email.
- [ ] **Create a simple offer for first customers**
  A starter package, a launch price or a guarantee lowers the risk of saying yes.
- [ ] **Join one or two places your customers gather**
  Local networking groups, online communities, trade associations.
- [ ] **Track every lead in one place**
  A spreadsheet or a free CRM is enough to start.
- [ ] **Review weekly: what brought in enquiries?**
  Do more of what works; drop what doesn't.

✓ Key UK tax dates

31 January	Self Assessment online return and balance of tax due; first payment on account.
31 July	Second payment on account (if you make payments on account).
5 October	Deadline to register for Self Assessment if you started trading in the last tax year.
Every quarter	MTD for Income Tax updates, once your income brings you in.
Every year	Limited companies: confirmation statement, annual accounts (9 months after year-end) and Corporation Tax payment (9 months and 1 day after year-end).

PART 2

50 AI prompts for your business

Copy a prompt, replace the [brackets] with your details and paste it into your AI assistant. Ask follow-up questions to refine the answer: "make it shorter", "give me three more options", "rewrite for a younger audience".

Idea & validation 10 prompts

01 I want to start a [type of business] in [UK town or region]. List 10 specific customer groups who might pay for it, and for each one the main problem it would solve.

02 Act as a sceptical investor. Here is my business idea: [describe idea]. Give me the 7 biggest reasons it might fail and one way to test each risk cheaply.

03 Write 10 open questions I can ask potential customers about [problem] that won't lead them towards saying they like my idea.

04 Summarise these customer interview notes into themes, direct quotes and the problems mentioned most often: [paste notes].

05 Compare these three competitors on price, target customer, main promise and gaps I could fill: [paste names, links or notes].

06 Suggest 5 ways I could test demand for [product or service] in the next 14 days with a budget under £[amount].

07 Write a one-page landing page to pre-sell [offer] to [audience]. Include a headline, three benefits, a short FAQ and a clear call to action.

08 Help me write a one-sentence positioning statement: I help [who] to [result] by [how], unlike [alternative]. Give me 5 versions.

09 Brainstorm 20 business name ideas for [description]. Keep them short, easy to spell and suitable for a .co.uk domain.

10 Based on this feedback, should I go ahead, change the idea or stop? Explain your reasoning and what extra evidence would change your view: [paste feedback].

Planning & finance 10 prompts

11 Create a lean one-page business plan for [business], covering problem, customer, offer, channels, pricing, costs, key numbers and the next 90 days.

12 List every likely startup cost for a [type of business] in the UK, split into one-off costs and monthly costs, with a typical price range for each.

13 Help me price [service or product]. My direct cost per sale is £[x], monthly overheads are £[y] and I want to earn £[z] a month. Show the maths.

14 Explain in plain English the differences between running [my business] as a sole trader and as a limited company. List the questions I should ask an accountant.

15 Turn these goals into a 90-day action plan with weekly milestones: [paste goals].

16 Build a simple 12-month cash flow forecast table for [business], with assumed monthly sales of [number] at £[price] and these costs: [list].

17 What are the main financial risks for a new [type of business], and how can I reduce each one?

18 Write a short, polite payment reminder email for an invoice that's [number] days overdue. Firm but friendly, in UK English.

19 Write a funding request summary for a start-up loan application for [business], covering what the money is for, how it will be repaid and the evidence of demand.

20 Review my monthly figures and point out anything I should look into: income £[x], costs [list], cash in bank £[y].

Marketing & content

10 prompts

21 Describe my ideal customer for [business]: their situation, goals, frustrations, where they spend time online and the words they use to describe the problem.

22 Write 10 headline options for a homepage that sells [offer] to [audience]. Focus on the outcome, not the features.

23 Create a 4-week social media content plan for [platform] for [business], with 3 posts a week mixing tips, proof and offers.

24 Turn this blog post into 5 LinkedIn posts, 5 short video scripts under 45 seconds and 1 email: [paste post].

25 List 20 questions my customers search for on Google about [topic], grouped by how ready they are to buy.

26 Write a 600-word blog post answering '[question]' for UK small business owners. Practical, no fluff, with a clear next step at the end.

27 Write a Google Business Profile description for [business] in [area] under 750 characters, including the services and areas we cover.

28 Suggest 5 free lead magnet ideas that would attract [audience] and lead naturally to buying [offer].

29 Write a 3-email welcome sequence for new subscribers to [business]. Email 1 delivers the freebie, email 2 shares a quick win, email 3 introduces the offer.

30 Review this marketing copy and make it clearer, shorter and more specific. Keep the tone friendly and British: [paste copy].

Sales & customers

10 prompts

31 Write a short, personal outreach message to a [type of prospect] introducing [service]. No hard sell; end with an easy question.

32 Create a simple sales script for a 15-minute discovery call for [service], with questions to understand the client's problem, budget and timeline.

33 List the 10 most likely objections to buying [offer] and write a calm, honest response to each.

34 Write a one-page proposal for [client] for [project], covering their goal, the approach, what's included, timeline, price and next steps.

35 Design three pricing packages (basic, standard, premium) for [service], explaining what goes in each and why.

36 Write a follow-up email to a prospect who went quiet after receiving my proposal [number] days ago.

37 Write a short email asking a happy client for a Google review, with the link: [link].

38 Create a client onboarding checklist for [service] so every new customer gets a consistent, professional start.

39 Write a polite response to this customer complaint that acknowledges the issue and offers a fair solution: [paste complaint].

40 Suggest 10 ways to get more repeat business and referrals from existing customers of [business].

Operations & productivity 10 prompts

41 Write a step-by-step standard operating procedure for [task] that a new assistant could follow without asking questions.

42 Here is my weekly to-do list: [paste]. Sort it into do now, schedule, delegate and drop, and explain why.

43 Suggest a simple set of tools for a one-person [type of business] covering bookkeeping, invoicing, email, scheduling and file storage. Prefer UK-friendly options.

44 Which tasks in my business could I automate? Here's what I do each week: [list]. Suggest specific automations and tools.

45 Create a monthly admin checklist for a UK [sole trader / limited company], including bookkeeping, tax savings, invoicing and backups.

46 Write a clear job description for a freelance [role] to help with [tasks], including skills, hours and how I'll measure success.

47 Turn these messy meeting notes into a summary, decisions and an action list with owners and dates: [paste notes].

48 Create an email template library for my 5 most common customer emails: [list them].

49 Help me plan a focused workweek. I have [hours] hours for the business and these priorities: [list]. Suggest a time-blocked schedule.

50 Act as a business coach. Ask me 10 questions to review my last month, then summarise what went well, what didn't and my top 3 priorities for next month.

PART 3

Using the Startup Costs Calculator

The calculator is the spreadsheet that came with this guide (UK-Startup-Costs-Calculator.xlsx). It opens in Excel, Google Sheets, Numbers or LibreOffice.

1. Startup Costs tab

List one-off costs (equipment, website, registration, stock) and monthly running costs. Only the blue cells need editing.

2. Sales & Break-even tab

Enter your average price, cost per sale and expected monthly sales. It works out your break-even point.

3. Summary tab

Shows total startup budget, monthly burn, how many months your money lasts and the sales you need each month.

Tip: add a contingency. The calculator includes a 15% buffer by default because almost every new business spends more than planned. You can change it on the Summary tab.

What's next?

Every Monday we'll send you one tool, one template and one tip to help you run a smarter business. Explore more free guides, honest software reviews and ready-to-use templates at biztut.com.

Useful official sources: gov.uk/set-up-business · gov.uk/register-for-self-assessment · ico.org.uk data protection fee

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