

IDEA TO IMPACT

by Duygu Iplikci Ergin

BONUS MODULE

How to Start a Business Online in the UK

Your Step-by-Step Legal & Practical Setup Guide

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MODULE OVERVIEW

From Idea to Official Business — All Online

Starting a business in the UK has never been easier — but knowing the right steps in the right order saves you time, money, and legal headaches. This guide walks you through every step, from choosing your structure to making your first sale.

<p>7</p> <p>Steps to Launch</p>	<p>£12</p> <p>Cost to Register a Ltd Company</p>	<p>£90K</p> <p>VAT Registration Threshold</p>
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STEP 01: CHOOSE YOUR BUSINESS STRUCTURE

Your structure affects your taxes, liability, and how you raise money.

Sole Trader	Simplest option. You keep all profits but are personally liable for all debts. Best for freelancers and solo starters.
Limited Company	Separate legal entity. Protects your personal assets. Better for growth, investment, and credibility.
Partnership / LLP	Starting with someone else? A partnership or Limited Liability Partnership gives shared ownership with clear legal structure.

STEP 02: PICK YOUR BUSINESS NAME

Your name is your first brand impression — choose it carefully.

Check availability	Search Companies House (companieshouse.gov.uk) to ensure no one else has the name.
Avoid restricted words	Words like "Royal", "Bank", or "Institute" require special permission.
Check the domain	Make sure the .co.uk or .com domain is available. Consistency across name, domain, and social handles builds trust.

STEP 03: REGISTER YOUR BUSINESS

Make it official — this is simpler and cheaper than most people think.

Sole Trader	Register on HMRC's website for Self Assessment. You'll receive a Unique Taxpayer Reference (UTR) by post.
Limited Company	Register at Companies House for just £12 online. You'll need: company name, registered address, director details, and a SIC code.
SIC Code	A 5-digit code identifying your business activity. Search the full list at siccodes.uk or gov.uk . You can pick up to 4 codes.

STEP 04: OPEN A BUSINESS BANK ACCOUNT

Keep your business and personal finances completely separate from day one.

Digital-first options	Monzo, Starling, and Tide offer free business accounts that open in minutes online.
Traditional banks	HSBC, Barclays, Lloyds — better for larger transactions and credit facilities.
What you'll need	Proof of ID, proof of address, and your business registration details.

STEP 05: REGISTER FOR TAXES & VAT

Get your tax obligations sorted before you start trading.

Sole Traders	File a Self Assessment tax return each year. Deadline: 31 January (online).
Limited Companies	File annual accounts and pay Corporation Tax. You're automatically registered when you incorporate.
VAT Registration	Mandatory if your turnover exceeds £90,000/year. You can also register voluntarily to reclaim VAT on expenses.

STEP 06: BUILD YOUR BRAND & GO ONLINE

Time to show up — professionally and consistently.

Design your logo	Use Canva (free) or Looka for a professional look without a designer.
Build your website	Wix, Squarespace, or WordPress are all beginner-friendly and affordable.
Set up social media	Claim your business handles on LinkedIn, Instagram, and any platform your customers use. Consistency builds trust.

STEP 07: START TRADING & STAY COMPLIANT

You're ready — now build the habits that keep you legal and profitable.

Accept payments	Stripe and PayPal are the easiest ways to take payments online. Both integrate with most website builders.
Track your finances	Use FreeAgent, QuickBooks, or Xero to log income and expenses from day one. This makes tax time painless.
File on time	Late filing attracts automatic penalties. Set calendar reminders for your tax deadlines every year.

USEFUL RESOURCES & LINKS

Resource	What It's For	Where to Find It
Companies House	Register a limited company, check name availability	companieshouse.gov.uk
HMRC Self Assessment	Register as sole trader, file tax returns	gov.uk/self-assessment
SIC Code Lookup	Find your business activity code	siccodes.uk
Canva	Design logo, brand assets	canva.com
Wix / Squarespace	Build your website	wix.com / squarespace.com
Stripe / PayPal	Accept online payments	stripe.com / paypal.com
FreeAgent / Xero	Track finances & expenses	freeagent.com / xero.com
Monzo / Starling / Tide	Free business banking	monzo.com / starlingbank.com

PRO TIP

Register your business name as a trademark early if it is distinctive. Visit gov.uk/apply-for-trademark to protect your brand from copycats.

ACTION STEPS THIS WEEK

- Decide on your business structure (sole trader or limited company)
- Check your chosen business name on Companies House
- Register your business this week — it takes less than 30 minutes
- Open a business bank account and set up your bookkeeping tool

"From idea to legal setup — all online, all in your control. Your business starts the moment you decide to begin."