

## PERSONAL TRAINER ACCOUNTANCY CHECKLIST

This checklist refers to the accounting aspect of your personal training business only. Our partner, Everyday Accountants, have kindly created this checklist to inform you of the information you need to know and also some tips to make your life easier:

- Tax year
  - A tax year runs from 6 April to 5 April. You are taxed relevant to this period each year
- Set up a separate bank account specifically for your self-employed business. This can still be a personal account.
  - It is always good planning to set up a separate bank account which is solely used for your business right at the start of your business. This reduces the amount of time it takes to search for the business transactions when completing your tax return.
  - Having a mixed bank account is time consuming, as personal transactions aren't allowable for your business and you will have to analyse each entry on your bank statements to extract the business transactions.
  - There are some banks which you can sign up to by downloading a mobile phone app, such as *Starling Bank* and they have helpful features such as allowing you to categorise your spending.
- Register for taxes
  - See our blog on [Registering for Self-Assessment](#). The blog breaks down step by step the process you need to do in order to register for Self-Assessment yourself.
  - Once you start to trade and your income exceeds £1,000 within a given tax year, you **must** register for Self-Assessment.
  - You have until 5 October following the end of the tax year to register.
  - If you would prefer Everyday Accountants to register for you, follow the sign-up process on their website ([here](#)) and this registration is included within the cost of your tax return.
- Prepare and submit your Personal Tax Return
  - You are required to prepare and submit your Self-Assessment Tax Return by 31 January following the end of the tax year you registered for.
  - To file tax returns yourself, you will need to create and login to your HMRC portal account after you've received your UTR from HMRC. There is HMRC guidance available on how to file tax returns yourself on their website [here](#).
  - Alternatively you can engage with an accountant so they can take this task from you and save you the headache.
  - We partner with Everyday Accountants, so if you want them to complete your Tax Return for you, follow the sign-up process on the website [here](#).
- Stay on top of your bookkeeping so you split the task up throughout the year.
  - If you are doing your own bookkeeping, download the bookkeeping spreadsheet from our website [here](#) to help guide you in the right direction.
  - Ensure you record all business transactions choosing a category for each transaction.
  - Set aside an hour each week to summarise your business transactions on the spreadsheet
  - Include all income/expenditure/equipment purchases from both your business bank account and don't forget about cash transactions.
  - If you later decide you want Everyday Accountants to complete your tax return, you can send over your completed bookkeeping spreadsheet for a cheaper fee.

- Choose a place to store your records digitally, perhaps on a cloud Google drive or Microsoft OneDrive, whereby you can share your records with your professional advisors.
- Save some of your profits for the tax man. (2021-2022 tax year figures shown below)
  - You will pay 20% income tax after you've earned £12,571
  - You will pay 9% class 4 national insurance on your PT business on profits between £9,569 and £50,270 and 2% thereafter
  - You will pay £3.05 per week in class 2 national insurance on your PT business if your profits are £6,515 or more a year.
  - In addition to the above, once your tax liability exceeds £1,000 you are then required to make payments on account which are 50% of your tax liability, in both January and July, as an advance payment towards next year's tax.
  - As a rule of thumb, put away 30% of your income when you receive it and you should be covered if your profits are less than £23,500 for the tax year.
- When the tax year ends (5 April), finalise all your year-end information and hand over to Everyday Accountants to prepare your tax return or plan to file yourself from then.
  - The sooner you complete and provide your year-end information, the earlier you can know your tax liability to plan to make payments for.

There is no harm to file your tax return ahead of the filing deadline to stay on the right side of the tax man.