

**Editor's Note**

Hiring for a start-up is very different than for a larger business. Today, we explain the key qualities you need to look out for.



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### Are there any ways to ensure that tax time isn't a complete headache for me?

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**Are there any ways to ensure that tax time isn't a complete headache for me? It will be my first one as a sole trader and I haven't had any time to do any preparation as yet.**

Tax time does not have to be a headache for you or your accountant, but you do need some sort of organisation.

Gone are the days of the shopping bag and the shoe boxes.

Firstly, the accounting costs are far too great to use this system and, secondly, it is an insufficient method in this economy for you to track how your business is progressing. Sole trader, company or multinational, the principles are the same: You need to be reviewing your business regularly to determine your strengths and weakness, along with your growth and areas in which you can improve – not to mention the simple fact of whether you are turning a profit!

These are good habits to get into from the start.

In saying that, being organised will make tax time less painful.

A lot of sole traders don't feel that expensive software is warranted. I would have to disagree, as there are many software providers that cater to the sole trader and small business models, with specific products such as Business Basics and Xero.

If you are not ready to make the leap into software, at the very least you should put your income and receipts into an Excel spreadsheet. At the bone basic, you will need an Income column.

Description	Income	GST	Net
Work completed	\$1,100	\$100	\$1,000
Description	Purchases	GST	Net
Materials	\$550	\$50	\$500

If you are not a fan of computers and technology, you can buy a cash book from a newsagency.

I would suggest putting your income and purchases into your desired product at least weekly if not daily.

I know it sounds time consuming, but if you spend only 10 minutes a day doing this you will save painful hours at the end of the financial year. This is the reason most people have the headache, they don't spend the 10 minutes a day to do it and then have a huge mess at the end of the year and don't know where to start.

The next step is to file your receipts in a constantia folder with 12 pockets, one for each month. As you put them into your software, Excel or write them into your cashbook, file them one after the other under the relevant month.

If you follow this, come tax time, your headaches will be gone.

*Brad Callaghan, of [Callaghan Partners](#), has more than nine years' professional accountancy experience. He has worked in senior management roles within taxation and business services dealing with a number of clients from a range of business sectors.*

Ask Brad or any other StartupSmart Mentor a question [here](#).