



# THE FACTS

**Forming a UK Limited Company**



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## 1. Introduction

We have drafted this paper in response to the amount of misinformation regarding UK limited companies. This paper gives you the basic and honest facts about forming a UK limited company and all of the information below can be confirmed at [companieshouse.gov.uk](http://companieshouse.gov.uk). Within this paper we are not trying to sell you any products or services, we are simply trying to inform you of the facts in an unbiased manner.

## 2. Are the companies we form legal?

Yes, every company formed by Companies Made Simple comes with all the required documentation, registered with Companies House, 100% legal, totally complete. Our companies do not require any other documents. Certain competitors will employ scare tactics to try and claim your company is not legally compliant in order to sell you services that you do not require. Beware of these scams and feel free to contact us should you feel you are being targeted.

## 3. Companies House

Companies House is the United Kingdom Government Department through which all UK companies are registered.

## 4. What documents do you need to form a limited company?

As we do online company formations you will not be required to submit any document in paper form. We will simply ask you to complete our online form. To complete this form you will need the following details at hand:

### Registered Office Address

This address will be used for statutory mail from Companies House and HM Revenue & Customs. Your registered office is required to be in England & Wales, Scotland or Northern Ireland. Cannot be a PO Box.

### Director Details (Min 1, no max)

- First name
- Last name
- Date of Birth (Must be 16 years or older)
- Nationality
- Occupation
- Country of Residence
- Residential Address
- 3 Security Questions (these act as an online signature)
  - First three letters of Town of birth
  - Last three digits of Telephone number
  - First three letters of Eye colour

### Shareholder Details (Min 1 - can be the director, no max)



- First name
- Last name
- Residential Address
- Share Currency (GBP, EUR, USD)
- Number of Shares
- Value Per Share
- 3 Security Questions (these act as an online signature)
  - First three letters of Town of birth
  - Last three digits of Telephone number
  - First three letters of Eye colour

#### Secretary Details (Not Compulsory)

- First name
- Last name
- Address
- 3 Security Questions (these act as an online signature)
  - First three letters of Town of birth
  - Last three digits of Telephone number
  - First three letters of Eye colour

### 5. Director Requirements

- Every company must have at least 1 director.
- The director can also be the sole shareholder which means you can incorporate a single person company.
- All directors must be 16 years or older.
- Directors do not have to be UK residents (they can reside anywhere in the world)

Corporate (company) directors are permitted, but cannot stand alone in the position. You need at least 1 human director to be appointed regardless of how many corporate directors.

Companies House ref: <http://www.companieshouse.gov.uk/about/gbhtml/gp1.shtml#ch5>

### 6. Company Secretary Requirements

Company secretaries are no longer compulsory. Most companies are now incorporated without a secretary.

Companies House ref: <http://www.companieshouse.gov.uk/about/gbhtml/gp1.shtml#intro>

### 7. Registered Office Requirements

Every limited company must have a registered office in the UK (ie. England, Wales, Scotland or Northern Ireland). The registered office cannot be a PO Box and has to be a physical address whether it is your home address or a trading address. It must be an address at which official documents can be served. Your registered office address is available for anyone to view free of charge on the public record at Companies House. Hence most people avoid using their home address and instead opt to use their trading address or a 3<sup>rd</sup> party registered office service.



Companies House ref: <http://www.companieshouse.gov.uk/about/gbhtml/gp1.shtml#ch1> – Chapter 1, Section 10

## 8. Company Incorporation Filing Fee

Companies Made Simple include the Companies House filing fee in all of its package prices. When using other incorporation agents make sure you are not caught out with added filing fee charges once you want to submit your application.

## 9. Opening a Business Bank Account

Typically banks will require the following from the company to open an account:

1. Certificate of Incorporation
2. Confirmation of Shareholdings at Incorporation
3. Proof of ID for company officers (eg. Passport, recent utility bill)
  - If you open a Barclays account through us, we will send the required company documentation direct to Barclays. All you have to do is produce your proof of ID. Any account opened gets £35 cash back.

## 10. Filing your annual return each year

An annual return is a snapshot of general information about a company's directors, secretary (where one has been appointed), registered office address, shareholders and share capital. Full details below:

- Company Name
- Company Number
- Made Up Date (Usually the anniversary of the incorporation)
- Principal Business Activity
- Company Type (eg. Private or Public)
- Registered Office
- Director Details
- Secretary Details (where one has been appointed)
- Statement of Capital
- Shareholder Details

When must it be filed? Every company must file an Annual Return to Companies House at least once every 12 months. The window for filing the Return must be within 28 days after the anniversary of incorporation or of the made-up date of the last Annual Return. Eg. If the company was incorporated on 02/03/2010 then the annual return must be filed by 30/03/2011.

Companies House ref: <http://www.companieshouse.gov.uk/about/gbhtml/gp2.shtml#ch1>



## 11. Filing your accounts

1. Who is responsible for preparing accounts?

The directors of every company must prepare accounts for each financial year. These are called individual accounts.

2. What does a set of accounts include?

Generally, accounts must include:

- a profit and loss account (or income and expenditure account if the company is not trading for profit);
- a balance sheet signed by a director;
- notes to the accounts.

And accounts must generally be accompanied by

- a directors' report (with a business review if the company does not qualify as small);
- an auditors' report (unless the company is exempt from audit).

3. What period must the accounts cover?

- A company's first accounts cover the period starting on the date of incorporation, not the first day of trading. They end on the accounting reference date or up to 7 days either side of that date.

*Further information on accounts can be found at*

<http://www.companieshouse.gov.uk/about/qbhtml/qp2.shtml#ch3>

Should you require assistance in regards to accounts we suggest you contact your accountant.