

Darlington Business Venture - Starting a Limited Company

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Set up and register a limited company (private or public)

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You can find this guide on <http://www.businesslink.gov.uk> by navigating to:

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Set up and register a limited company (private or public)

Introduction

Before your business can begin operating as a limited company, it has to be registered with the Registrar of Companies - Companies House. **Incorporation** is the process by which a new or existing business is converted into a corporate body.

This guide looks at the requirements that different types of limited company must meet, and will help you understand the registration process. It focuses mainly on private companies limited by shares, but will also highlight some of the special requirements for public limited companies and private companies limited by guarantee.

You can handle the registration process yourself, but it is a good idea to seek **professional advice** before you do so to ensure that incorporation is right for you. A company formation agent, solicitor or accountant can carry out the process for you, for a fee, as well as offer advice.

Registration documents and forms

To set up as a limited company in the UK, you - or the agent acting for you - will need to send several documents and completed forms to Companies House, or, in Northern Ireland, to the Companies Registry for Northern Ireland:

- **A Memorandum of Association**, giving details of the company's name, location and what it will do.
- **Articles of Association**, describing how the company will be run, the rights of the shareholders and the powers of the company's directors.
- **Form 10 (Statement of the First Directors, Secretary and Registered Office)** giving details of the company's registered office and the names and addresses of its directors and company secretary. The equivalent form in Northern Ireland is Form 21.

Companies House
for the record

Please complete in typescript,
or in bold black capitals.
CHWP000
Notes on completion appear on final page

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First directors and secretary and intended situation of
registered office

Company Name in full

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- **Form 12 (Declaration of Compliance with the Requirements of the Companies Act)**, stating that the company meets all the legal requirements of incorporation. The equivalent form in Northern Ireland is Form 23.

Companies House
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Declaration on application for registration

Please complete in typescript,
or in bold black capitals.

CHWP000

Company Name in full

Businesses in England and Wales can [find downloadable forms relating to company registration and other matters on the Companies House website](#).

[Find downloadable forms for registration of businesses in Northern Ireland on the Department of Enterprise, Trade and Industry Online website](#).

The company's officers

The officers of the company are the people formally appointed to run it - the company directors and company secretary. By law, companies must have officers in place at all times, and their names and addresses must be on the company's registration documents. If officers resign or new ones are appointed, or if their personal details change, the Registrar of Companies must be informed straight away.

You can [find out about company officers and company directors on the Companies House website](#).

How many officers does a company need to have?

This depends on the type of company:

- **Private companies** must have at least one director and a company secretary. If there is only one director, this must be stated in the company's Articles of Association and this director cannot also be the company secretary.
- **Public limited companies (PLCs)** must have at least two directors and a company secretary. The company secretary of a PLC must be formally qualified.

Can one person form a company?

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It's possible for a single person to form a so-called "single-member" private company and to be the sole director of this company. However, the company will need to have a secretary, who cannot be the same person as the sole director.

Find out about the special rules that apply to single member companies at the Companies House website.

Get further advice and information about company registration in Northern Ireland on the Companies Registry section of the Department of Enterprise, Trade and Investment Online website.

Types of limited company

Most small businesses that opt for limited company status become **private limited companies** rather than **public limited companies (PLCs)**. The main differences between them are that:

- PLCs can raise money by selling shares on the stock market - private limited companies cannot
- PLCs must have share capital of at least £50,000
- PLCs must have two shareholders, two directors and a qualified company secretary

Find out about the special rules that apply to PLCs at the Companies House website.

A private company limited by shares can convert into a PLC, but it will need to re-register in order to do this. **Find out about re-registering as a PLC at the Companies House website.**

Limited by shares or by guarantee?

Private limited companies are owned by their shareholders and are **limited by shares**.

This means that shareholders who paid in full for their shares are not liable for the company's debts. Shareholders who part-paid for their shares are liable for the outstanding amount owing to the company for their shares.

It is also possible to set up a private company **limited by guarantee**. In this case, the people forming the company - its "members" - agree on liability limits when they set up the company. This structure is often used by **social enterprises** to limit the personal liability of their directors and trustees.

Naming your company

You cannot choose a name that is the same as that of a company that already exists, and you should avoid:

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- names that people may find offensive
- sensitive names
- names that are too similar to those already in existence

To find out more about the rules on naming companies see our guide on how to [choose the right name for your business](#).

Find further advice and guidance about company registration in Northern Ireland from the Companies Registry section of the Department of Enterprise, Trade and Investment Online website.

Where to register your company and get help

The registration process for a limited company can be handled directly with Companies House or you can use the services of a company formation agent, accountant or solicitor to do it for you.

Find help on company registration in Northern Ireland on the Companies Registry section of the Department of Enterprise, Trade and Investment Online website. The registration process in Northern Ireland is very similar to that elsewhere in the UK.

How much will registration cost?

Companies House charges a standard registration fee of £20. It also offers a premium same-day registration service for a fee of £50. Memorandum and Articles of Association have to be obtained from law stationers or company formation agents - costing around £15. The cost of having form 12 witnessed is around £10.

For an idea of fees, which range from around £25 to £500, and services offered by company formation agents, accountants and solicitors, who can handle the process for you, look under company formation in your local telephone directory, business directories or search the web.

Where can I get help?

Companies House can advise you on the basics of the registration process, but they cannot give you detailed advice on how to draw up the necessary documentation. You can handle the registration process yourself, but it is a good idea to seek **professional advice**. A company formation agent, solicitor or accountant can carry out the process for you, for a fee, as well as offer advice. Again, look in your local telephone directory or search the web.

Tax matters of a limited company

Limited companies have to pay corporation tax on their income and profits. They also need to

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operate a PAYE system to collect and pay income tax and National Insurance contributions from their employees - including company directors.

The company itself must work out how much corporation tax it needs to pay, using a self assessment system. To avoid paying penalties, it's important to understand how this system works and when your company needs to make returns.

What do I need to do about taxes when I set up a company?

When you register a new company, the Companies Registrar will pass on its details to HM Revenue & Customs (HMRC). But you must also contact your own local HMRC office to let them know that your company exists. If you do not do this, you may have to pay a penalty.

If you have any questions about tax for companies, you should contact the HMRC Employers helpline on Tel 08457 143 143. For new businesses contact the HMRC New Employers Helpline on Tel 0845 60 70 143.

[Use our interactive tool to find out which legal structure is right for your business.](#)

Checklist: setting up and registering a limited company (private or public)

As well as registering your business as a company, there are several other things that you need to do to put it on a proper legal footing. Make sure you:

- Display your company's name clearly on the outside of all its offices or other places of business.
- Display your company's name clearly on all its business stationery, including letters, invoices, receipts and cheques.
- Show your company's place of registration, registered number and registered office address on all its business letters and order forms.
- Send all the necessary registration documents and forms to the Registrar of Companies, completed and signed. See the page in this guide on **[registration documents and forms](#)**.
- Check you have received confirmation - certificate of incorporation - from the Registrar of Companies that your application for limited company status has been successful. The company comes into existence when the Registrar of Companies issues a certificate of incorporation.
- Contact HM Revenue & Customs.

It's worth remembering, though, that this only covers the basics. There are many other tax and reporting obligations that your company must meet from year to year. **[Use our interactive tool to get a beginner's guide to tax and accounts rules.](#)**

Set up and register a limited company (private or public)

Use our interactive tool to find out which legal structure is right for your business.

Get further advice about company registration in Northern Ireland from the Companies Registry section of the Department of Enterprise, Trade and Investment Online website.

Helplines

Companies House Contact Centre

0870 33 33 636

The Stationery Office General Enquiry Line

0870 600 5522

HM Revenue & Customs Employer Helpline

08457 143 143

HM Revenue & Customs New Employer Helpline

0845 60 70 143

Related guides on businesslink.gov.uk

[Use our interactive tool to find out which legal structure is right for your business](#) | [Manage your personal list of starting-up tasks with our Business start-up organiser](#) | [Legal structures: the basics](#) | [Company directors' responsibilities](#) | [Company secretaries' responsibilities](#) | [Choose the right name for your business](#) | [Use our interactive tool to get a beginner's guide to tax and accounts rules](#) | [PAYE: the basics](#) | [Corporation tax: the basics](#) |

Related web sites you might find useful

[Read the guide to company formation on the Companies House website](#)

[Find downloadable company registration forms on the Companies House website](#)

[Download the directors and secretaries guide \(GBA1\) from the Companies House](#)

Set up and register a limited company (private or public)

website (PDF)

Download the guide on company formation (GBF1) from the Companies House website (PDF)

Find out about the special rules that apply to single member companies at the Companies House website

Order a company incorporation starter pack at the Companies House website

Read frequently asked questions about registering a new company on the Companies House website

Find out about corporation tax on the HMRC website

Read the guidance on displaying the company name and other details on the Companies House website