

## MODULE 10

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# *How to set up as a limited company*



If you have significant assets or your business has grown you will want to set up/change your business to a limited company

Note: the information provided here is from current UK legislation as of February 2018  
Do ensure you check regularly for any changes/updates in legislation

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If you decide you would like to set up as a limited company you need to register your company with Companies House. You can do this in a few ways...

- Via smarta.com
- Use a company formations agent
- Do it yourself directly
- Pay an accountant to do it

# Setting up a Limited Company Yourself

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The cost is £40 and you can apply through the Companies House website. They will pass your information onto HMRC but ensure you contact HMRC as well (even if you're already registered you'll need to let them know of your new company).

When you register as a limited company you need to have at least one company director whose name and address is stated in the company's Articles of Association. This will most likely be you!

To register at Companies House you will need to fill out four forms:

- **A Memorandum of Association**, which explains the company's name, location and function
- **Articles of Association**, which describe how it will be run
- **Form 10, or the Statement of the First Directors, Secretary and Registered Office**, which say where the company's registered offices and gives details of directors and their addresses
- **Form 12, or the Declaration of Compliance** with the Requirements of the Companies Act, which shows the company meets all the legal requirements

# Tips

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If and when you decide to become a limited company we strongly advise you to employ an accountant that specialises in working with limited companies.

There are forms to fill out, company accounts to be filed and corporation tax to pay and an expert will help you navigate what needs to be done. You can find more information on the links below:

<https://www.gov.uk/prepare-file-annual-accounts-for-limited-company/overview>

<https://www.gov.uk/government/publications/rates-and-allowances-corporation-tax/rates-and-allowances-corporation-tax>