

Forming a limited company

Although you can set up a company using your own resources, it is normally advisable to use a specialist formation agent. You first need to decide on the following:

- ❑ Whether the company is to be a private or public company limited by shares, or a private company limited by guarantee
- ❑ The purpose of the company and its capital requirements
- ❑ Whether the proposed company name is available and acceptable
- ❑ Incorporation procedures

You will need to complete the following:

- ❑ List of first directors, secretary (if necessary), and registered office
- ❑ Memorandum of Association, including details of the subscriber(s)
- ❑ Articles of Association, including relevant rights and restrictions on shares of each class (if more than one), and conditions relating to directors

Send the completed forms to Companies House with payment for the necessary fee, and the Certificate of Incorporation should be issued. A private company may begin trading activities from the date of issue of this certificate.

If formation agents have been involved, they will normally provide copies of the relevant documents, together with suggested minutes for the directors' meeting, a form AD01 (change of accounting reference date) and forms SH01. They can also supply the Statutory Book - a combined register, and minute book (in loose leaf or bound form), and some blank share certificates, if requested, however electronic records are also permitted.

Post incorporation matters

First meeting of directors

When you receive the Certificate of Incorporation, you should convene the first meeting of the directors to deal with the following matters:

- ❑ Appointing (if appropriate) a chairperson, managing director, and any other directors, and approving any employment contracts
- ❑ Appointing auditors (if appropriate)
- ❑ Approving for registration (subject to stamping) stock transfer forms transferring the subscribers' shares to the intended members of the company and, if appropriate, allotting further shares and issuing share certificates
- ❑ Approving banking arrangements, including agreeing authorised signatories in respect of the company's bank account and passing the resolutions required by the bank
- ❑ Approving any business contracts
- ❑ Disclosing any director's interests in contracts made with the company
- ❑ Disclosing in writing any director's interests in shares or debentures of the company and associated companies
- ❑ Altering the registered office of the company
- ❑ Adopting an accounting reference date
- ❑ Convening a general meeting (if required)

First general meeting

A first general meeting of the company will be required to approve:

- ❑ Any substantial property transaction between the company and any of its directors
- ❑ Any directors' service contracts for terms exceeding five years

Returns

After the first board and general meetings, you should make the following returns to the Registrar of Companies:

- ❑ Form SH01 (return of allotments of shares)
- ❑ Form AP01 (appointment of a director) and potentially Form AP03 (appoint a secretary) signed by any new appointees
- ❑ If necessary, Form AA01 (change of accounting reference date). Failure to notify a change will result in the company's accounting reference date the anniversary of the end of the month of incorporation
- ❑ Form AD01 (change of registered office)

In certain circumstances, the following returns may also have to be made:

- ❑ A copy of any new or altered Memorandum or Articles, and special resolutions passed
- ❑ Form AD02 (Notification of single alternative inspection location (SAIL)), if the company's records are not to be held at the registered office

Other matters

- ❑ Any stock transfer forms in respect of the subscribers' shares should be produced for stamping
- ❑ Minutes of the first board and general meetings should be prepared
- ❑ The company should issue share certificates. (If the shares are fully paid up, distinguishing numbers may be dispensed with)
- ❑ The company's statutory books should be written up, physically or electronically
- ❑ Shareholders should pay their share capital into the company's bank account
- ❑ Consider proposing elective resolutions to dispense with the need for annual general meetings and the laying of accounts and reports before a general meeting
- ❑ Consider using written resolutions in place of general meetings

This document has been prepared for information purposes and does not constitute advice. All information deemed correct as at 20 June 2025.